



## Unleashing the Potentials of Housing Sector in Nigeria as Perceived by Users

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### ABSTRACT

Housing is a basic need and a human right. The role that housing plays in the social and economic development of a country cannot be underestimated. Interventions in housing by government are widely acknowledged as one of the ways by which the social aspect of the life of the citizenry can be impacted especially through mass housing otherwise called social housing. This paper aims to examine the various potentials in the housing sector in order to enhance the delivery of more housing to Nigerians. A survey research approach was used in the study. Descriptive analysis was employed to explain the potentials in the housing sector. Housing deficit in Nigeria currently stands at about 17 million units. Efforts to meet and rectify the deficit will need a concerted effort of individuals and government. It requires unleashing the potentials in the housing sector to stimulate growth in the economy, thereby diversifying the economy from the mono to a multi sector economy. Interventions of governments at all levels as well as the involvement of informal sector in the housing sector will have a multiplier effect. It will generate multiple employment opportunities which will in turn stimulate the economy through the circulation of money in the system. The paper noted that interventions in housing sector will stimulate industries in the production of local building materials. Additionally, ailing companies will be revitalized, thereby improving the standard of living of the citizens. The paper concludes that strengthening and repositioning of agencies such as the Federal Mortgage Bank of Nigeria, Real Estate Developers Association of Nigeria, Nigeria Mortgage Refinance Company, will accelerate the release of the potentials in the housing sector and thereby enhance the delivery of affordable houses for Nigerians.

## 1. Introduction

Housing is one of the three basic needs of man and ranked the most important for the physical survival of man after the provision of food and clothing (Turner, 1983; Munonye, 2009, Olayiwola et al, 2005; Abimaje et al. 2014). Housing has profound influence on the health, efficiency, social behavior, satisfaction and general welfare of the community (Agbola 2005). Global efforts at meeting human needs for shelter found expression in its inclusion among the objectives of sustainable development program and the Habitat Agenda agreed to by the International Community at Istanbul, Turkey (Afolabi, 2011). The importance of housing is underscored in the evolution of the Millennium Development Goals (MDGs) by the United Nations Organization in 2000. In order to achieve this goal, housing is considered as one of the fundamental requirements of human beings. It is the centre of everyday living because, the house is where one relaxes, entertains, sleeps, raises family and even generates income (Ifesanya, 2004). The interfaces between housing and people's lives appear to demonstrate, in number of ways and illustrates why housing is an important indicator for universal well-being.

Akinyode et al. (2017), observed that the unequal distributions of income have always been posing challenges to majority of the Nigerian

populace in getting decent and affordable housing. The price of urban housing in Nigeria is being determined mainly by the basic economic forces of demand and supply which has really make housing to become more critical. One of the challenges confronting the low and middle-income households in Nigeria is the housing affordability gap. Affordability gap is defined as the difference between the required monthly mortgage re-payments on the least expensive house and the 33 percent (the industry standard, as recommended by the International Labour Organisation) that can be deducted from the total salary of a potential homeowner. These have been lacking greatly in the country. A World Bank study projects estimated the cost of bridging the 17 million housing deficit in Nigeria at N59.5 trillion, this of course shows an indication that there is the vast and untapped investment potential of Nigeria's housing sector. Currently, Nigeria housing and construction sector accounts for only 3.1 percent of rebased GDP while the total housing production is at about 100,000 units per year, for a country of nearly 174 million (Emiedafe, 2015). Therefore, this called for concerted efforts in order to meet at least 700,000 additional units each year to have a chance of bridging this huge gap.

