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EXISTING STRATEGIES FOR AMELIORATING HOUSING CHALLENGES IN NIGERIA: AN APPRAISAL

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ABSTRACT

The right to adequate shelter is a right that is universally acknowledged both nationally and internationally. Despite this global recognition, housing right appears elusive due to the increasing rate of urbanisation resulting in acute housing deficit. The problem of housing is more pronounced in developing countries such as Nigeria than in developed countries. To this end, this paper, through a textual review, discussed some significant challenges of housing in Nigeria, ranging from inadequate funding, lack of secure access to land, rapid population growth, high cost of buildings materials, lack of well-developed mortgage institutions to high fees associated with land development. It considers the efficacy of the existing strategies that the government has deployed to cushion the adverse effect of the acute shortage of housing in Nigeria. These strategies involve public-private partnership, site and service scheme, amongst others. The research finds that these strategies produce a relatively low quantity of affordable housing for Nigeria's middle and low-income people. Consequently, it recommends initiatives that could play pivotal roles in reducing the housing

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gap and, if well harnessed, can assist policy makers in the drive towards achieving sustainable housing provision in Nigeria.

Keywords: Housing, Rights, Evolving Strategies, Urbanisation.

1. INTRODUCTION

Housing is a necessity of life and contributes to attaining the health of a nation's citizens; it stimulates social stability of individual's work efficiency. However, rapid urban growth throughout the developing world constitutes one of the critical challenges to the sustainable provision of adequate shelter.[1] In Nigeria, the state of housing is abysmal. A study reports that of Nigeria's estimated 200 million people, 16 million are landless, inadequately housed, or living in slums due to a huge housing deficit.[2] The proportion of the population living in urban areas, has remarkably increased over the years. While only 10% lived in urban centres in the 1950s, 35% in the 1990s; over 40% of Nigerians now lives in urban centres of varying sizes.[3]

With this rapid population and urbanisation, sustainable housing delivery remains a challenge in the country.[4]In recognition of the importance of housing to societies' socio-economic and physical development, the federal government of Nigeria adopted a national objective by signing the global commitment to "housing for all"[5] as a human right.[6] Even though this provision is not actionable, it reinforces the

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[1]M. Zayyannu, "A Review of Housing Provision and the Challenges of Sustainable Housing Delivery in the Federal Capital Territory Abuja, Nigeria". *Journal of Teknologi (Sciences & Engineering)* (2015) 77: (14) 23-31at p.25. Available at: https://www.researchgate.net/publication. Last accessed 21/09/2022.

[2]See "Community Guide to Asserting and Defending Housing Rights in Nigeria" (August 2011)*Centre on Housing Rights and Evictions, Geneva*. P. 4; The study was also referenced by Onuoha. See further, R. A.Onuoha, "Strategic Roles of the Civil Society Groups and NGOs in Realizing the Right to Housing in Africa", (June 2013)*JPPL* Vol.31, pp.50-64 at 51.

[3]See, M. Zayyannu,(n 3) at p.23.

[4] Ibid.

[5]J.E Iheme, J.B Effiong and S.B Ekung "The Effect of Governance Policy on Housing Delivery in Nigeria: A Case Study of Port Harcourt Low Income Programme" (October 2015) *International letter of Social and Humanistic Sciences*, vol. 61: pp. 87-98 at 91.

[6] This position is reinforced by section 16(1) (d) of 1999 Constitution (as altered) under the Fundamental Objectives of State Policy which compels the Nigerian State "to provide suitable and adequate shelter for all citizens". See, the Nigerian 1999 Constitution (as altered).

call for public sector-driven mass housing provision in Nigeria.[7]Accordingly, successive governments in Nigeria have undertaken various initiatives and programs to provide housing to the citizenry. For instance, evidence abound that the Nigerian government formulated various policies and programs to overcome the country's enormous housing shortage. They include provider-oriented public-driven programs and the "enabler" policies that involve enhancing the capacity of the private sector to deliver houses through the open market.[8] Various strategies adopted for improving housing delivery in Nigeria include direct government provision, self-help housing model, land allocation system, affordable housing model, and public-private partnership.[9]

In addition to the federal housing policy and programme, Abosede stated that Lagos also benefited from UN-backed Master Plan for Metropolitan Lagos (1980-2000) which included the World Bank-supported Lagos Slum Upgrading Programme in 1999, a strategy to improve housing condition in Lagos and to stop the proliferation of informal settlements.[10] However, housing problems continue to linger in Nigeria despite concerted efforts by successive governments for decades. Against the backdrop of the ensuing housing problems, this paper sets out to discuss a significant number of causes of housing challenges in Nigeria. It shall also appraise the existing strategies that the government has developed to ameliorate the housing challenge.

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[7] Ibid, s. 6(6) (c).

[8]M. Zayyannu,(n1); Historically, publicly provided housing started long time before industrial revolution. It was a strategy adopted as a response to housing problems that bedeviled cities in England in the 16th century. In Nigeria, the first attempt in public intervention housing provision was during the colonial period following the bubonic plague of 1928 -1929. The plague led to the establishment of Lagos Executive Development Board (LEDB) in 1929, which later transformed to Lagos State Development Property Corporation (LSDPC) which was charged with the responsibility of planning and development of capital city of Lagos and later provision and management of public low income housing among others. It planned the layout of Ebute-metta, and the housing scheme had only civil servants as its beneficiaries. The second attempt of government intervention resulted from workers' strike of 1945 which emphasized the problem of housing shortage, and extemporized further government commitment to housing. The third attempt derived from the need to improve the living and housing conditions of people following the inevitable independence of 1960. This preparation resulted in the slum clearance of central Lagos in 1955 and the relocation of residents to famous Surulere housing scheme, marking the start of government housing development in the country. See O.K Kabir, "Low-cost Technology and Mass Housing System in Nigerian Housing". *Journal of Applied Sciences,* (2004) 4 (4), pp. 565-567.

