Review of the Housing Policies and Programmes in Nigeria

Aminu Bello
Department of Economics, Faculty of Arts and Social Sciences, Gombe State University Nigeria.

Corresponding Author: Aminu Bello

Received: 2019-01-17; Accepted 2019-02-15, Publish Online 2019-02-17

Abstract:

Problem of inadequate housing faced by poor people around the world has been a matter of concern to governments in various countries especially in the developing world whereby significant portion of the population is mostly characterized by poverty. In such countries, the housing problem is not only that of quantity but also of the poor quality of available housing units. Private sector development in the Nigerian housing sector has been a standstill for more than a decade. With few exceptions, the private sector transactions that have taken place have been informal and on the fringe of legality. At the opposite of the spectrum, public sector activity is plagued with many problems. Instead of operating as a social policy, it operates more like a regressive lottery or patronage system. The results have been the simultaneous construction of some of the most luxurious subsidized housing in Africa, and general deterioration in housing conditions of most Nigerians, particularly the housing conditions of the poor. The recorded history of formal intervention into the housing sector in Nigeria dated back to the colonial administration, after the unfortunate outbreak of the bubonic plague of 1928 in Lagos. This necessitated the establishment of the Lagos Executive Development Board (LEDB). This signifies the ushering of Nigerian public housing programmes intervention; which was during colonial era. The policies are modest with the ultimate aim of addressing the housing problem at a National scale. The policy focus then, was on the provision of expatriate quarters and some selected indigenous staff in Rail ways, Marine, Police and Armed forces. The construction of senior civil servant quarters in the capital city of Lagos and regional headquarters like Kaduna, Ibadan and Enugu are some of the practical efforts made at the same time some form of rent subsidy and housing loans.

Introduction:

Housing can be described as a physical structure meant for provision of shelter or accommodation to its occupants. They can also used it to protect themselves from the harsh effects of whether and other dangerous things that may cause harm to their lives. Thus, housing is one of the basic requirements of human life since shelter is always ranked next to food and clothing based on priority needs for every human being. Problem of inadequate housing faced by poor people around the world has been a matter of concern to governments in various countries especially in the developing world whereby significant portion of the population is mostly characterized by poverty. In such countries, the housing problem is not only that of quantity but also of the poor quality of available housing units. The consequence of this is overcrowding in the cities leading to increased pressure on available infrastructural facilities, poor and deplorable living conditions, and degraded environment and to a large extent outright homelessness among most urban
poor. Despite government intervention at various levels in many developing countries, housing problem continue to generate as increasing number of the poor urban residents becomes homeless. According to World Bank report about 70 percent of the urban housing stock in Sub-Saharan Africa, 50 percent in South Asia, and 25 percent in Latin America and the Caribbean is of poor quality and out of compliance with local regulations. Median usable living space in Sub-Saharan Africa and South Asia is about 7 square meters (75 square feet) per person compared to 32 square meters (350 square feet) in the industrial countries, and per capita expenditures on roads, sewerage, drainage, water supply, electricity, and garbage collection is 10-40 times greater in the industrialized countries than the way it is in the developing countries. Almost a quarter of a billion people in urban areas lacked potable water supply and more than half a billion people lack basic sanitation.

The United Nations (1965) in recognition of the housing needs in the developing countries stated that in order to provide for present and future needs for housing, an annual rate of housing construction of 8-10 housing units per 1,000 persons is needed. The housing needs in a country can be summarized as follows:

1. The need to relieve overcrowding in existing houses
2. The need to house those at present without houses
3. The need to provide for the natural increase in population
4. The need to provide for improved housing

Literature Review:

According to Article No. 25 of the Universal Declaration of Human Rights, every individual has a fundamental human right to housing that ensures access to a safe, secure, habitable and affordable home with freedom from forced eviction. Thus, the Human Right to adequate housing is the right of every individual male, female, young, old, child, rich or poor to acquire and sustain a secure home to live in peace and dignity. The Right to Housing is codified as a Human Right in the Universal Declaration of Human Rights which stipulates that “Everyone has the right to a standard of living adequate for health and wellbeing of himself and of his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions”.

