BUILDING SUSTAINABLE CITIES IN NIGERIA: THE NEED FOR MASS AND SOCIAL HOUSING PROVISION

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ABSTRACT

This paper provides the economic rationale behind the call for Mass and Social housing provision based on analysis of housing affordability dilemma and performance evaluation of public housing delivery in Nigeria. It draws attention to the rising trend of displacement/outmigration of the poor aborigines in major city centres in Nigeria, the potential for reverse-migration, and resulting cost of unsustainability of the cities. The study reveals that Nigeria's public housing schemes and social housing experiments has, for the past five decades, consistently aligned with changes in international housing policy thinking albeit with abysmal results. Caught in a housing policy quagmire, essentially, of how to strike a balance between the entrenchment of market efficiency in public housing delivery (as it pursues more pro-market housing policies) and the objective of providing 'adequate shelter for all', the nation has seen much of its housing schemes translate into grandiose paper policies rather than actual housing delivery. Evidence from the housing affordability index indicates alarming and unbearable level of Shelter Poverty in Nigeria. These show that the nation no longer needs the prompting of a global paradigm before pushing through a populist housing project.

Keywords: Mass housing, affordability dilemma, reverse migration, sustainable cities, Nigeria

INTRODUCTION

There has recently been a plethora of reasoning and cacophony of opinions on the issue of Mass and Social housing provision in Nigeria. This arose as fallout of the growing inability of Nigerians to afford shelter which is regarded as a basic necessity of life (Oyeniyi 2013; Nya-Etok 2011). There is also widening gap between need for housing and the capacity to acquire the desired housing type, especially among the 'No and Low income' segment of the population. It should be recognized that people can only acquire what they can afford. A perceptive review of affordability problem, based on Nigeria's current legal and regulatory framework, shows that over 57% of Nigeria's "No and Low" populace may never afford the 'least-cost' mortgage even if loan amortization is spread over their entire service years (table 5). The situation will continue to deteriorate if this segment of the population is left to the vagaries of the market and political circumstances of the country. Many have adduced to reasoning that lack of shelter is partly responsible for the numerous vices we encounter in Nigeria today. The issue of slums, criminality, homelessness and undue pressure on public facilities comes to the fore by protagonists of Mass and Social housing. Yet others argue that lack of housing has been the major cause of itinerancy among the population and distortion to private and public policies, plans and programs. It is estimated that over 75% of Nigeria's 60 million urban population live in slums, and not less than 739,000 housing units are required annually to improve the housing situation across the country (table 3; Olotuah 2010; Federal Republic of Nigeria 1991). This implies that adequate measures must be put in place to combat the challenge of huge deficit and low productivity in public-sector housing in the country.

Mass and Social housing is the response by government to the housing challenges for 'No and Low' income earner who, as earlier noted, constitute over 57% of Nigeria's total population (EFInA Survey Report 2012:8; EFInA and FinMark Survey Report 2010:12; EFInA Survey Report 2008:9). High quality and well managed housing sector is the cornerstone of any sustainable economy. Can Nigeria become one of the leading economies in the world when it is not paying adequate attention to housing delivery with its attendant 'backward and forward linkages' that would accelerate its economic growth in real terms? While decent housing can be regarded as the right of every individual, a large proportion of Nigerians live in substandard and poor housing. The reality of this scenario is that the urban households in Nigeria accommodate extended family living with many inconveniences. Because adequate and quality housing is essential for man's existence, improved welfare and productivity rise, government has a social responsibility to ensure adequate housing provision for the people. The current pro-market housing policies with emphasis on Public-Private-Partnership (PPP) which the government favours in resolving the national housing puzzle cannot deliver mass housing because it presupposes that housing funds would be sourced from the open market. No entrepreneur can borrow short term funds at high interest rates to finance mortgage for the poor. If the government of Nigeria knows that she needs affordable houses in her cities for the no and low income population in order to reduce the growing levels of urban slums and squatter attitude, which put pressure on existing city facilities, why is the government not responding with some degree of urgency to correct the situation?

This paper is therefore an advocacy that is aimed at providing the economic rationale underlying the call for Mass and Social housing provision in Nigeria. The paper is arranged in sections thus:

Section 1 – Introduction
Section 2 – Contextual Clarifications
Section 3 – Theoretical Framework
Section 4 – International Housing Policies and Nigeria's Social Housing Environments
Section 5 – Housing Needs and Affordability Dilemma in Nigeria
Section 6 – The Expected Crises from Current Housing Policy
Section 7 – Suggestions and Conclusion

CONTEXTUAL CLARIFICATIONS

To minimize controversy and possible misunderstanding of issues presented in this paper, the following clarifications and definitions are provided.

Social Housing

Social housing is housing that is provided and let at low rents and/or sold at subsidized rates and on a secure basis to people in housing need. It is generally provided by councils (government) and non-profit organisations such as housing associations. Although a form of public housing, it is slightly different from the general connotation of public housing which describes housing that is provided, owned or managed independently by government or in collaboration with the private sector for the citizens on owner-occupied or rental bases (Ibem and Amole, 2010; Ndubueze 2009:27). The major distinguishing factor is that social housing is let on rent or sold at *subsidized* rates. In spite of the differences in connotation and meaning, the general consensus among researcher is that their goal is to provide affordable housing to citizens who are unable to gain access to decent housing at market prices. The Draft 2011 National Housing Policy redefined social Housing (which traditionally connotes *housing for the poor*) as housing for no income earners, low income earners and lower medium income earner. The essence is to enable the new housing policy accommodate a wider segment of the population who may be classified as non-poor, say a civil servant who is on grade level 10, but cannot actually afford decent shelter.

