

The Myth of Housing for All by the Year 2025 - A Critical Review of Housing Policies in Nigeria.

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ABSTRACT: *There exists a persistent disparity in available houses in Nigeria with respect to her population. By the last official Census figures in 2006, the population of Nigeria was put at 150 million and by 2011 it was estimated at about 170million and it is still growing. Nigeria is said to have about 17 million housing deficit. Successive administrations since return of civil democracy in 1979 have made efforts and devised strategies to address the huge housing deficit especially for the low and medium income earners but to no avail. Nigerians have had to live with promises of housing for all by the year 2000, 2010, 2015, 2020 and the dates will continue to change. This paper seeks to investigate factors that have militated against previous efforts and recommend suggested solutions to the problem. This study was based on Contributions from experts at a research conference and web literature. A strategy to apportion 17 million housing deficit among the federal, states and local governments and private developers will if implemented significantly reduce the huge housing deficit. Previous policies have failed because the host communities, beneficiaries and end users were not involved in the planning and policy formulation and other factors such as Corruption and lack of political will on the part of the operators also contributed. The paper recommends adequate housing education for policy makers and general public; formulation and vigorous implementation of affordable housing policy with the involvement of relevant professional bodies in the built environment and elimination of corruption will make achievement of housing for all a reality. Housing, especially for workers will also help boost economy, create work and employment and increase national Gross Domestic Product.*

Keyword: *Government, Housing Policy, Transparency, Budgetary Allocations, Professionals.*

I. INTRODUCTION

Housing is recognized world-wide as one of the basic necessities of life and a prerequisite to the survival of man. It is also now generally known that the poverty level in the society can be significantly reduced through mass housing hence its recognition as a veritable instrument for job creation. Provision of houses stimulates the national economy. The Nigerian Housing Policy (NHP, 2006) defines housing as the process of providing functional shelter in a proper setting in a neighborhood supported by sustainable maintenance of the built environment for the day to day living and activities of individuals in communities. There exists a persistent disparity in available houses in Nigeria with respect to her population. The rate at which population increase surpass the rate of housing provision especially in urban areas where people migrate to in search of employment and better conditions of living, thereby causing the demand for houses to exceed supply. For housing, there is always a continuous rising demand and contracting supply. By the last official Nigerian Census figures in 2006, conducted by the National Population Commission, even though some of the figures are disputed, the population of Nigeria was put at 150 million and by 2011 it was estimated to be over 170million. The figure is even expected to be higher by now. As population has increased by about 20 million in five years housing has not increased proportionately rather it has diminished due to fall in the value of the Naira, harsh economic conditions occasioned by fall in oil revenue which is the main revenue earner of the government of Nigeria, the 2012 nationwide flooding, burning and wanton destruction of already existing housing stock during communal crisis and insurgency by the Islamic terrorist group 'Boko Haram' mostly in the North east of the country. Nigeria is said to have about 17million housing deficit (FHA, 2014). The 1999 Nigerian constitution of the Federal Republic of Nigeria (section 16 (1)(d) stipulate categorically that the government shall provide adequate housing for all citizens. The Federal government has a duty to provide decent and affordable housing for all its citizens irrespective of social, economic or vocational standing. Although Nigeria operates a capitalistic economy, it is still the government's obligation to provide to its citizens the basic amenities that will assist them to live and work at their optimum capabilities through the provision of adequate, decent and affordable houses. The Millennium Development Goal of reducing poverty through the ownership of houses expired in 2015 but Nigeria has not shown any sign of achieving 10% of the requirement as she is said to be experiencing 17m

housing deficit mostly for the low and medium income group where the demand is critical. Over the years, successive governments and administrations since the return of civil rule democracy in 1979 have devised and launched strategies to tackle and solve the huge housing deficit but the gap keeps increasing. Low income households, accelerating urbanization and rapid population growth have contributed to the magnitude of the task.

