

TERMS OF REFERENCE – HOUSING SECTOR TECHNICAL ADVISER

**SUPPORTING THE IMPLEMENTATION OF INFRACREDIT
AFFORDABLE HOUSING FUNDING PROGRAMME**

POSITION	Housing Sector Technical Adviser
DIRECT REPORT TO:	Head, Origination & Structuring / CEO
ENGAGEMENT PERIOD	12 months (Renewable)
MARKET CONTEXT	<p>Nigeria currently has an estimated population of 220 million and the United Nations estimates that by 2050, Nigeria would have reached a 400 million populace and added 189 million urban dwellers which translate into an annual housing requirement over the coming decades of at least 900,000 units to keep up with growing housing demand and urban migration. Based on current forecast construction, Nigeria’s overall accumulated housing deficit is about 22 million units, as of 2019. The estimated annual cost to bridge the housing gap is about NGN6 trillion. Appropriately structured financing mechanisms are therefore required to make home financing more affordable and accessible to homebuyers, at a greater scale, providing access to housing but also solving the challenge of offtake for property developers.</p> <p>Despite the housing deficit which creates a significant opportunity for developer financing in Nigeria, the market is constrained by offtake risk inherent in housing infrastructure projects occasioned by an absence of an effective mortgage solution that provides</p>

prospective homebuyers access to affordable home loan products. This situation has continued to weaken developers' ability to access sustainable funding and scale their construction activities.

As part of its market development initiatives, InfraCredit developed its Affordable Housing Funding Programme (the "Programme") working alongside private sector intermediaries, market stakeholders, and development partners. The Programme seeks to address the funding constraints faced by developers resulting from the lack of an institutional mechanism to provide homebuyers with access to affordable funding required to make both home financing and the final sale predictable and scalable. The Programme is being implemented in collaboration with other stakeholders including KFW Development Bank (KFW) and Private Infrastructure Development Group (PIDG) via technical assistance grant support.

InfraCredit is currently implementing the supply-side component of the Programme by prequalifying eligible developers that will benefit from its guarantees to access local currency funding from the debt capital markets to finance the construction of eligible housing projects. Under the Programme, InfraCredit is developing an initial pipeline of affordable housing developers that will benefit from technical assistance support and transaction structuring towards a local currency bond issuance and incorporating E&S best practices and where applicable, EDGE Certification. So far, InfraCredit has built an initial pipeline of housing infrastructure projects sized at NGN41 billion from five (4) housing developers, requiring InfraCredit's guarantee support for their respective construction bond issuances.

Under the Programme, InfraCredit secured a KFW technical assistance grant to fund a market study which was conducted by PwC in collaboration with other market stakeholders, which recommended a demand and supply-side intervention and proposed the concept of a real estate investment trust (REIT)-type

model to address the housing demand gap, in consultation with development partners and market stakeholders and institutional investors in Nigeria. This resulted in the establishment of the Housing Solution Fund (“HSF” or the “Fund”) by private sector entities (FundCo Capital Managers Limited supported by a financial adviser, Renaissance Securities Nigeria Limited (Ren Cap)) in collaboration with development partners such as Shelter Afrique.

One other key constraint that the Programme seeks to address is the fragmentation of housing demand and supply-side activities by ensuring that the demand and supply-side intervention happen concurrently and in a complementary manner. On the supply side, eligible developers will access sustainable construction funding from the debt capital markets on the back of InfraCredit’s guarantees thereby creating a strong pipeline of completed housing projects for the Fund. On the demand side, the Fund will identify, evaluate and prequalify prospective homebuyers to benefit from its affordable home loans in partnership with participating lending institutions towards the purchase of their homes. This, therefore, creates an integrated and coordinated structure for addressing the housing market problem.

PROBLEM STATEMENT

In accessing the developers and their respective projects, alongside financial, legal, environmental and social (E&S) due diligence, the results of robust technical and commercial due diligence (TCDD) are required for obtaining relevant credit approvals.