No-Income Group

No-income group is defined as all persons whose income does not exceed the national average of 25% of the National Minimum wage. The national minimum wage is eighteen thousand naira (₦18,000) per month

Low-Income Group

The low income group is defined as all persons whose annual income exceeds the 'No Income' level, but does not exceed the National Minimum Wage.

Lower-Medium Group

The lower-medium income group is defined as all persons whose annual income exceeds the National Minimum Wage, but does not exceed four times the National Minimum Wage.

THEORETICAL FRAMEWORK

The deepening of the call for Mass or Social housing in Nigeria can be described by the theoretical paradigm of the Bid-Rent theory due to Alonso (1964) which was inspired by the pioneering work of Thunen (1826). In his classic work entitled 'The Isolated state' originally published in French in 1826 and later translated in English by Walterberg (1966), Johann Heinrich von Thunen (1783-1850) developed a model of the joint determination of land use pattern and land rent in the agricultural hinterland surrounding a market city centre. He demonstrated how competition among farmers would lead to a gradient of land rents that declines from a maximum at the city centre to zero at the outermost limit of cultivation. His conclusion is that land closer to the city centre will have higher price than land that is located further from the city.

Alonso (1964) extended Thunen's model in his book entitled 'Location and Land Use' and placed it in an urban context. The market city centre in Thunen's model was interpreted by Alonso (1964) as a city with a Central Business District (CBD) in the city centre. Household must commune to the city centre in order to work in the CBD. By assuming that households spend their income on three things: land, transportation costs and all other goods, he developed his Bid-rent function which he typically modelled as follows:

$$Y = r(d)l + P_t(d) + P_z Z \quad \text{-------------------------}(1)$$

Where Y = the household's income; r(d) = rent per unit of land at distance d from the city centre; l = amount of land; $P_t(d)$ = transportation cost at distance d from the city centre; P_z= price of all other goods; and Z = amount of all other goods.

Equation 1 implies that land prices will decrease with increasing distance from the city centre (CBD). This is essentially true for most cities and a requirement for the market equilibrium. A household can rent a larger house (on a larger parcel) further from the city for the same budget as a smaller house near the centre. But the bigger house at a larger distance from the centre has the disadvantage of offering higher transportation costs. This idea is incorporated in a bid-rent curve which is the set of prices for land the individual could pay at various distances while deriving a constant level of satisfaction.

The bidding process leads to a static equilibrium, in which the bid rent function becomes the rent curve. The bid-rent function now forms the basis of several contemporary theories on land use and land values. This paper extends the application of the bid-rent theory in explaining the dynamics of out-migration of the poor aborigines in major cities in Nigeria,the potentials of reverse migration (table 7), and resulting cost of unsustainability of the cities.

According to "bid rent theory", different land users will compete with one another for land close to the city centre. It may be assumed that the poorest houses and buildings would be on the very outskirts of the city, as this is the only location that the poor or 'No and Low income' population can afford to occupy. However, in developed countries, this is rarely the case as many people prefer to trade off accessibility to the CBD and move to the edges of a settlement where it is possible to buy more land (with larger living space) for the same amount of money (as the bid rent theory postulates). Alternatively, lower-income earners trade off greater living space for increased accessibility to employment. For this reason, low-income housing in many North American cities, for example, is often found in the inner cities while the high-income housing is found at the edges of the settlement or in the hinterland.

In Africa, and particularly Nigeria, the trend is a migration pattern that is a reverse of what obtains for the'no and low income' earners in North America. In Nigeria, either the market or government forces the no and low income population to move away from the CBD to look for accommodation elsewhere. The poor aborigines (low and no income households) who are predominantly the original owners of the city centres are compelled to migrate out of the CBD as they sale their homes to the migrant population or surrender them to the government for reallocation. These no and low income aborigines are thus displaced and relocated because they have less competitive edge to abode in the CBD.

There are two major strands of theoretical thoughts concerning Social Housing internationally: the convergence and the divergence schools of thought. It is also important to note that literature on social housing is dominant with European history. Theories emanating from such literatures have also more robustly considered the European experience where social housing scheme has been more popular. Current situation has seen some contending paradigms on the provision of social housing in Europe. This, we think, is the result of the contention between the pro-market and pro-welfare actors in the economic process.

Dolling and Ford (2007) posits that social housing accounts for 35% of all housing in any one country across the European Union. They argue seriously that owner occupation is far more than social housing. Based on their position, the further posit that rather than encourage renter social housing, government should be more interested in allowing the market to allocate owner occupation. Priemus and Dieleman (2002) also corroborate the assertion of Dolling and Ford (2007).

