

Housing Papua New Guineans

By GYNNIE KERO

FOR the past 10 years, housing has become a major problem in Port Moresby because of a population boom. This led to a steep hike in rental rates and property prices as supply was unable to meet demand.

One of the contributing factors to the increase in population is due largely to several mega projects in the country. In a bid to meet some of the demand is a company called International Housing Concept (IHC) and it has designed a housing project for the people of PNG.

What ignited this project was a memorandum of understanding (MoU) that was signed between the National Housing Corporation (NHC) and Westmark Ltd for the construction of 36,000 houses in 2007. This MoU was approved by the cabinet and had the full support of the government.

IHC chairman Sig Nordal said under the project, houses would be affordable to everyone – from local farmers in remote areas to public servants in the urban areas.

"We believe the people can afford to buy houses we are offering. Our houses will be equipped with telecommunication equipment thus making them more than a place to sleep. We want to make it a place where the family can interact and people have a place to work at home instead of travelling to their office or internet café which can be dangerous.

"I have been associated with PNG in one way or another for the past 20 years and I have had the pleasure of interacting with

hundreds of people throughout the country. I am also aware and very conscious of the severe housing problems in PNG. Equally, I am aware of the various foreign companies that have 'pretended' that they can build houses but failed to do so. Many people's dreams and ambitions to own a house have been severely dented," Nordal said. "The purpose of this project is to provide houses for the working-class people of PNG."

20-YEAR REPAYMENT PLAN

There is a K3,000 fee for drawings and processing of the application and this amount eventually becomes a part of the purchasing price of the house. The prices range from K129,000 for a two-bedroom unit and above with a 20-year repayment schedule. Applicants can choose to pay or refinance or pay off a house any time without incurring penalties. Under the housing scheme people can own a house for a fortnightly payment of K800.

Nordal dismissed claims that the housing project was not genuine.

"In addition to the execution of the contract, IHC received a purchase order for the full 36,000 houses when the then housing minister Andrew Kumbakor flew to Canada in 2007 to complete the MoU. Consequently, Westmark Ltd started building show homes at the National Housing compound at Tokarara in Port Moresby. Westmark currently has 10 houses at the wharf in Port Moresby. Our



■ Former housing minister Andrew Kumbakor (right) with IHC chairman Sig Nordal in Canada in 2007.

contract is with the National Housing Estate Ltd, which is a wholly-owned subsidiary of the NHC," Nordal said.

"Prior to the completion of the contract, IHC's lawyer Benias Peri, devoted much of his time and expertise and even flew to Canada to help formulate and structure this project in the best way possible for PNG.

"I have spent a substantial amount of time in Papua New Guinea and we have assembled the first two houses that we imported from Europe. The government allocated land for the show homes and provided a security guard to monitor the houses as there are many visitors who come to inspect the houses as they are unique in Papua New Guinea and built to high quality standards.

"These houses are over and above the 36,000 houses that we currently have under purchase order. Many people have tried to build houses in Papua New Guinea and most of them have failed. We took a different approach in executing this contract and worked closely with the government at all levels and managed to negotiate a tax concession to help keep the cost of the houses as low as possible.

HOUSING CONTRACT

"Furthermore, we worked closely with the minister, his first secretary and other government officials in order to create a platform whereby the payment for the houses is seamless, efficient and transparent. Westmark Ltd still has the purchase order from the NHC and logistics need to be completed so the contract can be completed. We are the only party in Papua New Guinea who have executed a housing contract.

"Our contract is not only valid but has been tested as we have imported houses under the tax concession approved by the cabinet and payment for the houses has been made by the finance ministry. However, this project was delayed due to the elections in 2012," he explained.

He added that IHC used timber such as western red cedar, which grows in the west coast of British Columbia, Canada, as it had natural resistance to termites.

"However, cedar is very expensive and we are using Canadian or US steel as frame material as it is superior in quality to Chinese steel," he said.

By definition, a housing structure is built to a "lock-up" stage meaning the structure has the windows and doors installed with other components such as kitchens, bathrooms, flooring, exterior siding and roof material are assembled at the job site. Due to the tough terrain and logistic difficulties, constructing and building in this fashion is an advantage as sections of the buildings are moved independently.

"Some people attack the project but they do not know the background. When you see the houses we have built, you will see this project is genuine. Shortly after this project started, we were hit by a worldwide recession. Although it was tough, I decided to keep going and I am especially grateful to Ben Peri who has been with me through thick and thin.

"I thank the many other people in Canada, Iceland and PNG who have helped make this happen. We have put our heart and soul into this project and there will be no change in our mission to provide houses to the people of Papua New Guinea," Nordal said.



■ An artist's impression of the houses.