According to Agbola and Odunola (2007), Housing problem is a global phenomenon confronting developing and developed rich and poor nations. Habitat (1990), emphasizes that in all countries, regardless of the average standard of living, there is a large section of the population that cannot afford what would be regarded as an adequate standard of housing. As a result, a substantial part of the population has to live in accommodation that is severally substandard or in slums. However, developing countries face extraordinary challenges in developing policies to promote the occupancy of minimally adequate housing for all their citizens. In highly developed countries, like the United States of America, provision of adequate houses has been relatively achieved (Okereke, 2009). The United States government builds for the people to own or hire but this may not be the case in Nigeria where everyone builds what they can afford with an attendant landscape that is unplanned. Our cities and towns are so unsightly because everyone builds whatever they like or want. Houses of assorted sizes, shapes and aesthetics and diversified uses line up our roads and cities. This disharmony is distasteful and displays lack of planning regulation. Examples of previous efforts of housing delivery include the Shagari housing estates (aka Festac town in Lagos) in 1983 and Alhaji Jakande housing estates/schemes in Lagos among others but have failed to deliver the desired outcome. Nigerians have had to contend with promises of House for all by the year 2000, house for all by the year 2010, house for all by the year 2015 and now house for all by the year 2020. All promises end at policy level with no assurance that it is achievable. The question begging for answer is why it is possible in planned economies/societies and for so long it cannot be achieved in Nigeria? This paper examines failure of previous efforts by government to provide adequate housing for its low and medium income workers with a view to make suggested solutions to enable reduce the huge housing deficits to the barest minimum. Contributions of experts at a housing conference and web literature form the basis of this work. The scope of the study has been concentrated on the low and medium income earners in the public service of the government because their employment, salary and housing is the responsibility of the government. It is expected that provision of adequate for these categories will significantly solve accommodation problem, create employment, increase Gross Domestic Product, and have multiplier effect on health, infrastructural development and economic growth of the nation and populace among others.

As earlier observed, the federal and some state governments have embarked on housing schemes for their workers but only recently, the Federal Government has admitted that it cannot provide houses for its population, because of workers attitude to government owned properties and high cost of annual maintenance, and instead, as observed by Atonke (2014), sold out all the houses previously constructed for public servants to members as owner occupiers and monetized housing provision to housing allowance to workers while still deducting 2.5% of salaries for housing. With the present arrangement, no worker on salary levels 5 - 8 in the public service can afford to buy land and build a simple bungalow in any urban area in the country with his rent allowance in a period of 25 years without support from other sources. The inability of earlier policies and programmes, to adequately resolve the backlog of housing problems in the country reveals the need for more pragmatic solutions and this formed the basis for a review of the 1991 National Housing Policy. In the revised National Housing Policy 2012 (scannewsnigeria.com) the Nigerian government approved a new housing policy targeted at construction of One million houses annually to augment infrastructural development in the sector. The 2012 Housing Policy emphasizes the central role of the private sector, while the government concentrates on its role as a regulator. For example, in the recent past, Public Private Partnership (PPP) was embraced and employed in a number of low income housing schemes across the country (Adeogun et. al, (2011). The government would undertake to create an enabling environment for real estate and private sector developers to build and hire or sell to workers and citizens. This is laudable but since Nigeria operates a capitalist economy where profit is the prime motivator of any transactions, there is strong doubt whether such houses can be affordable to the low and medium income earners. From available records, Adegboye (2016) and www.chuktu.com, the prices of most of the houses provided by private developers are not affordable because the developers are profit targeted and the government is helpless to regulate their prices in the situation. Available prices of Federal Housing Authority (FHA) houses obtained from their portal (www.FHA.com. 2012) indicate that 2 Bedroom flat can go for as much as N9.0m to N23.0m. The result is that lots of completed houses for example in Abuja, Port Harcourt, Lagos and other cities remain unoccupied because their asking prices are beyond the reach of the average public servant. There has also been a significant lack of clarity over what 'affordable and housing needs' of the low income earners mean and for whom the housing products are intended. A first and fundamental question to ask is 'who's housing problem is the government housing policy going to address and who is the government supposed to build for? Addressing these questions will give focus to a successful housing policy and delivery both in the short and long terms. According to Paris (2006), there are

many differences between the ways in which housing affordability is conceptualized and addressed by public policies in different countries. One recurring theme however, is the limited extent to which planning can increase the supply of affordable housing. Affordability is an early concept to grasp in general but can be hard to pin down in practice especially in terms of the changing circumstances of individuals and households over time. It is in the light of the foregoing that this paper advocates the formulation of realistic and all inclusive workable housing policy including housing education for workers and the general public. If the right steps are taken from now, it is achievable by 2025 and provision of houses for the low and medium income salary earners would have moved from the era of failed promises to quantifiable deliverables.