Harloe (1995), quoted in Malpass (2008), builds his analysis on social housing around the works of Block (1987) which argued that each phase of capitalist expansion creates a particular set of social arrangements (structures of accumulation), including provision for social housing. Harloe (1995) who is one of the major contributors to the convergence school of thought, see the current phase which emerged out of post-industrialism or post-Fordism as that where governments are less confident of their ability to manage national economies. The divergence approach is most closely identified with the work of Kemeny (1995, 2005 and 2006); Kemeny and Lowe (1988). Kemeny criticises the convergence model as a product of Anglo-Saxon bias in housing research. He attacks the notion that there is inevitability about the rise of owner occupation, and the corresponding decline of renting. He argues further that even if it can be shown that there are similar empirical tendencies, for instance, in relation to the decline of rental housing, it does not follow that the causality is the same everywhere (Malpass, 2008).

Kemeny's thesis is that whereas in Anglo-Saxon countries the pursuit of a profit driven private market has condemned social housing to a residual role, this is not the case in countries that have adopted a unitary rental housing strategy based on the social market approach, in which social housing competes directly with a more regulated, and supported, private rental sector (Malpass, 2008). Kemeny (1995:18), therefore, concludes that the Anglo-Saxon countries have chosen to promote an unhindered profit rental market, which inevitably leads to growth in owner occupation and the need for a residual public rental sector as against the mass housing sector.

The situation in Nigeria calls for the adoption of the divergence argument. This position is explained by the fact that the market in Nigeria, from its allocation experience, is biased. Payment for owner occupation in Nigeria is not possible for the poor as there is dearth of effective mortgage system in the country. The absence of mortgage results in a situation where one-off payment for houses is the reality in Nigeria. Without affordable social rental housing most city dwellers and indigenous people in Nigeria will remain homeless.

INTERNATIONAL HOUSING POLICIES AND NIGERIA'S SOCIAL HOUSING ENVIRONMENTS

Changing thinking in international housing policy debate/discourse, resulting from increasing shift towards expanding the role of the market in public housing delivery, has had profound impact on Nigeria's housing policies, at least, over the past five decades. While the 1960s and early 1970s focused on physical planning and direct production of housing by public agencies, the mid 1970s to the mid 1980 ushered in a new thinking that urged the support of self-help ownership. At this stage, the idea of 'minimal state' with limited role of government began to dominate the global housing policy discourse with the major influence of the Habitat 1 Conference (Vancouver Declaration) in 1976 (Ndubueze 2009:23). Other major sources that promoted the idea of self-help in public housing provision included; Housing by People (Turner, 1976) and Shelter Poverty and Basic Needs (World Bank, 1980). The late 1980s and early 1990 saw the *enablement approach* which emphasised the need to enable a multiplicity of actors (people, private sector, housing finance, community participation, market through public/private partnership, civil society organizations) to work towards improved housing delivery. This approach advocates government withdrawal from direct housing provision and rather 'enables' other actors in a supportive legal, financial and regulatory framework. From 1990s onwards, emphasis shifted to the incorporation of environmental management and poverty alleviation into the enablement approach framework. In 1996, these shift in global housing policy orientation culminated in the Habitat 11 (Istanbul Declaration) which emphasized 'adequate shelter for all' and 'sustainable human development'. Nigeria is a signatory to the 1996 Istanbul Declaration. Over the past five decades or so, the country has adapted and aligned its housing policies in accordance with changes in international housing policy thinking, including the recent Habitat 11 Agenda.

Several efforts have been made by past administrations in Nigeria to provide mass and low income housing. In many instances, it is either the project did not just commence, or was abandoned mid-way into its implementation, and/or worse still hijacked by powerful interests who *capture the benefits* that were intended for the poor (Ekong 1997). Thus, the impact of these policies in resolving housing problems and shortages in the country has been at best minimal despite enormous financial resources that have been invested in the programmes as suggested in table 1.

Table 1. **Performance of Public Housing Schemes in Nigeria (1960 - 2013)**

Period	*Programme Target*	*Achievement Level*
First National Development plan, NDP 1 (1962 - 1968)	-Planned construction of *61,000* housing units.	- Only *500* units (less than 1% of the target units) were built by the federal government of Nigeria (FGN) before the outbreak of the civil war (1966-1970). The war contributed to the little success recorded. - N39.2 million, representing 47% of the N84 million allocated to Urban and regional Planning was disbursed
NDP 2 *(1971 - 1974),*	-Government accepted social housing as its responsibility and planned the direct construction of *59, 000* 'low-cost' housing units	- Only *7,080* housing units representing 12% of planned houses were actually built. - FHA (established in 1973 but started operation in 1976) spent over N30 billion on housing and ancillary infrastructure development. The National Council of Housing was established in 1972.
NDP 3 *(1975 - 1980),*	- Planned construction of *202,000* 'Low-cost' housing units nationwide. - conversion of Nigerian Building Society to FMBN, Creation of FMLHUD and promulgation of Land Use Decree (1978)	Only *28, 500* units (representing 14.1% of target) were actually completed.
NDP 4 *(1981 - 1985)*	-Planned construction of *160,000* and *20, 000* housing units for low income people in the 1st and 2nd phases of the programme respectively - National Housing Policy launched for the first time and N1.9 billion earmarked for the 1st phase	Only *47,234* units (representing about 23.6% of the target) were constructed in the 1st phase. The 2nd phase was short-lived by the military coup of 1983
February, 1991 National Housing Policy (NHP)	- Planned construction of *700, 000* housing units annually in order to meet the target of eight million units in year 2000 -encourage greater participation by multiplicity of actors (all tiers of government, private/public partnership, Private Developers) -National Housing Trust Fund (NHTF) was established in 1992 with a	-No visible impact

