

Review on the State, Evolutionary Trends and Challenges of National Housing Policy in Nigeria

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Abstract

This paper aimed to review the state, evolutionary trends and challenges of national housing policy in Nigeria. Housing policy is considered as a tool for national development. The paper constitutes three segments, where the first segment expressed state of housing policy in Nigeria which encompasses addressing fundamental issues like land ownership, housing finance, housing construction and delivery. Evolutionary trends of housing policy and developmental stages in all regime of government were presented in the second segment. In addition, the third segment assessed and identified the problems that are associated with the implementation of housing policies in Nigeria which might include but not limited to poor administration, inadequate funding, insufficient infrastructural amenities, as well as inadequate housing finance. It is therefore suggested that there is need for periodic review of the housing policies, efficient financing and effective implementation of housing policies should be adopted by the government at all levels. Also the use of local materials should be encouraged as well as the provision of low cost houses in urban and rural places should be employed for national development.

Keywords: Urbanization, Policy, Housing, Maintenance, Overcrowding, Homelessness

INTRODUCTION

The rapid population increase and rural to urban migration have contributed to the shortfall of housing in Nigerian urban and rural areas. The unresolved tenure arrangements cost of building materials, access to infrastructure, and deficiency of housing finance arrangements, stringent loan conditions from mortgage banks, time to process legal documents and inadequate implementation of housing policies by government are also major issues affecting housing delivery in Nigeria. In Nigeria, however, access to affordable housing has largely, remained an unfulfilled dream to the vast majority, most especially, the middle and the lower classes of the society. The issue of housing deficit has been growing from bad to worse and successive governments from the time of Nigeria's independence 59 years ago have been grappling with this problem. But it seems that they have just been scratching it at the surface, especially as the country's population has been growing exponentially, making government's efforts in this regard seem ineffectual. Consequently, the right to adequate housing that is safe, secure, healthy, available and inexpensive is enshrined in the Habitat Agenda with the goal of providing adequate shelter for all (UN Habitat, 2001). According to Pison Housing Company (2010), there are about 10.7 million houses in Nigeria,

irrespective of the policies, organizations and regulations which the Nigerian government has put in place since independence in 1960; there is still a shortage of housing, especially for the low and middle income segment of the society.

However, housing is a crucial basic need of every human being just as food and clothing (Aribigbola, 2006:53). It is very fundamental to the welfare, survival and health of man (Fadamiro et al, 2004). Hence, housing is one of the best indicators of a person's standard of living and his place in the society. The location and by government is central to the existence of man. He submitted further that housing involves access to land, shelter and the necessary amenities to make the shelter functional, convenient, aesthetically pleasing, safe and hygienic. Hence, unsanitary, unhygienic, unsafe and inadequate housing can affect the security, physical health and privacy of man. Invariably, the performance of the housing sector is one of the yardsticks by which the health of a nation is measured (Amdii, 1993; Angel, 2000; Blunt and Dawling, 2006; Charles, 2003; and Sulyman, 2000).

The World Health Organization (1961) stated that a good house should have the following items:

- A good roof to keep out the rain
- Good walls and doors to protect against bad weather and to keep out animals.
- Sunshades all around the house to protect it from direct sunlight in hot weather.
- Wire nettings at windows and doors to keep out insects like house flies and mosquitoes.

In essence, housing quality can be judged from the physical appearance of the buildings, facilities provided, quality of wall used in the building construction, eminence of the roofing materials, condition of other structural components of the house, and the environmental condition of the house. Hence, the inadequacy of housing in terms of quality and quantity results in poor standard of the environment.

In order to achieve sustainable housing delivery in Nigeria, numerous housing strategies, programs and policies have emerged from colonial era to date. However, the United Nations declaration of 'Housing for all by the year 2000' geared up the formulation of the renowned Nigerian Housing Policy. In essence, the declaration suggested that housing problem could be solved within the given time frame. Thus, in 1991, the National Housing Policy was promulgated in order to propose possible solutions to housing problems in Nigeria. At the inception, the basic goal of the policy was to provide affordable housing to accommodate Nigerian households in livable environment. Disgusting however, twenty four years after the promulgation of the policy, and fourteen years after 2000, many Nigerians are still homeless while several others are living in indecent houses up to this time. On this note, this paper is to examines the state of national housing policy problems in Nigeria, with the view to proper reliable solutions to the housing delivery in Nigeria.

Aim and Objectives of the Study

The aim of this paper is to examine the state of national housing policy in Nigeria.

Meanwhile the objectives of the study are:

- I. To evaluate the state of Housing Policy in Nigeria
- II. To assess the evolutionary trends and development of Nigerian Housing Policies and Programs
- III. To assess the challenges affecting housing policy, delivery and management in Nigeria.

