

# Dynamics of Housing Affordability In Nigeria

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## Abstract

Affordable Housing provision has remained elusive to an average Nigerian, in spite of numerous programs put in action by various government of the country. The situation is similar to other developing countries, thus, it remains a critical issue in socio-economic wellbeing of these countries. The following factors were identified as contributors to poor housing delivery in the country. They include Rapid population growth, rapid urbanization process, rural-urban drift, and high cost of building materials, dearth of indigenous technology and skilled personal, inadequate financial structure as well as poor managerial skill of our mortgage institutions. The past and present housing programs and efforts were reviewed. New solutions were also proposed.

**Keywords:** Housing, Materials, Population, Programs, Urbanization.

## 1. Introduction:

Housing is one of the basic needs of man due to his desire for security, privacy and protection from negative impacts of the environment. In the social life of every Nigerian, home ownership boosts one's status in the society (Nubi, 2008). From the point of view of built environment, housing plays an important role in the enhancement of human health, social and economic welfare of the society. In spite of numerous efforts by successive Nigerian governments and even the private sector to tackle housing challenges in the country the residential housing problems seem to escalate beyond solution. These problems are caused by several factors. Firstly, rapid urban population growth due to high fertility rate, rural –urban migration. The desire for jobs, better facilities and opportunities are major factors that need to be addressed by administrators of housing programs. Secondly, rapid urbanization process has been identified as a common characteristic of all developing countries including Nigeria. Thirdly, the high cost of building materials caused by high cost of production and extraction as well as dependence on imported materials to supplement local sources are also major factors. Fourthly, dearth of indigenous technology and skilled manpower has lead to high cost of engagement of expatriate personnel and even artisans from neighboring countries. The fifth factor is the lofty and expensive designs that are done by building professionals without due consideration to our economic situations and cultural background. These designs at the long run are affordable by only few rich Nigerians. The sixth factor is acceptability syndrome of houses made with traditional materials such as brick and mud by the Nigerian populace. This is still a matter of great concern. The aim of this study is to identify the problems that hinder efforts in housing provision for low-income groups of the Nigerian populace in order to proffer solution for amelioration of these problems. The objectives are: i) to analyze the problems as they affect specific areas of housing delivery, ii) to suggest efficient and effective ways of removing or minimizing the housing problems on the affected groups.

Nigeria is situated in West Africa. It covers an area of 923,766 square kilometers (km<sup>2</sup>). It lies between latitudes 4<sup>0</sup>N and 14<sup>0</sup>N of Equator and longitudes 3<sup>0</sup>E and 15<sup>0</sup>E of Greenwich meridian. It borders on its 4,047 kilometer perimeter with Cameroon Republic in the east, and in the north with Niger Republic and Chad Republic, while in the Western boundary, it borders with Benin Republic. In the Southern end, the country is bounded by the Atlantic Ocean's Gulf of Guinea.

Nigeria is ranked 13<sup>th</sup> among the countries with high level of total fertility rate (TFR). This is due to the prevalent high-rate multiple births in the country and poor attitude of Nigerians to birth control. These factors are yet to be addressed by the relevant authorities, whose efforts have been thwarted by challenges of lack of girl child education, family planning, mass illiteracy, religious conviction and Nigerians' preference to having large families which all account to their aversion to modern methods of birth control. Nigeria represents an annual population growth rate of 3.2 percent or 5.6 million people per annum and at this rate the population will hit 221,392,163 million by July 1, 2020 National Population Commission (NPC), 2011.

## Urban Population

Nigerian's urban population as at 1930 is about 7%, 1950 – 10%, 1970 – 20%, 1980 – 27% and 35% at 1990,

Okupe, (2002). Study reveals that 40% now live in the urban centers. This trend compounded housing problems which manifest in overcrowded accommodation, poor quality of available houses, health epidemics, civil strife, and increase in crime rate, slum architecture and homelessness. Nigeria's population in 2005 stood at 141 million according to United Nations estimate while prediction puts it at 289 million by year 2050 and 264 million as predicted by United States Census Bureau (Encarta 2007).

## **2. REVIEW OF URBAN GROWTH IN NIGERIA.**

About 30% of Nigeria's population live in the urban areas (NPC 1991) made up Lagos, Ibadan, Warri, Enugu, Ontisha, Owerri, Benin City, Port Harcourt, Kano, Jos and Kaduna. Factors responsible for population growth include high fertility rate of about 2.8 percent as stated earlier. Another is rural-urban drift which directly stimulates urbanization process intensified by the creation of the 36 states of the federation. The resultant effect of this trend is the emergence of new growth centers and increase in size of existing ones, Diogu et al, (2010). The urban population has been growing rapidly at annual rate of 4.5 percent (CSD 2008). The immediate consequences of this urban population growth are housing shortages and high cost of food.

