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PAPUA NEW GUINEA

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TRUNK INFRASTRUCTURE  
MUST BE ESTABLISHED BEFORE  
HOUSES ARE CONSTRUCTED:  
LESSONS FROM THE DURAN FARM  
HOUSING PROJECT IN PORT MORESBY

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Volume 10, Issue 7

[www.pngnri.org](http://www.pngnri.org)

## Key Points

- In order for orderly development to happen, trunk infrastructure must be established in an area before houses are constructed.
- The Duran Farm Housing Project (DFHP) is an example of one of the government's housing initiatives that has not followed the procedures for orderly development.
- The houses that have been completed in Duran Farm are not yet occupied because they lack trunk infrastructure.
- The delay in the sale of houses at DFHP is costly to the State, the building contractors, and the whole of society.
- For the DFHP to progress, trunk infrastructure must be provided and the government must play a facilitating role while the private sector focuses on building houses.
- A quality check and a review of the sales prices of the houses at Duran Farm are required so that more people can afford to buy the houses.

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June 2017



## TRUNK INFRASTRUCTURE MUST BE ESTABLISHED BEFORE HOUSES ARE CONSTRUCTED: LESSONS FROM THE DURAN FARM HOUSING PROJECT IN PORT MORESBY

By Logea Nao and Eugene Ezebilo

This paper uses lessons drawn from the Duran Farm Housing Project (DFHP) in Port Moresby to show that trunk infrastructure such as portable pipe-borne water supply, good road networks, sewerage and electricity must be provided before houses are constructed. In order to increase the supply of houses to meet the demand in Port Moresby, the State has taken several housing development initiatives; one such initiative is the DFHP. However, for the DFHP to be successful there is a need to provide trunk infrastructure which the housing project currently lacks. While some houses have been completed they have not yet been occupied because they do not have the necessary trunk infrastructure. The delay in providing the essential trunk infrastructure will inevitably delay the financial benefits that would have accrued to the State from the project, which translates to a loss to the State. The private contractors that were engaged to build the houses are also losing money because their money is tied to the completed houses that have not yet been sold, which might discourage them from building more houses. Also this represents a loss to the society because the scarce resources that could have been used to meet other societal needs are tied to the DFHP. The delay in providing the trunk infrastructure is very costly to Papua New Guinea (PNG) especially at this time, when the country is struggling to keep the economy afloat. In order to promote orderly development, effectiveness and efficiency in housing projects in the country, the relevant government agencies must ensure that trunk infrastructure is introduced in the project areas before houses are built. As for the DFHP, it is not too late for the necessary trunk infrastructure to be provided by the relevant government agencies because without it the completed houses cannot be sold to potential buyers. In addition, quality checks should be done and the sales prices of the houses should be reviewed so that it will be affordable for the majority of Port Moresby residents.

### Lack of trunk infrastructure constrains affordable housing

The provision of affordable housing has been a major challenge for the government of PNG, especially in the major cities such as Port Moresby and Lae (Ezebilo, 2016). In addressing this issue, past and present governments have taken several initiatives into supplying more houses to the housing market with the intention of pushing down the prices of houses and making housing more affordable for many city residents. Furthermore, some work on policy aimed at increasing the supply of affordable housing through the establishment of various committees and taskforce have been conducted. These include the Morgan Committee of 1978, the National Housing Taskforce in 2007, and the Independent Consumer and Competition Commission Report of 2010 (Webster et al., 2016). Despite these efforts, constraints to increasing housing supply and access to affordable housing still remain unresolved. One such constraint is the lack of trunk infrastructure in areas that have been earmarked for housing projects. The government has an exclusive role of providing trunk infrastructure in areas where it is lacking and providing maintenance work on the existing infrastructure. Trunk infrastructure must be constructed in the housing project areas before houses are built. This will avoid delay in occupancy of the completed houses by potential tenants and also avoid public health problems. However, in some government-led housing projects, houses have been built without proper trunk infrastructure and therefore do not support occupation of the houses.