[9] Ibid.

[10] Ibid.

For proper analysis, the paper is divided into five parts. Part one introduces the work. Part two discusses some of the causes of housing problems in Nigeria. Part three appraises the existing strategies deployed by the government in cushioning the adverse effects of housing challenges on the people. Part four offers some of the evolving strategies that can assist policymakers in the drive toward achieving sustainable housing provision. The paper, in part five, concludes with recommendations.

2. CAUSES OF HOUSING DEFICIT IN NIGERIA

A number of significant challenges presently confront housing, notwithstanding the commendable legacy of public housing by the government.[11] Many literatures identified some contextual problems that militate against housing provision in Nigeria. These problems range from inadequate funding, lack of secure access to land, rapid population growth, high cost of buildings materials, lack of well-developed mortgage institutions, high fees associated with land development, land grabbing to high mortgage interest rates.[12] The above factors are critical issues aiding housing challenges in Nigeria. This paper considers some of these factors in five key areas:

2.1 *Rural/Urban Migration*

Urbanisation is a global phenomenon which is manifested in population concentration in urban centres. Lagos, which epitomises the most notorious example of urban growth in Nigeria, has a population of over 16 million with its megacity status.[13] Future estimates suggest that it will turn out to be the third-largest megacity in the world in the near future.[14] As a former

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[11] See A. Mabagunje, "Housing Delivery Problems in Nigeria". *Punch Newspaper,* Wednesday 12, May, 2002. p.14.

[12] See T. Azeez and B. Mogaji-Allison, "Constraints of Affordable Housing through Cooperative Societies in Tertiary Institutions in Lagos State, Nigeria" (March, 2017) *Journal of Geography and Regional Planning* Vol. 10(3), pp. 39-46,

[13] Housing problems in urban centres are caused majorly by rural-urban migration. See C.A. Ayedun and A.O. Oluwatobi, "Issues and Challenges Militating against the Sustainability of Affordable Housing Provision in Nigeria" *Business Management Dynamics* (Oct 2011), Vol.1, No.4, pp.01-08.

[14]See O. A Alagbe, and A.B Adeboye, "A Rational Approach to the Challenges of Urban Slums In Lagos State" Presented at A 2-day National Conference on Lagos Region., Conference Centre, University of Lagos Guest Houses, Akoka, Lagos. Wednesday 15thThursday 16th June, 2005, p. 11.

capital of the country and the commercial nerve centre of the nation, like every other urban centre, Lagos has a concentration of wealth, prestige, political power, and growing manufacturing sectors. The State offers suitable employment opportunities, an opportunity for economic well-being and emancipation which made the city attractive to all and sundry, thus resulting in uncontrolled rural-urban migration.

The first dilemma of an urban migrant is the question of adequate housing.[15] With few resources, the drastic option of illegally occupying a vacant piece of land to build a rudimentary shelter is the only one available to urban squatters. This available option is the genesis of the development of squatter settlements and slums, seen as a social evil that has to be eradicated. This reaction towards slums has not helped the more fundamental question of adequate housing for all. Various factors that have been observed to be leading to an increase in urban slums range from poverty to affordability problem.[16] These factors are briefly discussed below:

2.3 *Poverty*

Poverty has been identified as one of the critical determinant factors responsible for inadequate housing for low-income earners. It is a household's inability to provide sufficient income to satisfy its shelter needs. An illustration of a comparative analysis of per capita income of other countries with that of Nigeria places her at a disadvantage.[17] Even in a situation where the minimum wage was revised to N18, 000 (US$116.24) in 2011, the housing finance in Africa Yearbook Report of 2012 notes that about 80 percent of the population still earn less than US$60 a month.[18]

The foregoing shows a situation where affordable housing would continue to be a mirage amongst the low-income group; moreover, the

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[15]See H. Srinivas, "Defining Squatter Settlements". An Urban Environmental Management Website Paper Publication under the theme *"Urban Squatters and Slums"*. (2004a) http://www.gdrc.org/ucm/squatters/define-squatter.html. Last accessed 12/02/23.

[16] The individuals that constitute or reside in urban slums are referred to as urban squatters.

[17]See A. Olotuah, and S. Bobadoye, "Sustainable Housing Provision for the Urban Poor: A Review of Public Sector Intervention in Nigeria". *The Built and Human Environment Review*, (2009) 2, pp. 51-6.For instance, while per capital income of $10, 291; $5,965; $46,432, and $43,654 have been observed for South Africa, Botswana, America and Sweden respectively, Nigeria per capital income is estimated at $2,15.

[18]Ibid.

meagre and unsteady incomes compel slum dwellers to poor housing with inadequate supporting services. The situation is further aggravated by the high cost of building materials, high rent, limited land supply and high land prices and acquisition obstacles. These factors jeopardise the accessibility of low-income groups to decent and affordable housing.[19]

2.3 *Housing Affordability*

Housing affordability is directly linked to the income of the populace. It is defined by the income of the population as that which costs no more than 30% of the income of the occupant household.[20] It is concerned with securing some given standards of housing or different standards at a price or rent which does not impose an unreasonable burden on household incomes resulting in housing stress.[21]

Absolute poverty has a tendency of rendering the household homeless and is a major factor of affordability of rental housing. It denies households from enjoyment of the minimum standard of living. This factual conclusion is drawn from the findings that low-income and affordability are the major challenges confronting this group in the society.[22]Deriving from this difficulty of mobilising sufficient funds with the National Housing Fund (NHF), the group requires initiatives to some forms of assistance, including housing finance.