METHODOLOGY

Study Area

Nigeria is the most populous country in Africa with an estimated population of over 198 million in 2018, which is estimated to grow to 210 million by 2021 based on a growth rate of 3.2% (NPC 2018). Nigeria lies between latitudes 4°16' and 13°N53', and longitudes 2° and 15°E. The main rivers are the Niger and the Benue, which converge at Lokoja and empty into the Niger Delta. The climate of Nigeria is tropical, with wet and dry seasons associated with the movement of the Inter tropical Convergence Zone, north and south of the Equator. Nigeria is a federation of 36 states and a Federal Capital Territory, Abuja as the national capital. There are 774 Local Government Areas (LGAs) distributed across 6 geopolitical zones.

Nigeria has a land area of about 930,000 square kilometers and shares boundary with Republic of Benin in the West, Chad and Cameroun in the East and Niger Republic in the North, and a population of about 150 million (Abdullahi, 2010). With more than 50% living in urban centers (UN Habitat, 2008) with major ethnic tribes of Hausa, Igbo and Yoruba. The World Bank (2010) classified Nigeria as a low-middle income country. A 7th position opec member country (Opec, 2009) and accounts for a quarter of Africa's oil production (Ogwumike & Ogunleye, 2008).

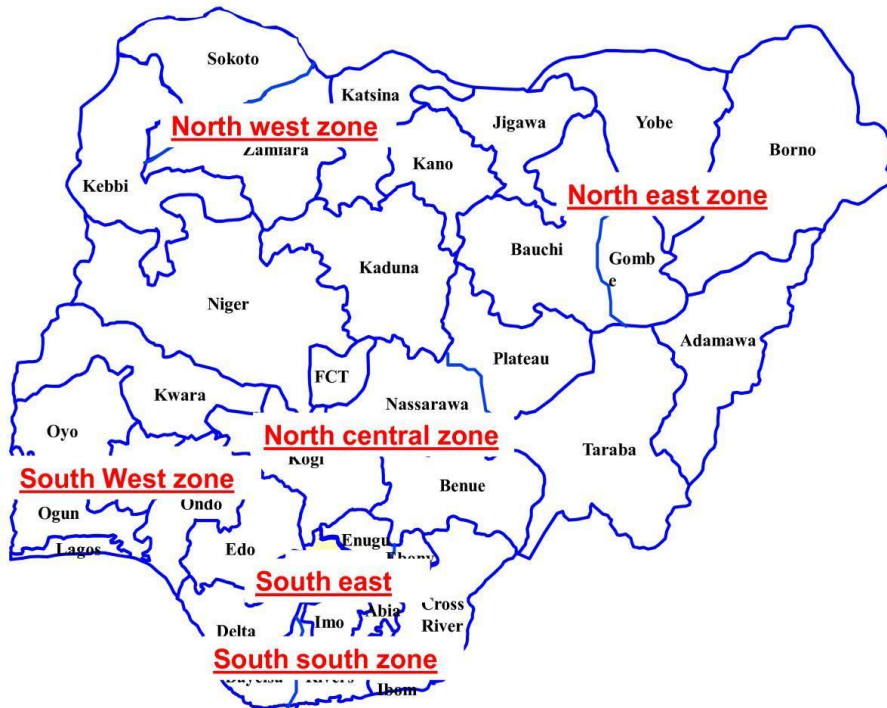


Fig. 1 Map Of Nigeria Showing States And The Geopolitical Zones

SOURCES OF DATA

The research paper is basically secondary sourced data obtained from relevant research articles published as journals, conference papers, books, short communications, technical report sourced from the internet and libraries with the aim of achieving the stated objectives

Conceptual Framework of Housing in Nigeria

Housing is defined as a permanent structure for human habitation. It is also referred to as the house and defined as a home, building or structure that is, a dwelling or place for habitation by human beings. The term “house” includes many kinds of dwellings, ranging from rudimentary huts of nomadic tribes to free standing individual structures (Wikipedia, 2011). Williams (2007) refers to it as a dwelling place, constructed as a home for one or more persons. It is any type of permanent shelter for man, which gives him an identity (Omoniyi and Jiboye, 2009). Godwin (1998) defines it as “the space that we can call our own, that gives us privacy and shelters us from the weather and intrusions of unwanted people”. Housing in all its ramifications is more than mere shelter. It embraces all the social services and utility that goes to make a community or neighborhood a live-able environment. Housing has become a critical component in the social, economic and health fabric of every nation. Its history is inseparable from the social, economic, cultural and political development of man.