II. REVIEW OF RELATED HOUSING POLICY LITERATURE

2.1 National Housing Fund

National housing fund scheme was established by Act 3 of 1992 to enable Nigerians in all sectors of the economy, particularly those within the low and medium income levels who cannot afford commercial housing loans to own their own houses (Kolawole (2016)). To achieve this, 2.5% of salary of every worker employed in the public service is deducted at source into the National Housing Fund. A major source of the funding of the scheme was to come from mandatory contribution of 2.5% of monthly salary of workers who earn N3000 and above per annum. Contributors are eligible to apply and obtain loans up to 90% of the cost of house they plan to build. One incentive of the scheme is that interest on the loans obtained is fixed at 6% throughout the life of the loan and long period of repayment could be up to a maximum of 30 years. As stated earlier, although this window is a laudable one, the fund has not been properly managed and by reason of corruption and frequent changes in policies, office holders and governance. Therefore accountability has been an issue such that the contributors have lost confidence in the scheme. Apart from deducting 2.5% of workers salary at source, many contributors do not have access to information about the activities of the scheme, the criteria and possibilities of accessing the loan. The government who appoints the managers of the fund has only shown apathy to the plight of the contributors. From commencement of the scheme in 1992 to date, most of the contributors have either resigned from employment; some have been sacked, dead or retired from active service without records of contribution or benefiting from the scheme. There has not been an accurate data of records of contributions, nor of beneficiaries of the scheme from inception in 1992 from the National Housing Fund office. In the absence of reliable data, it is alleged that an estimated 5% who may have benefited from the scheme are the high and rich who already have and those connected to those in power and politics. It is hoped that with the emergence of the Administration of President Muhammadu Buhari and its anti corruption drive, credibility may soon return to the scheme. This scheme therefore requires to be strengthened, audited and the records/names of contributors and those who have benefitted from the scheme from inception be published. The criteria and accessibility for benefitting from the scheme be spelt out. This will help restore people's confidence in the scheme.

2.2 Federal Housing Policy (FHA).

The Federal Housing Authority (FHA) was established under decree 4 of 1973 as part of Federal Government of Nigeria commitment to make affordable housing accessible to all Nigerians. The FHA is a government agency dedicated and funded by the federal government to build houses and sell to prospective Nigerians. The Director General of Federal Housing Authority (www.nigeriapropertycentre.com/news) disclosed recently (Okereke, 2016) that the agency in 2016 earmark to construct 25000 housing units in Abuja n 2016 targeted at the low and medium income earners. The project is to consist of one, two, three and four bedroom apartments in high rise structures to be executed through direct labour and Public-Private Partnerships having acquired parcels of land in 17 out of 36 states. Over the years such promises have not been matched with adequate budgetary allocations coupled with very little fractional implementation of budget in most cases. Hence, workers who are already too familiar with such promises and statements in the past may not believe until such promises are translated to actions. In the recent past, Public Private Partnership was embraced and employed in a number of low income housing schemes across the country (Adeogun et. al. (2011)). It is however observed that houses built by Federal Housing Authority (FHA) are beyond the reach of the average worker. Available prices of FHA houses obtained from their portal indicate that 2 Bedroom flat can go for as much as N9.0m to N23.0m. The prices are beyond the reach of the average low/medium income earners. Lots of completed houses in Abuja which were built by FHA and private developers remain unoccupied because their asking prices are beyond the reach of the average public servant. A typical example of housing for the low and medium income earners is the Jakande housing scheme of 1983 in Lagos. The Jakande houses scored a political point with the construction of low cost housing units in several locations and parts of Lagos state. The scheme was started in 1983, situated in areas with perceived large populations. The flats were ridiculously cheap compared with similar houses in other parts of Lagos and Nigeria, beneficiaries balloted for it. The scheme however suffered from lack of maintenance (Iroegbu, 2015). One other peculiar problem with this scheme was that the quality was low because it was mass produced and the quality of supervision was poor. Sadly too, it was also observed that some workers who won

the houses rented or sold them out, a practice or habit that must be discouraged. The example of the administration of the first civilian governor of Lagos State, Alhaji Lateef Jakande should be replicated and improved upon (agboola@dailytrust.com).

