

Accessibility of Low-Income Earners to Public Housing in Ado-Ekiti, Nigeria

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Abstract

There are three major sources of housing provision in Nigeria; namely public, private and popular sectors. The popular sector has provided the larger proportion of houses in the country and its activities mostly benefit the urban poor. Public sector intervention in housing with particular regard to low-income earners has been largely unsuccessful. Low-income earners hardly have access to houses provided by the public sector. This paper examines the access of low-income earners to public housing in Ado-Ekiti, the capital city of Ekiti State Nigeria. Two public housing schemes in Ado-Ekiti; namely, the Federal Low Cost Housing Estate and the State Housing Estate were studied. The research findings show glaringly that low-income earners were almost schemed out regarding access to the buildings. This is a negation of the original intention of government especially as most of the buildings in the housing estates were conceived as low-cost houses for low-income earners. The paper recommends a number of strategies to enhance greater accessibility to public housing by low-income earners.

Keywords: accessibility, housing, low-income, provision, public.

1. Introduction

The quantitative housing needs of urban dwellers in Nigeria are very high. The vast majority of urban dwellers are in low-wage and irregular employment in the private sector. These are the urban poor who constitute between 33 and 67 percent of the urban population in Less Development Countries (LDCs) such as Nigeria (Lewin, 1981, Olotuah 2000) and are often under-employed and sometimes in no employment whatsoever.

The extent of the deplorable housing situation of the poor in Nigeria has been documented in previous studies (Olotuah, 2005a, Adegbingbe 2011). This is characterized by substandard and structurally unsound houses often located in insanitary environments. The poor quality of housing inhabited by the poor is a consequence of high level of shortages, in quantitative terms of housing to accommodate them and the lack of the resources to pay for quality housing available. This is manifested in severe overcrowding in inadequate dwellings found in urban centres in Nigeria, which are often of poor architectural standard, poor construction, with inadequate services supplied including drainage. The poor quality of most of the houses is evident in their state of repair which is consequential of use of materials of poor quality and substandard construction techniques. Walls are built mainly with poor sandcrete blocks. Concrete with excessive quantities of dust and clayey matter is often used for construction, and this has been found to be inimical to the production of good quality concrete (Arum & Olotuah, 2006). State of repair of buildings is a measure of the soundness of the roofs, walls, floors and foundations. The soundness of roof structure implies absence of leakages of roof cover and damages to roof frame. The soundness of wall is the absence of cracks, surface wear, tearing or peeling off of surface plaster and paints, while soundness of floor refers to absence of cracks, surface wear, tearing or peeling off of floor finish. The soundness of foundation refers to the ability to withstand forces of slippage, settling and erosion.

Housing represents a major area of deprivation for the urban poor. The rate of provision of new housing stock in Nigeria has lagged behind the rate of population growth which is responsible for the formation of slums, growth of squatter settlements and high rent beyond the affordable limit of the poor. Slum conditions constitute a major housing problem in the LDCs and are an indicator of housing shortages. Slums are characterized by obsolescence resulting from the combined effects of such factors as natural ageing of buildings, lack of maintenance and neglect, wrong use of buildings, and wrong development of land (Omole, 2000; Olotuah & Adesiji, 2005). The lack of adequate housing which is a manifestation of poverty in the country, accounts for the preponderance of the large proportion of urban dwellers in Nigeria living in housing at densities and environmental conditions which constitute serious health hazard and threat to their general productivity.

In Nigeria housing is provided mainly by the private sector (Olotuah, 2005b). The private sector comprises both the formal and informal segments. The former, which is the organized private sector, has contributed only a little proportion of the housing stock. Its involvement in housing provision is usually in the construction of staff quarters for their employees, and granting of housing loans (Olotuah, 2000). The informal segment, referred to as the popular sector, has provided over 90% of houses in the country (CASSAD, 1993). Its activities usually mostly benefit the urban poor.

There have been efforts by government to intervene in housing provision in Nigeria. However studies have shown that public sector intervention in housing with particular regard to low-income earners has been largely unsuccessful (Jagun, 1987; Muoghalu, 1987; Olotuah, 2000). Some reasons adduced for this are that:

- i. government has a wrong perception of the need of low-income earners which results in the provision of inadequate and wrong kinds of housing and aids for them;
- ii. government has always provided too few a number of houses which are nonetheless too expensive for low-income earners and are taken over by the affluent in the society;
- iii. government has failed to stimulate the private sector for greater participation in housing provision; and
- iv. there has been improper planning and poor execution of housing policies and programmes.

Public sector intervention in housing in Nigeria over the years has encompassed:

- i. Building of staff quarters;
- ii. Housing loans to workers;
- iii. Direct house construction; and
- iv. Sites-and-services programmes.

