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Ademola Bamidele

Premium Corporate Management Company Limited, Abuja

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Strengthening Institutions for Housing Delivery in Nigeria

Ademola Bamidele*

I. Introduction

The overarching basic needs of man since creation are food, clothing and shelter. Thus, notwithstanding the downward trend in global growth and various episodes of economic recession during the past two decades, most societies have continued to focus on the provision of these basic needs, particularly shelter or housing. The reason for this is simply because housing is always ranked next to food and clothing based on priority needs for human existence. The housing deficit is a global problem and most countries are concerned about addressing the challenge of providing decent housing. From available statistics, the rate of housing deficit in many Less Developed Countries (LDCs) particularly, in sub-Saharan Africa today is over 70 per cent, with the deficit rate in Nigeria at about 24 per cent while it stands at 25 per cent in South Africa. Given the current world population of 7.7 billion (United Nations, October 2019 estimates), the challenge of providing decent and affordable accommodation to the world's teeming population cannot be overemphasised.

For Nigeria, the provision of adequate housing to the citizenry continues to remain a major challenge to the governance process owing to the continuous rise in Nigeria's population in recent decades and rural-urban migration culminating in the spontaneous growth of many cities in the country. With Nigeria's population currently estimated at 180 million and projected to become the third largest population in the world by 2025, the housing challenge could be exacerbated in Africa's most populous country resulting in diverse urban problems. For instance, overcrowding, deplorable environment and living conditions, inadequate infrastructure, and homelessness, could lead to increased pressure on infrastructure and an increase in the number of slums. The point was put succinctly by the head of the Federal Mortgage Bank in Nigeria, when he averred that, the country's present housing deficit is about 22 million

* Mr. Ademola Bamidele is the President/CEO of Premium Corporate Management Company Limited, Abuja and a former Deputy Director, Monetary Policy Department, Central Bank of Nigeria. The usual disclaimer applies.

units: and the bulk of that is in urban areas—Lagos, Port Harcourt and Abuja., (UN, June 13, 2019)

For Nigeria, the overarching policy challenge is to make substantial inroads in reducing widespread housing deficit, poverty and unemployment. Housing provision is very crucial to efficiency and effectiveness of the overall growth and development programme. The housing market for instance is an important aspect of the economy. The inability to develop this sector can certainly worsen financial exclusion, thus, impeding financial intermediation and market development. Essentially, the relevant authorities must evolve other structural policies that would complement housing-policies in the country and remove impediments to improving the achievement of housing delivery and other objectives, including economic growth and development.

The argument becomes stronger in view of the need to provide basic shelter for all, which has remained a cardinal principle of the (Millennium now) Sustainable Development Goals (SDGs). Thus, provision of affordable housing is one of the major problems many countries are facing today. Like in other sectors, resources for housing sector development are not able to keep up with the rising population. In addition, while the problem in the rural areas has to do with qualitative housing, the problem in the urban centre is quantitative in nature.

As a way of addressing the housing deficit, numerous housing strategies, policies and programmes have been deployed in Nigeria since the colonial era to address the housing deficit in Nigeria. Given the sub-optimal outcome of previous programmes, the Federal Government promulgated the 1991 National Housing Policy with a view to providing solutions to the housing problem in Nigeria. To support the policy, both federal and state governments intervened by providing mass housing units. However, only the privileged in the society could afford such houses given their exorbitant prices. Thus, 28 years after the policy, and 19 years after the MDGs, the delivery of affordable housing has continued to elude a broad spectrum of Nigeria's teeming population as a recent World Bank report showed that two of the most critical issues facing Nigeria are financing urban infrastructure and the institutional arrangements for housing delivery in urban centres.

The structure of the Nigerian economy, particularly its over dependence on oil mineral revenue has for decades, shaped policy implementation in the country. At the peak of this is the multiple obligations that the government is confronted with daily, the limited policy space and the weak and volatile macroeconomic environment which have implications on policymaking in Nigeria.

Against this backdrop, this paper seeks to discuss innovative structural reforms and investments that can improve housing delivery in Nigeria. Following this introduction, we would focus on the issue of housing as a fundamental human right, then a review of housing developments in Nigeria. In examining how to improve housing delivery in Nigeria, the paper underscores the need for strengthening public institutions through the application of appropriate policies that would enhance optimum utilisation of existing resources for efficient housing delivery. The paper highlights the need for renewed collaboration and commitment particularly among stakeholders and putting in place, specific workable institutional arrangements that would enhance sound policy making environment that would facilitate infrastructural development alongside efficient housing delivery and housing sector development in Nigeria. These were considered in Sections 4 and 5, by looking at institutional and policy issues; and perspectives for sustaining housing delivery in Nigeria. The paper is concluded in Section 6.