2.4 *Housing Finance*

Adequate financing structures and funding are critical to addressing the affordable housing challenge. This is significant because the capital-intensive nature of housing provision requires the availability of a large pool of long-term savings.[23]

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[19]Ibid.

[20]P. Abelson, "Affordable Housing: Concepts and Practices", *Economic Paper*, (2009) Vol. 28 No.1, pp. 27-38.

[21] S. Malpezi, "Housing Demand in Developing Countries World Bank" (1985*) Staff Working Paper*, No. 733.

[22] K. M Bichi, "Housing the Nigerian Population Problems and Prospects", (2002) Paper presented to Senior Executive Course No. 24 at the *Nigerian Institute of Policy and Strategic Studies,* Jos, Nigeria.; Morakinyo et.al, "A Review of Private Sectors' Involvement in Urban Housing Provision" *Nigeria International Journal of Civil Engineering, Construction and Estate Management* (2015) vol.3, no.2, pp.36-47.

[23] A. O Omolabi, and P. W. Adebayo, "An Assessment of the Housing Policy Performance towards Public Low Income Housing Provision and Management in Lagos", *Nigeria*

In Nigeria, housing is typically financed through a number of institutional sources that include private (formal and informal sources); as well as public sources including formal sources such as primary mortgage banks, merchant banks, insurance companies, consumer credit society as well as personal savings loans from money lenders, cooperative societies amongst others.[24]

These sources constitute the surest and realistic traditional way of accumulating savings towards housing ownership for occupation or rental.[25] However, mobilisation of funds from these sources often prove inadequate and is being hampered by the complexity of economic activities such as poor funding, high mortgage interest, hyper-inflation rate that affect the high cost of building materials, poor product design and construction cost.[26]

2.5 *Cost of Building Materials*

Building materials in Nigeria are import-dependent, making them very expensive in the face of the value of the country's currency (Naira) amidst global inflation.[27]With the low earning capacity of the majority of Nigerians, the building materials are rendered out of their reach. The trend in housing costs, building materials and wages of workers, especially those in the public service in Nigeria over the years, does not correlate with each other.[28]

With the cost of various building materials thriving on a galloping increase, workers' salaries often remain stagnated for a long period before another marginal increase, which is never correspondent with the increase in the cost of building components. In essence, workers' wages are not being increased at the same rate at which the cost of building materials increases over the years for their earnings to catch up with the cost of

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[24] Housing finance is a tool that is used to pay for housing; and technically, it is the actual money or capital funds for housing or real estate development without prejudice to its source, management, procurement, and utilisation. See UN-Habitat, "Housing the Urban Poor in African Cities" (2011) Quick Guide 5: *Housing Finance*, United Nations Human Settlement Programme, Nairobi, Kenya.

[25]A. O Omolabi, and P. W. Adebayo, (n 23).

[26]O. Aluko, "The Effects of Land Use Act on Sustainable Housing Provision in Nigeria: The Lagos State Experience". *Journal of Sustainable Development,* (2012) 5 (1), pp. 114.

[27]C.A. Ayedun and A.O. Oluwatobi, (n13).

[28] Ibid.

acquiring decent houses of their choice. Furthermore, a research conducted by *Business Day* newspaper, found that the causes of the rising cost of building materials include a preference for imported materials which are expensive and lack of adequately qualified construction managers and skilled artisans, among others.[29] Consequently, the continuous increase of the essential building components and stagnated wages of average Nigerian workers, especially those working in the public sector, constitute serious impediments to access housing.[30]

2.6 *Housing Laws*

In most Nigerian states, many legal restraints do not promote rapid housing provision. Housing laws are a part of those legal constraints.[31] Housing laws include all associated laws that affect the delivery of affordable housing. These laws include, but not limited to property tax Law, infrastructure laws, planning law, land registration law, mortgage law, rent control laws, among others.

It has been argued that the extent and propensity of property taxes and charges are a worthwhile consideration in the quest for the delivery of housing units.[32]Similarly, the higher the rate of taxes, the higher the financial outlay of the project, and the less the impetus to deliver. Various taxes that apply to real estate or real property transactions in Nigeria are not in tune with the socio-economic reality of the country. There is also an issue of double taxation regime which makes the various states of the federation to charge taxes which the federal government have enacted tax legislations on and also impose taxes on the same subject matter.[33] The

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[29] C. Uroko, and K. Akintola, "Addresing Africa's Housing and Urbanization Problems". (2008). Available at: http://www.businessdayonlineNigeria.com. Last accessed 21/08/2020.
[30]. See C.A. Ayedun and A.O. Oluwatobi, (n13).
[31] T. Otubu, "Legal Imperatives for Affordable Housing Delivery in Nigeria", (2013) *JPPL* Vol.30, P.3.
[32]Ibid.
[33]The cost of perfecting title to land, in addition to purchase price apart from other requirements of Deed of assignment or Lease, tax clearance certificates, charting and application fees, tenement rate clearance certificate, etc, may be as high as 46% to 60% of the purchase price. For instance, the tax rate for capital gains under the law is 10% less deductions and exemptions, while Lagos State charges only 2% rate in respect of application for Governor's consent to subsequent transactions under the Land Use Act. The country's land law as represented by Land Use Act, the preparation of legal documents and the implications of the country's proprietary interest as being practiced at the moment differs

laws, therefore, need to address excessive land use charges, capital gains tax, stamp duties, and other government levies to have a practical housing delivery.[34]