Period	Programme Target	Achievement Level
	take-off fund of N250 million	
1994-1995 National Housing policy	Planned construction of 121,000 housing units nationwide for all income groups (low, medium and high)	Only 1, 014 units (representing ?% of the targeted units) were actually completed
2002 National Housing Policy	-Restructure the FMBN to provide long term funds for mortgages (e.g amortization period was increased from 25 to 30 years) -creation of Federal Ministry of Housing and Urban Development - Develop the mortgage market to increase mortgage flow and hence home ownership	No visible impact as the country still requires over 14 million housing units
Draft 2011 National Housing Policy(Updated and Reviewed Draft 2002 NUDP, (currently, Nigeria has no articulate NHP and no up-to-date Land Policy)	Not Available	Not Available

Source: Compiled by the Authors from various sources. UN-Habitat (2001); Ibem, Anosike and Azuh (2011:426-427); EFInA and FINMARK Trust Report (2010:20-22); Ndubueze (2009:31).

Notice that Nigeria has neither an up-to-date National Housing Policy nor a National Land Policy. What is erroneously referred to as the 2002 NHP is actually the decisions and approval of the Federal Executive Council (on 23rd January, 2002) as contained in the White Paper on the Report of the Presidential Committee on Urban Development and Housing which was made public in 2006 (see Draft National Housing Policy 2011: 20). The 2011 Draft National Housing Policy is simply an *update* and a *review*of the Draft National Housing and Urban Development Policy of 2002. The latter is loosely referred as the 2002 NHP, as has been noted (see Draft NHP 2011: 7). The 2011 Draft NHP is designed to redress the unacceptable housing situation in the country. The 1994/95 programme continued to 1996/97.

As is obvious from table 1, between independence in 1960 to 1985 (when the fourth national development plan, NDP 4, ended), Nigeria had some of its housing policies imbedded in the national development plans. In 1989, the primary mortgage institution (PMI) Act, No 53, was set up to regulate and supervise the operations of PMIs. It was meant to provide affordable housing to low income group via long term repayment of mortgages. The second National Housing Policy (NHP 2) came in 1991 with accessibility and availability of land and building materials as part of its major focus. This policy was responsible for the restructuring of the FMBN into a wholesale bank and PMIs and DMBs to do mortgage business. The 1991 NHP recorded limited success despite its laudable objectives (EFInA and FinMark 2010: 19).

The period 1991 to 2002 saw the implementation of some policy initiatives that were meant to bolster the housing market in Nigeria. These included the 1991 national construction policy, the 1992 National Housing Trust Fund (NHTF) and the 1994 national housing policy. The preparation of the third National Housing Policy (2002 NHP) started in 1999 when a Presidential Committee was appointed to that effect. The white paper on the report of the committee was made public in 2002. The 2002 national Housing Policy, as it is loosely referred to, became an official document in 2006 with the responsibility given to the Federal ministry of Land, Housing and Urban Development (created out of the FMWHUD in 2010) for its implementation. This policy, like the preceding National Housing Policies in 1994/94 and 1991, can be described as an 'enablement' housing policy as it recognizes the need to encourage a multiplicity of other actors (corporate private sector, civil society organizations, and individuals) (Ndubueze 2009: 43). With the new national housing policy, the operation and management of the NHTF was reformed to make funds more accessible to prospective borrowers. Interest on loans to government corporations and private developers were reduced from 15% to 10% per annum while the amortization (repayment) period was increased from 25 years to 30 years. Also the FHA was restructured to focus more on social housing. Despite these laudable initiatives, public housing delivery in the country have been abysmal as the level of housing deficit nation-wide is put at about 15 million units (table 4). So far, the involvement of the public sector in housing delivery has been more of policy formulation than housing delivery. Indeed, about 74% of the available units are of the poorest quality, i.e., tenement rooms (table 2).

While the overall objective of ensuring "adequate shelter for all" has remained essentially the same in post-independence Nigeria, the 2002 National Housing Policy is essentially more pro-market and private sector driven. This was made clear in 2002 when the then Nigerian President, Umar Musa Yar'Adua accepted the recommendations of the Presidential Committee on Urban Development and Housing (PCHUD) for an immediate housing intervention programme that should deliver 40,000 housing units per annum into the urban housing market on the condition that it would be private sector led and market driven (Draft NHP 2011:36; Ndubueze 2009). The government made it clear that the ministry shall be a purely Policy Ministry and shall not take part in the physical construction of houses (Draft NHP 2011:23). It can, therefore, be seen that the current NHP has at its heart a conflict between entrenching market efficiency in housing delivery and ensuring adequate housing for all. The dilemma here is how to strike a balance between market efficiency in delivering affordable housing (as government pursues more pro-market housing policies) and the need to achieve government's lofty objective of ensuring 'adequate shelter for all'. From pure economic standpoint, no entrepreneur can borrow short term funds at high interest rates to finance mortgage for the poor. Even if the housing policy is rolling back direct state intervention (sub-ordination of social welfare to market ideas) or actually a diminution of government responsibility for the housing production and distribution process, the government should recognize that its lofty objective of providing ''adequate shelter for all'' must necessarily require supportive framework that addresses the need of those with little of market power, the 'No' and 'Low' income earners, who constitute over half of entire population. This essential component, which is the need to provide mass and social housing, is clearly lacking in the housing policy.