In order to clarify the meaning and scope of the right to housing as expressed in the Covenant, in 1991, the Committee on Economic, Social and Cultural Rights (CESCR), the body that monitors the International Covenant on Economic, Social and Cultural Rights, issued its general comment that “the Right to Housing applies to everyone. The phrase “himself and his family” does not refer to any limitation in right to housing to individuals, or over groups. Furthermore, individuals as well as families are entitle to adequate housing regardless of age, economic status, group or other affiliation or status, and employment and the right must not be subject to any form of discrimination”(CESCR, 1991)

The right to housing can also be interpreted in a broad and inclusive sense as the right to live in “security, peace and dignity” rather than in a narrow or restrictive sense. Therefore, right to housing is inextricably linked to other fundamental human rights and should be seen as referring to not only housing but adequate housing.

There are seven principles that are fundamental to human right to housing which includes:

1. **Security of Tenure:**
   Residence should possess a degree of security of tenure that guarantees protection against forced evictions, harassment and other threats including predatory redevelopment and displacement.

2. **Availability of Services, Materials, Facilities and Infrastructures:**
   Housing must provide certain facilities essential for health, security, comfort and nutrition. For instance, residence must have access to safe drinking water, heating and lighting, washing facilities, means of food storage and sanitation.

3. **Affordability:**
   Housing costs should be as such a level that the attainment and satisfaction of other basic needs are not threatened or compromised. For
example, one should not have to choose between paying rent and buying food.

4. **Habitability:**
   Housing must provide its residence adequate space that protects them cold, damp, heat, rain, wind or other threats to health; structural hazards, and diseases.

5. **Accessibility:**
   Housing must be accessible to all. And disadvantaged and vulnerable groups must be accorded full access to housing resources.

6. **Location:**
   Housing should not be built on polluted sites, or in immediate proximity to pollution sources that threaten the right to health of its residence. The physical safety of residents must be guaranteed as well. Similarly, housing must be in a location which allows access to employment opportunities, heath care services and other social facilities.

7. **Cultural Adequacy:**
   Housing and housing policies must guarantee the expression of cultural identity and diversity, including preservation of cultural landmark, institutions or redevelopment. Modernization programmes must ensure that the cultural significance of housing and communities is not sacrificed.

Galadanci (2010) observed that provision of housing through the creation of mortgages is taken very seriously in developed countries but remains a major challenge in the developing countries especially in Sub-Saharan Africa. The private sector has been traditionally responsible for the provision of housing in Nigeria. “public housing for a considerable period was limited to the provision for expatriate staff and a few housing units built such as the railways and the Post and Telecommunication (P&T) for their junior staff.” The late 1950s and early 1960s saw increased, but still rather limited intervention by government of Nigeria in housing provision. The government through the newly created regional housing corporations developed new middle class housing estates and later introduced the mortgage lending through the establishment of the Nigerian Building Society (NBS) which later transformed to the Federal Mortgage Bank of Nigeria (FMBN) and the staff housing schemes designed to promote owner – occupations by civil servants. Until 1975, government in Nigeria did not explicitly accept any social responsibility for providing houses for the masses and therefore did not deem it necessary to participate actively in mass housing programmes apart from re-housing schemes necessitated by occasional slum clearance activities”( Third National Development plan:308) In those days, housing and housing allocations were lumped together with town and country planning which until 1975 was regarded as a low priority sector, while the private sector was unable to meet the demands for housing in the country as the sector buckled under constraints of insufficient private savings, inadequate credit facilities, high cost of and difficulty of obtaining land particularly in urban centers and the ever growing increasing in the price of building materials. To address the problem, the following measures were put in place:

i. Direct construction of housing units by both the Federal and State Governments for letting at a subsidized rate.
ii. Increased construction of residential housing estate for government officials
iii. Expansion of credit facilities to enhance private housing construction.
iv. Increased investment in domestic production of cement and other essential building materials.
v. Increased importation of the building materials to supplement domestic production

The plan while calling on the private sector to rise up to the challenge of the housing needs in the country, set ambitious targets for dwelling units in twenty urban centers in Nigeria. To effect the practical implementation of the measures, the following steps were used:

i. Establishment of the Federal Mortgage Bank to provide credit facilities to individuals and mortgage institutions in the country at 3 percent interest rate.
ii. Strengthening of the Federal Housing Authority to enable it undertake effective layout and construction of houses in different parts of the country.
iii. Creation of the Federal Ministry of Housing, Urban Development and Environment to initiate policies and give leadership in all matters relating to housing, urban development and environment.

iv. The planned construction of 200,000 housing units in various locations across Nigeria by the federal government at an estimated cost of #2,000,000 million. States governments were also to embark on direct construction of housing units and improvement of the physical layout of their urban centers. In all, the total of the planned expenditure on housing by the various governments during the plan period was #2,256,390 million which represents 5.2% of the total planned expenditure.

v. Abolition of import duty on cement and attempts at the control of its price. Also, a number of cement factories were set up in different parts of the country.

vi. Promulgation of Decree No. 33 of 1976 with the objective of providing a new basis for the assessment of compensation in respect of land compulsory acquired for the public purposes of the federation or a state.