Building laws and regulations are also designed in such a way that they inhibit housing construction in most States of the federation. For instance, it has been further argued that the availability of land does not *ipso facto* guarantee the delivery of housing; the land must be available and suitable for the housing needs.[35] The availability of land for housing needs is a function of the planning policy of the State. The knowledge of the operative planning model, the zoning scheme and the master plan in operation in the State are, amongst others, vital to the successful delivery of housing envisaged under the housing scheme.[36]

More worrisome also is that the provision of the law on mortgages is still founded on the received English law of almost a century ago. The mortgage enforcement procedures, for instance, are still tangled in the webs of the common law and archaic statutory provisions.[37] The country's mortgage instruments are still very cumbersome, thereby making access to funding by interested borrowers almost impossible.[38] The terms and conditions contained in most of the mortgage instruments are encumbered with a host of medieval paraphernalia having little or no relevance to both the conditions of modern urban life and Nigerian tradition.[39] Therefore, the laws need serious surgical operations to make them relevant to solving the problem of housing presently militating against housing provision in the country.

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from Nigeria's tradition and do not make for ease of obtaining building land. See O. Aluko, (n26) at 122.

[34]Ibid.

[35] Otubu, (n 31).

[36]T. Otubu, "Conceptualizing Zonning within the Lagos Megacity Project: A Prognosis". *Journal of Environmental and Earth Science.*(2012) Vol. 2, No 10.

[37]A mortgagee is not recognized as a holder under the Land Use Act and cannot therefore benefit from the rights of a holder/occupier of the rights of occupancy as to entitle him to compensation in the event of revocation of the right of occupancy secured by a mortgage. See, ss. 21 and 22 of the Land Use Act (Cap L5 LFN, 2004).

[38] Also to create mortgages, there is the need for Governor's consent so also there is need for consent for the mortgagee to exercise the power of sale effectively since exercise of power of sale is a subsequent transaction caught by the provisions of sections. Ibid.

[39] C.A Ayedun, and A.O. Oluwatobi, (n13).

2.7 Accessibility to Land for Affordable Housing

Nigeria is one of the most rapidly urbanising countries in Africa. The challenges that come with this, especially in the supply of adequate land for basic services, housing and other uses, are major challenges that government faces. Therefore, the government had long recognised this fact and promulgated the Land Use Decree, now called Land Use Act (LUA), to nationalise the land tenure system in the country and entrusts the administration in the hand of the government.[40]

Consequently, access to land under the regime of the Land Use Act is by way of the 'right of occupancy' granted by the government. This development led to many controversies in the acquisition, disposal, use, and land administration, especially in urban areas. Ugonabo and Emoh, in their study of the major challenges to housing development and delivery in Anambra State, identified a lack of secure access to land among the multiplicity of factors inhibiting effective housing development in the State.[41] The problem is also escalated by bottlenecks in the processing of certificate of occupancy (C of O) as well as approval of building plan.[42]

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[40] The vesting of all lands in the State as stipulated by the Land Use Act (LUA) of 1978 should not be taken to mean that private interests in land have been abrogated. The Act allows citizens to hold an interest called a Right of Occupancy, which may be statutory or customary. It is statutory when it is granted by the Governor and customary when it is granted by the Local Government in a rural area. See Section 22 of the LUA; See also G. I Nwaka, "The Urban Informal Sector in Nigeria: Towards Economic Development, Environmental Health, and Social Harmony." (2005) *Global Urban Development Magazine.* Vol. 1 Issue 1.

[41] C.U Ugonabo, & F.1 Emoh, "The Major Challenges to Housing Development and Delivery in Anambra State." *Civil and Environmental Research*, (2013) 3(4), 1-19.

[42] For instance, regularisation or ratification of land title including governor's consent consists of about eleven stages, which include: 1. Identification of suitable land. 2. Prior negotiation between the parties and their agents. 3. Title search at the land registry. 4. Preparation of sale agreement/deed of assignment. 5. Exchange of price and documents, which include deed of conveyance/assignment (4copies), original survey plans/deed of partition/certified true copy of deed of gift or will, original purchase receipt or building lease agreement and, receipt for money paid (family receipt for family land). 6. Purchase of application form for governor's consent at land registry. 7. Payment of stamp duties and stamping of documents. 8. Submission of forms to land use and allocation committee with stamped documents and photocopies of tax clearance certificate for past 3 years. 9. Advertisement of notice in national dailies for 21 days. 10. Payment of relevant fees: consent fee (15% of purchase price), publication fee, survey approval fee, registration fee, stamp duties (C of O), charting fees, development charges, ground rent and capital gains tax (where relevant). 11. Collection of certificate of occupancy (C of O). See O. Aluko, *supra, note* 25.

In detailed research carried out in Lagos State by Aluko,[43] the study revealed that the cheapest plot obtainable directly from government between 1999 and 2004 sold for N239, 500, especially in Abijo GRA, Ewu Elope and Mosafejo – Aradagun residential schemes. If the estates were really meant for low– incomers, the premiums appeared very high.[44] For instance, if low – incomers are civil servants earning between salary Grade Level 01 and 06 who are within the income bracket of N111, 710.40 and N190, 648.80 per annum, notwithstanding their budget for clothing and food including other financial commitments, how many years will it take them to acquire plots in the schemes mentioned above?