## **3. AN OVERVIEW OF HOUSING PROGRAMMES IN NIGERIA:**

This can be divided into Pre-colonial and Post Colonial periods.

**Pre-Colonial Period (Pre-1928):** This Period witnessed communal form of housing through communal labour by family members and kindred or age grade members. For individual houses, the owner of the house provided building materials and serve meal for the workers. For public buildings such as churches, civic centers or town halls, materials such as stones, sand and timber and water, were provided by all adults while the construction is done by able bodied men of the youthful age.

**The Colonial period (1928 – 1960):** The first meaningful housing programme commenced in Lagos by the then Lagos Colony after it has been given a legal backing by mandating Lagos Executive Development Board (LEDB) to commence the development of Lagos Capital Territory. The housing scheme commenced in Ebute Metta area mainly for Civil Servants on payroll deduction system. Later, additional housing scheme was extended to Surulere area.

### **Nigerian Building Society (NBS) (1945 – 1950)**

The Nigerian Building Society (NBS) was established in 1945 after the Second World War also in Lagos, by the then Colonial government. This programme was short-lived due to lack of funding from the government.

### **Urban Renewal Scheme (1951 – 1952)**

This witnessed the redevelopment of the dilapidating urban houses and renewal of urban slums and squatter areas and construction of rentable public housing estates. The Lagos Executive Development Board (LEDB) which later became Lagos State Development and Property Corporation (LSDPC) was mandated by the then minister for Lagos Affairs to clear a large slum area in Central Lagos for housing development. Being a beehive of commercial activities the residential houses soon turned out to be mixed use structures for accommodating market stalls without adequate planning.

### **Pre-Independence Period (1952 – 1960).**

In preparation for independence, the country was carved into: - Eastern, Western and Northern Regions. No housing programme was put in place because the country was more concerned about the political and economic independence from the colonial masters.

### **Post Independence Period: 1960 – 1972**

The regions at this time in 1964 established their respective housing corporations with the objective of developing housing estates and mortgage provision to so as to engage the private sector in building housing on payback system. However, most of houses were built only in the regional capitals, - Enugu, Ibadan and Kaduna (NHP, 1991).

### **Federal Housing Authority 1973**

Established in 1973 under Decree No 40 of 1973, FHA was mandated to develop and manage real estates on commercial and profitable basis in all states of the federation and provide site and services scheme for all income groups with special emphasis on low-income groups in the major towns of the country and also provide low income houses in all the states of the federation. According to NHP, (2006), the then Federal Military Government in preparation for the First All African Festival of Arts and Culture (FESTAC) embarked on

impressive mass housing project in Lagos and the other twelve states of the federation. The FHA adopted the end-user Housing Scheme, Cooperative Housing Associations, Key Workers Scheme and House Improvement Scheme. This was the most outstanding housing programme witnessed in Nigeria.

### **The National Housing Programme 1975 – 1980**

The main objective of this programme was to provide low-cost housing estates. Amuwo-Odofin Phase 1 was developed in Lagos by the Federal Government in line with Low-Cost housing scheme in the other II States of the Federation. In 1978 the estates were transferred to various state governments for control and management. This saw many Nigerians benefiting from affordable housing on long term mortgage finance under President Shahu Shagari administration. The Nigerian Building Society transformed under this arrangement to Federal Mortgage Bank of Nigeria. The “Shagari Low Cost Housing” scheme was extended to 19 States of the Federation in 1979 and by 1981-1982, 350 housing units for low/medium income earners were planned to develop in all the 19 states under the supervision of the Federal Ministry of Housing and Environment (NHP, 2006).