In April 1977, directives were issued by the government of Nigeria to set up a panel that would review the level and structure of house rent in the country and to provide ways for solving the rent problem with particular reference to the low and middle income groups. This was followed by the promulgation of Rent Edicts and setting up of Rent Tribunals in the states of the federation with the view of controlling rent and alleviating housing hardship in urban centers. It was also proposed that:

1. Commercial and merchant banks should set aside 5% of their loanable funds for lending to the residential building and construction subsector.
2. Commercial loans for residential buildings to attract interest at the minimum lending rate of 6% repayable over a minimum period of ten years.
3. Insurance companies should use up to 25% of their life funds instead of 10% for investment in real estate.
4. The setting up (particularly with reference to urban and sub-urban land) of a land use panel to undertake an in-depth study of the existing land tenure system, use and practices in the country, and to provide appropriate solutions in that respect.

However, the operation of the state housing corporations and the FMBN benefitted only the high income groups in the country. Even though, in principle these bodies were established to grant mortgage loans to all Nigerians at preferred interest rates. In practice, their lending conditions and administrative procedures were found to be stringent which made their services difficult to be secured by the ordinary Nigerian. Also, the attempt to control the price of cement was not successful as the price kept rising in view of the increased demand for housing and other construction activities. Similarly, the rent control measures did not work as it failed to take into full consideration the main issues involved in rent control. In addition to that, the difficulty of acquiring land posed a most serious constraint to the rapid expansion of housing (FRCN, 1977).

In assessing the achievements of the housing plan under the Third National Development Plan, (Adeniyi, 1981) observed that while the housing target were grossly under fulfilled, a number of administrative and physical problems made effective allocation and occupation of the newly constructed houses difficult. Moreover, the sheer cost of government provided housing units (usually over #25,000 per unit then) made purchase by the low and middle income group almost impossible. As the Fourth National Development Plan observed,” a problem in designing a realistic housing programme is that of evolving a satisfactory balance between residential quality and ability of households to pay for that quality”. In 1980, the civilian government launched the National Low Cost Housing Scheme aimed at providing housing to all Nigerians. According to that scheme, the government through the ministry of housing and environment was to construct 40,130 housing units of various sizes. By the end of the year, a total of 24,584 units made of up 22,227 one
bedroom and 2,357 three bedroom apartments were completed while work was still in progress on another 10,642 housing units. In 1981, the total number of housing units constructed stood at 27,815 made up of 2,513 one-bedroom and 2,682 units consisting of 8,243 and 1,156 one-bedroom and three-bedroom apartments respectively.

The following table reveals some information about the number of dwelling units proposed to be provided by the government of Nigeria across twenty urban centers in the country between 1972-1980.