Existing literature further revealed that the fundamental difficulty in achieving land accessibility is the promulgation of the Land Use Act 1978, which created a dual structure of the land delivery system. These dual structures prevail in the Nigerian States with the consequence of double purchase from the customary land owners and the State government of the same parcel of land. This state of affairs has the effect of complicating the land accessibility process.[45] Further, the Act, rather than facilitate easier access to land, has made it extra difficult for intending developers to get land while top government officials have been using it arbitrarily.[46]

The view of this paper is that, by nationalising land, the Land Use Act, 1978, has not expedited the allocation of State lands and issuance of appropriate titles for the grants made. This development, to the extent that it tried to substitute administrative processes for allocation through the free market system, must, to that extent, be considered retrograde. In addition, a plurality of land tenure and management systems in Nigeria must be well articulated. Otherwise, to try and eliminate the traditional authority or

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[43]B. T Aluko *et al, "*Problems of Land Delivery for Housing Development in Lagos State, Nigeria." (2004) Available at http://www.researchgate.net Last accessed 25/03/2023.

[44] The premium payable varies from one scheme site to other depending on the size of the plot and, whether it is prime or general location.

[45] Customary and State systems prevail in the country with the consequence of double purchase of the same land by the hoodlums locally called "Omo-oniles. See C.U Ugonabo, & F.I Emoh, supra note 39; J.O Owoeye, & Y.M.D Adedeji, "Urban Land Acquisition for Sustainable Housing Delivery in Akure, Nigeria" (2015) *International Journal of Developing Societies*, 4(1), 10-20.

[46] The constrain poses by inaccessibility of land in Lagos therefore has reduced the provision of affordable housing for Lagos State as a whole, about 70% of whom live below the poverty line. See A. Durand-Lasserve, "Trends and Issues", in Fernandes, E, and Varley, A (eds), *Illegal Cities. Law and Urban Change in Developing Countries*, (1998) Zed, London. p.49.

other actors' input into land delivery, as currently obtainable under the Land Use Act, 1978, is to invite the growth of a parallel, unofficial land delivery system as well as conflict and confusion already identified above, in land management. This will further make land to be out of the reach of the urban poor. The Land Use Act must be amended in this light to enable land to be more accessible, less cumbersome and speedier to acquire for housing development.

3. STRATEGIES FOR SUSTAINABLE HOUSING IN NIGERIA

Nigerian government formulated various policies and programs towards overcoming the enormous housing shortage in the country. This paper examines some of these strategies for improving housing delivery in Nigeria, including direct government provision, public-private partnership, site and service scheme.

3.1 *Public-Private Partnerships*

The legal basis for the public-private partnership is the right to own property in Nigeria being a fundamental human right, which includes both movable and immovable property, as one of the several rights that is protected.[47]The right is also complemented in Chapter 2 of the Constitution recognized as "fundamental objectives and directives principles of state policy" in Chapter two.[48] Specifically, Section 16 (6) (d) of the Constitution provides thus:

> The state shall direct its policy towards ensuring […] that suitable and adequate shelter, suitable and adequate food, reasonable national minimum living wage, old age care and pensions, and unemployment, sick benefits and welfare of the disabled are provided for all citizens.

Despite these laudable provisions of the law, the housing deficit persists necessitating a drive for public-private partnership prompted by the need to reduce the housing deficit in Nigeria. It thus becomes clear that government alone cannot independently address the housing challenge. Collaboration with the private sector in PPP venture is, therefore, believed to be a panacea or strategy for housing sustainability in developing

[47] Section 43 and 44 Constitution of the Federal Republic of Nigeria (as altered).
[48] (n6).

countries.[49]A public-private partnership (PPP) is a joint venture between a government agency and private sector participants, funded and operated through a partnership.[50]These are a contractual arrangement that shares resources and responsibilities between a public agency and a private sector. This arrangement is becoming common in developed countries to address various societal needs but is relatively new in Nigeria. It has been used successfully in many other countries to fund projects.[51]

Public-private partnership, as a joint venture, benefits mainly from the expertise of the private sector and eases the bureaucracy associated with the public sector.[52] The PPP framework allows for a dynamic and continued agreement between the two sectors where both parties contribute to the provision of better, improved and cost-effective housing facilities to the Nigerian citizens while sharing an equal level of risks.

In any public-private partnership arrangement, roles are allocated to the party best able to manage them cost-effectively. Undoubtedly, the private sector is a far more efficient provider of societal goods and services than the government; in comparison, governments' function best creating a proper enabling environment for the private sector.[53] A comprehensive public-private approach to the housing problem is, therefore, required to make the kind of progress that is needed. This has the tendency to synergise the private sector's technical and organisational expertise with

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[49]World Development Report: *Reshaping Economic Geography*. Washington D.C. World Development Indicators 2015: Nigeria. Available at: http://data.worldbank.org/country/nigeria [Last Accessed 22 March 2023].;V. Mukhija, "The Contradictions in Enabling Private Developers of Affordable Housing: A Cautionary Case from Ahmedabad, India".*Urban Studies*, (2004) 41 (11), pp. 2231-2244.; E.O Ibem, "The Contribution of Public–Private Partnerships (PPPs) to Improving Accessibility of Low-income Earners to Housing in Southern Nigeria". *Journal of Housing and the Built Environment*, (2011)26 (2), pp. 201-217.

[50] C. Elgin, and B. R Uras, "Homeownership, Informality and the Transmission of Monetary Policy". *Journal of Banking & Finance*, (2014),pp. 160-168.