II. Housing as a Fundamental Human Rights Principle

Thomas Hobbes' Leviathan puts Government's responsibility as mainly to provide the safety of law and order, justice and tranquillity. This could be summarised as to protect, invest and provide for the citizenry. Beginning with protection, the absence of a government to protect citizens from each other and from foreign foes could lead to emergence of fragile states and essentially ungoverned regions. The purpose of government is to provide for the people, invest in people's welfare and protect the people from external aggression. In relating protection to the housing sector, we see a house as a security and safety net. Housing Stability is critical to economic security. It could serve as a collateral to access banking facilities. The provision of a house also ensures that children can do well in school and that parents can easily commute to work, each of which reduces overall physical stress and financial stress for the households.

Secondly, the government can also invest in its people or provide general welfare. The government carries out this responsibility by promoting economic growth and development. For example, the operation of social-insurance and social-welfare programmes can improve the overall welfare of the citizenry. A government must invest in the talent and potential of its citizens by devoting a large portion of its tax revenues to help them reach that potential. In terms of investment, the government could also invest in education which is considered the most important priority of government. The provision of housing can be considered as an investment in the people.

Thirdly, in providing for the citizenry, the government provides goods and services that individuals cannot provide individually for themselves. For example, public goods that benefit everyone like public parks and street lights, roads and bridges are better provided by the government. Any attempt by everyone to provide for themselves could lead to chaos. Notwithstanding the arguments, public goods are also subject to free-rider problems without some collective compulsion. Thus, there would be people who access or receive the benefit of a good without paying for it. This may lead to the under-provision of certain goods or services.

Article No.25 of the Universal Declaration of Human Rights by the United Nations (UN) recognises food, clothing, housing, health care and social services as essential components of a standard of living adequate for health and well-being. According to this article, everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. The Article thus considers the provision of affordable housing as a fundamental principle of state. Under the charter, housing provision must satisfy the following conditions:

- a) **Security of Tenure:** The purpose of this principle is to shield tenants against forced eviction, harassment and other threats. It is important that residents enjoy adequacy of tenure that shields them from forced evictions, harassment and other threats including avaricious redevelopment and displacement.
- b) **Availability of Services, Materials, Facilities and Infrastructures:** It is imperative that housing developers ensure that their residents have access to safe drinking water and other facilities including, heating and lighting, washing facilities, means of food storage and sanitation in order to cater for basic hygiene, security, comfort and nutrition. This means availability and access to these facilities at affordable prices are very important.
- c) **Affordability:** The provision of housing should not be made in such a manner that it is out of reach of a larger segment of the society, particularly, those in lower income brackets. Thus, fulfilling an obligation like the payment of house rent should not compromise the attainment of other goals like food and education satisfaction for a family/household.

- d) **Habitability:** Because a house is more than just brick and mortars, anything called a home should be fit for human habitation. There must be adequate space and ventilation in the home that protects occupants from health hazards and other harsh weather conditions like cold, heat, rain, etc.
- e) **Accessibility:** it is important that housing is accessible not only to those in the high echelon in society, but to all. Consequently, the disadvantaged and vulnerable groups must be accorded full access to housing resources.
- f) **Location:** This principle ensures that housing development is not carried out on sites that constitute health hazards or prone to environmental and other hazards. Thus, housing location must be superb in order to guarantee the physical safety of every resident as well as ensuring that housing settlements must provide access to employment opportunities, health care services and other social amenities.
- g) **Cultural Adequacy:** The issue of cultural identity cannot be compromised in the design and erection of housing infrastructure. Housing projects must project and preserve the cultural identity of the community or society in which it is located. Thus, important cultural landmarks, relics and other historic sites like hills, institutions and vegetation with cultural significance must be preserved for posterity. No amount of modernisation should compromise the cultural identity of a people or community.

Thus, government has the responsibility for housing delivery as a necessity of life that last over an entire lifetime. The objective of housing development in any economy is to improve overall economic growth while providing job and income sources for the populace. Housing sector development fosters growth in the economy, redistributes income because of the collateral that it provides and invariably reducing poverty. Homelessness exacerbates existing health problems and causes new ones. For Nigeria, the housing sector remains one of the leading indicators of economic activities. Its role is paramount in every economy. Government's housing policy affects revenue receipts, income generation and living standards. The sector could serve as a growth catalyst with massive investment in the sector in view of its uniqueness. Examples abound of economies that ran into financial crisis because of housing sector failure. The Nigerian experience thus far reveals two intriguing but related facts - that a spectrum of both macroeconomic and social factors influence housing delivery

in Nigeria. Secondly, the existing housing system has been unable to provide Nigeria's most vulnerable households access to safe, affordable and stable housing scheme.