<table>
<thead>
<tr>
<th>Urban Centers</th>
<th>Dwelling Units (1972)</th>
<th>New Units Required up to 1980</th>
<th>% of New units to existing units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lagos</td>
<td>224500</td>
<td>233190</td>
<td>104</td>
</tr>
<tr>
<td>Ibadan</td>
<td>110833</td>
<td>119300</td>
<td>108</td>
</tr>
<tr>
<td>Kano</td>
<td>55100</td>
<td>77852</td>
<td>141</td>
</tr>
<tr>
<td>Ilorin</td>
<td>44100</td>
<td>34399</td>
<td>78</td>
</tr>
<tr>
<td>Port-Harcourt</td>
<td>28667</td>
<td>35444</td>
<td>124</td>
</tr>
<tr>
<td>Kaduna</td>
<td>25067</td>
<td>42441</td>
<td>169</td>
</tr>
<tr>
<td>Maiduguri</td>
<td>20333</td>
<td>27773</td>
<td>169</td>
</tr>
<tr>
<td>Enugu</td>
<td>35227</td>
<td>40540</td>
<td>114</td>
</tr>
<tr>
<td>Benin City</td>
<td>28950</td>
<td>26857</td>
<td>93</td>
</tr>
<tr>
<td>Jos</td>
<td>21067</td>
<td>14961</td>
<td>71</td>
</tr>
<tr>
<td>Calabar</td>
<td>61071</td>
<td>16691</td>
<td>104</td>
</tr>
<tr>
<td>Sokoto</td>
<td>15107</td>
<td>22570</td>
<td>149</td>
</tr>
<tr>
<td>Aba</td>
<td>21227</td>
<td>52154</td>
<td>246</td>
</tr>
<tr>
<td>Onitsha</td>
<td>13467</td>
<td>35483</td>
<td>166</td>
</tr>
<tr>
<td>Abookuta</td>
<td>34693</td>
<td>17870</td>
<td>52</td>
</tr>
<tr>
<td>Ono</td>
<td>15167</td>
<td>7653</td>
<td>50</td>
</tr>
<tr>
<td>Zaria</td>
<td>18624</td>
<td>19278</td>
<td>104</td>
</tr>
<tr>
<td>Warri</td>
<td>11400</td>
<td>25301</td>
<td>222</td>
</tr>
<tr>
<td>Ikot-Ekpene</td>
<td>6667</td>
<td>5883</td>
<td>88</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>755708</strong></td>
<td><strong>867316</strong></td>
<td><strong>115</strong></td>
</tr>
</tbody>
</table>

*Source: Third National Development Plan (1975-1980)*

Out of the major cities in Nigeria, overcrowding was more pronounced in Lagos, followed by Kano, Kaduna and Warri as revealed by the percentage of households staying per apartment. 75.5% of households in Lagos occupied one room housing characterized by sharing of facilities like kitchen and bathroom by the tenants. In Benin, the percentage was 48, while it had the lowest share of 23.9, the average number of person per room also reached the highest for Lagos (3.8), followed by Warri 2.5 and 2.4 for Port Harcourt and Kano respectively. The percentage of houses with healthy (tap) water supply was as low as 24.9% in Benin, 26.1% in Kano, 30.7% in Ilorin, 33.4% in Ibadan and 40.3% in Kaduna. Port Harcourt had the highest percentage of 75.0%. percentage of houses with electricity was highest in Lagos (93.2%, followed by Warri 89.7%, Port Harcourt 81.4% and Kano 69.10% . the proportion was lowest in Ilorin with just 28.40%.

In 1885, the Federal Government handed all uncompleted and unoccupied houses under the first phase of the Federal Housing Schemes over to the State Governments for completion and allocation. Fulani (1987) observed that “the so-called low-cost housing scheme launched by the government of Nigeria is designated in such a way that the houses meant for the poor are located, in most cases at each city’s periphery. Since most employment opportunities for the poor are still largely concentrated in the city centers, such locations mean higher costs of travel to jobs and reduced alternative
employment opportunities for wives and children of the urban poor whose interest the low-cost housing scheme is supposed to cater for. Therefore, even when the housing schemes are provided, they are frequently inappropriate for the needs of the urban poor.” He further observed that the low purchasing power of the urban poor, rules of eligibility and the successful application for mortgage finance (which depend on the apparent credit worthiness and economic situation of the individual) put them at a great disadvantage even when the houses under the schemes are advertised for sale. The situation led to the inevitable development among the poor of such non-conventional housing as slums and squatter settlements. The most unfortunate thing however is that in any urban renewal programme, such slum and squatter settlement areas are often the target for demolition because in the eyes of the bureaucrats and city managers, they disfigure and disrupt the efficient functioning and aesthetic value of the cities. Similarly, governments fear that they constitute centers of political and social discontent, reconstituting raids or clear outs and demolitions at frequent intervals—Fulani (1987). Orvari (1987) also opined that even when the houses are completed before being handed over to individuals, there are no tarred roads, electricity or water supply in most instances. In some parts, residents construct makeshift access motorable in dry seasons and during the rainy seasons, they can use them at owners risk. In line with this, Duckley, etal (1993) have summarized the performance of the private and public sector in housing in post-independence Nigeria up till the early 1990s in the following form: “Private sector development in the Nigerian housing housing sector has been a standstill for more than a decade. With few exceptions, the private sector transactions that have taken place have been informal and on the fringe of legality. At the opposite of the spectrum, public sector activity is plagued with many problems. Instead of operating as a social policy, it operates more like a regressive lottery or patronage system. The results have been the simultaneous construction of some of the most luxurious subsidized housing in Africa, and general deterioration in housing conditions of most Nigerians, particularly the housing conditions of the poor” Duckley etal (1993)