However, the opportunities in the housing sectors are not fully tapped, hence the emergence of the challenges in the housing sector. Quite a lot of research efforts have gone into housing in the past two to three

decades. Until recently, however, research focus has centered on other segments of housing sectors in Nigeria without any concrete studies dedicated to how the potentials of the housing sector could be released through investment and interventions in housing to bring out the potentials in the sector. This study, therefore, attempts to fill this gap by looking into how the 'trapped potentials' within the sector could be released. This paper examines the various potentials inherent in the housing sector that could be harnessed to enhance the delivery of affordable housing to the affected sector of the society who could not rightly afford housing in Nigeria and stimulate the economy. The paper noted that investment in housing sector will stimulate other industries in the production of local building materials. The paper concludes that strengthening and repositioning such agencies as the Federal Mortgage Bank of Nigeria, the Real Estate Developers Association of Nigeria, Nigeria Mortgage Re-finance Company among others, will accelerate the response of the housing sector to the delivery of affordable houses for Nigerians.

## 2 Method and Materials

The participants for this study were drawn from households and real estate developers within the South-Western Nigeria. The South West geopolitical zone comprises of six states, namely, Lagos, Ogun, Oyo, Osun, Ondo and Ekiti as shown in Figure 1. Three states were selected from the six states for the purpose of questionnaire administration based on their age of creation and importance in the zone. Ogun state was created in 1976; it borders Lagos State to the South and share common housing characteristics and households' attributes and many Lagos workers live in Ogun state, so there is no clear cut demarcation of the households of Lagos and Ogun State. Oyo State and Osun State too share similar characteristics, and compositions. The modern Osun was created in August 27, 1991 from part of the old Oyo State. Ondo State was created on 3 February 1976 from the former Western State. It originally included what is now Ekiti State, which was split off in 1996. The selection of the three states was based on those premises. Thereafter, fifteen metropolitan local government areas from Lagos, Oyo and Ekiti states were chosen. The Local government areas (LGAs) from Lagos consist of Alimosho, Kosofe, Mushin, Oshodi/Isolo, Ojo, Agege, Ifako/Ijaiye, Shomolu and Ikeja. In Oyo state, the local government areas covered include; Ibadan North, Ibadan North West, Ibadan North East, Ibadan South West and Ibadan South East while Ado Ekiti Local Government was selected for Ekiti State. The problems of housing in the LGAs are qualitative and quantitative in nature, whereas the housing problems in the sub-urban are qualitative in nature. The selected local governments basically are the metropolitan local government areas of the states. These local government adequately display all the attributes of the other local government in the states in terms of housing characteristics, population distribution, social amenities to mention a few.

This study made use of both primary and secondary data sources. Purposive and systematic sampling techniques were used to select the real estate developers and households' participants respectively. A total of 216 questionnaires were found useable out of the 238 retrieved for the purpose of data analysis. The 216 participants were made up of 67 real estate developers and 149 households. The primary data were collated and analyzed using Statistical Package for the Social Sciences software version 22. Descriptive analysis was used to present the results of the field survey and personal observations were employed to complement the quantitative technique with review of relevant



Figure 1: Map of Nigeria Showing the Sampling locations in Southwest Nigeria

literatures, published journals, the internet, newspapers and magazines, as well as government archival reports.

## 3. Theoretical Background

The World Health Organization (1961), describes housing as the residential environment, a neighborhood, micro-district or the physical structure, which mankind uses for shelter and the environment of that structure include all necessary services/facilities, equipment and the devices needed for the physical health and social well-being of the family and individuals. Knox (1992) stressed that housing encompasses far more than the living space and shelter. Its nature and value are determined by its varied services, which include neighborhood amenities, access to education, health facilities and security, in addition to shelter. The importance of housing reveals that it is a vital component of human existence and as well, one of the major indicators of quality of life. Agbola (2005) averred that housing as multi-dimensional bundle of services, encompasses the need for privacy, aesthetic value, conformity to statutory standards, ensuring fiscal economy, security and other related issues of importance in contemporary society. Housing represents one of the single largest investments for most households. Housing is both a product and a service. Every product supplied to the market is typically influenced and designed to meet the requirements / needs, taste, values and perception of the consumers and the product undergoes improvement space societal paradigm shifts (Agbola,1987). As a process, housing is very complex, its construction which entails building materials and labor, the dwelling design, neighborhood layout, materials manufacture and distribution, mortgage finance, city and regional planning, public controls, aids and enterprise through such things as building and housing codes, mortgage insurance, housing and redevelopment authorities. Therefore, interventions in housing are potentially, the most fundamental pillar for extended social and economic expansion.