The observable fact is that, millions of low-income households still pay large portions of their income on rent or live in substandard conditions. The resultant effect therefore is that, it triggers chronic economic instability that undermines economic security and well-being as well as pulls low-income families deeper below the poverty line. The situation is also not helped by the continued high rate of population growth and demographic dynamics. Available data indicates that Nigeria could become the third largest population in the world by 2025. Another issue is the high rate of urbanisation. Urban migration accounts for over 55 per cent of population growth in most LDCs' cities (World Bank, 2018). Thus, a combination of these push and pull factors has culminated in nearly half of Nigeria's population currently living in urban areas. Building additional units would require more than ₦6 trillion (US\$16 billion) investment yearly.

The problem of housing delivery is further compounded by increasing social expectations and bureaucracies in land acquisition, processing of Certificate of Occupancy (C of O) and approval of building plans. The increasing population is aggravating the serious shortage of proper housing in the country. According to the World Bank estimates in 2018, over 200 million people were unemployed around the world; and this included about 75 million young people between the ages of 15-24.

III. Review of Housing Development in Nigeria

Housing development in Nigeria has been impinged by the growth paradox. From available statistics, the current structure of the economy does not support growth and employment generation opportunities. Some examples would suffice; we have pockets of progress over the years with rising numbers of property listing companies and intermediaries, but housing deficit continues to increase in Nigeria.

Figure 1: Nigeria: Real Estate Growth (Q1:2011 – Q2:2019)



The economy had witnessed strong growth around 6 percent a year which was sustained over 2011 to 2015 (Figure 1) but with the official rate of housing deficit also increased over the same period (Figures 2 and 3). The trend in real estate growth between Q1:2011 and Q2:2019 in Figure 1, shows a peak in real estate growth of 15.86 in Q2:2013. Further analysis shows a mere 1.03 per cent as average growth rate for the entire period. We could infer from the analysis that real estate growth and indeed the housing market in Nigeria moves in tandem with developments in the Nigerian economy as periods of positive output growth supports real estate development. The economy has witnessed strong growth around 6 per cent a year which was sustained over 1999 to 2015, but with the official rate of housing deficit also increasing over the same period (Figure 2). Apart from Q1:2019 which recorded a real estate growth of 0.93 per cent, real estate development in Nigeria since Q1:2016 has been negative.

Figure 2: Nigeria: Real Estate Growth (%)



The Nigerian economy is also unique in view of the existence of a vibrant and large informal sector that accounts for over 60 per cent of economic activities. The weak skill set in the housing sector has also been unable to meet the need

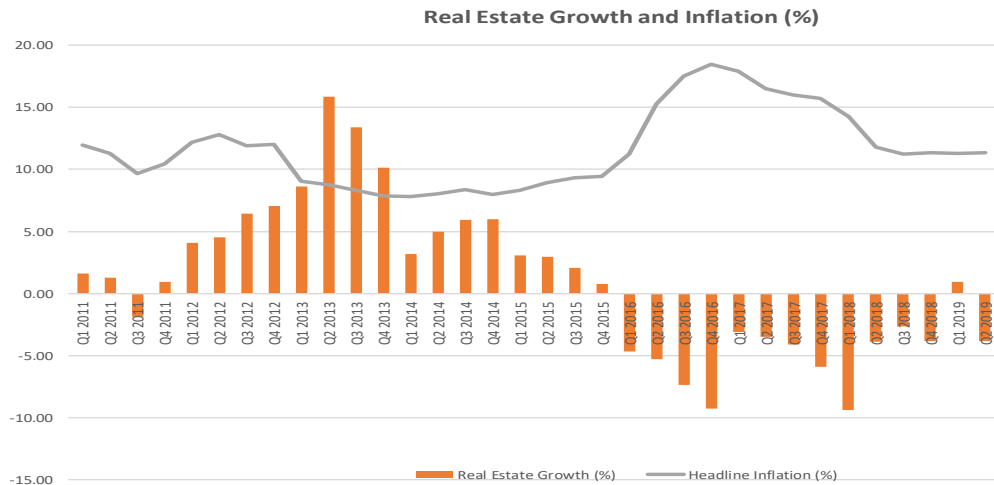
of housing developers. Thus, making housing delivery more inclusive requires prioritising housing reform programmes to boost competitiveness and productivity, especially in a labor-intensive sector like housing.

Figure 3: Real GDP Growth and Real Estate Growth



Domestic price developments have also influenced the direction of housing development in Nigeria. Periods of lower inflation coincided with high rate of estate development and vice versa (Figure 4). This is expected because of the relationship between the price of building materials and other major items in the inflation basket.

Figure 4: Real Estate Growth and Inflation



The analysis in Figures 5 and 6 shows that oil price developments also influence the direction of real estate development in Nigeria. As expected, increased receipts would support infrastructural development with the attendant positive impact on housing development. From the charts, periods of higher oil prices coincide with high rate of estate development and vice versa (Figure 5). This was expected because of the positive impact enhanced foreign receipts from crude oil export has on fiscal spending, given Nigeria's dependence on the extractive industry for export earnings and public finance.