**Developments in Housing Finance:**

Over the past 30 years, there have been profound changes in the housing finance systems in many advanced economies. Until the 1980s, mortgage markets in general were highly regulated. Mortgage lending was dominated by specialized lenders, who faced limited competition in segmented markets—typically, depository institutions such as savings and loan associations in the United States and building societies in the United Kingdom. Regulations set interest rate ceilings and quantitative limits on mortgage credit and repayment periods. These regulations resulted in chronic or temporary credit rationing in the mortgage market and made it difficult for households to access mortgage credit (Girouard and Blöndal, 2001) Deregulation of mortgage markets, which began in the early 1980s in many advanced economies, introduced competitive pressures from nontraditional lenders. The result was more responsive pricing and an extended range of services, which broadened households’ access to mortgage credit. The process of deregulation, however, took different forms in various countries (Diamond and Lea, 1992). In the United States, the deregulation of housing finance markets coincided with the phasing out of interest rate controls under Regulation Q in the early 1980s (Green and Wachtter, 2007). At the same time, the development of a secondary mortgage market greatly facilitated the funding of mortgage lending via capital markets. Together, these prompted a broad range of banks and other financial institutions to enter the mortgage market. In the United Kingdom, deregulation occurred mainly through the abolition of credit controls (“the corset” was abolished in 1980), which heightened competitive pressures in the mortgage market. In Canada, Australia, and the Nordic countries, deregulation of housing financial markets was also relatively rapid and almost completed by the mid-1980s. In all these countries, the lifting of lending and deposit rate ceilings and of credit controls in the early 1980s
opened the way to more competition in new segments of the credit market. In the United States, Canada, and Australia, the share of the total household sector’s outstanding loans issued by nonbank financial institutions had doubled by 2005 compared with the 1980s (Figure 3.1, upper panel). This shift was accompanied by the introduction of new mortgage instruments and easier lending policies, and all these changes contributed to the rapid growth of mortgage credit in these countries (Figure 3.1, middle panel).

By contrast, in some continental European countries and in Japan, the reform process was slower and/or less comprehensive. To be sure, restrictions on interest rates were gradually removed and barriers to entry into mortgage markets were eased in Germany, France, and Italy. However, public sector financial institutions continued to dominate the residential mortgage market in these countries, and this constrained the forces of competition: on average in these countries, nonbank financial institutions accounted for about 1 percent of total outstanding loans to the household sector in 2005 (up only slightly from the mid-1990s), compared with about 30 percent in the United States. In Japan, interest rate and credit controls began to be removed in the early 1980s, but the process was not completed until the mid-1990s. Mortgage credit did not rise as quickly in the countries that were slower to deregulate their mortgage markets as it did in the previous set of countries (see Figure 3.1, middle panel).

Following the deregulation of mortgage markets, advanced economies all moved toward more competitive housing finance models—in which households have easier access to housing related credit, thanks to the increased diversity of funding sources, lender types, and loan products. Despite these common patterns, there remain significant cross-country differences in mortgage contracts, which reflect the uneven rates and extent of mortgage market liberalization as well as differences in legal procedures and regulatory structures.

Households’ access to housing-related financing depends on certain key institutional features of the mortgage markets:

- The typical loan-to-value (LTV) ratio (the ratio of a mortgage loan to the property’s value) and the standard length of mortgage loans: High LTV ratios allow borrowers to take out more debt, whereas longer repayment terms keep debt-service-to-income ratios affordable.
- The ability to make home equity withdrawals and to prepay mortgages without fees:

  The capacity to borrow against accumulated home equity allows households to tap their housing wealth directly and to borrow more when house prices increase. Early repayment fees constrain households’ ability to refinance their mortgage debt in the event interest rates decline.
- Development of secondary markets for mortgage loans: The more developed the secondary markets for mortgage loans, the easier it should be for lenders to tap funding via capital markets and, all else being equal, to provide credit to households. In order to summarize cross-country differences along all these dimensions, a synthetic index of mortgage market development is constructed as a simple average of these five indicators. The index lies between 0 and 1, with higher values indicating easier household access to mortgage credit. The results, shown in Table 3.1, indicate that significant differences remain in the institutional features of mortgage markets across the advanced economies considered in this study—differences that may help explain the large inequality in the stock of household mortgage debt (see Figure 3.1, lower panel).

