PROMOTING POLICY TO BOOST
THE SUPPLY OF AFFORDABLE HOUSING IN NIGERIA

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ABSTRACT

The goal of this research is to examine how promoting policy to boost the supply of affordable housing by government at all levels would impact the citizenry in urbans areas in a nation such as Nigeria. Stratified random sampling technique was deployed. First, the study area was stratified into ten (10) different cities namely: Lagos, Abeokuta, Ibadan, Benin, Warri, Onitsha, Owerri, Aba, Port Harcourt and Calabar. Each city represents a stratum in the study. In each city ten (10) adults who know the city well are randomly selected as sample. By so doing, a sample size of 100 will be attained. All the 10 questionnaires for each of the ten (10) cities sampled are retrieved. As a result of the findings made in the study, recommendations are proffered which include that the housing sector with regards to provision of affordable housing for the citizenry, faces huge challenges which should not be left to the populace alone. Government at federal and state levels have a whole lot of role to play in making affordable housing available to the citizenry.

KEYWORDS: Housing, Housing in Nigeria, Housing Policy, Housing Policy in Nigeria

INTRODUCTION

Shelter (i.e. housing) is generally counted along with food and clothing. Shelter is Humans need some kind of covering over their head to protect them from harsh elements of weather, risks, and dangers from predators. Humans instinctively always make the effort to among the very basic necessities of life basic to humans from time immemorial.

provide shelter for themselves, their families and communities. Shelter for humans is a place where human(s) can rest safely and comfortably after the day's work in preparation

for the duties, tasks and challenges of the coming day. A well-rested person is more likely to be healthier and productive than one not well-rested. Shelter is thus of health and economic importance to humans. Emphasizing the importance of shelter (housing), the highly revered statesman, Dr. Nelson Mandela in one of his successful books, *Long Walk to Freedom*, described his house in Soweto thus:

> *"It was the opposite of grand,*
> *but it was my first true home of*
> *my own and I was mightily*
> *proud. A man is not a man until*
> *he has a house of his own"*

The revered philosopher, Abraham Maslow, seem to be in agreement. He identified the three (3) most important needs of humans as food, clothing and shelter. Shelter as mentioned by Abraham Maslow represent housing (Moore, Olanrewaju *et. al.* (2016), "Nigeria is perhaps facing the worst housing deficits in its existence with a homeownership of less than 20% and a housing shortage greater than 30 million". The deficits could lead to a social crisis with consequences such as poor standards of living, outbreak of diseases, etc. Housing could also be said to reflect the quality of life (or standard of living) of a person, household, or community. A comfortable housing indicates a better standard of living, and vice versa. In developing countries such as Nigeria (and several African nations), housing remains a big challenge to the populations of these nations. Housing has to be available and

2019). In modern times and in urbanized areas, shelter for humans is known as housing. Housing becomes more demanded when there is rapid rise in population of humans in a particular geographical location. In such scenarios, housing becomes in high demand. This is usually attended with rapid cost in price of housing. Over the last few decades, Nigeria as a nation has continued to witness massive rise in its population. This in turn translates to rapid urbanization in cities with its attendant social and economic challenges some of which impact heavily on the availability and affordability of housing for the population.

Nigeria's rapid and massive rise in population in recent times is not matched by a commensurate rise in provision of utilities for the population. This is obvious in the housing sector. According to

affordable. In reality, availability and affordability of housing are tied together. The more available a particular quality of housing is, the more affordable it is likely to be as a result of basic economic laws of demand and supply.

STATEMENT OF PROBLEM

The reality of unaffordability and unavailability of housing in several of Nigeria's cities is undeniable. Inability to afford housing puts pressures on people and households. This usually have other attendant social, health and economic consequences that

are negative and better avoided. Lack of comfortable housing especially in urban areas leads to persons hanging around in streets (as homeless wanderers or vagabonds), emergence of shanty towns, to mention but a few. These results or aftermath of lack of comfortable housing for a population also usually result in other social problems with huge economic impact. Some of these associated social problems include pressure on social infrastructure or amenities, emergence of violent gangs, insecurity as a result of emergence of violent gangs and groups, etc. For example, unwarranted pressure on social infrastructure and amenities occur because people who cannot afford decent housing tend to want to convert such infrastructural amenities to their residence, thus converting such infrastructure to uses for which they are not meant. To prevent this from happening, government may have to spend resources in enforcing the preservation of those infrastructure for their original purpose. Such resources spent could have been put to other productive use that could have benefit society more.