Figure 5: Global Oil Prices

Global Crude Oil Prices, June 2015 to August 2019

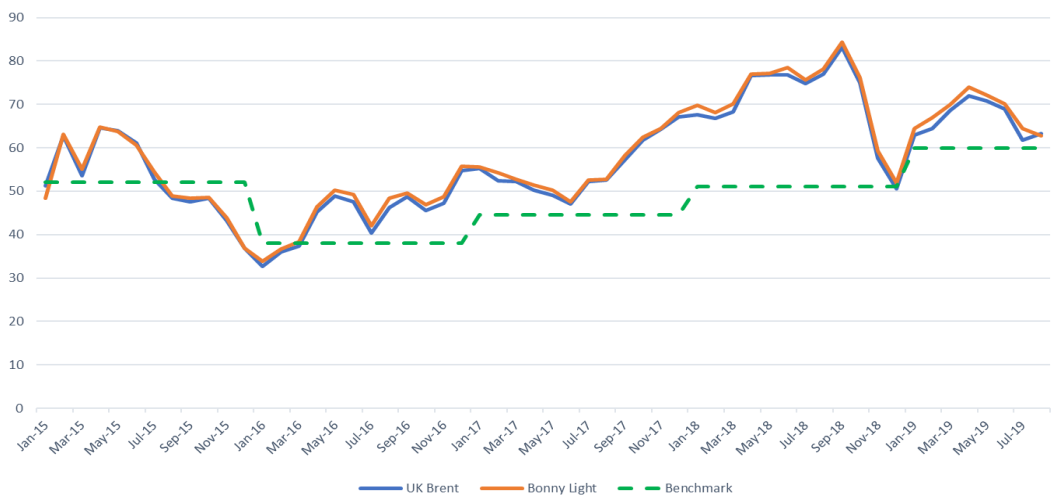


Figure 6: Real Estate Growth (%) and Oil Prices (\$): Q1:2015 to Q2:21019



Real estate and indeed housing development have also followed the trend of employment in the economy (Figure 7). Nigeria's unemployment rate stood at 23.1 percent of the work force in the third quarter of 2018, up from 18.1 percent in the corresponding quarter of 2017. Improvement in housing delivery and other related policies are dependent on a ready mortgage market that is backed up by effective demand - the ability to pay. This can only be realised where the rate of job growth is significant enough to impact on the market. Currently, the African Economic Outlook estimates that 20 million new jobs are needed to be created annually until 2030 to absorb new entrants to the workforce.

Figure 7: Nigeria's Unemployment Rate



IV. Institutional and Policy Issues

A spectrum of institutional arrangements and agencies have been established to promote housing delivery in Nigeria since the past three decades. Notwithstanding the fact that the country hasn't experienced profound changes in housing sector development, particularly in the mortgage market, developments in the Nigerian housing sector can be examined in four major epochs, pre-independence era, post-Independence era (1960-1979), Housing policies prior to the millennium era (1980 – 1999) and housing policies since the millennium (2000s).

IV.1 Housing Development in Nigeria Before Independence

Housing development before Nigeria's independence in 1960 was focused mainly on the provision of staff quarters for expatriates and other indigenous staff of parastatals. From the creation of urban councils in 1946, housing development shifted to the establishment of the Lagos Executive Board (LEBD) in 1954 which signalled the advent of government's intervention in public housing (Onibukun, 1975; Aribigbola, 2000). Since the original plan was to address the housing deficit nationally, the programme started with the provision of living quarters for expatriate staff and some Nigerian staff in key agencies like the defunct Nigeria Railway Corporation, the Police and the Armed Forces (Aribigbola, 2000). The policy was complemented with the provision of rent subsidy and housing loans to interested senior civil servants to enable them own their own houses.

Another major policy achievement prior to Nigeria's independence was the establishment of Nigerian Building Society in 1955. The decision was apparently the first attempt at institutionalising mortgage financing in Nigeria (Kama, et.al, 2013). Towing this path of progression, the then regional governments set up housing corporations, savings and loans banks and cooperative banks to provide funds in the form of mortgage credit for housing development. The Nigerian Building Society was later transformed into the Federal Mortgage Bank of Nigeria, (FMBN) to reflect the 100 per cent ownership of the Federal Government of Nigeria. The change was sequel to the Indigenisation Act (1972) which was aimed, amongst others, at promoting and transferring the ownership and control of foreign enterprises to Nigerians.