Fanimo (2014) noted that the challenges of housing in terms of quality and quantity appear to be the same all over the world, however the situation in Nigeria, seems to be a complex case. He alluded that the primacy of the housing question had spurred the United Nations to promote the program of housing for all by the year 2000. He observed

that good quality housing, as a basic need, is lacking for a sizeable number of Nigerians. The medium and low income segments of the population, most of who live in urban centers, suffer severe housing crisis. Housing delivery in Nigeria is provided by the government and the private sector. Ikejiofor (1997), observed that the private sector supplies most of the housing needs of the population of the Third World cities population. In Nigeria, the bulk of houses in the urban areas are supplied for rent through the small-scale private landlords. Despite the resources and access to factors of housing production, the country could, at best, achieve 4.2 percent of the annual requirements (Makinde, 2012). Increase in population as a result of migration from different parts of the country to the urban centers increase the housing demand and worsened the situation in Nigeria leading to the challenges of housing affordability. The production of housing in the country is primarily the function of the private market as approximately 90 percent of urban housing is supplied by private developers. The role that housing plays in the social and economic development of a country cannot be underestimated; it has tremendous potentials to turn the country economy around as well as the lives of the citizens. The emphasis on housing is not new. Ifesanya (2012), referring to the 1948 Universal Declaration of Human Rights which stated in part, that everyone has the right to a standard of living; adequate for the health and well-being of himself and of his family; including housing, medical care and clothing. In spite of this universal right, the availability of housing to the people still remains elusive; especially the low and middle income groups continue to live in make-shift, overcrowded and sub-standard settlements (Agbola, et al. 2006).

Okonjo-Iweala (2014) noted that the housing sector has the potentials to contribute to GDP through two main channels, viz: private residential investments (such as, construction of new homes); and also via the consumption spending on housing services. For instance, studies have revealed that in the USA, the private residential investments accounted for about 5percent of the GDP, and on the other hands housing services contributed about 13 percent to the GDP. In total the housing sector contributed an estimated 18 percent of their GDP. Nigeria could learn a great lesson from this and make tremendous investment in the housing sector.

The job creation potential of the housing sector is enormous in Africa and other developing countries. Okonjo-Iweala (2014), observed that in India, each new housing unit generates 1.5 direct and 8 indirect jobs. In South Africa, each housing unit creates 5.62 direct jobs and 2.5 indirect jobs. Although the evidence on the impact of affordable housing on labor market outcomes is limited in Nigeria, unskilled labour in Africa is generally abundant and fairly cheap, while skilled construction labor is very scarce. This reflects decades of little investment in structures and the construction industry is small relative to GDP. A manifestation of this shortage is the importing of foreign skilled construction workers such as, welders in Zambia and Chinese across the continents.

Akeju, (2007), noted that after owning a home, many citizens tend naturally to be concerned about the provision of public goods in their communities—from schools, to clinics, to security. Health benefits associated with improved housing include reduced problems with self-care and reduced anxiety and depression, suggesting there may be considerable savings in health service expenditure from improved housing.

The increasing gap in residential homes in Nigeria estimated to be in a deficit of about 17 million housing units needed to be addressed.

Hence, this could be an avenue and a huge opportunity for the private investment and job creation. It is estimated – following labor impact assessments in countries such as Columbia, Malaysia and South Africa – that at least 5.2 direct jobs can be generated with every new home and 2.48 indirect jobs associated in housing related expenditure. Jolaoso (2005) averred that labor accounts for 40-45 percent of total building cost, second only to building materials in terms of percentage of total cost.