The primary goal of this research is to see how promoting policy to boost the supply of affordable housing by government at all levels would impact the citizenry in urbans areas in a nation such as Nigeria. However, specific objectives of the study include to:

1. Investigate if developing and executing housing policy by federal government could impact positively on the wellbeing of the citizenry in Nigeria

2. Investigate if developing and executing housing policy by state governments could impact positively on the wellbeing of the citizenry in Nigeria.

HYPOTHESES

The null hypotheses that were tested in this study are listed below:

1. Developing and executing housing policy by federal government would not significantly impact positively on the wellbeing of the citizenry in Nigeria

2. Developing and executing housing policy by state governments would not significantly impact positively on the wellbeing of the citizenry in Nigeria.

LITERATURE REVIEW

THE NIGERIA SCENARIO

In Nigeria, over the 2001 to 2011, housing price rose astronomically (by as much as 500%). The rise in housing prices can be said to have outdone that of income by no small margin, causing most people (especially those in medium and lowerincome groups) to be unable to afford homes/housing (Olanrewaju and Paul, 2015). This untoward trend is generally observed to continue till the time of this writing. Price of housing in Nigeria are outstrips inflation. This is both alarming and

unsustainable. Nigeria had a housing deficit of over 30 million people in 2015, according to a statistical analysis based on existing housing stock, population, home production rate, and population growth rate from World Bank data, the National Bureau of Statistics Nigeria, and the National Population Commission Nigeria. Olanrewaju et. al.

(2016), said "The annual supply of housing in Nigeria is approximately a unit per 1000 of the population. 8-10 units per 1000 is recommended for the developing countries. Therefore, it is estimated that, it would take close to 300 years for the housing deficits to close based on existing home production rate. However, in order to close the gap in the next 30 years, the home production rate will have to be 21 times its current rate".

There are several reasons for housing deficit in several cities of Nigeria. According to Centre for Affordable Housing Finance in Africa (CAHF) (2014) and Olanrewaju *et. al.* (2016). Olanrewaju et. al. (2016: 6) explained that "some of these reasons include lack of access to finance, poor capital and budgetary allocation, poor monitoring of mortgage institutions, an inefficient land market, a disproportionate number of speculators, poor infrastructure (i.e. roads, electricity, water, and telecommunication), tedious and often conflicting legal requirements, poor performance of the construction sector, to mention but a few". Nigeria's housing challenges requires urgent

and deliberate of government and by extension, the organized private sector. One of the ways governments and the organized private sector can ameliorate the housing challenge facing Nigeria's population is by Mortgage.

In current terms, more than 99% of citizens of Nigeria do not possess the resources to finance ownership of a home for themselves. This could be said to be appalling. The proportion of mortgage to the GDP in Nigeria ranks among the lowest in Africa at about 0.58% (Olanrewaju *et. al.,*

2016). Mortgage to GDP ratio in South Africa is 22.04%, Namibia is 18.21%, and Morocco is 13.85%. Much improvement is the desire of citizens in Nigeria's mortgage and housing sector. In fact, Olanrewaju et. al. (2016: 7) stated categorically that "more than 80% of Nigerians are unable to own a home. In turn, this leaves most Nigerians to self-finance in their quest to own their own homes. In fact, more than 90% of existing houses were constructed through

unstructured self-help". This view is also strongly supported by Kumo (2015) in his study.

Grimes (1976) argued that putting financial resources in housing programmes (most especially for the lower members of the income pyramid) as an investment, is of huge importance because it has the capacity to tap into huge amounts of unused or underused labor for productive economic activities. In the real economic sense of it, Grime (1976: 3)

stated categorically that "housing construction in developing countries could be used as a strategy to absorb slack in investment and employment". This view is shared by Moore (2019). According to Moore (2019: 3), "the construction sector, of which residential construction usually constitutes about a third, accounts for approximately 7.0 per cent of the total labor force in developing nations".

In western societies such as U.S.A., Canada, U.K., Germany, Netherlands, etc., the housing sector is often used as catalyst for economic growth. This suggests that the urgent need for available and affordable housing can be translated to a channel for economic activity and growth. A developing economy and society like Nigeria can take a clue from this. In Nigeria, capability to afford housing has perennially, remained an unattainable quest to the vast majority of the population and citizenry, most especially, the middle and the lower classes of the society. Moore (2019: 5) emphasized this when he explained that "The issue of housing deficit has been growing from bad to worse and successive governments from the time of Nigeria's independence have been grappling and struggling with this problem. But it seems as though little has been achieved, especially as the country's population has been growing exponentially, making government's efforts in this regard seem ineffectual".