### **The National Housing Policy (NHP 1991)**

The National Housing Policy was formulated in 1991 with the objective of providing adequate quality and affordable housing to all Nigerians tagged “Housing for all by Year 2000” By year 2000, this objective was unrealistic and the policy was revised in 2004 to resolve among other things the problems of administrative Bottlenecks in its implementation. Finance was observed as the major setback. A Presidential Technical Committee on Housing and Urban Development was set up to address the new housing reforms. (Kabir & Bustani, 2010) It’s recommendation included the restructuring of Federal Mortgage Bank of Nigeria, (FMBN), the setting up of Real Estate Developers Association of Nigeria (REDAN) and Building Materials Producers Association of Nigeria (BUMPAN) The new housing reforms established Institutional and financial mechanisms that was to make funds available to private developers for mass housing and also to allowed purchasers to have access to housing loans through. The Primary Mortgage Institutions (Ebue, 2004). The performance of FMBN in terms of housing finance was very poor. Only few loans were given to few middle and high income groups in the country (NHP 1991). The targeted low-income group was left out. The FMBN was then restructured into two-tier financial structure where the functions were separated by the creation of Federal Mortgage Finance of Nigeria which was later phased out due to gross irregularities. The FMBN was left to operate as Secondary mortgage market while the primary mortgage market was thrown open to private sector. The Nigerian public had golden opportunity to operate mortgage banking yet their impact was quite insignificant in housing provision. The FMBN under the new arrangement to operate as secondary mortgage market had no source of fund to lend to the Primary Mortgage Institutions (PMIs). This prompted the Federal Government in 1992 to enact a policy making mandatory for every Nigerian earning upto N3,000 per month to contribute 2.5 percent of his monthly salary to National Housing Fund (NHF). This fund was to be managed by the FMBN from workers who are contributors to the fund and were entitled to source money from the fund through PMIs to develop individual houses.

## **4. NEW APPROACHES TO AFFORDABLE HOUSING**

Mobugunje, (2004), suggested the need to amend the legislation to their provisions in line with new housing policy. One of these is to amend the land use Act to ensure better access to land and faster registration process of land title to developers Establishment of better mortgage terms such as tax leisure for developers.

### **Private Finance Initiatives**

**Site and Services Scheme** – This came from interest groups and international lending community such as World Bank which brought this idea of site and services and site upgrading schemes. The first approach seemed a welcome relief to the low-income beneficiaries with serviced plots including tenure security while the second approach helped the inhabitants of the existing squatters’ areas to obtain tenure to their land, and improved their dwellings. However, many viewed the programme as capital-intensive and the initial target sector of the population, the low-income never benefited from the scheme. According to Aluko, (2002), the cost attached to each plot is usually beyond the reach of the urban poor.

## **5. Problems Affecting Affordable Housing Development in Nigeria:**

- **High Standard Designs:**

Contemporary residential housing designs in Nigeria results in bogus and high standard and expensive housing unit with unnecessarily expensive materials and components which are affordable to only few Nigerians.

- **Taste and Acceptability**

The low income housing facilities such as roomy houses, one-bedroom low-cost houses are declining in the major urban centers in preference to Block of Flats, duplexes and luxury apartments. (Lagos, Abuja, P.H and State Capitals). The reason is that most housing development in recent times are in the hands of private speculative developers who prefer to have rich tenants considering the money they spend in land and high cost of building materials and high interest rates of loan facility needed in raising a structure. They therefore cannot afford to go for cheap accommodation.

- **High Cost of Building Materials**

Nigerians have developed high taste for very expensive building materials such, marble, granite, for wall cladding, stainless steel, exotic ceiling and roofing materials, massive columns with ornaments and cornices that serve no structural purposes, bullet proof steel doors, reflective glass windows, glasses with powder coated aluminum frames just to say the list all for residential buildings. Most of these materials are either imported or manufactured locally with imported machinery and technology.

According to Mbah, (2002) about 91% of the roofs of residential houses in Lagos are made of corrugated iron sheets, while over 8% constitute of asbestos sheets, about 93 percent have concrete floors while 6 percents have tiled floors. Also in Onitsha 80% of walls of residential buildings are made of cement while building with mud walls are about 5% only. Also building with corrugated metal roofs constitute over 90 percent of the total, while asbestos roofs constitute only 3%.

- **High Technological Input**

Many contemporary residential buildings that adorn our urban centers require high level of technological input which requires high level equipment to function, operate and maintain. Some residential buildings rise upto six floors without elevators. Some are without adequate electricity to power them including air-condition gadgets. Some are without adequate natural lighting and ventilation due to their complexity. Sometimes more floors are added to exiting ones for commercial gains without consideration of the consequences of additional load to exiting foundation. These present structural problems which are one of reasons for frequent incidences of building collapse.