The Draft 2011 NHP provides that the 'Social-Housing' lending window shall continue to be funded directly by government and that loans shall be conducted by the Primary Mortgage Institution at a rate not exceeding 4% (Draft NHP 2011:32). Notwithstanding this, the task of surmounting housing affordability problem in Nigeria remains herculean as we shall soon show.

HOUSING NEEDS AND AFFORDABILITY DILEMMA IN NIGERIA

Analysis of housing demand and supply, and household income and size distribution helps to understand affordability gap and how to remedy the situation where such gap exists. The demand for housing is a reflection of the ability of households to pay for them as household cannot be said to demand what they cannot pay for. Thus, an examination of household incomes and the prices of housing units would provide a basis for assessing housing demand and affordability. To provide perspective into affordability of housing in Nigeria, we first examine the units of available housing stock and housing need in the country with a view to determining the level of deficit.

Facts on Housing stock and Housing Needs in Nigeria

Table 2 presents data on available housing stock in Nigeria. As at 1991, the total dwelling units in Nigeria was put at 15.2 million and about 74% were in tenement rooms (also called face-me-I-face-you).

Table 2. Estimated Housing Stock, by Dwelling Types in Nigeria (1991)

	Urban %	*Urban Units ('000)*	*Rural %*	*Rural Units ('000)*	*Total %*	*Total Units ('000)*
Maisonette	2	67	0	12	1	76
Duplex	3	101	0	-	1	101
Detach bungalow	10	337	20	2,289	17	2,627
Semi-detach	2	67	1	60	1	127
Flat	15	506	0	-	3	506
Tenement (Room)	65	2,194	77	9,200	74	11,393
Others	3	101	2	287	3	388
TOTAL	*100*	*3,373*	*100*	*11,848*	*100*	*15,221*

Source: UN-Habitat Report on National Housing Trend (2001: 15); Achunine (1993); EFInA and FinMark Report (2010:25).

A further breakdown of available housing stock and requirements into urban and rural categories is presented in table 3. As is obvious from table 3, there were a total of 7,363 million units of housing need in the country between 1991- 2001. This shows an intractable gap between government's supply efforts and actual achievements as annual housing requirement was well over 739,300 between 1991 and 2001. This has been worsened by a high rate of urbanization (5.5% per annum) resulting naturally from high population growth. From a population of about 42 million in 1960, for instance, the population rose to 151 million in 2010 based on an assume growth rate of 3.8% (National Bureau of Statistics, 2007) and by 2012, the estimated population stood at 167 million (table 4).

Table 3. Estimated Housing Needs (1991 - 2001)

	Urban Areas	*Rural Areas*	*Totals*
Housing stock 1991 ('000 units)	3,373	11,848	15,221
Estimated no of household 2001('000)	7,289	15,295	22,584
Required output 1991 – 2001 ('000)	3,916	3,447	7,363
Required annual output 1991-2001('000)	391.6	344.7	739.3

Source: UN-Habitat Report (2001: 17); Achunine (1993).

A recent study reported by Real Estate Developer Association of Nigeria (REDAN) capital Limited may perhaps provide more illumination on the depth of housing deficit in the country. Currently, it is estimated that there are between 14 to 15million units of housing deficit in the country (REDAN Capital Limited 2012; EFInA and FinMark Trust Report 2010:24). The indication here is that about 15 million households are without shelter or houses in the country. This statistic further indicates that to meet the housing needs of the country, Nigeria needs to build 720,000 housing units per annum.

Table 4. Stylised facts on Housing in Nigeria (2012)

Population of the country	*About 167 million people*
Housing Deficit in Nigeria	15 million Units (N60 Trillion in value)
Housing Need	720,000 Units per annum is required
Housing Demands	20% Annual increase
Urbanisation	About 5.5% annually
Home Ownership	Less than 25%
Secondary Market	Federal Mortgage Bank of Nigeria (only Secondary Mortgage Institution in Nigeria - N5 Billion capital base)
Primary Mortgage Banks	About 102 - with N100m capital base

Source: REDAN Capital Nig. Ltd. June 2012

Note: Demand for decent and affordable Mass Housing is rising daily. REDAN, an umbrella body of estate developers in Nigeria, was established in 2002 to nurture private developer and help realize the goal of Mass Housing production and delivery.

With the explosive expansion of the population resulting from high population growth and the massive rural-urban drift, the level of housing deficit is currently put at about 17 million units. While only 7% of Nigerians lived in urban centres in the 1930s, and 10% in 1950, by 1970, 1980 and 1990, 20%, 27% and 35% lived in the cities respectively. Over 40% of Nigerians now live in urban centres of varying sizes in Nigeria, indicating rising housing need. This is a pointer to the need for massive intervention in the sector to combat the challenge of high deficit and low productivity. Indeed, aside the failure of public-sector housing to provide planned number of housing units as Table 1 suggests, unimpressive results has also been recorded in the provision of quality housing in Nigeria. Although each of the 1988, 1991, 2002, and even the draft 2001 National Housing Policies set out to provide Nigerians access to qualitative and satisfactory housing at affordable cost; several studies have succinctly shown that these policies and the housing schemes derived from them achieved minimal success in this area (Table 1; Awotona 1987).