The last major attempt to develop estates and facilitate acquisition of houses by the citizens before independence was the establishment of Regional Housing Corporation (RHC) in 1959 to provide both mass and low-income housing in towns and cities and for targeted segments of society. To complement these efforts, regional housing authorities also provided mortgage facilities to enable the citizens own their personal homes. The creation of twelve states in 1967 affected the policy as there were new borders and political re-alignments. Notwithstanding the political changes, some of the new States embraced the policy culminating in the establishment of State Housing Corporations, especially after the Nigerian civil war. These sub-national corporations received direct subventions from their governments and build houses for sale for the citizens, particularly those in the middle-income bracket.

IV.2 Housing Development in the Post-Independence (1960-1979)

Housing development in the post-independence era focused mainly on improvements in housing delivery under the First National Development Plan (FNDP, 1962-1968), Second National Development Plan (SNDP - 1970-1974) and Third National Development Plan (TNDP-1975-1980). The post-independence period also witnessed the formation of National Council on Housing (NCH) in 1971 and the transformation of Nigerian Building Society (NBS) into Federal Mortgage Bank of Nigeria (FMBN).

Another major policy in the post-independence era was the promulgation of the 1978 Land Use Act which abolished all existing freehold systems from 1978. The Act, was intended to standardise land administration process across the country. The 1978 Act vested all urban land within a State in the State governor, and all non-urban land in the local governments in which they are found. A large segment of the society still shares the view that the greatest challenge to housing delivery, home ownership and the development of the mortgage industry in Nigeria is the 1978 Land Use Act. For example, applicants for a mortgage loan, must satisfy the condition in Section 22 of the Act that *"It shall not be lawful for the holder of a statutory right of occupancy granted by the Governor to alienate his right of occupancy or any part thereof, by assignment, mortgage, transfer of possession, sublease or otherwise howsoever without the consent of the Governor first had and obtained"* and in Section 26 of the Act that *"Any transaction or any instrument which purports to confer on or vest in any person any interest or right over land other than in accordance with the provisions of this Act shall be null and void"*. These provisions no doubt, created encumbrances to acquiring landed property and for a mortgage institution to accept title documents as collateral security for a mortgage facility and further exercise its rights and power of sale in the event of a default, thus constraining the disposition by mortgage institutions to provide lending.

IV.3 Housing Development Prior to Millennium (1980 – 1999)

The National Housing Policy (NHP) of 1991 was launched prior to the millennium period. The Babangida administration launched an ambitious housing programme in 1991 with the slogan "Housing for All by the Year 2000 A.D. The goal without doubt, was for all Nigerians to have access to decent and affordable housing by the end of year 2000A.D. The launch was in response to the United Nation's advocacy which calls for housing for all by the year 2000A.D (Ogunrayewa and Madaki, 1999). The policy envisaged that approximately 700,000 housing units are to be built each year in order to be able to address the

yawning housing deficit in the country. In addition, approximately 60 per cent of the houses are to be built in urban centres. The housing need in both the urban and rural areas during this period was well over ten million units. The 1991 policy re-structured the financial routing of accessing housing loans by way of creating a two-tier financial structure, which is the Federal Mortgage Bank of Nigeria (FMBN) as the apex and supervisory institution and primary mortgage institutions as retail lenders. It made special provision for private sector involvement in housing development to serve as the main channel for organisation and delivery of housing. The Central Bank of Nigeria (CBN) assumed supervisory control over the FMBN since 2007. Notwithstanding the institutional arrangement, the FMBN decree no. 82 of 1993 empowered the FMBN to collect, manage and administer contributions to the National Housing Fund (NHF) from registered individuals and companies. The NHF which reflected government's recognition of the acute housing shortage in Nigeria, originated from the 1992 Housing Policy of the Federal Government of Nigeria (FGN). It currently serves as the vehicle for mandating individuals and governments to pool resources into the National Housing Fund (NHF). The NHF can be seen as the definitive peak of all past efforts by the FGN to provide affordable houses for Nigerians.

IV.4 Housing Development Since the Millennium (2000s)

While Nigerians were promised housing for all in the year 2000, the reality during this period and decades after is that, the optimism was an illusion. While attempts were made to some extent to ensure housing availability, the issue of affordability as Mabogunje (2004) observed has remained and still remains a herculean task. The housing sector reforms that were embarked upon after year 2000 focused mainly on how to involve key private sector players in housing development. For example, government's focus during the early years of the millennium 2000 to 2004 was on encouraging the private sector to serve as the main catalyst for housing delivery in Nigeria while the government concentrates on the provision of basic infrastructure on the new housing development. Thus, issues relating the 1978 Land Use Act which has remained an obstacle to housing sector development in Nigeria were addressed. Therefore, other policies that have evolved since this period focused mainly on strengthening private sector players to foster housing development in Nigeria.