3 Among these countries, the United States, Denmark, Australia, Sweden, and the Netherlands appear to have the most flexible and “complete” mortgage markets. In these countries, typical LTV ratios are about 80 percent, the standard term of a mortgage is 30 years, mortgage products specifically designed for equity withdrawal are widely marketed, and standard loans include an option to prepay without compensating the lender for capital or market value losses. Moreover, in these countries, financial markets are relatively more important as a source of funding for mortgage lending. For instance, about 60 percent of mortgages were securitized in the United States at end-2004, compared with about 15 percent in the
EU-15 (see BIS, 2006). The fact that countries in continental Europe rank at the lower end suggests that mortgage markets in these countries provide more limited access to financing.

Evolution and Development of Nigerian Housing Policies and Programmes:

1928-1979:

The recorded history of formal intervention into the housing sector in Nigeria dated back to the colonial administration, after the unfortunate outbreak of the bubonic plaque of 1928 in Lagos. This necessitated the establishment of the Lagos Executive Development Board (LEDB). This signifies the ushering of Nigerian public housing programmes intervention; which was during colonial era (Onibukun, 1975; Aribigbola, 2000). The policies are modest with the ultimate aim of addressing the housing problem at a National scale (Omange and Udegbe, 2000). The policy focus then, was on the provision of expatriate quarters (Oni, 1989) and some selected indigenous staff in Rail ways, Marine, Police and Armed forces (Aribigbol, 2000). The construction of senior civil servant quarters in the capital city of Lagos and regional headquarters like Kaduna, Ibadan and Enugu are some of the practical efforts made at the same time some form of rent subsidy and housing loans. The policy intervention at that period includes:

- Promulgation of legislations to maintain construction standards, planning of housing areas and sanitation.
- Public housing provision through the regional and states housing corporations and Agencies.
- Provision of housing subsidy and rent control.
- Land reform through promulgation of the land use decree of 1978.

LEDB serves as the main organ for Town planning and housing development. During the period under review the colonial administration establishes the Nigerian Building Society (a replica of what is obtainable in the British system where mortgage bank is known as building society) (NBS) after the second world war. This is to allow for housing opportunities within both the public and private sectors. However, the NBS remain solely dependent on the government funding, as such could not stand the test of time (Bustani, and Kabir., 2010). During this period and precisely, between 1975 and 1980, 202,000 houses were planned to be provided to the public but only 28,500 units were realized representing 14.1%.

The Federal Housing Authority was established through the promulgation of Decree No. 40 of 1973 and begins a formal operation in 1976. Part of its responsibilities is making proposals to the federal government on housing and ancillary infrastructural services and implementing those approved by government. Since inception FHA has been the main public organ in the provision of housing in Nigeria. For instance between 1975-1980 under the National housing programme Festival town was developed preparatory to first all African Festivals of Arts and Culture (FESTAC), Ipaja Town, the Amuwo Odofin phase 1 Estate all in Lagos and the first ever low cost housing Estate in the eleven states capitals. This mark the first major federal government effort in providing affordable housing to Nigerians citizens on long term mortgage repayment arrangement. The Nigerian building society which was hitherto the brain child of the British administration was transformed into Federal Mortgage Bank of Nigeria.

In 1977 the Nigerian Building Society metamorphosed to Federal Mortgage Bank of Nigeria (FMBN) which serves as the main engine room for public housing delivery with a dual function of both primary and secondary mortgage institution.

1980-1989:

The 1981/82 National Housing Programme was designed to provide 350 medium and high income housing units in each of the then 19 states of the federation by the FHA. This is in addition to the national low income housing programme embark by the government in all the state of the federation popularly known as Shagari low cost, under the supervision of federal ministry of housing and environment (NHP, 2006). During this period government embark on elaborate housing programme, a proposed 40,000 housing units were to be constructed all over the federation annually with 2000 units per state including Abuja, the federal capital city. The
estimated target for housing delivery under this policy was 200,000 between
1981 and 1985 but only 47,500 were constructed across the nineteen (19) states of the federation including Abuja, the Federal Capital Territory. Table 1.00 shows details housing delivered between the period 1980-1983 ranging from 1 bedroom to 3 bedroom flats.

Table: 1.00: Housing Units Delivered In Each Of The State.