As a unit of environment, it has a profound influence on the health, efficiency, social behavior, satisfaction, productivity and general welfare of the individual and community. It reflects the cultural, social and economic values of a society as it appears to be the best physical and historical evidence of civilization in a country and a reliable measure or indicator of economic development. According to the Collins English dictionary, housing deficit is a deficiency or lack in the number of houses needed to accommodate the population of an area. Housing deficit refers to the number of shelters which do not have adequate conditions to be habitable, plus the number of housing units that need to be built to shelter all families who currently lack one and as a result, share a shelter with another household in overcrowded conditions (Carols, 2012). It can also be measured as the difference between the number of households and the number of permanent dwellings. The deficit can be estimated for a given period of time (flow), for example, an annual deficit, or it can be at a given date in which case it is sometimes referred to as housing backlog (stock). It has been estimated that 75.0 per cent of the housing deficit in Nigeria is concentrated in families earning less than three times the minimum wage (World Bank 2013).

WHAT IS THE STATE OF HOUSING POLICY IN NIGERIA?

A policy is a statement on paper by the government or an establishment as regards the way and manner in which identified problems are to be solved (Sulyman, 2000). To this end, different sectors of the economy have policies that are used in tackling peculiar problems. Hence, the housing policy is a tool that is used in town planning for solving housing problems, and consequently for the achievement of sustainable housing. Town planning itself focuses on spatial arrangement of urban and rural land uses for the purpose of creating orderly, economical, functionally efficient and aesthetically pleasing physical environment for living, working, recreation and circulation (Obateru, 1984). In line with the town planning procedures, the housing policy recognized the fact that inadequate housing constitutes a major problem in Nigeria (see Federal Republic of Nigeria, 1992). Also, Wahab (1993) noted that the inadequacies are both

qualitative principally in the rural areas and quantitative in the urban areas. He posited further that the consequences are the formation of poor quality of the environment, as well as depreciation in human health.

A housing policy is derived from laws, regulations and administrative practices that can aid the production and delivery of housing. Furthermore, the fundamental principles of freedom, justice, equity, authority, and public interest were taken into consideration in the formulation of the 1991 housing policy. The policy is a measure aimed purposely at solving the housing problems in Nigeria. Like other policies it has its specific goals and how they can be achieved. In this regard, the main goal of the national housing policy is to make decent shelter available and affordable to all Nigerians. The policy addressed fundamental issues like land ownership, housing finance, housing construction and delivery. Above all, an housing policy requires a strategy for the enforcement of the purpose of the intended programmes of action.

A most comprehensive housing policy should address the role of government which may vary from the planning and control of all aspects of housing production - land, investment, construction and occupancy - to intervention only at certain levels or when solutions are needed to specific problems involving such matters as land use plans and controls, credit and financial aids, subsidies to low income groups, rent control, slum clearance and relocation (Lawal 1997:139).

In order to make it comprehensive and all inclusive, the Nigerian 1991 housing policy contains an introduction and eight other chapters. These are:

- ❖ Introduction
- ❖ Goals and Objectives
- ❖ Institutional framework for housing delivery
- ❖ Land and settlements development policy Housing finance
- ❖ Building materials and construction costs
- ❖ Low income housing
- ❖ Mobilising private sector participation
- ❖ Monitoring and evaluation

A study by Onibokun (1990) estimated that the nation's housing needs for 1990 to be 8,413,980; 7,770,005 and 7,624,230 units for the high, medium, and low income groups, respectively. The same study projected the year 2000 needs to be 14,372,900; 13,273,291 and 12,419,068, while the estimates for the year 2020 stands at 39,989,286; 155, 33,570,900; and 28,548,633 housing units for high, medium and low income groups, respectively (Agbola, 1998; Olokesusi & Okunfulure, 2000). Again, the national rolling plan from 1990 to 1992 estimated the housing deficit to increase between 4.8 million to 5.9 million by 2000 The 1991 housing policy estimated that 700,000 housing units needed to be built each year if the housing deficit was to be cancelled. The document, in fact, indicated that no fewer than 60 percent of new housing units were to be built in the urban centers (Ogu & Ogbuozobe, 2001; Federal Republic Nigeria, 1991). This figure had increased at the time the 1991 housing policy was being reviewed in 2002. In 2006, the Minister of Housing and Urban Development declared that the country needed about ten (10) million housing units before all Nigerians could be sheltered. Another estimate in 2007 by the president put the national housing deficit at between 8 and 10 million (Yar'adua, 2007). Despite this confusion as to the number of new additions, it has been quite obvious that a critical gap exists between the housing supply and demand; the reasons why successive governments have made policy statements, enunciated, and have made efforts to actually deliver new housing units. However, out of their

targeted provision, a very minute percentage is always met. This could be attributed to the fact that most government housing programs have been frustrated by corruption, politicization, insufficiency of technical staff at building sites, and lack of infrastructure (Olokesusi & Okunfulure, 2000).