The TCDD is facilitated by the prequalification and engagement of an external consultant (corporate) comprising a team of housing projects professionals whose expertise and technical know-how shall in detail, investigate, identify, assess, audit, validate and provide recommendations on the viability of the project and adherence to property development standards or benchmarks. The interactions of the consulting team span various construction stages and personnel including but not limited to environmental, geotechnical, land and topographical survey, civil and structural

engineering, mechanical and electrical engineering, architectural, urban design, quantity surveyors, building contractors, real estate agents, property and facility management and project management.

The independent assessment and recommendations completed by the due diligence consultant are reported to InfraCredit for review and alignment with its housing programme criteria. To ensure seamless collaboration and implementation of the TCDD, InfraCredit requires the services of an in-house Technical Adviser to manage the interactions between the Client (developer) and the Consultant. The adviser is to work closely with the transaction team (Transactor, Transaction-legal and Transaction E&S) and drive the technical elements of the housing deals from the point of origination through Consultant engagements and TCDD desktop and site reviews, to monitoring of projects after financial close.

SCOPE OF WORK

The Adviser will be required to carry out the following activities:

1. Internal project evaluation including but not limited to:
 - Assessing the expertise and technical capacity of the Client's technical team
 - Evaluation of the project cost and associated documentation e.g., Bill of quantities (BOQ), program of works (POW)
 - Valuation of land, housing stock (as-is value and estimated value at completion)
 - Validating client-projected completion timelines
 - Determining the suitability of construction methodology and advising optimal approach
 - Validation of zoning and land-use applicable to subject projects
 - Review and validate project economics, highlighting the risks & recovery plans and develop a summary report.

2. Design working tools including but not limited to:
 - Project viability tool especially for assessing the adequacy of project land for stipulated housing stick and heights, land bank for
 - Location accessibility assessment tool
 - Affordability determination tool
3. Develop and standardize the reporting template for TCDD for new and existing consultants.
4. Engage with and review reports of independent technical supporters (Valuers, Surveyors etc.) including but not limited to:
 - Value Engineering Report
 - Designers Risks Assessment
 - Quality management System (QMS)
 - Concept Report
 - Fire Strategy report/ Drawings
 - Project management Plan
5. Advise on the standardization of an automated developers' profiling system
6. Any other responsibilities as may be assigned from time to time during the engagement period
7. Review new and existing TCDD reports from consultants on housing transactions and where applicable, identify areas for further assessment

**EXPECTED
OUTCOMES/
OUTPUTS**

The workstream is expected to deliver the outcomes outlined below:

1. The precision of results of project evaluation
2. Efficient technical decisions are inferred from the precise project evaluation.
3. Efficient prequalification of developers with minimized moving technical parts
4. Standardized templates feed into the overall transaction turnaround time (TAT).

	<p>5. Report that recommends efficient approaches to achieve an industry-wide standardization of the property development processes that will help accelerate housing offtake</p>
<p>EXPECTED OUTCOMES/ OUTPUTS</p>	<p>Candidates for the role should possess the following qualifications:</p> <ul style="list-style-type: none"> • Bachelor’s degree in Quantity Surveying, Architecture, Building Technology, Technical Project Management, Civil Engineering, Construction Engineering, Real Estate Development and Management or a closely related field. • Up to five years of construction management, sub-contractor management, technical project management • Licensing e.g., Project Management Professional (PMP) Certification • Good grasp of the issues and constraints faced by the housing market participants in Nigeria. • High understanding of EDGE standards for housing or similar green building standards • Proven analytical skills and systematic problem solving, as well as excellent communication and writing skills. • Ability to effectively manage competing deadlines for projects in a high-pressure work environment, with varying degrees of supervision. • Strong project management skills and demonstrated commitment to professional and client service excellence. • Acute attention to detail and a dedication to providing high-quality work products. • Proficiency in the use of all Microsoft Office applications, particularly MS. Excel and MS. Project
<p>COMPENSATION</p>	<p>Negotiable</p>



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