Colean and Newcomb (1984) stated that labor accounts for up to 30 percent of total building cost in the United State of America, while QMBA (2008) stated that labor cost in Queensland and many parts of Australia account for about 26 percent of total housing delivery cost. Affordable housing could improve employment outcomes for residents as many housing associations run programs to help their tenants find work. Therefore, investments in the construction affordable housing may improve employability for new housing association tenants (Schirnding & Dodd, 2002).

Higher satisfaction with housing is associated with higher life satisfaction. Overcrowding may negatively affect educational outcomes for children, for example by worsening health or reducing support available from parents (Hodson & Pelullo-Willis, 2002). Invariably, poor educational achievement may later hamper the prospect for good job that may guarantee access to affordable housing. Studies have revealed that decent housing can help crime prevention, especially for young homeless people. However, there are issues around identifying causality and comfortable place to live (McLead, 2002).

Housing is a durable good unlike most consumer goods. It is a fixed location asset, and constitutes the largest space user in the city, which continues to play a major role in shaping urban regions (Harthorn, 1992). Nigeria, like many other countries of the world most especially in the Global South, is unable to keep up with the supply of housing, and this result in the proliferation of informal housing and subsequently the development of overcrowding and slums. Available statistics on Nigeria’s housing condition from the World Bank and the National Bureau of Statistics (2014) jointly estimated a shortfall of 17 million housing units in the country. The Nigeria housing sector is regulated by quite a number of agencies, and this has hindered effective delivery of affordable housing in the country. Figure 2 shows the various agencies and parastatals involves in the delivery of housing in Nigeria.

	Regulator	Actor
Federal	<ul style="list-style-type: none"> <li>Federal Ministry of Housing and Urban Development</li> <li>Central Bank of Nigeria</li> </ul>	<ul style="list-style-type: none"> <li>Federal Housing Authority</li> <li>Federal Mortgage Bank of Nigeria</li> </ul>
State	Housing Corporation	<ul style="list-style-type: none"> <li>Nigerian Institute of Estate Surveyors and Valuers (NIESV)</li> <li>Nigerian Institute of Quantity Surveying (NIQS)</li> <li>Nigerian Institute of Architect (NIA)</li> <li>Nigerian Institute of Building (NIOB)</li> <li>Real Estate Developers Association of Nigeria (REDAN)</li> <li>Mortgage Banking Association of Nigeria (MBAN)</li> </ul>

Figure 2: Regulators and Actors in Nigeria Housing Sector

It is believed that proper harmonization of these agencies can bring about efficiency and the ultimate benefits in the housing sectors to achieve the delivery of affordable houses to the citizens. Several public and private sector institutions are directly or indirectly involved in housing. At present, the country has a housing production rate of about 100,000 units per year, for a country of nearly 170 million. It has been suggested that the country needs about 700,000 additional units each year, in order to offset the accumulated housing deficit of 17 million units. Some major urban centers such as Lagos, Abuja, Ibadan and Kano, have an estimated in the neighborhoods of 20 percent per annum.

The Nigerian housing sector is replete with affordability tasks. The provision of housing has been mainly directed at the middle and high-income sub-sector of the populace who, invariably, can either afford to pay cash or access mortgage finance from the available financial institutions. It could be stated clearly here that, quite a proportion of the low-income, have a crucial growth opportunity for developers and investors, if they are adequately innovative. There are still other tasks that need improvement in the provision of housing in Nigeria. These include the high cost of construction, expensive and cumbersome processing of land documents and registration, high cost of skilled labor and building materials, which has subjected the country as one of the most expensive place to build houses. Studies reveal that several mortgage financing initiatives by successive governments in the country have not yielded the much desired results.