RESEARCH METHODOLOGY
STUDY AREA

Nigeria as a nation and economy is used as study area for this research. Nigeria is a nation of diverse peoples, cultures and tribes. Ten (10) cities across the nation namely Lagos, Abeokuta, Ibadan, Benin, Warri, Onitsha, Owerri, Aba, Port Harcourt and Calabar are selected as pilot areas where residents of the cities are sampled for data.

SAMPLING PROCEDURE

Both stratified and simple random sampling techniques are involved in this stratified random sampling technique. The study area was first stratified into ten (10) different cities namely: Lagos, Abeokuta, Ibadan, Benin, Warri, Onitsha, Owerri, Aba, Port Harcourt and Calabar. Each city represents a stratum in the study. In each city ten (10) adults who know the city well are randomly selected as sample. By so doing, a sample size of 100 will be attained. According to Isangedighi et. al. (2004: 4),

"the essence of further using the systematic random sampling here is to give every member of the drawn population equal opportunity of being selected without biases whatsoever".

INSTRUMENTATION AND DATA COLLECTION TECHNIQUE

The administration of the research instrument will be done within two weeks simultaneously in all the strata (locations) covered by the study. All the 10 questionnaires for each of the ten (10) cities sampled are

retrieved. The distribution and collection of the instrument (i.e., questionnaires) was carried out by the researcher and research assistants who had been tutored to be able to locate appropriate respondents for the purpose of the study.

METHOD OF DATA ANALYSIS

A frequency percentage table will be used to code the data, but it will be analyzed using Pearson Product Moment Correlation. The procedure will examine the variables and their relationships in the three hypotheses.

policy by federal government would significantly impact positively on the wellbeing of the citizenry in Nigeria.

The correlation coefficient R between implementation of government policy on housing by federal government and positive impact on citizenry equals 0.74, that is 74 percent, and the P-value equals 0.047, all are shown in Table 1. Since P-value (0.047) is less than a (0.05), There's sufficient evidence to rule out Ho, which declares developing and executing

Correlation coefficient r = $(\sum xy – (\sum x \sum y)/n)/\sqrt{[(\sum x^2 – (\sum x)^2/n)(\sum y^2 – (\sum y^2/n)]}$, where, n = number of observations.

X = Observation on Variable X, Y = Observation on Variable Y.

RESULTS AND DISCUSSION
HYPOTHESES EVALUATIONS
Hypothesis One

Ho: Developing and executing housing policy by federal government would not significantly impact positively on the wellbeing of the citizenry in Nigeria Hi: Developing and executing housing

housing policy by federal government would not significantly impact positively on the wellbeing of the citizenry in Nigeria. As a result, we accept H1 and come to the conclusion that developing and executing housing policy by federal government would significantly impact positively on the wellbeing of the citizenry in Nigeria. Additional testing reveals r to be 0.74. We, therefore, reject Ho and accept H1 because R0.05 (0.16) is higher than tabulated
(critical) R0.05 (0.16).

Table 1: Correlation Analysis for Implementation of federal government policy on housing and positive impact on well-being

	FG Housing policy	Positive impact
Pearson Correlation	1	.74
FG Housing Sig.(2-tailed) policy		.047
N	100	100
Positive impact Pearson Correlation	.74	1
Sig. (2-tailed)	.047	
N	100	100

Source: Field Work, 2021.

The rule is as follows: If the p-value of the correlation coefficient is less than 0.05, reject the null hypothesis. If the r<r-value is less than 0.05, the null hypothesis is not rejected and the experiment is terminated. Otherwise, null should be rejected. We have enough evidence to reject Ho because the Pvalue (0.047) is less than 0.05. We therefore accept H1.