[51] The public sector consists of the Federal and State governments' agencies, which include, Federal Housing Authority, Federal Ministry of Land, Housing and Urban Planning and Federal Mortgage Bank of Nigeria. Other participants include the States' Ministries of Housing and States' Housing Corporations. The private sector consists of Building Contractors, Housing Developers, Banks and Primary Mortgage Institutions. See T. E Kwofie, *et al*, "A Critical Success Model for PPP Public Housing Delivery in Ghana". *Built Environment Project and Asset Management*, (2016) 6 (1), pp. 58-73.

[52]V. Ogu, and J. Ogbuozobe, "Housing Policy in Nigeria: Towards Enablement of Private Housing Development". *Habitat Internationa*l. (2001), 25,pp. 473-492.

[53] Ibid.

the public sector's accountability and regulatory functions to improve housing delivery.[54]

It is the view of this paper, considering the potential effects of public-private partnership, that government must keep to its part of the undertaking by giving the desired assistance needed to help the private developers utilise accumulated funds for mortgaged based housing, encourage the financial institutions and banks to invest portions of their gross profit into housing and also partner with viable housing developers through long-term mortgages.

3.2 *Site and Service Scheme*

Given the mounting growth of "squatter settlements" in cities of third world countries, the World Bank suggested a new approach involving self-help development programs.[55] Consequently, the Federal Government adopted the National Sites and Services Program in 1986 as a viable alternative for housing delivery.[56]

The legal framework for site and services scheme in Nigeria otherwise referred to as (SSS) is in the National Housing Policy (NHP, 1991). This policy document spelt out (SSS) as one of the strategies for assisting low-income group with the sole objective to facilitate home ownership and orderly urban and rural development and for all income groups with emphasis on the low income group in the major cities in Nigeria.[57]The NHP 1991 was followed by the National Housing Policy of 2004. In the schedule of housing functions to public authorities, the policy assigned the responsibility of production of residential sites and services to the local government authority in Nigeria.[58]

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[54] V. Ogu, "Enabling Strategy and Sustainable Urban Housing in Nigeria: Focus on Benin City". *Nigerian Institute of Social and Economic Research*, Ibadan. (2001) Monograph series 8.

[55]M. Zayyannu, (n 1), at p.26.

[56]A. Ogunnaike, "Enhancing Homeownership Opportunities among Middle-Income Earners in Nigeria: A Case Study of Lagos Metropolis". (2017) Ph.D Thesis, University of the West of England. Available at: http://eprints.uwe.ac.uk. Last accessed 21/02/23.

[57]See, page 11 section 2.4(ix) and page 16 section 3.7.2 of the National Housing Policy (NHP, 1991). Prior to this policy, there was National Housing Policy, 1981.

[58] See, the National housing policy of 2004, s.3.4.1a.; See generally, T.T Oladokun "Effective Site and Services Scheme as a means of Solving Low-income Housing Need in Nigerian Cities", (August 2013) *Proceedings of 5th West African Built Environment Research* Conference, the British Council in Accra, Ghana, pp 429 -446. Available at: https://www.researchgate.net/publication/257431179. Last accessed 6/5/23.

A site and services scheme is a programme carried out either by the government or private organisation that involves facilitating a particular area with the essential infrastructural amenities. Private individuals or corporate bodies can carry out developments in such areas at affordable cost.[59]It is one of the housing scheme requirements carried out mostly by governmental bodies as municipal services where plots of land (or sites) with infrastructure on it (or services) were provided. In most of the schemes, the beneficiaries had to build their own houses, ranging from subdivided plots only to serviced plots of land with a "core" house built on it.[60]

Essentially, the site and services scheme provide low-income beneficiaries with serviced plots, including tenure security for them to build their houses. Under the program, the government provided many housing projects all over the country.[61]

However, although site and services programs helped improve tenure security, the program is capital-intensive. For this reason, the low-income group does not usually benefit from such programs. As observed by Aluko,[62] the cost attached to each plot is usually beyond the reach of the urban poor. He submitted that, since the commencement of the program in 1986, only about 20,000 plots were allocated to beneficiaries in twenty states of the federation.[63]

4. EVOLVING INITIATIVES FOR SUSTAINABLE HOUSING IN NIGERIA

Having reviewed some of the existing strategies for housing delivery, this paper shall discuss some other potential initiatives that can be explored to

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[59] The philosophy behind the site and services facilities is hinged on the fact that the medium and high income earners could easily source for funds and construct their own houses whereas the low income group may not find this easy. It was hoped that if the government develop sites and provide essential services, low income group could get allocation after paying some fees to cover what has been spent on the land and service provided and it will now be the task of the allottees to complete the houses at their pace and financial capability. See A. Ogunnaike, (n 56).

[60] In this scheme, residential plots are laid out with major infrastructural facilities such as road, schools, open spaces, health centers etc incorporated into the layout. The legal framework for site and services scheme in Nigeria is in the National Housing Policy. This policy document spelt it out as one of the strategies for assisting low income group. NHP, 1991 cited in Magobunje. See A. Mabogunje (n11).

[61] M. Zayyanu, (n1).

[62]Ibid.

[63]O. Aluko, (n13)..

reduce the housing deficit in Nigeria. Some of these evolving strategies/initiatives include social housing, subsidies, incentives and tax-deductible on property improvements, and cooperative housing framework.