2.3 Proposed Actualization Framework

A policy that targets 500 houses by each LGA per annum across the country, 3000 houses by each state government and 25000 houses by federal government per annum hereby proposed, granted that if sustained for ten years will produce a significant reduction in the housing deficit and provide a better environment for the economy. A major problem that often hampers implementation of government projects is lack of budgetary allocation and funding. It is in the light of this that it is heartwarming to hear that the federal government under President Muhammadu Buhari claim to have saved N2.20 trillion in six months from the introduction of Treasury Single Account (Omoh, 2016), and is currently saving N647.2million from suspension of subsidy on Premium Motor Spirit (PMS) (Eboh, 2016). This is commendable as it will provide funding which can be directed towards the implementation of the housing policy. Also, negotiations have reached advanced stages between the Nigerian government and government of countries like United Kingdom, United States of America, Switzerland and South Africa among others, to repatriate Nigeria's illegal and looted funds stashed or seized in those countries. Internally Generated Revenue (IGR), external borrowing is other sources. Other revenue generating agencies of government, like Nigerian Customs Service (NCS), Federal Inland Revenue Service (FIRS), Niger Delta Development Commission (NDDC), Nigerian Communication Commission (NCC) and private property developers must be involved and given targets. A Strategy of providing 500 of two and three bedroom houses each year in each of the 774 local government areas will achieve $(500 \times 778 = 389,000)$, each of the 36 States to produce 3000 houses each year $(30 \times 36 = 108,000)$ and the Federal government 25,000 houses in a minimum of 30 of the 36 states $(30 \times 25,000 = 750,000)$.

Table 1.0 Proposed framework for actualization of Housing Policy by 2025

S/N	Agency/Department	Target Houses Annually	Destination	Total Houses Annually	Remarks (Budget Allocation)
1	Federal Government	25,000	30 of 36 States and Abuja	750,000	N0.225trn
2	State Governments	3,000	36 States	108,000	N324bn
3	Local Government Councils	500	778 LGAs	389,000	N0.167trn
4	Private Developers, Government Agencies	15,000	30 of 36 States	450,000	N0.135trn
Total		43,500		1,697,000	N0.560trn

Source: Researcher's Opinion. (2016)

A projected delivery of 1,697,000 units each year for ten years (2015 - 2025), at an average target cost of N3,000,000 each will amount to N5.085 trillion and in a space of ten years will amount to about 17 million. This certainly will be a significant reduction in the huge housing deficit. For an average low/medium income earner, ability to pay back N3,000,000 loans at 6% interest within 20 - 25 years is feasible and realistic. To illustrate this, assume a worker obtain a loan of N4.00m, (comprising N1.00m for cost of land and processing and N3.00m for building construction cost), at 6% interest rate, the total amount he will require to pay back is N4,240.00m. to be deducted at regular installment from his/her salary) if repayment is say N15,000 monthly, it will take $(N4,240 / (12 \text{ months} \times N15,000))$ which translates to about 23 years to repay the entire loan, considering that the government approved working life of a working life of a public servant is 35 years. So, payback in 23 years out of 35 years of working life appears reasonable. One problem that features in many of Government projects is bogus and over design in preference to simple designs, incorporation of foreign components in preference to locally sourced materials, inflation of contract price and bloating/fraudulent padding of budgets. A recommended target sum of N3.00m can produce an affordable simple two or three bedroom flat or house. This situation can be regulated only when the right professionals are engaged during the design stage and charged to produce designs at budget/cost targets. The mind boggling revelations of fraud and looting of public funds that could have been used to provide houses for the low and medium level workers are shocking. It is a clear indication that if fraud and corruption can be addressed, affordable shelter and houses can be produced Oluwasegun (2016). For example, in the 2016 federal proposed budget, about N3.80b was allocated for the renovation of the state house clinic, a figure twice the amount allocated for all specialist and Teaching hospitals nationwide. N7.8b allocated for the renovation of Vice President's office, N20.0bn allocated for the renovation of Aso Rock Presidential Villa (Ajani 2016). In each of the above cases, the designs are bogus and foreign content of the materials and specifications are very high, and the tendering and contractual arrangements are faulty, an implication that due process have not been followed. Such sums can be sufficient to provide several

simple low/medium income houses for the greater public servants than concentrated on few bogus/white elephant projects.