Nigeria Housing Affordability Dilemma

Since the early 1990s, housing affordability which can be defined in the passing as *the ability to affordhousing* has been brought into the centre of housing policy discourse/debate. This is due to increasing concerns over rising levels of homelessness, housing costs, mortgage defaults, foreclosures, and overheated housing market, among others. This has increasingly become evident in Nigeria with the current national housing policy's emphasis on market-led and private sector-driven housing provision (as has been discussed in section 3). To better our understanding of housing affordability situation in Nigeria, we briefly discuss some current legal/regulatory issues and nascent reforms in the housing or real estate sector that has direct impact on affordability. This is followed by the presentation of some facts on household income distribution and living standard measure and their application in explaining how a typical 'No and Low' household grapple with affordability problem given the prevailing statutory provisions in the housing sector. Thereafter, a report of affordability status based on Shelter Poverty model, Housing Cost Model and the Composite Housing Affordability model is presented to further buttress the depth of housing affordability problem in the country.

Current legal and Regulatory Provisions Affecting Housing Delivery

In 1992, the National Housing Trust Fund was established under decree No 3 to address the housing finance challenges in the low-income sector. This scheme made it mandatory for every Nigerian earning an income of N3, 000 and above to contribute 2.5% of their basic salary to the fund. After contributing to the scheme for six months or more, workers are entitled to a mortgage loan of up to N5 million (at the rate of 6% per annum for 30 years) provided the worker had contributed up to N500,000. This scheme has had very little success because the amount raised through contributions is only sufficient to fund loans for a negligible proportion of those who qualify. Worse still, majority of Nigerian workers could never earn sufficient income to buy a house even if the fund were available. With the new reform introduced in 2010 by the FMBN, a new down payment (or equity contribution) for the NHTF applicants were approved as follows: N5 million loan and below, 10% equity contribution; loan between N5 million and N10 million, 20% equity contribution; while a loan between N10million and N15 million attracts 30% equity contribution (EFInA and FinMark Report 2010:17). On the pricing trends of housing in Nigeria, the survey report indicates that a low-cost housing development in Ikorodu Lagos in 2009 delivered a single bedroom apartment at the price of N5 million. A conservative benchmark cost for a house in the rural area is currently put at N2.5 million. Can the 'No and Low' income earner afford such apartment?

To put the answer to this question in the proper perspective, there is need to evaluate income distribution of the population vis-à-vis the house pricing trend under the prevailing regulatory provisions on housing delivery. Interestingly, recent survey reports on percentage distribution of household income and living standard measure (LSM) indicate that about 57% of the total population earn below ₦20, 000 per month (table 5) and more than half earns less than the monthly national minimum wage of eighteen thousand naira, ₦18,000 (EFInA 2012:8; EFInA and FInMark Trust Report (2010:12). A paltry 3.1% of the population earns N40,000 or more per month.

Table 5. Distribution of Population by Living Standard Measure and Monthly Income

Monthly Income Distribution (N)	*%*	*Cum. (%)*	*Adult Population by Living Standard Measure (LSM)*	*%*	*Cum. (%)*
No Income or less than 1,000	10	10	LSM 1	46	46
1,001 to 3,000	12	22	LSM 2	3	49
3,001 to 6,000	13	35	LSM 3	5	54
6,001 to 13, 000	13	48	LSM 4	9	63
13,001 to 20,000	9	***57***	LSM 5	7	70
20,001 and above	9	66	LSM 6	7	77
Refused to answer	34	100	LSM 7	7	84
			LSM 8	6	90
			LSM 9	5	95
			LSM 10	5	100

Source: Compiled from various sources: EFInA and FInMark Trust Report (2010:12); EFInA (2008:9-12); EFInA (2012:8).

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Note: The LSM model classifies/segments the population into 10 tiers, with LSM 1 signifying the most asset-poor people in the society who live in the rural areas and LSM 10 the most asset-rich people in the society who live in the urban areas. The LSM is considered more scientific compared to the income surveys approach as some households prefer not to disclose their income for fear of how such information may be used.

Even when the living standard measure (LSM) is employed as a more scientific and objective approach to segmenting the population, the report indicates that over 46% of the adult population belong to LSM 1 (the most asset-poor segment of the population who live in the rural areas).

Given that over 57% of the Nigerian population earns N20,000 or less, consider a typical low income household on a monthly income of ₦20,000 who is in need of the least cost mortgage at ₦5million (a typical one bedroom flat cost N5 million). Again, considering the prevailing statutory provisions, for a 30 years mortgage at 6% per annum, this household is expected to make a down payment of 10% of the cost of the house (N500,000). Thus, his monthly payment will be ₦41, 666. This is obviously more than 200% of his monthly income and therefore quite unaffordable.