Housing conditions, especially those portrayed by the availability and efficiency of facilities and utilities, have been worsening since 1980 (Olokesusi & Okunfulure, 2000). Toilet facilities, for instance, have more pit constructions than other better and more ideal provisions. This is evident from the construction quota, which increased from 25.6 percent in 1980/81 to 63.3 percent in 1993/94 and 62 percent in 1995/96. Existing data shows that while 72.4% of urban households were connected to electricity in 1980/81, this proportion declined to 54.34% in 1995/96 (Federal Office of Statistics, 1999). The same trend existed for most neighborhood facilities and utilities within the country, especially those concerning water supply road construction, sewage, etc. In response to these housing challenges, Nigerian governments, since pre-independence, have shown a remarkable concern for housing. Also, successive governments in Nigeria have intervened in a number of ways in the housing sector in order to bring about the much needed improvement and transformation. Researches (Balchin, 1995; Onibokun, 1990; Baer, 1991; Mitafu et al, 2011; Aribigbola, 2006; Kabir, 2004; Charles, 2003) have suggested that housing problems cannot be eradicated. Even the developed countries still have some pockets of homeless people. Laos, critical issues affecting housing in Nigeria include; inadequate access to finance, slow administrative procedures and the high cost of land registration and titling (Vuyisani, 2003). Other reasons for the glaring deficit in affordable houses in Nigeria was attributed to some of the following factors: lack of expertise; uncertainties in housing policies; inadequate funding; poor motivation for relevant institutional agencies; political; and selfish gains of some key stakeholders.

WHAT ARE THE EVOLUTIONARY TRENDS AND DEVELOPMENT OF NIGERIAN HOUSING POLICIES AND PROGRAMS

The Pre-Colonial – Colonial Era (1928-1979)

The recorded history of formal intervention into the housing sector in Nigeria dated back to the colonial administration, after the unfortunate outbreak of the bubonic plague of 1928 in Lagos. This necessitated the establishment of the Lagos Executive Development Board (LEDB). This signifies the ushering of Nigerian public housing programs intervention; which was during colonial era (Onibokun, 1975; Aribigbola, 2000). The policies are modest with the ultimate aim of addressing the housing problem at a National scale (Omenge and Udegbe, 2000). The policy focus then, was on the provision of expatriate quarters (Oni, 1989) and some selected indigenous staff in Rail ways, Marine, Police and Armed forces (Aribigbol, 2000). The construction of senior civil servant quarters in the capital city of Lagos and regional headquarters like Kaduna, Ibadan and Enugu are some of the practical efforts made at the same time some form of rent subsidy and housing loans. The policy intervention at that period includes:

- ✓ Promulgation of legislations to maintain construction standards, planning of housing areas and sanitation.
- ✓ Public housing provision through the regional and states housing corporations and Agencies.
- ✓ Provision of housing subsidy and rent control.
- ✓ Land reform through promulgation of the land use decree of 1978.

LEDB serves as the main organ for Town planning and housing development. During the period under review the colonial administration establishes the Nigerian Building Society (a replica of what is obtainable in the British system where mortgage bank is known as building society) (NBS) after the second world war. This is to allow for housing opportunities within both the public and private sectors. However, the NBS remain solely dependent on the government funding, as such could not stand the test of time (Bustani, and Kabir.,2010). During this period and precisely, between 1975 and 1980, 202,000 houses were planned to be provided to the public but only 28,500 units were realized representing 14.1%. The Federal Housing Authority was established through the promulgation of Decree No. 40 of 1973 and begins a formal operation in 1976. Part of its responsibilities is making proposals to the federal government on housing and ancillary infrastructural services and implementing those approved by government. Since inception FHA has been the main public organ in the provision of housing in Nigeria. For instance between 1975-1980 under the National housing program Festival town was developed preparatory to first all-African Festivals of Arts and Culture (FESTAC), Ipaja Town, the Amuwo Odofin phase 1 Estate all in Lagos and the first ever low cost housing Estate in the eleven states capitals. This marked the first major federal government effort in providing affordable housing to Nigerians citizens on long term mortgage repayment arrangement. The Nigerian building society which was hitherto the brain child of the British administration was transformed into Federal Mortgage Bank of Nigeria. In 1977 the Nigerian Building Society metamorphosed to Federal Mortgage Bank of Nigeria (FMBN) which serves as the main engine room for public housing delivery with a dual function of both primary and secondary mortgage institution.