IV.4.1 Housing and Urban Policy (HUP) – 2002

The Federal government rolled out the Housing and Urban Development Policy in year 2002 to address observed inconsistencies in the 1978 Land Use Act as well as to allow investors to operate in a free market economy. As noted in several

quarters, the housing situation in Nigeria has witnessed significant improvements during the era following the return to civil rule. Laudable as these achievements are, with more middle income people owning their own homes, the Federal Government policy on monetisation and privatisation which was introduced at the inception of civilian rule seems to be having adverse impact on the objectives of housing policies and programmes in Nigeria, as private sector involvement which was to fill the gap created by public sector withdrawal did not measure up to the expected level. In addition, there are constraints such as poverty, high cost of building materials, inadequate financial instruments for mobilisation of funds, short maturity preference of lending institutions, high rate of rural-urban migration, as well as high rate of poverty which have limited housing development and delivery in Nigeria.

IV.4.2 National Housing Policy (NHP) – 2006

The 2006 Housing Scheme evolved in response to the failure of previous housing sector policies to address housing scarcity in Nigeria. The inability to reduce the deficit prompted the Federal Government to seek for a more pragmatic approach through the review of the 1991 National Housing Policy. The 2006 National Housing Policy was developed following reviews by various stakeholders of the January 2004 Draft National Housing Policy. To avoid the pitfalls of the past, the 2006 NHP was designed to be implemented in phases to make room for the Federal Government to gradually disengage from the provision of housing facilities and allow private developers to take responsibility in housing development (Mabogunje, 2003). The 2006 NHP policy made adjustments such as increasing the amortisation period that was hitherto 25 years to 30 years. In addition, interest payments on NHP facilities primary mortgage institutions (PMIs) were scaled down from 5.0 per cent to 4.0 per cent while the lending rate to contributors is reduced from 9.0 per cent to 6.0 per cent. Similar to the 1991 NHP, the 2006 policy without doubt, was targeted at removing the obstacles to the realisation of the government's housing goal which is geared towards ensuring that Nigerians own or have access to decent, safe and healthy housing accommodation at affordable cost. The achievement of the goals of the 2006 NHP is tied to a specific period. In terms of coverage, the 2006 NHP is wider in scope because it includes a spectrum of issues contained under the 1991 policy strategies (See Appendix 1).

IV.5 Why Some Housing Programmes Have Failed

Most of the laudable National Housing Policy (NHP) programmes highlighted above either failed or did not meet their objectives for a number of reasons.

Some failed because of perennial issues while others because of the absence of political will to push through these programmes. The major obstacles confronting housing delivery in Nigeria include the following:

- a) Lack of continuity and consistency of policies
- b) Programmes were too big for the meager budgetary allocation over the years
- c) High overhead and administrative costs on offices spread over the entire country, limiting its impact.
- d) High Cost of Building Materials
- e) Housing programmes had no openings of their own to engage unemployed youth, providing only vocational training to young school leavers.
- f) Inadequate Housing finance/financial instruments for fund mobilisation. There have been insufficient funds to provide start-off capital for potential homeowners
- g) DMBs preference for short maturity lending
- h) Shortage of skilled manpower in the building industry
- i) High population growth (increasing demand greater than supply)

V. Perspectives for Sustaining Housing Delivery in Nigeria

There is no magic wand that will solve the problem of housing deficit in Nigeria. Although, there are so many ways that Nigeria can tackle the housing challenge, we have grouped all of the measures into three (3) major buckets for clarity. These include:

VI.1 Finance

The issue of housing finance in Nigeria has remained intractable since the past three decades. Without doubt, the fact remains that there have been profound changes in the housing finance system. The mortgage market is still evolving, and mortgage lending being fostered by specialised lenders, faced limited competition in segmented markets—typically, deposit money banks. Developing mortgage credit in Nigeria would engender competition in that sector and strengthen the housing mortgage system in Nigeria. Thus, sharper focus should be on the issue of effective housing mortgage system in particular. Also to be addressed are high interest rates on mortgage loans, forging partnerships for scaling up investments in the housing sector and more importantly, combining the strength of cooperative societies/faith-based organisations, governments, employers and workers in implementing/providing affordable housing. In addition, encouraging housing microfinance to take

care of people within the low income bracket would be necessary in complementing the efforts of the primary mortgage institutions (PMIs). The PMIs should also be recapitalised to make them more resourceful in providing long-term fund needs in the housing sector to make them more result-oriented.

VI.2 Institutional – Governance Issues

The core of institutional issues in the housing sector is in terms of housing policy and regulation. The first institutional issue that must be addressed is the need to decentralise housing sector reforms and the policy making and planning processes. The current practice is typically a top down and non-participatory process. Secondly, we note that weak institutions for managing, coordinating, overseeing and monitoring seriously hinder the attainment of an evidence-based and inclusive housing policy process. Thirdly, coordination of housing sector development and strengthening collaboration among the various housing departments and agencies in Nigeria is a necessity. The fourth one is yawning human capacity gap in key housing-sector departments/agencies both at the national and local levels. Lastly, there is the need to address the issue of overcrowding and congestion.