4.1 Social Housing

Social housing refers to rental housing which may be owned and managed either by the State or non-profit organisations, or a combination of the two, to provide affordable housing.[64] It is a value-based- normative approach to housing, implying affordability, suitability of location, quality housing, accommodated within a legal entity. It is used to describe any accommodation provided for those who could not operate in the free market to provide their roof.[65]

This venture involves the construction of new housing units or the rehabilitation of older ones and providing housing of a sufficient scale and quality to meet the needs of the target household group, which is the low-income group.[66]This is done with a proviso that the housing developers are prepared to accept less than a market rate of return on their investment, otherwise supported by a form of subsidy from the government or taxation or land value from the planning process to make the units affordable.[67] For most low-income earners, rented accommodation at a subsidised rent or with a less-profit margin will cushion the housing deficit leading to adequate and affordable accommodation.[68]

Social housing suppliers may also have access to land at sub-market prices from the public sector or be entitled to receive low-cost land or

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[64] M. Oxley, and K. Dunmore, "Social Housing, Affordable Development and the Role of Government", *in: Andrew Golland and Ron Blake (Eds.),Housing Development: Theory, Process and Practice,* (2004) Routledge Taylor and Francis Group New York.p.12.

[65] P. Reeves, *An Introduction to Social Housing Development*, (2005) Elsevier Butterworth Heinemann, London.p.16.

[66] A. Golland, and R. Blake, *Housing Development*: *Theory, Process and Practice*, (2004) Routledge, London. p.22

[67]The concept of social housing is geared towards ameliorating the housing problem for the low income group in view of its affordability concern as it operates at rents below what might be considered market rents. Ibid.

[68]The advantages derivable to the low income group from this scheme includes improvement in the quality of life of people, provision of sustainable way of reducing housing deficit in Nigeria and facilitating the socio -economic development of the people by unlocking complimentary benefits in the realm of wealth creation, employment generation, inclusionary tendencies and promotion of good urban governance. See O. Ajayi*et al* "Strategies for Housing Affordability in Nigeria" *Journal of Construction Project Management and Innovation* (2016) Vol. 6 (SI): 1620-1632.

buildings from the private sector as a consequence of the delivery of affordable housing through the planning system.[69] However, operational issues begging for attention include the political will to fund the project from various sources, effective regulatory institution on social housing towards monitoring the process and enactment of a law that specifies the functions and legal provisions of social housing.

In view of the potentials inherent in social housing, this paper opines that the application of the social housing principle is possible in Nigeria. A government with a revolutionary drive can engage real estate investors in the scheme of negotiation to key into this initiative. To achieve the desired result of social housing, the government should, through direct funding provisions or negotiated tax waivers, assist the housing corporations and private developers in providing social housing to alleviate the housing problems of the majority of its low-income earners.

4.2 Subsidies, Incentives and Tax-Deductible on Property Improvements

According to Haffner and Oxley, subsidies are used to modify the consequences of market forces, and they redistribute resources from one group to another.[70] In an economic sense, the term subsidy is interpreted broadly to include any measure instigated by the government that reduces the cost of providing or consuming housing to below what it would otherwise have been. The means of achieving this strategy can include an explicit or an implicit flow of funds.[71] In the case of incentives, grants and low-cost loans may be provided by governments, while tax concessions can reduce suppliers' expenses, thereby reducing consumers' outgoings. In the absence of a subsidy, some low and middle-income earners may not be able to put a roof on their heads due to the cost of renting a home. Tan, for instance, opines that the cost of homes was a negative determinant to home-ownership in Malaysia.[72] Therefore, many developed countries use subsidies to stimulate demand for home-ownership or cushion the effect of housing deficit, especially for low-income earners. In Australia, home grants

[69] K. Gibb, and C. Whitehead "Towards a more Efficient Use of Housing Finance and Subsidy", *Housing Studies*(2007), 22 (2), pp. 183-200.
[70] M.E Haffner, and M.J Oxley, "Housing Subsidies: Definitions and Comparisons". *Housing Studies*, (1999).14 (2), pp. 145-162.
[71] Ibid.
[72] T. Tan, "Determinants of Homeownership in Malaysia". *Habitat International*, (2008) 32 (3), pp. 318-335.

are given to first time home buyers as subsidies.[73] The grants are jointly financed by the Commonwealth and the state or territories as applicable. The level of the subsidy varies within the countries of the European Union, depending on the economy.[74]

Furthermore, a Rental Incentive Allowance scheme would allow landlords to offset a proportion of their rental income against tax if they let their property to households in receipt of standardised rent and charge rents that are no more than the regulated rent. These incentives reduce the tax that landlords pay by allowing either a proportion of income to be tax-free or a given proportion of costs to be deductible from gross rental income to determine taxable income. Such fiscal incentives that reduce landlords' taxable income generally apply to individual landlords.[75] For example, in France, there has been series of initiatives that allow deductions of a proportion of rental income to arrive at taxable income. The latest of these is the *Louer Abordable tax incentive*, which gives a tax income deduction of up to 85% of rental income, depending on the tenants' location, rent levels, and incomes. It is intended to promote rentals at submarket levels for low-income households.[76]In Ireland, there are conditions attached to tax relief on borrowing costs, with larger deductions for the provision of housing to low-income groups. The availability of the tax deduction is conditional on tenancy registration, thus promoting checks on quality. Such an approach aligns with the Chartered Institute of Housing and Resolution Foundation's 2014 proposals for tax incentives to be linked to tenancy registration and compliance with national property standards. A disadvantage of the Irish approach is that only landlords with mortgages benefit from the tax deduction.[77]

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[73] G. Wood, and R. Ong, "Factors Shaping the Dynamics of Housing Affordability in Australia 2001–06", (2011). *Housing Studies*, 26 (7-8), pp. 1105-1127.
[74] M.E Haffner, and M.J Oxley, (n70) at p.50.
[75]Ibid.
[76]Ibid.
[77] This paper therefore proposes that, an approach closer to the French model is adopted so that a proportion of rental income is tax deductible, thus reducing a landlord's income tax bill if a prescribed set of conditions is met. The Irish system of tenancy registration linked to tax advantages does, however, provide a useful model of the practicalities of how to link tax reductions to assurances that the incentive conditions have been met. See K. Scanlon., *et al, International Trends in Housing Tenure and Mortgage Finance*. (2004) London: London School of Economics. p. 15.