The Shagari Administration (1979 -1983)

The foundation for the housing policy under Shagari's administration was the 3rd National Development Plan 1975-1980. The Shagari administration earmarked the sum of N2.6 billion for housing. The administration also did put in place the 1981/82 National Housing program with the intention of providing 350 units of housing for middle and high-income groups in each of the 19 states of the Federation by the Federal Housing Authority (FHA). In addition, there was the national low-income housing units known as "Shagari low-cost housing" under the supervision of the Federal Ministry of Housing and Environment. It was proposed that 40, 000 units would be constructed across the Federation annually with 2000 units per state including the FCT. The estimated target for housing delivery under the policy was 200, 000 units to be delivered between 1981 and 1985 but only 47, 500 were delivered across the 19 States of the Federation (Ajayi, 2019).

Table 1. Shows details housing delivered between the period 1980-1983 ranging from 1 bedroom to 3bed room flats.

S/No.	State	Housing Units Delivered
1	FCTA	1,908
2	Anambra	2,400
3	Bauchi	2,816
4	Bendel	1,422
5	Benue	1,980
6	Borno	2,808
7	Cross River	2,258
8	Gongola	3,038
9	Imo	2,758
10	Kaduna	2,7716
11	Kano	1,590
12	Kwara	2,462
13	Lagos	2,634
14	Niger	2,692
15	Ogun	2,160
16	Ondo	2,930
17	Oyo	2,128
18	Plateau	2,546
19	Rivers	1,580
20	Sokoto	2,314
TOTAL		47,500

Source: culled from (Junadu, 2007).

According to Ajayi, (2019), The Shagari administration fostered the patronage of indigenous building material, and also promoted the growth of mortgage finance through the Federal Mortgage Bank of Nigeria (FMBN) and the Primary Mortgage Institutions (PMIs). The programme encouraged the development of indigenous contractors. Although the Shagari housing scheme did spread through a larger space of the country's terrain and did boost the housing stock at that time, it nevertheless had its problems and challenges. Part of the problem was the politicisation of the program – using it for political patronage, uniformity of housing units across states that did not take cognisance of the differences in socio-cultural values and climatic conditions. In addition to this some political opponents did not look at the scheme favorably due to fear of the love the scheme engendered in the minds of people. The takeover of government by the military in December 1983 put an abrupt end to the inroads that the Shagari administration was making in the area of house production. Unfortunately, many of these houses on which a lot of money was expended was left unutilised especially in states that were not in the same party with Shagari's ruling party. Many of the housing units were left to rot away.

The 1981/82 National Housing policy was succeeded by the 1991 National Housing Policy. It was a fairly comprehensive policy aimed at solving the housing problems in Nigeria because of its multi-pronged approach. It dealt with issues of addressing land acquisition, housing finance and housing construction and delivery. The major aim was to ensure that Nigerians own or have access to affordable housing by the year 2000 in conformity with the international clamour for "Housing for all by the year 2000". The strategy was the establishment of a National Housing Fund (NHF) scheme for the mobilisation of loanable funds from workers which would be disbursed through the Primary Mortgage Institution (PMIs) with the Federal Mortgage Bank of Nigeria providing loan for housing research, construction and delivery (Ajayi,2019).

Obasanjo Regime under Civilian Rule14 (1999-2007)

According to Ajayi (2019), in the period 2000-2004, the housing policy focus was essentially on the private sector to serve as the main catalyst for housing delivery while government concentrates on the provision of basic infrastructure. Issues given attention for review included the Land Use Act, and the financial structures such as the Federal Mortgage Bank of Nigeria (FMBN) as well as the provision of incentives for private developers. The incentives included tax holidays for five years. The policy recognized the private developers as the main solution to the housing deficit while government opted to function as an enabler and facilitator in housing delivery. The Federal Government under Obasanjo did set up a 15-man committee on Urban Development and Housing in 2001, one of the responsibilities of the committee was to evolve a new housing policy. The accepted report was published in 2002 and was subjected to critical comments and inputs from all the States of the Federation. The new National Policy was published in 2006. Under the new policy, amortisation period which was 25 years earlier was raised up to 30 years, interest rate was scaled down from 5 per cent to 4 per cent while lending rate to contributors to the programme was reduced from 9 per cent to 6 per cent. Through the new programme, the Federal Government intended to provide 1 million affordable housing units per annum to address the housing deficit. As part of policy the National Housing Fund (NHF) was set up. The NHF stipulates that every worker earning above N30, 000 per month should contribute 2.5 per cent into a fund being managed by the FMBN. The FMBN was to provide up to N15 million in loans through the PMI for home acquisition to subscribers (Ajayi, (2019).