VI.3 Policy – Housing Policy and Regulation

On the policy side, achieving effective housing delivery remains a policy problem. The following must as a matter of urgency be addressed: revocation and compensation process to secure access to land; the need to ratchet up the process for regularising land/building title documents; accepting housing delivery as a social responsibility; ensuring continuity and consistency of policies; assigning priority to policies for housing development. Others include, the need to ensure that government policies support housing development and lift aggregate demand, including public employment programmes, wage and training subsidies, sectoral programmes, etc. The government must , develop broad sets of system-level housing policy reforms that would create a more robust safety net for vulnerable/low income households through skills and labour-market policies.

In addition the difficulty in regularising title documents/deeds, procuring consents for transfers, and very high processing costs are major institutional challenges that must be addressed. In particular, the issue of ownership rights under the Land Use Act must be addressed. At the sub-national levels, State governments should take proactive steps in making necessary administrative amendments to the Land Use Act that would allow Commissioners in charge of

land matters to append their signatures to land documents. Of importance, is the need to make the process of registration of land titles less cumbersome; it should be as simple as possible, bearing in mind the need to make the process timely and affordable.

Finally, promoting quality apprenticeship (informal or formal), would be required as a solution for providing the needed skilled-manpower in the housing sector. Countries with skilled artisans have lower homeless people than those who do not because of cost effectiveness in housing construction, e.g China, Bangladesh, Ghana, Togo, Thailand, etc. As a way forward, critical stakeholders like the Federal Ministry of Trade and Investment (FMTI), Federal Ministry of Works and Housing (FMWH), Federal Ministry of Education (FME), the Central Bank of Nigeria (CBN), Federal Mortgage Bank of Nigeria (FMBN), Housing Finance Professionals Association of Nigeria (HOFPAN) and Mortgage Bankers Association of Nigeria (MBAN) should strengthen collaboration in the area of institutionalising the training needs of the housing sector that would require the certification of professionals in the mortgage and housing finance sector.

VI. Conclusion

We examined the current housing landscape and offers optioned for strengthening and improving housing delivery for Nigeria's fast rising population. The paper recognises that Nigeria's housing delivery depends on the active participation of both the public and private sectors and that secure housing is a cornerstone of economic well-being. From our analysis, it is evident that there are challenges in the provision of affordable housing that is quantitative and qualitative in both urban and rural areas in Nigeria since independence in 1960. No doubt, the existing housing system in Nigeria has failed in providing most vulnerable households access to safe, affordable, stable housing. We recognise that, millions of low-income households pay large portions of their income on rent or live in substandard conditions and this could trigger chronic economic instability that undermines economic security and well-being and pull low-income families deeper into poverty. In our view, the management and administrative oversight of government housing programmes have been weak and sometimes problematic, perhaps because of multiple authorities (federal, state and local government agencies) managing the programmes. We observed that past public policy programmes have had a mixed impact on housing sector development in Nigeria. While a number of intervention programmes, addressed critical needs, others failed to do so. From available evidence, some of these programmes have been known to have failed to justify the amount of public funds devoted to them. As a way forward, the provision of

affordable housing can help to expand opportunities for all, reduce hardship among the most vulnerable, and strengthen the effectiveness of the public sector and institutions.

The sheer implementation of the various national housing policies (NHPs) were based on set goals and objectives, principally to ensure that Nigerians own or have access to decent, safe and healthy housing accommodation at affordable cost. However, available evidence show that the implementation of these laudable policies have been fractured and the achievement of the desired objective has remained elusive (Aribigbola, 2008). For example, the low income group for whom these policies were supposedly designed to serve, still cannot avail themselves of available houses at affordable prices. In addition, the private sector players, particularly, primary mortgage institutions (PMI's) who are supposed to catalyse growth in the sector have not really been forthcoming.

Overall, responding to the challenges of housing deficit will require a tailored and multifaceted approach. Considering the difficulties that countries are likely to face in the provision of affordable housing, a lot of structural issues must be addressed. First, the issue of population growth must be addressed in view of the scarce resources. There is the urgent need for policies that will better translate positive growth outcomes into meaningful employment gains and reduction in poverty. As a further step, deliberate programmes for the provision of affordable housing to address current needs must be key. There is evidence that housing demand have declined following the astronomical rise in the cost of building materials. There is need for appropriate policy mix (monetary, fiscal and other structural policies) capable of producing evidence-based solutions for improving housing delivery and strengthen cities across a rapidly urbanising Nigeria. In the interest of inclusive economic growth and an equitable distribution of resources in Nigeria, government/policymakers must adopt a sharper focus on the issue of effective housing mortgage system, and provide such detailed data-base of housing deficit in the country. Secondly, the government must be innovative as to match policies with the changing dynamics in the housing market. Often it is the urban people who understand the measures that will help them adapt in their peculiar situation. The government should still consider public housing as a social responsibility, Finally, with the right will and knowledge, Nigeria can through concerted efforts ensure sustainability of programmes, develop policies, skills and competencies that the housing sector needs and deserves.