Among the impediments to mortgage finance seems to include absence of credit risk management tools, difficulties foreclosing on property, difficulties registering title on land, lack of capacity among lenders (affordability) when interest rates and inflation are high; and, probably most critical of all, lack of access to long-term finance. In general, Ebie (2004), Kihato (2009) observed that inadequacy of financial and human resources has being the main constraints to the efficient coordination, implementation and enforcement of the public sector's housing efforts. Okonjo-Iweala (2014), substantiating the earlier scholars asserted that Nigeria's size of mortgage finance (as a share of Gross Domestic Product) is 0.5 percent; compared to 2 percent for Ghana and same 2 percent for Botswana. The observation was made at the 6th Global Housing Finance Conference in Washington DC, where she pointed out that these figures are at variance with projected mortgage finance to GDP ratio of 80 percent for the UK, 77 percent for the USA and an average of 50 percent across Europe.

#### 4. Results

The South West region is home to two of Nigeria's largest cities: Lagos and Ibadan. The National Bureau of Statistics (2012), estimated the population of the region at 32.5 million people, which makes about 21 percent of the national population. The region's population is dominated by the Yoruba ethnic group. Lagos lies along latitude 6°27' N and longitude 3°28'E and is situated at an elevation 11 meters above the sea level. Lagos has a population of 9 million making it the biggest city and second most populated city in Africa after Cairo and the seventh fastest growing city in the world (City Mayors, 2011). Ibadan the capital city of Oyo State, is located at 7°38" latitude and 3°91" longitudes and situated at an elevation 181 meters above sea level. Ibadan has a population of 3.5 million, making it the biggest city in Oyo State. Ado-Ekiti, a city in Ekiti State, is located on 7°62" latitude

and 5°22" longitudes and is situated at an elevation of 439 meters above the sea level. Ado-Ekiti has a population of 424,340 making it the largest city in Ekiti State.

The results of the field survey show that substantial numbers of the participants are males. From the study, 58.8 percent of the sampled households and real estate developers were males, while 41.2 percent accounted for females as presented in Table 1. From this survey, it can be inferred that the males participated more in the surveys than the females, this might be due to the fact that housing affordability have direct bearing on them, hence the need to get involved. The age composition of the respondent reveals that 10.2 percent were less than 20 years, those within the age bracket of 21- 30 years accounted for 33.8 percent, while age range of 31-40 years accounted for 17.1 percent as presented in Table 1 Participants between the ages 41-50 years formed 25 percent and ages 50 years and above constitute 13.9 percent of the total sampled respondents. The last two age brackets are much more concerned with housing affordability and the potentials that could be released in the housing sector. This might also, due to the fact that the people in these age brackets over time have actively involved in the provision of houses to solving their housing problems.

The study reveals that 66.7 percent of the respondents had more than Secondary school education. The literacy level in this region is one of the highest in the country. In the same vein, 22 percent of the respondents obtained other qualifications. Only 11.2 percent have primary and secondary levels of education (Table 1 refers). It was found out from the survey that 45.8 percent of the participants are civil servants, while 30.1 percent engages in self-employment, and 18.1 percent are in the organized private sector. The survey further revealed that 6.0 were artisans in form of masons welder, carpenter and automobiles repairs.

*Table 1: Participants profile*

Gender	Number of Respondents	Percentage
Male	127	58.8
Female	89	41.2
<b>Total</b>	<b>216</b>	<b>100.0</b>
Age	Number of Respondents	Percentage
17-20 years	22	10.2
21-30 years	73	33.8
31-40 years	37	17.1
41-50 years	54	25.0
Above 50 years	30	13.9
<b>Total</b>	<b>216</b>	<b>100.0</b>
Educational level of Respondents	Number of Respondents	Percentage
Primary school level	12	5.6
Secondary School level	12	5.6
Post-Secondary	144	66.7
Others	48	22.2
<b>Total</b>	<b>216</b>	<b>100.0</b>
Employment Status of Respondents	Number of Respondents	Percentage
Civil servants	45.8	45.8
Self employed	30.1	30.1
Organized private sector	18.1	18.1
Artisan	6.0	6.0
<b>Total</b>	<b>216</b>	<b>100.0</b>