These programmes, aside from direct house construction of low-cost houses by the Federal Government, are not directed at low-income earners.

There are two public housing schemes in Ado Ekiti Nigeria; namely, the Federal Low-Cost Housing Estate and the State Housing Estate, both situated at Oke-Ila. This paper discusses the accessibility of the urban poor to these housing schemes and recommends measures to improve upon it in the future.

2. Public Sector Intervention in Housing in Nigeria up to 1985: a brief review

Public sector intervention in housing began in pre-independence era in Nigeria. It was largely limited to the provision of staff housing units in the Government Residential Areas (GRAs) in the regional capitals, and the African Quarters (Olotuah, 2000; Omange & Udegbe, 2000, Olotuah & Bobadoye, 2009). After gaining independence in 1960 the policy on Government Residential Areas was retained and promoted with greater zeal. The reservation scheme had little or no impact neither on the housing stock nor on the housing problem. The African Staff Housing Scheme and Nigerian Building Society (NBS, established in 1956) were continually fortified to provide mortgage loans and to encourage savings. Little was achieved because of limited financial resources coupled with the poor response of the public to the savings scheme (FGN, 2004). A decree promulgated in 1972 set a target of constructing 59,000 dwelling units with 15,000 units in Lagos while 4,000 units were earmarked for each of the eleven states of the federation (Jiboye, 1997, FGN, 2004).

In the 1962-1968 Development Plan, the government's effort at housing provision was focused, principally, on Lagos. However, out of the 61,000 units that were to be built during the period, only 500 units (less than 1%) were actually built by the federal government. Moreover, the bulk of the housing units were meant for Senior Civil Servants while the housing situation of the poor majority was left unattended to (Olotuah & Bobadoye, 2009).

In 1972 the government established the Federal Housing Authority (F.H.A.) to oversee its housing programmes. The government proposed the construction of 59,000 housing units in Lagos and 4,000 in each of the other state capitals. However, this effort was not specifically geared towards meeting the needs of the poor in the society.

The second civilian government that came into power in 1979 had housing as one of its cardinal programmes. It embarked on the design and construction of low-cost houses for low-income earners. They consisted of 1-bedroom core houses, for low-income earners, which could be expanded by the owners if the need arose; and 3-bedroom apartments for other income groups. The housing programme was hardly successful. The target set was not met in any state of the federation. In fact, the percentage achieved was 20 for all states put together (FGN, 2004). This, in effect, means that 32,000 dwelling units were constructed which was a far cry from the number planned. The poor for whom they were built had an uphill task having access to the buildings.

3. Research Methodology

The research instrument used for the appraisal of the accessibility of low-income earners to the two housing schemes was a questionnaire administered on the residents of the estates. At the Federal Low-Cost Housing Estate 99 1-bedroom semi-detached houses and 10 3-bedroom semi-detached houses were built by the government. All the buildings were bungalows. Some of these buildings were unoccupied having been vandalized or looted with their window panes, roofing sheets, doors and water closets carted away. The number of buildings available for study was 82. At the State Housing Estate, there were 49 buildings occupied and available for study while some others were either undergoing renovation or modifications.

The questionnaire for the study was administered by research assistants who had been previously tutored for the exercise. The questionnaire was administered on all apartments on both estates, one in each case. All the buildings were charted on base maps drawn for the estates and the household head of each dwelling unit was reached as the respondent for the survey.

A data matrix of 81 variables structured in question form was adopted for the research to obtain

responses in relation to the subject. Clarifications were made where necessary to the respondents.

4. Research Findings

The data obtained in the survey show that 10.9 and 8.0 % of the residents of the Federal and State Housing Estates respectively were low-income earners (table 1). The low-income earners also constituted 8.6 and 4.4 % of owner-occupiers at the Federal and state housing estate respectively. These figures show that the low-income earners were almost schemed out regarding access to the buildings. This is a negation of the original intention of the government especially as 91 % of the buildings in the federal housing estate were conceived as low-cost houses for low-income earners.

Table 1.0: Income classification of residents

	<i>Federal Low-cost Housing Estate %</i>	<i>State Housing Estate (%)</i>
Low	10.9	8.0
Middle (Lower)	42.2	25.0
Middle (Upper)	43.8	50.0
High	3.1	17.0
TOTAL	100.0	100.0

Source: Fieldwork, 2008

In 1985, at the completion of the houses on the Federal Low cost Housing Estate, the cost of 1-bedroom unit was ₦6, 000.00 (\$6, 711) and the 3-bedroom unit was ₦15, 000 (\$16, 779) (in 1985 \$1= ₦0.894). The low-income earner (that is those on GL01 to GL06 in the public service) earned a maximum pay of ₦2, 772 per annum (\$3, 101) and therefore could not afford the cost on a lump sum basis. Considering the three parameters of the housing economic equation Awotona (1987) demonstrated clearly that the capital costs of the dwelling units in public housing estates in Nigeria were so high that they were beyond the economic reach of most low-income households. The three parameters are the initial cost of the dwelling units, annual household income and annual economic rent.