Survey Report on Housing Affordability Scenario in Nigeria

As has been noted, housing affordability refers to the ability to afford housing. According to Stone (1993), it implies the ability of households to pay the cost of housing without imposing constraints on living costs. Because there is lack of consensus on the definition of housing affordability, there are various methods of measuring affordability. These include: Housing Cost Approach (Housing Expenditure-to-Income Ratio); Non-Housing Cost Approach (Shelter Poverty Affordability Index); Quality- Adjusted Approach; Affordability Mismatch/Gap Approach (Affordability Shortage Approach); and the Composite or Aggregate Affordability Approach (see Ndubueze 2009 for an exposition). The composite approach is simply a blend of the first two approaches. While the Housing Expenditure-to-Income Approach (HEI) conceives housing affordability as a measure of the ratio between what households pay for their housing and what they earn, Shelter Poverty Affordability Index (SP) measure the capacity of households to meet essential non-housing needs after paying for their housing cost. Contrary to any technical or scientific justification, an affordability benchmark of 25% to 30% has gradually been developed and accepted over time although with some criticisms (Feins and Lane 1981; Hulchanski 1995, Freeman et al 1997). But the increasing use of this ratio by the World Bank, UNDP and UNCHS in their Urban Management Programme, 1986-99, has contributed to its wide recognition as a major measure of affordability. Thus, the HEI affordability index addresses the question of what extent would 30% of a given household's income pay for their housing cost? The SP affordability index answers the question of what extent can a given household be able to pay for their basic non-housing needs after deducting their housing expenditure? However, given the complexity of housing affordability concept, no single measure of housing affordability is accurate for all situations. This has been responsible for several attempts at developing an integrated approach to the measurement of housing affordability (see Chaplin et al 1994; Bramley 2005; Fallis 1993; Hughes 1996; Bogdon and Can 997; Thalmann 1999). Recently the Composite or Aggregate Housing Affordability model has been developed by Ndubueze (2009) in his study of urban housing affordability problems in Nigeria. As has been noted, the Composite Housing Affordability Model (CHAM) brings together the Housing Expenditure-to-Income Ratio and Shelter Poverty methods while adjusting for housing quality to develop an aggregate measure of housing affordability. Table 6reports the result of HEI affordability index and SP affordability index based on a survey of 4,662 urban households consisting of

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19,679 persons in Nigeria (Ndubueze, 2009:142). The distribution of households into those with aggregate affordability problem and those without affordability problems (based on CHAM) is presented in figure 1.

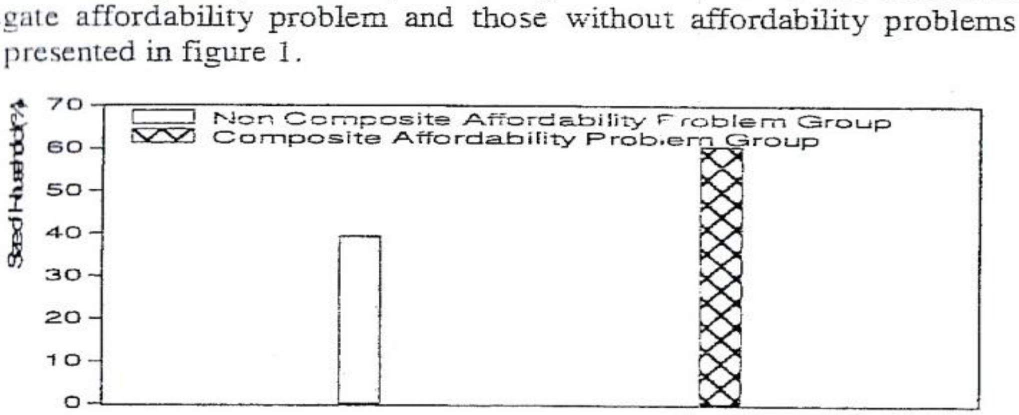

Figure 1. Composite Affordability Model Classification of Households in Nigeria

Source: Ndubueze (2009)

From Table 6, it can be seen that the proportion of those that have affordability problem amounted to 50.11% and 48.6% using the SP and HEI affordability models respectively. Further, Figure 1 indicates that 60% of the Nigeria population has composite affordability problem while 40% belong to the non-affordability problem group. A situation where more than half the population of a country experience shelter poverty is grave and unacceptable, and again points to the need for a massive social housing intervention.

THE EXPECTED CRISES FROM CURRENT HOUSING POLICY

1. There will be an obvious failure of market to allocate housing resource to the no and less income population in the CBDs.
2. The no and low aborigines will not afford houses in the CBD.
3. The Nigerian constitution and legal system is not robust enough to accept every settler as indigenes of a settlement, so the displaced aboriginal migrants move to settlements outside their communities; they will be picketed, abused and attacked. This will make them to have a backward migration to their land, the CBD.
4. Backward migration of the aborigines and other settler no and low income people in the cities will further deepen rising trend of slums and squatter settlements in the cities.
5. The population surge, which was not planned for, will lead to enormous pressure on city facilities and infrastructure thereby causing unplanned decay and unsustainable projects.
6. There will be upward surge in crime, which will require more than it would have taken to provide social housing for effective policing.
7. There will be recurring conflicts and collision between aborigines and city dwellers.