### Lessons learnt from the Duran Farm Housing Project

The Duran Farm Housing Project is situated near the newly built Gerehu–9 Mile road in Port Moresby. The National Housing Corporation (NHC) oversees the project, with the State providing land and trunk infrastructure while some private housing contractors have been contracted to build the houses. Upon completion, the houses will be sold to the general public, in particular public servants. A visit to the DFHP by the Property Sector Development Program (PSDP) researchers from the PNG National Research Insti-

tute in mid-October 2016 and in February 2017, respectively revealed the following:

- **Lack of trunk infrastructure.** The government agencies responsible for the housing project have not provided trunk infrastructure such as portable pipe-borne water, proper road networks, electricity and sewerage in the project area. The lack of the infrastructure is hindering the smooth progress of the housing project. A source on site attributed the lack of trunk infrastructure to delays with approvals for service providers. The Duran Farm story reinforces the finding by Webster et al. (2016) that the absence of sufficient infrastructure is a key constraint to the supply of affordable housing in Papua New Guinea.
- **Several houses have been completed but not yet occupied by people.** The private housing contractors contracted to build houses have already made progress by completing some houses while some are still under construction. However, at the time of the visit, none of the houses that have been completed have been sold yet mainly because of the lack of trunk infrastructure. This frustrates the process of providing housing to Port Moresby residents and is not helping with the current housing shortage in the market.
- **Many public servants might not be able to buy houses at DFHP.** Depending on the number of rooms, the prices of the houses including the land title range from 350,000 to 450,000 Kina. The minimum price of houses in Duran Farm is 350,000 Kina compared to a minimum house price of 300,000 Kina in a private housing development project such as EDAI Town. Most Papua New Guineans who are either in the low or middle income bracket would find it difficult, if not impossible, to meet even the minimum cost of a house in Duran Farm.
- **The current situation at DFHP is costly to the State, the building contractors and the whole of society.** The delays in the provision of trunk infrastructure and the subsequent delays in the overall project are becoming costly for the State, the housing contractors and the society. As the completed houses have not yet been occupied the contractors that built the houses are currently losing money because their money is tied to those houses. Government agencies such as PNG Power and Eda Ranu are also missing out on the money they would have generated from the services they would have provided to the potential Duran Farm residents. Further, the scarce resources that could have been used to meet other equally important needs of the society are tied to the DFHP,

creating a loss to the society.

### Moving the Duran Farm housing project forward

The concerns that have been raised need urgent attention by government agencies developing the Duran Farm Housing Project. The following courses of action are recommended:

- Provide trunk infrastructure.** The relevant government agencies should provide trunk infrastructure to DFHP as soon as possible so that houses are supplied to the housing market. Consultations and the paperwork required for such with the relevant State agencies including service providers such as Eda Ranu for water and sewerage, and PNG Power for electricity need urgent action. This is so that home buyers can occupy the houses quickly with ease and enable the housing contractors to recover some costs as well as ensure that the remainder of the project progresses smoothly in a timely manner.
- Review sales prices of the houses to enable affordability by the majority of low to medium income group.** The review should reflect government policy regarding promoting affordable housing in PNG. Most of the working population in PNG often are either in the low- or medium-income group. The review capturing this reality will make houses in DFHP affordable for many people.
- Carry out quality checks on all completed houses before sale.** This is important to ensure compliance and that building standards and other housing-related standards are upheld. Most of the housing materials for DFHP are sourced from abroad with only little obtained locally. The quality of these materials on the completed houses must be of the highest standard. Quality checks can be provided by the State through its relevant agencies such as the National Housing Corporation.
- Government should focus on playing the role of facilitator whereas private sector focuses on the role of building houses. Given the long delays and bureaucratic debacles concerning provision of housing by the government, it would be more effective and efficient to allow the private sector to develop the housing market by building houses for sale and rental whereas the State plays a facilitating role. The facilitating role includes providing policy environment that allows the private sector to invest in housing development to supply more houses to the market. In more practical terms, the role of the State could include providing trunk infrastructure, monitoring the standard of houses built by the private developers and monitoring the prices of houses in order to protect home buyers and those renting houses as advocated

by the ICCC (2010).

### Conclusions

The DFHP is one of the initiatives of the PNG Government to provide affordable housing for Port Moresby residents. However, bureaucracy delays and inefficiencies have slowed down the progress of the project. This has become very costly and frustrating on the part of the private housing contractors that have been contracted to build the houses at Duran Farm, the State and the society. In order for the DFHP to move forward to achieve the aim of the government's housing initiative, as a matter of urgency, attention should be given to providing trunk infrastructure, reviewing sales prices of the houses, and providing quality checks on the houses that have been completed. The NHC should play a facilitating role and allow private sector to focus on building the houses. It is hoped that this paper will contribute to the debate regarding the need for orderly development of housing in major cities of Papua New Guinea.

### References

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