Table 2: The Potentials of Housing Sector

Factors	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Mean
	Total	%	Total	%	Total	%	Total	%	Total	%	
Stimulate economic growth	26	12.0	80	37.0	50	23.1	54	25.0	6	2.9	3.30
Create wealth	22	10.2	36	16.7	50	23.1	85	39.4	23	10.6	
Create job	8	3.7	47	21.8	52	24.1	82	38.0	27	12.5	3.34
Build community/nation	48	22.2	91	42.1	48	22.2	17	7.9	12	5.6	3.68
Economic inclusion	10	4.6	36	16.7	53	24.5	88	40.7	29	13.4	3.42
Stabilize economy	9	4.2	34	15.7	67	31.0	88	40.7	18	8.3	3.33
Improve well-being	10	4.6	39	18.1	48	22.2	86	39.8	33	15.3	3.43
Promote health condition	5	2.3	20	9.3	32	14.8	90	41.7	69	31.9	3.92
Reduce crime	50	23.1	95	44.0	36	16.7	26	12.0	9	4.2	3.70

N=216

The investigation, shows that 36.6 percent of the participants earn less than ₦216,000 (\$685) per annum, 12.5 percent of the respondents have income base of ₦216,000-₦239,000 (\$686-\$759) per annum, while 12.0 percent earns between ₦240,000-₦419,000 (\$761-\$1330), income base between ₦420,000-₦539,000 (\$1333-\$1711) per annum was 8.8 percent. The study further reveals that participants earning ₦540, 000- ₦619, 000 (\$1714-\$1965) per annum accounted for 22.2 percent, while the rest 7.9 percent had income base above ₦720,000 (\$2286) per annum. The study reveals that most of the participants have very low income. Generally, it could be observed from the survey that income levels were generally low as it is also low in most parts of the country. The result of the survey on household size of the participants reveals that the households' size of more than 5 persons has 32 percent, more than 5 persons constitute 29 percent, 4 persons in a household 20 percent, 3 persons constitute 11 percent of the participants while not more than 2 persons accounted for 2 percent.

## 5. The Potentials in Housing sector

The housing sector is seen as an important sector for stimulating economic growth. The investigation conducted reveals that 48.6 percent of the participants attested that housing sector is capable of stimulating the economic growth in the study area, whereas 28.3 percent of the participants disagree with the view, and 23.1 percent could not state whether they agreed or disagreed. However, mean score of the participants 3.30 is statistically significant and buttressed that housing sector stimulates the economic growth. Okonjo Iweala, (2014) affirmed that housing construction indices (such as the Case-Schiller index) are some of the most common measures used by analysts to gauge economic trends in Organization for Economic Community Development Countries. She observed that investment in the real estate contributed 3.80 percent to GDP in Quarter 1, 2013 and improved in Quarter 2, 2013 to 5.23 percent. Also, Igbino, (2014) stressed that the housing sector serves as an important contributor to economic growth because of the tremendous multiplier effect of housing sector on the broader economy. Looking at the investigation conducted and allusion made by the other two scholars it is then concluded that the housing has a great potential in stimulating growth in the study area as well as the country at large. Please see Table 2.

The field survey shows that 50.5 percent of the participants agreed that the housing sector generates employment opportunities for the people, whereas only 3.7 percent strongly disagree, 21.8 percent disagree and 24.1 were undecided. However, the surveys mean score of 3.34 was obtained by participants. The housing sector has the potential of job creation and this potential is enormous in Nigeria just as it is in other developing countries.

The study reveals that 50.0 percent of the participants attested that housing sector creates wealth for the people in the study area, also, 26.9 percent disagreed that housing sector creates wealth and 23 percent were neutral. Housing wealth is often a large component of net personal wealth as seen in the United States where housing contributes about half of the net personal wealth. Kolawole (2015) averred that in developed countries, housing assets are often been used as collateral security to stimulate additional private consumption and investments. The housing sector however, has important economic effects through various channels—and Nigeria needs to get more involved in this sector.