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Appendix 1: Policy Objectives of the 2006 National Housing Policy

- i. Develop and sustain the political will of the government for the provision of housing for Nigerians.
- ii. Provide adequate incentives and an enabling environment for greater private sector (formal and informal) participation in the provision of housing.
- iii. Strengthen all existing public institutions involved in the housing delivery at the federal level. Encourage and promote active participation of other tiers of government in housing delivery.
- iv. Create necessary and appropriate institutional frame work for housing delivery.
- v. Strengthen the institutional frame work to facilitate effective housing delivery.
- vi. Develop and promote measures that will mobilise long term sustainable and cheap funding for the housing sector.
Government shall by patronage, develop and promote the use of certified locally produced building materials as a means of reducing construction cost.
- vii. Ensure the use of relevant and fully registered Nigerian professionals to provide appropriate designs and management in housing delivery.
- viii. Develop and promote the use of appropriate technology in housing construction and materials production.
- ix. Make land for housing development easily accessible and affordable.
- x. Develop and promote a national housing market.
- xi. Enact laws and make regulations to prevent and control fire incidence in Nigeria.
- xii. Improve the quality of rural housing, rural infrastructure and environment.
- xiii. The main policy thrust is on institutional reform, capacity building, and increased financial mobilisation to the housing sector, local building material production and adequate access to building land. In order to achieve the policy objectives, 22 strategies were specified in Section 2.3 of the policy, some of which are:
- xiv. Strengthen and sustain the Federal Ministry of Housing and Urban Development to harmonise and monitor housing delivery in Nigeria.
- xv. Maintain and strengthen the department in the standard organisation of Nigeria responsible for monitoring and setting minimum performance standard in the building industry.
- xvi. Restructure and adequately capitalise the following institution to effectively perform their statutory roles: the federal mortgage bank of

- Nigeria (FMBN), Federal Housing Authority (FHA), Federal Mortgage Finance Limited (FMF) and Urban Development Bank (UDB).
- xvii. Restructure and adequately fund the Nigerian Building and Road Research Institute to perform its statutory role.
 - xviii. Nominate representative of relevant professional bodies, stake holders and organise private sector into the policy making organs.
 - xix. Review as when necessary, the provision of the followings to make them more effective and enforceable: Mortgage Institutions Act, Federal Mortgage Bank of Nigeria Act, Trustee Investment Act, Insurance Act, National Housing Fund Act., Employees Housing Scheme (special provision) Act, Federal Government Staff Housing Board Act, Urban Development Bank Act, and Land Use Act.
 - xx. Establish and sustain a secondary mortgage market to enhance greater accessibility to long term housing fund for house ownership among all segments of the Nigerian population.
 - xxi. Grant fiscal incentives to small and medium scale local manufacturers of building materials.
 - xxii. In collaboration with the Federal Ministry of Housing and Urban Development, Federal Ministry of Industries, the NBRRI and the committee of bankers, to promote the growth and development of small and medium scale industry in the building material sub-sector.
 - xxiii. Promote and encourage partnership between research institutes and private organisations.
 - xxiv. Ensure the enforcement (government example) of the provisions of professional practice in the building industry.
 - xxv. Encourage and fund the training of skilled manpower required for the building industry.
 - xxvi. Encourage the use of conventional building systems as a means for marrying the need for mass housing to employment and wealth generation.
 - xxvii. Establish regional economic and infrastructural planning programmes that would enhance the socio-economic status of the rural dwellers throughout the country.
 - xxviii. Devise simple and affordable techniques for upgrading existing housing stock.
 - xxix. Encourage the establishment of cooperatives or housing associations to enable the rural dwellers have access to fund.
 - xxx. Embark on and sustain appropriate urban renewal programmes in blighted areas. Provide fiscal incentives (tax waivers, duty waivers, etc.) service land and expeditious planning approval process to encourage private sector participation in housing delivery.

- xxxi. Encourage the establishment of, and sustain land registries in all tiers of government in the country. Promote modernisation, computerisation, and human resources development of land registry throughout the country with special attention to the development of coordinated and comprehensive registries for land belonging to all tiers of government and all their agencies and net working of all land registries into a national land depository.
- xxxii. Provide sites and services scheme for housing nation wide.
- xxxiii. Provide statistical data for effective process of housing delivery in Nigeria.
- xxxiv. Seeking international bilateral and multilateral assistance for promoting housing and urban development.