

PRESS RELEASE BY GHANA REAL ESTATE DEVELOPERS ASSOCIATION (GREDA) ON PROPOSALS SUBMITTED TO GOVERNMENT FOR THE CONSTRUCTION OF 300,000 HOUSING UNITS OVER 10 YEARS

The Ghana Real Estate Developers Association (GREDA) has been in the news lately for various reasons. We wish to state that our position on the ◆\$10 billion STX Housing Project□ has been variously misunderstood and misrepresented to suit various interests groups.

We also wish to place on record that GREDA is a professional association of private real estate developers and is not aligned to any political party. Shelter is one of the basic necessities of life and GREDA will constantly strive to provide affordable housing for Ghanaians irrespective of their political affiliation.

In recent times The Government of Ghana (GOG) has expressed interest and demonstrated it□s intent to provide □affordable housing□ for Ghanaians through a Private Public partnership PPP arrangement with the private sector, by providing Sovereign Guarantees and other forms of support to enable the Private Sector raise substantial funding for "affordable housing" .

GREDA believes that the Private Public Partnership (PPP) Model will provide the best chance for Ghana to address its housing deficit of some 1million housing units, in a sustainable way. The PPP Model will also address ways of providing funding for large projects of this nature on a sustainable basis within the framework of the national economic development plans and utilizing the local and international capital markets.

We wish to place on record that we wish to highly commend Government for this bold policy initiative as it represents a major policy intervention in addressing the housing deficit.

The Hon. Minister of Water Resources, Works and Housing in his press conference of Tuesday 27th July 2010, also stated that the same terms and conditions being offered to foreign companies to build affordable housing is also available to Ghanaian companies. While we welcome his public commitment to offering the same terms and conditions to local developers, we also find some of the Hon. Minister□s comments with regards to GREDA as very unfortunate and not necessarily a complete reflection of the discussions that have taken place in the past between GREDA and the Ministry.

GREDA members together have over 100 years experience in developing planned communities in Ghana and would therefore endeavour to work with any government in furthering the universal goal of providing shelter for all, by leveraging their vast experience in planning, building, managing and developing communities with the support of the GOG.

On Friday 30th July 2010, GREDA formally presented it□s proposals to Government for developing affordable housing over the next 10 years

The highlights of our proposal to the Government of Ghana are as follows:

1. GREDA seeks to develop a Mass Affordable Housing Scheme of over 300,000 housing units to be built in phases over a 10-year period. These housing units will be developed in all regions of the country. These master planned communities will be built with modern infrastructure, schools, shopping facilities, recreational areas, parks, places of worship, markets, industrial parks at a cost of over \$USD7 billion over a 10 year period.
2. GREDA's concept is to create new self-sustaining communities, in an attempt to decongest, revitalize existing urban areas, and create new towns and settlements as growth poles for economic development in Ghana in the 21st Century. This we hope to achieve in close partnership with other professional associations such as the Association of Ghana Industries, Architects, Engineers, Planners, Quantity Surveyors, and other local professional and industry groups.
3. GOG shall be required to commit to off-take 40% (120,000) of these units over a 10-year period. Under Phase 1, GOG shall be required to off-take at least 30,000 units to be built over a 2 year period under a special accelerated programme at a cost of about \$730 million.
4. The remaining 60% (180,000 units) shall be sold over the 10-year period to individuals and corporate bodies under mortgage schemes through local banks and finance houses or through cash payments. Other purchase arrangements can be made through industry associations and co-operative groups and societies i.e teachers, farmers, nurses, civil servants etc.
5. Government of Ghana shall be required to provide a Sovereign Guarantee, Off-taker agreement and the same exemptions currently being offered foreign companies for the construction of affordable housing, so that GREDA can raise funding for the project and compete on a level playing field.
6. GREDA intends to raise funding for the project from the local and international capital markets.
7. GREDA has signed an MOU with local investment banks to raise over \$500million through the issuing of GREDA Housing Bonds for the first phase of the project covering 30,000 units.
8. The houses will range in price from \$12,000 for 1 bedroom unit to \$49,000 for a 4 bedroom house.
9. The GREDA proposal shall create over 240,000 direct jobs and 1,200,000 indirect jobs in the economy engaging up to over 4,000 sub-contractors in various regions across the country over the 10- year period.
10. Through this initiative, GREDA intends to facilitate the setting up of a multi-million dollar local pozzolana cement manufacturing plant with other partners, to enhance the use of local materials for the project. This will create additional jobs for the local economy.

We believe that given the opportunity, Ghanaian companies can also deliver affordable housing for our people, and we wish to look forward to signing an MOU with Government in the coming days to enable us commence detailed work on our proposals.

Signed

Dr Alexander Tweneboah,

(0540875599)

For and on behalf of the GREDA Executive Council

Accra, Monday 2nd August 2010