On the government's policy based on tax-deductible on property improvements, this option tends to incentivise landlords to improve the quality of accommodation they offer to low-income households.[78] In this process, landlords are encouraged to invest more in effecting maintenance and repairs of the rental accommodation and, in this circumstance, improve the affordability of housing. Examples also abound from other countries where landlords can offset losses related to the depreciation of their property against tax, irrespective of whether they spend money on its upkeep. In Germany, for instance, depreciation allowances have been in use for some years, and these have had positive effects on the supply of affordable housing. Affordable rents for tenants and better-quality of properties are enhanced.[79] This paper posits that incentivising landowners to place their property on the rental market can enhance the available housing stock and reduce pressure on the environment, thereby discouraging rentals on the black market.

4.3 Cooperative Housing Framework

An idea to housing development efforts in the traditional African setting is the pooling of resources to develop houses by members of a given social group. Accordingly, a cooperative housing association is an association to meet the common need of housing, with members pooling resources together to finance and procure land, building materials or services.[80] Under this scheme, members contribute to a common pool for a pre-arranged order of housing development for members; this form of development strategy is most applicable among low-income earners for cheap and adequate low-cost housing.[81]

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[78] See A. Clark and M. Oxley, 'Using Incentives to Improve the Private Rented Sector for People in Poverty: An International Review'. (2017) Cambridge: *Cambridge Centre for Housing & Planning Research.* Available at: https://www.cchpr.landecon.cam.ac.uk. Last accessed 31/05/2021.

[79] An alternative, which would better incentivize improvements to the housing stock, would be to allow landlords to offset specified improvements to their property against income tax – in the year in which the costs were incurred – rather than against Capital Gains Tax at the point at which the property is sold. Ibid.

[80] A.O Olotuah, "Cooperative Housing for Sustainable Low Income Housing Development in Nigeria". (2009). Available from: http://www.kfupm.edu.sa/crp/kuwaitcomference/papers. Accessed on 21 March 2023; T.F Balogun, "Emergence of Cooperative Society in Land Market in Nigeria". (2013). *Pakistan Journal of Social Sciences*, 10 (3), pp. 148-153.

[81] O. Ajayi, (n68).

Some housing experts commended cooperative housing as a way of boosting housing supply in Nigeria as it enhances homeownership.[82] Adedeji, Olotuah and Reis in their research, collectively advocated for cooperative housing to enhance homeownership. This is by assisting people to acquire homes through collective effort in acquiring land and building materials.[83] This bottom-up approach makes homeownership more attainable as members are involved in policy decision and execution.[84]It also offers flexibility through incremental construction as prospective homeowners can span home construction over time.[85] In essence, the framework hinges on access to land, property documentation of housing finance and favourable housing policies.[86]

5. CONCLUSION AND RECOMMENDATIONS

This research has highlighted a number of significant issues confronting adequate housing in Nigeria. It appraised some of the government's existing strategies to cushion the adverse effect of housing challenges. The research found that the existing strategies produced a relatively low quantity of affordable housing for Nigeria's middle and low-income people and discussed some potential strategies employed in countries like France and the Republic of Ireland, drawing lessons for Nigeria in the process. To this end, it is hereby suggested that the government commits itself to making a substantial financial investment in infrastructure to lessen the eventual cost of new homes, reduce the cost of land, and encourage people to live outside the cities, thereby reducing undue pressure on urban facilities. Relevant government agencies and other stakeholders must design appropriate strategies for effective housing delivery in Nigeria. Evolving strategies proffered in the body of this paper could be used as a template. In addition, to enhance the delivery of affordable housing, an amendment

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[82] O.A Olotuah, (n80).

[83]P.M Reis, "Cooperative Housing in Nigeria: The Realities and Challenges." Text of Lectures presented to MURP Housing 731 Class, *Centre for Urban and Regional Planning*, University of Ibadan, 4 July 1995; Y.D Adedeji, and O.A Olotuah, (n80) at p. 95.

[84] H. Shuaeeb, "Innovation in Housing Cooperative Framework Model: A Significant Tool in Achieving Sustainable Mass Housing in Nigeria". *National Housing Summit*. Abuja. 2-4 June 2014.

[85] A. Ogunnaike, (n56).

[86]Cooperative associations are regulated in Nigeria, through the Federal Department of Cooperatives (FDC). Other types of cooperative associations include professional, transport, work, trade youth and land/housing cooperative. Ibid.

to the Land Use Act (1978) is long overdue and should therefore be undertaken. The objective of the amendment should be geared towards simplifying the process of securing access to land titles, especially for productive purposes. Finally, there should be a holistic approach to housing development and delivery that will involve the federal government, the state government and the private sector. Since the private sector has displayed greater flexibility and potential for housing production, the government should provide the enabling environment for the private sector to provide safe, adequate and affordable housing for the citizens. This can be achieved by giving tax holidays on the production of building materials and electricity to reduce overhead cost likely to be incurred in the manufacturing of building materials.