However, the main objective of the policy was on institutional reform, capacity building and increased financial mobilization for the housing sector, access to land and local building material production. It also did emphasize private sector participation in housing finance and investment. In the policy, government made significant effort to disengage from housing provision and encouraged privately developed housing (Asiodu, 2019). Obasanjo restructured the mortgage institutions in order to provide access to funds and empower the ordinary citizens –those in the lower income bracket - to own their own houses. Loans were provided at low interest rate that is affordable to the low-income class. The new policy was aimed at reducing the hurdles in the achievement of housing goal of the nation. It was hoped that Nigerians could have access to decent, safe and healthy accommodation at affordable cost. Even though the Obasanjo housing policy was well articulated and well intentioned, there was no time to follow it through because the Obasanjo regime ended in 2007. Like most policies in Nigeria, it was not followed through because of the absence of the institutionalization of policies. Obasanjo was in the end criticized for the alleged sale of government houses which were reportedly purchased by the big shots that had money at prices below the market price. There is no known documentary evidence on this allegation.

Yar'dua Regime (29 May 2007 – 9 February 2010)

According to Ajayi, (2019), when Yar'dua came to power in 2007, he saw the Land Act as an impediment to the utilization of land for the citizenry. He promised to amend the Act but could not do so before he died. The amendment of the Land Act requires the consent of all state assemblies and the National Assembly. Yar'dua was aware of the housing deficit and followed the existing National Policy on Urban Development which did make provision for the private-led housing policy with the government providing the enabling environment for the private sector to

operate. Part of the agenda of the Yar'dua administration was the reorganization of the Federal Housing Authority (FHA) to provide mortgage insurance for affordable housing. The Administration also planned the sustenance of the Federal Mortgage Bank of Nigeria (FMBN) as a secondary mortgage institution refinancing mortgage loan originators through the capital market and the provision of legal protection of lenders against bankruptcy in order to attract private investors into housing financing.

Goodluck Jonathan Regime (2010 – 2015)

In 2012 the National Housing Policy was formulated to replace that of 2006. The policy was not majorly different from existing policy of the previous administration. The thrust of the 2012 policy was the introduction of mass housing for the purpose of providing houses for Nigerians regardless of their financial status. The private sector was given an important role to perform while government was assigned the role of a regulator in the sustainable development of the housing sector. Also introduced was the concept of social housing with the hope of ensuring that the low-income earners had access to housing through the low-cost housing to be developed for them. Nonetheless, The difficulty of bridging the housing deficit was expressed by former President Jonathan on January 21, 2013 when he said that Nigeria needs about N56trillion to bridge the country's 17 million housing units' deficit and claimed that if government were to build 10, 000 units every year, it would take 1700 years for the country to meet her housing need assuming that the demand for housing remains unchanged! In a way, this was tantamount to despair or a statement of hopelessness of the housing sector (Ajayi, 2019).

In 2014, the Federal government launched the first 10, 000 mortgages for affordable home scheme and also launched the Nigerian Mortgage Refinancing Company (NMRC) with a view to making mortgage accessible to Nigerians to enable them to purchase and own their own houses. The 10,000 mortgages scheme was however derailed by the inconsistency of government policies.

The Buhari Administration (2015-2019)

Asiodu, (2019) state that, with the coming of the Buhari administration, the APC-led government promised to amend the constitution and the Land Use Act to create freehold/leasehold interests in land along with matching grants for States to create a nationwide electronic land title register on a state by state basis. Buhari also pledged to create an additional middle class of at least 2 million new home owners in the first year in government and one million annually thereafter by enacting a national mortgage system that would lend at single digit interest rates for the purchase of owner occupier houses.

In a move to boost housing development, the Federal Mortgage Bank of Nigeria in conjunction with Nigeria's Labour Congress (NLC) and Trade Union Congress (TUC) and Nigerian Employer Consultative Association (NECA) commenced the implementation of a national affordable housing delivery program for Nigerian workers. The Housing scheme was a product of a strategic collaboration between the Federal Mortgage Bank of Nigeria (FMBN) and the country's leading labor unions towards gradually addressing in a structured and sustainable manner the housing requirement of their members which was estimated to be about 3.7 million housing units. The pilot phase of this initiative was planned to deliver 2, 800 units in fourteen sites across the country. It included 200 houses in each of the six geopolitical zones in addition to Lagos and Abuja. Besides the above, launched was the Family Houses Funds, a social housing program

initiated by the Federal Government to provide inexpensive mortgages for low-income individuals and families across the country. Under the Family Home Fund scheme domiciled in the Ministry of Finance, civil servants who earn a salary of N30, 000 and above can have access to mortgage to own a home.