The study reveals that 63.3 percent of the participants are in support that housing sector contributes to the community development and nation building as a whole, about 13.3 percent of the participants differs and 22.2 percent were neither in support or disagreed. Home-ownership often gives citizens a true stake in their communities. The Mean score for the participants was 3.68 which confirmed that majority of the participants sees housing sector as a contributing factor to the development of their respective community.

A total of 73.6 percent of the participants strongly agreed that the housing sector brings about improvement in health conditions of the dwellers in the study area. About 11.6 percent disagreed and 14.8 percent were neutral. Investments in the housing sector will bring about the construction of more houses in the country and moving into new homes or having an existing affordable home refurbished is associated with improved self-rated health. Poor housing conditions are associated with a wide range of health conditions, including respiratory infections, asthma, lead poisoning, injuries, and mental health as observed by Krieger et al (2002). Health benefits associated with improved housing include reduced problems with self-care and reduced anxiety and depression, suggesting there may be considerable savings in health service expenditure from improved housing. When this is linked with and strictly implemented with the National Health Insurance Scheme, a higher level of zeal towards individual homeownership will increase the supply of housing in the country. Poor housing conditions are associated with a wide range of

health conditions, including respiratory infections, asthma, lead poisoning, injuries, and mental health

The housing sector has the potential to promote economic inclusion by creating jobs for the craftsmen and artisans such as masons, plumbers, welders, electricians, painters and so on. The study conducted in the South western part of the country shows that economic inclusion is one of the potentials in the housing sector as 54.1 percent of the participants sees housing as creating a kind of indirect jobs opportunities for numerous people ranging from the food vendors, those that are drawing waters. It is estimated – following labour impact assessments in countries such as Columbia, Malaysia and South Africa– that at least 5.2 direct jobs can be generated with every new home and 2.48 indirect jobs associated in housing related expenditure. Jolaoso (2005) averred that labor accounts for 40-45 percent of total building cost, second only to building materials in terms of percentage of total cost.

The study reveals that 67.1 percent of the participants strongly agreed that the housing sector has the potential of crime reduction, about 16.2 percent disagreed and the remaining 16.7 percent were neutral. Studies have revealed that decent housing can help crime prevention, especially for young homeless people as buttressed by Adam (2016).

An investment is considered to be good if it pays you more than what you paid for it. Hence, in critical terms if one assesses the amount spent on rent yearly, taking into cognizance that such an individual may not want to be a tenant for the rest of his or her life, one will come to the conclusion that amount being paid as a tenant will be more than when he decides to build a house as a landlord. Some schools of thought believes that homeownership is a tool to reduce poverty and as a way to wealth-creating for the middle class. Another school of thought however, sees this as weak investment strategy. This, of course, is like saying people prefer to be tenants than landlords. Although, there are people like that, but these covers a very small proportion of the population. Typically, in Nigeria, you are seen as being successful if you have built your own house, even if the structure is in a village where no one visits. Also, on the other hand, owning a home is one of the most popular ways households build long-term wealth, as it acts like a forced savings account. Instead of paying your landlord, you pay yourself in the long run through paying down a mortgage on a house. Housing apart from serving as a shelter, it is also a produced commodity, consumer good, assurance for families as a means used for reproducing social relations and an investment tool protecting the value of money against inflation.

Table 3 presented shows the Mean score of the participants to the housing sector. The study reveals that the housing sector has a lot of potentials. Improved health conditions has the highest mean with 3.92 score, followed by crime reduction, community and nation building, well-being of the occupants, economic inclusion, job creation, stabilizing the economy, stimulate economic growth and wealth creation in the order shown in table 3.