<table>
<thead>
<tr>
<th>S/No.</th>
<th>State</th>
<th>Housing Units Delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>FCTA</td>
<td>1908</td>
</tr>
<tr>
<td>2.</td>
<td>Anambra</td>
<td>2400</td>
</tr>
<tr>
<td>3.</td>
<td>Bauchi</td>
<td>2816</td>
</tr>
<tr>
<td>4.</td>
<td>Bendel</td>
<td>1422</td>
</tr>
<tr>
<td>5.</td>
<td>Benue</td>
<td>1980</td>
</tr>
<tr>
<td>6.</td>
<td>Borno</td>
<td>2808</td>
</tr>
<tr>
<td>7.</td>
<td>Cross River</td>
<td>2258</td>
</tr>
<tr>
<td>8.</td>
<td>Gongola</td>
<td>3038</td>
</tr>
<tr>
<td>9.</td>
<td>Imo</td>
<td>2758</td>
</tr>
<tr>
<td>10.</td>
<td>Kaduna</td>
<td>27716</td>
</tr>
<tr>
<td>11.</td>
<td>Kano</td>
<td>1590</td>
</tr>
<tr>
<td>12.</td>
<td>Kwara</td>
<td>2462</td>
</tr>
<tr>
<td>13.</td>
<td>Lagos</td>
<td>2634</td>
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<td>14.</td>
<td>Niger</td>
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<td>16.</td>
<td>Ondo</td>
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<td>17.</td>
<td>Oyo</td>
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<td>18.</td>
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<td>19.</td>
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<td>20.</td>
<td>Sokoto</td>
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<tr>
<td>TOTAL</td>
<td></td>
<td>47500</td>
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</table>

Source: Culled from (Junadu, 2007)

1990-1999:

An ambitious housing policy was launched by the then military government in 1991 with a slogan “Housing for All by the Year 2000A.D.”. The goal was for all Nigerians to have access to decent housing at affordable cost before the end of year 2000A.D. The housing needs in the country as at that the lunch of the policy stand at about 8million units including projection in meeting the policy target in both rural and urban centers in response to united nations advocacy which calls for housing for all by the year 2000A.D (Ogunrayewa and Madaki, 1999). This is through adequate involvement of the private sector in infrastructural provision and to serve as the main vehicle for organization and delivery of housing products and services (Yakubu, 2004; Aribigbola, 2008). The policy estimated that 700,000 housing units are to be built each year if housing deficit is to be cancelled of which about 60% of the houses are to be built in urban centers. The policy re-structured the financial routing of accessing housing loans by way of creating a two tier financial structure, which is the federal mortgage bank of Nigeria as the apex and supervisory institution and primary mortgage institutions as primary lenders. However, in 2007 the FMBN conceded supervisory functions to CBN (Yakubu, 2004; Aribigbola, 2008). The FMBN nevertheless was empowered through decree no. 82 of 1993 to collects, manage and administer contributions to the National Housing Fund (NHF) from registered individuals and companies.

The National Housing Fund is the product of the 1992 Housing Policy of the Federal Government of Nigeria. According to The Nigerian Economist (1992) Decree No. 3 of 1992, which was packaged against the background of the National Housing, Policy (NHP), is a legal instrument for mandating individuals and government to pool resources into the National Housing Fund (NHF). The NHF can be seen as the ultimate culmination of the previous efforts of governments in Nigeria at housing provisioning. The policy establishing the NHF emanated from recognition of the severe housing problems in most of Nigeria's urban areas (Anugwom and Anugwom, 1999). Therefore, the policy took cognizance of both the qualitative (existence of substandard housing,) and quantitative (severe housing shortages) nature of the problem. The 1992 Decree more or less pursued the original objectives outlined in the National Housing Policy: (1980); the main objectives of which were:

a. To ensure that the provision of housing units are based on realistic standards which the house owners can afford;

b. To give priority to housing programmes designed to benefit the low income group; and
To encourage every household to own its own house through the provision of more credit or fund (this specific objective more or less crystallized into the NHF).