SUGGESTIONS AND CONCLUSION

After navigating the whole arena of issues surrounding mass and social housing provision in Nigeria, and seeing that arguments for its adoption and implementation is very tenable, the strategies for its implementation are suggested below. This paper makes bold to say from its analyses above that no city in Nigeria and in fact Africa can be sustainable if the housing needs of the no and low income earners who were the original occupiers of the cities and also migrant no and low income earners are not considered seriously, even as a welfare provision. The suggestions include:

1. Government, at all levels in Nigeria should invest in the development of mass and social housing;
2. Private housing developers should be mandated to set aside a stipulated percentage of their housing estates developments for social housing;
3. Urban slums should be upgraded into mass and social housing spaces;
4. The Nigerian government should make land titles for mass and social housing provision very easily accessible;
5. Government should promote the establishment of micro-enterprises in social housing schemes;
6. Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs) and Faith Based Organizations (FBOs) should be encouraged to build or facilitate the building of social housing estates with possible incentives by Government;

It is pertinent to stress here that if the government of Nigeria desires to build a strong economy with the aspiration of realising the overarching goal of attaining the Vision 20:2020, the provision of shelter for its vulnerable population, which is the second most important basic need, so identified by the United Nations, is very critical.

This paper has taken time to drive this mass and social housing advocacy because of its importance. Strategies for its implementation and realization have also been highlighted. The strategies if well implemented and managed will lead to the realization of our objective.

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APPENDIX

Table 6. Proportion of Households with Housing Affordability Problems in Nigeria (based on Shelter Poverty and Housing Expenditure-to-Income Models)

STATE	*plateau*	*kaduna*	*katsina*	*kwara*	*Lagos*	*Jigawa*	*ZMF*	*kano*	*Benue*	*Ogun*	*Kogi*	*Yobe*	*Borno*
P-HEI (%)	*50.4*	*58*	*56*	*69*	*41*	*66*	*57*	*59*	*38*	*63.7*	*48*	*79*	*64*
P-SP (%)	*59.9*	*57*	*62*	*53*	*37*	*51*	*43*	*55*	*55*	*69.8*	*35*	*68*	*55*
STATE(contd)	Osun	Sokoto	Nrawa	Kebi	Abia	Oyo	Gombe	Niger	Ekiti	ADM	Delta	Ondo	
P-HEI (%)	*48.4*	*65*	*29*	*83*	*26*	*44*	*55*	*48*	*69*	*53.3*	*22*	*57*	
P-SP (%)	*63*	*53*	*36*	*67*	*42*	*54*	*62*	*27*	*66*	*51.1*	*21*	*53*	
STATE(contd)	TRB	Edo	FCT	Bauchi	Imo	CRV	AIS	RVS	Ebonyi	Bayelsa	ENG	Anambra	
P-HEI (%)	*79.3*	*35*	*36*	*71*	*19*	*43*	*54*	*28*	*31*	*32*	*17*	*14*	
P-SP (%)	*75.7*	*44*	*39*	*68*	*46*	*45*	*34*	*34*	*54*	*32*	*52*	*33*	
Average	Shelter Poverty (SP) Problem Group = *50.11%*;						Non SP Problem Group = *49.89%*						
	HEI Problem Group = 48.6%;						Non HEI Problem Group = 51.4%						

Source: Culled from Ndubueze (2009)

Note: P-HEI = Headcount proportion of unaffordable group (using Housing Expenditure-to-Income Affordability Approach); P-SP = Headcount proportion of unaffordable group (using Shelter Poverty Affordability Approach); TRB = Taraba; RVS = Rivers; ZMF = Zamfara; ENG = Enugu; FCT = Federal Capital Territory Abuja; CRS = Cross River, AIS = Akwalbom; ADM =Adamawa.

Table 7. Distribution of Poverty and internal migrants by states in Nigeria (2010)

States (of current residence	*Urban Migrant (%)*	*RuralMigr (%)*	*Total Number*	*Migrants (in %)*	*Non-migrants(%)*	*Return Migrants (%)*	*Food Poor (%)*	*Absolute Poor (%)*	*Relatively Poor (%)*	*$/day Poor (%)*
Abuja (FCT)	85.1	14.9	295	30.8	68.4	0.8	32.5	55.6	59.9	55.6
Abia	48.4	51.6	281	44.4	51.3	4.3	30.5	57.4	63.4	57.8
Adamawa	58.3	41.7	300	25	73	1.9	55.4	74.2	80.7	74.3
Anambra	98	2	300	38.4	55.6	6	54.1	73	83.7	73.1
Bayelsa	62.4	37.6	319	42.9	56.9	0.3	23.3	47	57.9	47
CrosRiver	41.5	58.5	289	32	65.1	2.8	46.4	52.9	59.7	52.9
Gombe	58.5	41.5	325	10.5	88.1	1.4	71.5	74.2	79.8	74.2
Kaduna	68.4	31.6	345	24.4	73.7	1.9	41.7	61.5	73	61.8
Kano	55.1	44.9	294	21.3	77.4	1.3	48.3	65.6	72.3	66
Kwara	69.7	30.3	330	28	71.7	0.3	38.1	61.8	74.3	62
Lagos	97	3	300	36.4	59.9	3.7	14.6	48.6	59.2	49.3
Oyo	84	16	300	31	67.5	1.5	24.6	51.8	60.7	51.8

Source: Compiled from various sources: National Population commission National Internal Migration Survey (NPC-NIM) 2010; Oyeniyi (2013); Nigeria Bureau of Statistics (NBS) Nigeria Poverty Profile Report 2010. Note: The figures indicate the percentages (of rural internal migrants, urban internal migrants, etc) *present* in each state of Nigeria.