- **Durability and Safety:** Durability is another problem that hinders the use of local materials for low-cost mass housing provision. Some of the local materials are not durable therefore maintenance, in form of renovation, and replacement will be much often compared to those with more permanent structures. Mud and wooden houses are often attacked by termites thereby reducing the strength of their structures. They are liable to vandalism and attacks by robbers. They are also liable to attacks by fire and local fire brigades are ill-equipped. Also incidences of harsh weather such as wind rain and excessive dryness due to loss of moisture for unseasoned wood have been recorded.

The consequences of all the problems enumerated in this study are housing shortages in Nigerian Urban Centers which have remained unresolved both in quantity and in quality. The low-income and middle income groups of the urban population are the most affected.

## **6. Recommendations:**

- A desperate need towards solving Nigerian's housing shortages for future public housing projects should be based on local sourced materials.
- More research works should be geared towards improvement of local building materials. This should be given priority attention in schools of architecture and research institutes.
- Rehabilitation of substandard existing houses especially in the urban and suburban areas as an effort to proving qualitative housing is necessary.

- **Utilization Human Resources:**

Plentiful human resources abound in the rural areas. These can be positively harnessed in order to make essential input into rural housing construction. A programme of rehabilitation of existing substandard houses can be made possible through the use of rural human resources. The survey observes that the rural environment is less polluted; less congested, has abundant human resources, but only lacks basic infrastructure provisions which expose them to unsanitary conditions. The researcher is of the opinion that if these basic needs are provided with

improved standard of living and comfort, and basic employment opportunities, the phenomenon of rural urban drift will be stemmed to the barest minimum.

- More research to focus on special additives to increase stability and durability of locally produced materials. Development of the local materials by implementation of research findings on materials such as laterite, clay, stones or rock deposits adorn all over Nigerian landmass will be a welcome idea.
- More funds and re-engineering of cement factories at Ewekoro, Nkalagu, Calabar, Sokoto, Ukpilla, Shagamu, Ashaka and Yander. Also Clay brick factories at Minna, Okigwe and Maraguta to be given attention. The local materials if properly harnessed provide greater opportunities for construction of affordable mass housing.
- Remove all identified obstacles inhibiting the development of indigenous housing prospects. All future plans in this direction should put local conditions into consideration. Laterite can be stabilized with little cement products. Mud or Clay blocks should be given adequate heating to remove the last trace of moisture.
- Self-reliance ideas can be part of indigenous training such as block or brick making using abundant sunlight as drying agent.
- Encourage self-reliance by using indigenous professionals and artisans for skilled man power development in place of low qualified expatriate tradesmen.
- Use of local manufactured materials for house construction will promote self reliance and conserve foreign exchange.
- Timber can be seasoned properly or treated with chemical preservatives. Such treated timber can be used effectively for mass production of building components such as timber handrails and balusters, door panels, wooden, louvers, wall panels, inbuilt kitchen cabinets and wardrobes as well as floor tiles and ceiling panels for example bamboo stems.
- More research into the available local materials at Building and Road Research Institute (BRRI) Chineme, (1995) and in all Schools of Architecture and Engineering in Nigeria.
- Government to embark on large scale housing programme with the tasted local materials in all states and local governments of the federation.
- Public awareness through print and electronic media on suitability and desirability of local materials to remove psychological stigma attached to local materials as degrading to social status.
- Also there is need for workshops and seminars on housing finance, prediction.
- Development of medium and small scale industries for production of materials and technical equipment and building components in Nigeria is necessary.
- Remove complicated bottleneck associated with mortgage finance through financial incentives for Private Sector Loan Schemes of low interest rates and other attractive and tax reduction finance investment incentives.

## **7. Conclusion:**

The urban population of developing countries including Nigeria, according to study will be concentrated in the urban centers and it is predicted to reach half the population. The government of Nigeria seems to favour urban development through provision of major social amenities, industrial development, infrastructure investments, social services education and food in the urban centers. The resultant effects of this and other factors are population increase leading to rapid growth of slum architecture called squatter settlement, affecting the urban poor. The present Housing situation is characterized with high density and over crowding conditions, inadequate infrastructural facilities and increased pressure on municipal facilities leading to environmental deterioration. The housing policies and programmes made by successive governments of the country were poorly managed and financed to the extent that the targeted low-income segment of the population never benefited from the scheme. The adoption and intensive development of local building materials such as stabilized earth and other local components will in a long way have the advantage of enabling a much wider segment of the low and middle income group to produce their own houses themselves, especially where they have had previous knowledge of building with earth or mud while in the rural areas. Land, according to recent observations remains one big challenge for housing affordability and calls for the best method to be adopted to determine the most suitable less pressurized part of the cities for cheap land for low income families to build their houses.



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