HYPOTHESIS TWO

Ho: Developing and executing housing policy by state governments would not significantly impact positively on the wellbeing of the citizenry in Nigeria

Hi: Developing and executing housing policy by state governments would significantly impact positively on the wellbeing of the citizenry in Nigeria

The correlation coefficient R between Implementation of government policy on housing by federal government and positive impact on citizenry is 0.67 (67 percent), and the P-value is 0.046 is shown in Table 2. Since P-value (0.046) is less than a (0.05), we do have enough evidence to reject Ho, because it states that developing and executing housing policy by state governments would not significantly impact positively on the wellbeing of the citizenry in Nigeria. As a result, we accept H1, and come to the conclusion that developing and executing housing policy by state governments would significantly impact positively on the wellbeing of the citizenry in Nigeria. Additional testing reveals r to be 0.67. We reject Ho and accept H1 because r is higher than tabulated (critical) R0.05 (0.16).

The rule is as follows: If the p-value of the correlation coefficient is less than 0.05, reject the null hypothesis. If the r<r-value is less than 0.05, the null hypothesis is not rejected and the experiment is terminated. Otherwise, null should be rejected. We have enough evidence to reject Ho because the Pvalue (0.046) is less than 0.05. We therefore accept H1.

DISCUSSION OF FINDINGS

The results of the first hypothesis show that there is a strong link between adequate implementation of government policy on housing and positive impact on well-being and standard of living of the citizenry in Nigeria. The correlation coefficient is 0.74 (74%), which indicate it to be high between adequate implementation of federal government policy on housing and positive impact on well-being of the citizenry.

Correlation coefficient is 0.67 (67%), this is also high between adequate implementation of state government policy on housing and positive impact on wellbeing of the citizenry. This indicates that the more there is adequate implementation of government policy on housing by

Table 2: Correlation Analysis for Implementation of state government policy on housing and positive impact on well-being

	SG policy	Housing Positive impact
Pearson Correlation	1	.67

government at federal and/or state level(s), the more the more the well-being and standard of living

SG Housing policy	Sig.(2-tailed)		.046
	N	100	100
Positive impact	Pearson Correlation	.67	1
	Sig. (2-tailed)	.046	
	N	100	100

Source: Field Work, 2021.

of the citizenry will be positively impacted. This explains the crucial role government (at each level) needs to play in the housing sector in the quest to improve well-being and standard of living of its citizenry through provision of affordable housing. The findings of the study show that in the Nigerian scenario, with regards to provision of affordable housing, government should take a leading role. In line with the findings of this study on the crucial role government has to play in the housing sector with regards to providing affordable housing in Nigeria, Olarenwaju et. al. (2016) explained the multifaceted issues and challenges facing the housing sector for the Nigerian citizenry. Olarenwaju et. al. (2016: 9) explained that "some of those challenges include lack of access to finance, poor capital and budgetary allocation, poor monitoring of mortgage institutions, an inefficient land market, a disproportionate number of speculators, poor infrastructure (i.e. roads, electricity, water, and telecommunication), tedious and often conflicting legal requirements, poor performance of the construction sector, to mention but a few". These challenges look insurmountable to the common man. Where such challenges and issues are insurmountable to the common people, it is the place of government to bridge the gap in quest to bring better experience to its people and citizenry. Also, in line with the findings of this study regarding the crucial role government has to play in the provision of affordable housing, Olanrewaju and Paul (2015) emphasized the acute housing shortage in Nigeria. According to the researchers, Nigeria's annual housing supply is around one unit per 1000 people, compared to the recommended 8-10 units per 1000 for countries such as Nigeria. Based on current home production rates by the populace, which is primarily made up of low-income earners, Olanrewaju and Paul (2015), estimated that closing the housing deficits will take close to 300 years. In their words, "in order to close the gap in the next 30 years, the home production rate will have to be 21 times its current rate". This leaves lots

of responsibility on government to take leadership, proactive and catalytic role in the housing sector of the economy for the purpose of providing affordable housing for the citizenry.

CONCLUSION

1. Developing and executing housing policy by federal government would significantly impact positively on the wellbeing of the citizenry in Nigeria

2. Developing and executing housing policy by state governments would significantly impact positively on the wellbeing of the citizenry in Nigeria.

RECOMMENDATIONS

1. The housing sector with regards to provision of affordable housing for the citizenry, faces huge challenges which should not be left to the populace alone. Government at federal and state levels have a whole lot of role to play in making affordable housing available to the citizenry. Government should play this role by formulation and adequate implementation of policy.

2. Where policy exists or is being developed, there should be adequate and massive awareness creation and mobilization of citizenry to key into such policy for positive impact upon the well-being and living standards of the people.

3. As government takes leadership and proactive role in solving housing challenges faced by the citizenry, the organized private sector may be allowed to play some role in the provision of affordable housing for members of the population.

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