2.4 National and State Government Housing Policy

Olofinji, (2015) defines a housing policy as a deliberate system of principles to guide decisions and achieve rational outcomes which involve fiscal, institutions, legal and regulatory framework. The goal of housing policy is to adequately house everybody in a good housing, good environment and at affordable cost. Although, the earlier 1991 national housing policy was promulgated in order to propose possible solutions to the housing problems in Nigeria, 24 years on Nigerians are still homeless while many others are living in indecent houses. The initiative to establish a housing policy both at Federal, State and Local government levels including Ministries, Agencies and Private sector involvement will be a noble one. For any housing policy, which is the first step in the right direction, to be workable and sustained, it will require the collaboration on the part of those in government and policy makers to continue to make budgetary provision for housing. The policy must be so crafted so that subsequent office holders do not subjugate it. It is common in Nigeria to find a new administration or office holders discontinue programmes and policies of their predecessors and start new ones. Housing is so important that it should not be politicized. The policy must carry the end user along, make transactions transparent and at local government levels, Communities should be made to contribute by donating land for development, while government clear the site, prepare layout and building designs and provide infrastructure facilities like roads, water, light and power, drainage in a planned order and thereafter allocate land to prospective and capable hands to build. This is similar to the finding of (Ugonebo and Emoh, 2013), who identified factors inhibiting effective housing development and delivery in Anambra state, to include lack of secure access to land, high cost of construction, limited access to finance, bureaucratic procedures, high cost of land registrations and tilting uncoordinated policies and implementation at federal and state levels among other factors that require investigation.

Policy must explore use of locally sourced building materials to reduce dependence on high cost imported materials, a good example is hydro form construction, brick and timber based designs. The involvement of cost professionals to provide cost plans and advice on cost saving designs is appropriate and continuity must be enshrined. All existing and ongoing projects should be completed before embarking on new and fresh projects.

III. CONCLUSION

Nigerians will welcome and cooperate to achieve good and decent housing and maintain a beautiful environment if they are fed with the right information and carried along to be part of the evolving process when they know what they stand to benefit. This should be part of housing education. There is also need for a realistic and quantifiable housing policy. For the policy to be sustained, it will take the determination on the part of those in government to continuously make budgetary provisions for housing. The policy must be so crafted so that subsequent office holders do not subjugate it. Provision of affordable housing should not be politicized. Housing should be adequate both in quantity and quality. The policy must provide that no house should be built on paper which is not built on ground and no house should be built on ground which is not occupied. Funds should not be wasted to construct houses that cannot be occupied because those who got them did not really need them and those who need them cannot afford them. The question of 'whose housing problem the policy is aimed to address' is critical. A good urban and regional plan must be in place. There should be a strong legal framework for the acquisition of land for housing projects to avoid situations and major setbacks where individuals file legal suits to stop government projects aimed to benefit the entire communities. Attention should be more than creating living apartments to creating beautiful cohesive and affordable apartments that together with it her available social and commercial amenities give a sense of a livable community. Provision of affordable houses cannot be achieved without the engagement of professionals in the built environment and communities.

Recommendation

It is in the light of the foregoing that the following are recommended:

1. Government budgetary allocations for housing must be dedicated. Access to Finance and Mortgage facilities to be liberalized.
2. Government projects and businesses require to be conducted with maximum transparency. Records of National Housing Fund to be audited and published
3. Adopt the best tendering and contractual arrangements suitable to be used to achieve best standards at lowest possible cost. Encourage research and use of hydroform and other local materials.
4. Government to engage relevant professionals in the built environment to deliberate and strategize on how to achieve housing provision within budget and cost targets.
5. Since previous houses provided before now have always been hijacked by the rich and influential, criteria for allocating lands, loans and houses should be without politics of bias. For low and medium income

earners which are the major sector of the priority concern of government, it is recommended that staff nominal be the basis for allocations. And no worker who has not put in at least five years of service be eligible. This is to avoid corruption and abuse of procedures.

6. Ensure projects are completed on schedule and monies/funds meant for projects are not diverted to other heads. On site supervision/Residency by relevant professionals is valuable and mandatory. There should be stiff penalty for contractors, professionals, government representatives who are corrupt or try to jeopardize the smooth achievement of government's policies on housing.
7. Contractors executing projects are to be paid only for work properly executed and certified by a professional cost expert, and a standard feedback and reporting system where reports from the field are analyzed to help improve quality decisions for next projects are helpful.

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