Moreover, there is also the FISH (Federal Integrated Staff Housing) program. This program was initiated in 2016. It is to be operated as an inter-ministerial and public – private partnership project with active collaboration with state governments and Federal agencies. Of the 55, 000 civil servants that subscribed to it, only 32 received their keys at the end of December 2018. In all these documentations, it is obvious that in spite of the huge money spent on housing provision not much has been achieved. It has been pointed out “that the planning, programming and implementation of the mass housing suffer from planning inconsistency and weak organization structures due to political inconsistency and over-centralized mechanism for decision making and execution”. (Jiboye, 2011). Another criticism is that most of the houses labelled as low-income housing are outside the reach of the targeted group because they are very expensive. In addition, many of the houses were located far away from people who require them and from active areas where economic activity takes place within the city.

WHAT ARE THE CHALLENGES AFFECTING HOUSING POLICY, DELIVERY AND DEVELOPMENT IN NIGERIA

The following are some of the challenges assessed and identified affecting housing policy, delivery and development in Nigeria.

I. Issue of long-term funds

Currently, the prime lending rate in the banking sector remains as high as 17.5 per cent (CIA World Factbook) and it is impossible to use such funds for housing development. It is pertinent to note that the government has realised this and is reviewing the entire process of accessing mortgages, so as to bring it within the reach of beneficiaries. Perceived risks, high costs of doing business and longer term for returns create a situation where the affordable housing sector lands directly in competition with other types of real estate investments like commercial spaces, luxury segment and high-end housing which are perceived to reap greater and faster benefits on investment.

ii. Housing finance

The financing of housing development, like many other development issues faced by African countries, including Nigeria is quite challenging. This is mainly due to the lack of adequate conditions or resources to facilitate such financing. In fact, the housing finance market in Africa is exposed to a number of risks. Diamond and Lea (1995) classify these risks under six categories:

- I. credit risk arising from the fact that the borrowers may fail to pay back their loans;
- II. liquidity risk stemming from maturity mismatch;
- III. cash flow risk—which include interest rate, prepayment, inflation, and exchange rate risks— increase uncertainty about cash flows over time as the credit may be worth more or less over time;
- IV. agency risk or information asymmetry risk (moral hazard or adverse selection type of risks) that a divergence of interests will cause an intermediary to behave in a manner other than expected;

- V. systemic risk, or the risk that a crisis at one institution or in a part of the system will affect the whole system; and
- VI. political risk, which refers to uncertainty about adverse government action that can trigger the other risks.

The above risks are reflected by a very challenging environment characterised by weak legal frameworks and enforcement of property rights, by information asymmetry and credit risk, and by low levels of financial intermediation and a lack of long-term funding.

iii. Poverty

The planners of the housing programmes did not take into considerations the fact that the buildings they were about constructing were to be occupied by the poor. If they did they would have understood that it is not possible for the low income earners to afford the kind of houses they constructed. They ought to have taken their income level into consideration. Income per annum as at then was as little as below N1500 (less than \$10 today) for the low income earners and therefore it was not possible for them to save much as most of the workers within this income bracket hardly saved up to 20% of their income.

iv. High Cost of Housing Units

The housing units were placed for sale at prices over N25, 000 (\$152) per unit as at a time when middle and low income group were earning less than N200 (\$1.21) per month. It required more than a life-time for middle and low income earners to save such amount. So they simply ignored the buildings only for the high income earners and very senior civil servants to acquire and rent to them (those that could pay the rent), while most of them patronized slums.

v. Access to Credit Facilities

As pointed out by Anyanwu (1997) low income earners were denied access to credit facilities by the government and private mortgage institutions. The low income earners did not have the collaterals required by these institutions and could not face the stringent administrative conditions required.

vi. Low Incentive to Investors

Another reason why the housing interventions of the past failed is because of very low incentives to investors. Investors are rational individuals and are profit-driven. They do not respond to mere pleas. No matter how conducive the economy is, without profit there is no incentive to invest. The government should therefore provide every other stimulating factor including tax holidays because without profit investors will prefer to keep their capital in banks. The Nigerian housing sub-sector does not have enough effective demand. Akeju (2007) estimated N2.8 M (\$16,970) as the selling price for a 2-bedroom flat. Unfortunately, most persons that can raise such amount of money will prefer to develop their own house gradually instead of going through the rigorous process of buying a built one. That is common in cities like Port Harcourt, Aba, Lagos, Onitsha, etc. In addition, an average worker believes that if he/she can generate such amount of fund in the near future he can as well gradually develop his house of three-bedroom flat or more with the same amount. The outcome is that such low income earners that can pay for 2-bedroom flat are not part of the demand while those who ask for such houses cannot effectively demand for it and they constitute the market demand for housing in Nigeria. For this reason there is little or no incentive for investors in the sub-sector. In fact the presence of unoccupied housing units in the country is enough disincentives for investors.