The alternative payment procedure allowed was installment method, at which the cost of 1-bedroom unit was put at ₦11, 000 (\$12, 304) and the amortization period was 25 years. On the same basis the cost of the 3-bedroom unit was put at ₦27, 000 (\$30, 201). Research data show that the majority of the residents had to pay from their personal savings. This is the case as low-income earners are generally unable to raise loans from the banks. Conditions for obtaining loans from banks and mortgage institutions are often too stringent for low-income earners to meet. They do not have collateral for the loans and thus, must rely on personal savings to pay for the houses. Owing to their poor earnings their savings are, usually dismally low, which was a major reason the houses went to other income groups.

A socio-economic factor that made the houses unattractive to low-income earners is the location of the estates. They are located at the outskirts of the city and because the transportation system in the city is poor it is almost impossible getting there from the city centre. Low-income earners are often employed in jobs concentrated in the city centre. The housing schemes thus had locational disadvantage and the lowly paid had to look elsewhere, which often was most inadequate qualitatively for housing.

Chi-square tests were performed on the data obtained in the survey to ascertain significant relationships between the variables affecting accessibility to the buildings by low-income earners. These show that it was only the payment procedure for the buildings that had significant relationship with income classification. The other variables tested were:

- i. Procedure of obtaining ownership;
- ii. Housing finance source; and
- iii. Rent condition assessment

These are statistically independent of income classification. Income classification was not taken into consideration in these factors which placed low-income earners at a disadvantage. The other income earners thus had easier access to the buildings.

The payment procedure of the buildings was found to be significantly associated with income classification at 95 percent confidence level ($\alpha = 0.05$). It might not be unconnected with the consideration given to all income groups in the procedure adopted for payment for all income groups namely, lump sum or installment basis. The variable was also significantly associated with the procedure of obtaining ownership at $\alpha = 0.001$ level of significance. There were residents who obtained ownership of the buildings through previous owners, lucky winners of the allocation ballot or other syndicated arrangements. These sources made payment procedures rather difficult since insistence would likely be made on lump sum payment at higher prices. This aggravated further the inaccessibility of low-income earners to the buildings.

A major restraining factor to public housing accessibility for low-income earners is their inability to

source for housing finance. The relationships between housing finance source and other variables were investigated which revealed that it was significantly associated with:

- i. procedure of obtaining ownership ($\alpha = 0.001$);
- ii. payment procedure ($\alpha = 0.001$); and
- iii. rent condition assessment ($\alpha = 0.01$)

5. Recommendations

Housing provision for low-income earners by the public sector is desirable in view of the huge financial investment involved in it and the need for a socially-optimum output. Owing to the social responsibility of government in housing provision, it is best placed to distribute equitably available housing output to all income groups. However, realistic policies have to be put in place by government and be meticulously executed devoid of unnecessary bureaucracy and politicization. Government agencies responsible for project monitoring and supervision need to ensure thorough execution of the programmes and hitch-free allocation of the buildings to the needy groups. Accountability has to be inculcated into government activities to ensure that financial resources are judiciously used.

Buildings designed for low-income earners should be allocated exclusively for them. Other income earners should be disallowed from purchasing them. A sizeable portion of low-cost buildings for low-income earners should be made available on rental basis only. Rental agreements on the buildings should be arranged to lead to ownership upon long stay.

Conditions for mortgage borrowing should be relaxed to enable low-income earners have greater access to housing finance. Government should re-institute housing loans to public servants which will further facilitate their access. Housing provision should be planned within a general framework of urban development to ensure that income opportunities (as in cottage industries) abound within and close to the public housing schemes. This would enhance their locational attribute. The provision of infrastructural facilities and social services should be made by government in these housing schemes.

6. Conclusion

This paper discusses accessibility of low-income earners to public sector housing in Nigeria with particular reference to Ado-Ekiti, the capital city of Ekiti State. It examines the accessibility of low-income earners in Ado Ekiti to two public housing schemes in the city and found it highly deplorable. Factors responsible for the poor access of low-income earners to the houses were examined and recommendations were made to improve the situation in future government programmes.

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Biography

Abiodun Olukayode Olotuah (B.Sc; M.Sc; Ph.D) is a Professor of Architecture at the Federal University of Technology Akure, Nigeria

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