The survey conducted, reveals that 49 percent of the participants opted for building their own houses from the scratch, while 28 percent of the participants disagreed with the option and those that could not decide accounted for 23 percent. However, income plays a major role when it comes to housing decision making. From the bio data presented, it was discovered that majority of the respondents earn less than ₦216,000

(\$685) per annum, hence the increasing decision on incremental building by majority populace. It was discovered that the greater the ability of household to be self-sufficient; the less the anticipated responsibility of government to support that households.

## 5. Recommendations

### 5.1 *Mass (Social) Housing Schemes*

In developing the housing sector, there is need to ensure that the housing markets are inclusive by including the various private developers and financial institutions (such as the IFC) to develop mass (social) housing schemes across various parts of the country. This will enable more citizens to have access to decent and safe housing, and are also supplied with basic infrastructure services. There is also the need to developing a guarantee mechanism to support access to mortgages for qualified applicants from lower income households.

### 5.2 *Repositioning of Financial Agencies*

There is need to urgently strengthen and reposition such agencies as the Federal Mortgage Bank of Nigeria, the Real Estate Developers Association of Nigeria, Nigeria Mortgage Re-finance Company among others, to accelerate the response of the housing sector to the delivery of more houses to Nigerians. In order to start filling the country's deficit of 17 million housing units projected by the World Bank and to meet the increase in demand, the government will need to support the construction of 170,000 units per year over the next decade financed through Sovereign Wealth Fund, and federal government bonds, among others, as a public-private partnership. It is also expected to promote the development of primary mortgage institutions, which tend to have a narrow banking licence and are generally reliant on wholesale funding thus, making them more vulnerable in times of financial or economic crisis. Housing finance for the poor as well as supplying affordable housing will add up to creating systems that address the needs of households at different income levels, yet also building a system that can be sustained, scaled up, and oriented to the private sector.

### 5.3 *Training of local craftsmen*

In order to release more potential in the housing sector there is urgent need for the government to establish training schools for local artisans to cover such trades as plumbing, painting, electricians, welding and fabrication, carpentry, interior decorations among others for the teeming population of the artisans. This will invariably reduce the crave for commercial motor cycle riders popularly called "okada" riders menace, and make labor to be readily available for the construction of houses. Also, the existing training schools should be strengthened in terms of manpower and funding.

### 5.4 *Increase in Minimum wage*

Wages in the country is generally low, the economic depression currently facing the country has made it clear that the era of N18000 (\$57.14) minimum wage per month by workers can no longer sustain them. This calls for upward review of salary for workers, salary increase will brings in more investment in housing.

*Table 3: Mean Perceived Potential Elements in the Housing Sector*

Potentials in the Housing Sector	Mean	Ranking
Improved Health Conditions	3.92	1
Crime Reduction	3.70	2
Community and Nation Building	3.68	3
Well being	3.43	4
Economic Inclusion	3.42	5
Job Creation	3.34	6
Stabilize economy	3.33	7
Stimulate Economic growth	3.30	8
Create Wealth	3.24	9

## 6 Conclusion

Housing offers a haven for emotional and physical rest, and the stability found therein, empowers families in their pursuit of better quality of life. The importance of a decent place to live is critical to human existence, which comes with stability and promise, family unity, hope and a foundation from which individuals reach their full potential. Involvement in the housing sector will, no doubt help to revitalize the ailing companies, and also, improve the standard of living of the citizens. Improvement and more commitment in the housing sector will enhance healthy living. In a more related development earning and academic accomplishment are enhanced by adequate housing, while emotional stability and psychological balance are developed by having a decent and comfortable place to live. The study makes possible recommendations that if implemented can bring out the potentials in the housing sector towards achieving effective housing delivery in Nigeria. This will enable it to conform to what is obtainable in other parts of the world. Findings include the need to diversify from a mono, to a multi sector-based economy, and the need to invest in the housing sector to trigger the needed multiplier effect in the delivery of affordable housing. This will generate multiple employment opportunities that will, in turn, stimulate the economy through the circulation of money in the system.

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