vii. The Culture

At retirement most Nigerians want to go home to participate more actively in the running of their communities as a Chief or a Titled-elder, etc. and this is practically difficult if you do not have a house to live in your village or community. In addition to this, there is the dominant believe in dual homes – a home in your village of origin and another in the city where you work. But out of these two homes, the priority of most Nigerians is to get a house at their villages of origin. And most times the house is not just a two bedroom flat; it must have enough rooms to accommodate his family and also provide accommodation for his younger relatives. For this reason supply of low cost housing in the cities have not been able to and may not attract enough effective demand in the near future.

viii. Housing Units Sited at the Periphery

Filani (1987) observed that in addition to the main problem of the houses not being affordable, the National Low Cost Housing (NLCH) programs were located at the periphery of the city thereby creating higher cost of transportation to and from work for the occupants who are workers in the cities. It was also said that in some cases infrastructural facilities like water, electricity and good roads were not provided thereby creating a lot hardship and misery to occupants. For these reasons the worker will prefer to squat with friends and relatives inside the city or live in slums instead.

ix. High Cost of Building Inputs

High cost of housing inputs has also been identified as a major cause of failure of housing programs in Nigeria. Naturally, when the price is high the demand for housing falls. It is the high cost of inputs that raises the overall price of a housing unit so high that it becomes unaffordable to the low income earners. Attempts by the government, according to Anyanwu (ibid), to force prices of building materials down also failed. This calls for intensive research to discover cheaper housing inputs. Unfortunately, the Nigerian government has not been supportive enough to research activities and her current attitude towards academics and research does not demonstrate any willingness to fund research.

x. Dominance of Foreign Inputs in Construction

Virtually all inputs used in the construction of modern housing units are imported. Apart from sand, concrete and wood, all other inputs are not found locally and that is responsible for the high cost of the input and housing units as well.

xi. Rural-Urban Drift

Another factor complicating the housing problems in Nigeria is the rural-urban migration. The more efforts are made to accommodate the existing population in the cities and make life better the more people are migrating into the cities congesting them the more and over stretching the existing facilities. According to Mabogunje (2006), in housing today (2006), national housing shortage has already risen to 12 million housing units. With the current infrastructural circumstances in the rural areas, the situation is not likely to abate in the near future and therefore the housing policies will likely continue to fail. Nigeria's housing deficit trend between 1991 till date is graphically represented in Table 2 which shows the estimated housing deficit and causes.

Table. 2. Trend in Nigeria’s Housing Deficit [1991-2019]

Year	Housing Deficit	Population	Cause
1991-1993	4 – 7 million	104 million	Mortgage inefficiency
2007	8 – 10 million	145 million	Slum demolition and Urban Migration
2013-2015	16 – 17 million	178 million	Over population urban expansion and increased poverty
2017-2019	18 – 22 million	184 million	Increased poverty, overpopulation and urban migration

Source: (Moore, 2019)

The implications of this very high housing deficit is that tenants in rented apartments pay as high as 60 per cent of their average disposable income, far higher than the 20-30 per cent, recommended by the United Nations. A World Bank study projects that the cost of bridging this 20 million housing deficit is N59.5 trillion, indicating the vast and untapped investment potential of Nigeria’s real estate sector.

CONCLUDING REMARKS

Housing is a basic necessity of life without prejudice for economic condition. In spite of this, housing problem is universal. The programs of action in the policy include construction technology, housing finance, land and infrastructure, building materials, labour management, housing allocation, monitoring and review. The Nigerian housing policy was well conceived with the fundamental elements of feasibility, affordability and limited time frame required for the completion of the programs. To some extents, the various policies and programs of housing in Nigeria have been able to make significant improvements in housing production and delivery. The housing policies provided guidelines for housing construction, maintenance and delivery. Nevertheless, the policies and programs are besieged by shortcomings like poverty, ever-increasing costs of construction and building materials, homelessness, weak institutional frameworks for housing delivery, administrative bottlenecks in plan approval and collection of certificate of occupancy, program monitoring as well as review. To this end, this study recommends the amendment of the Land Use Decree of 1978, supply of infrastructural facilities, encouragement of the use of local materials, as well as low cost housing scheme.

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