Apart from these previous objectives, the 1992 policy aimed at keeping in line with the enabling objective of the United Nations Commission on Human Settlements. Thus, it was geared towards mobilizing resources for effective house ownership by workers while at the same time de-emphasizing the intrusiveness of government in the housing sector. The NHF was initially meant to facilitate the now discarded vision of housing for all by the year 2000 A.D which was long being over taken by events. Accordingly, Decree no.3 of 1992, the NHF is to operate under a situation that inter alia includes the provision that all Nigerian workers earning an annual income of N3, 000 and above should contribute 2.5 percent of their salaries to the fund. In order to ease the pooling of funds and facilitate access by the workers, the law empowers employers to remit the mandatory contributions to the Federal Mortgage Bank of Nigeria (FMBN). Also, commercial and merchant banks were mandated by the same law to invest 10% of their loans and advances into the FBMN, while insurance companies are expected to contribute 20 and 40 percents of their non-life and life funds into real estate development as a means of further easing the housing problem. The Fund covers workers in both sectors of the economy i.e. the public sector and the organized private sector. The law also requires the three tiers of government (federal, state and local) to contribute at least 2.5% of their annual revenues into the NHF. The policy works mainly by pooling resources from both the public and private sectors and thus limiting government’s direct participation. However, the Decree provides for a 4% interest on workers contribution to the fund. Also, the contributor is allowed to borrow up to five times his or her taxable income which is payable over a period of 25 years. While fifty percent of the pool of fund remains with the FMBN, the remaining fifty percent is kept by the Primary Mortgage Institutions (PMIs) for lending to workers. The workers are eligible to borrow any time for building purposes but where this is not done, the worker contributor can withdraw his savings (including the interest) at the age of 60 or at retirement.

The PMIs are empowered by the mortgage Decree to bridge the gap between the FMBN and the contributors (employers and workers). They are the primary lenders that evaluate loan applications from the individual contributors. The maximum loan allowed for a contributor was pegged by the Decree at one and half a million naira and is to be jointly provided or financed by both the PMIs and the FMBN.

The loans are given at half or fifty percent of the prevailing market rate (see The Mortgage Institutions Decree 53 of 1989 and The National Housing Fund Decree 3 of 1992; Oghifo, 1997). There were plans in 1994 under the NHF to deliver about 121,000 housing units but less than 5% were recorded to have achieved.

The 1991 housing policy sought for active participation of all tiers of government, the federal, state and local government and also government agencies and parastatals such as the federal housing Authority, the state housing Authority, Ministries and Departments. Under the National Housing Policy 1991 FHA was mandated to develop and manage real estate on commercial and profitable basis in all the state of the federation, provide sites and services scheme for all income groups, with special emphasis on low income groups in the major cities of the country; and provide low income houses in all states of the federation. To ensure proper and positive implementation of this policy; a committee was constituted, the National Housing Policy Council which is saddled with the responsibilities among others to coordinate all activities relating to housing sector and insure continuous monitoring with a view to determine its performance.

2000-2018:

During this period the illusionary perception of the government was that availability was not the problem of housing in the country but affordable is the case (Mabogunje, 2004) described as a mere
illusion. The government establishes the Federal Ministry of Housing and Urban Development and proposes a housing reform. The period 2000-2004 policy focus was on the private sector to serve as the main catalyst for housing delivery in Nigeria while the government concentrates on the provision of basic infrastructures on the new housing development. Issues in the Land Use Act were equally given attention for review as well as the financial structure such as the FMBN and provision of incentives to developers informal of tax holidays for five years (This day online, 2009; Bustani and Kabir, 2010). The present policy recognizes the private sector as the main solution to the housing deficit in the country while the government opt so function as an enabler and facilitator in the housing delivery (Abdullahi, 2010).

The Nigerian National Housing Policy (NHP 2006):

The inability of earlier policies and programmes to adequately resolve the backlog of housing problems in the country reveals the need for more pragmatic solutions and this form the basis for a review of the 1991 National Housing Policy. Given the importance of housing in the national economy, the federal government of Nigeria set up a 15 man committee on urban development and housing in 2001. One of the responsibilities of the committee was to articulate a new housing policy. The report of the committee as accepted by the federal government was published in government white paper on the report of the presidential committee on urban development and housing in the year 2002. Part one of the report contain the new housing policy, which was subsequently published as draft national housing policy in January, 2004. The draft policy was subjected to critical comments and inputs across the different states of the federation and the New National Housing Policy published in the year 2006. This policy came up with some transitional strategies in which government made significant effort in partial disengagement into housing provision and encourage privately developed housing (Mabogunje, 2003). Under the policy adjustment such as the amortization period which was 25years under the previous policy was jacked up to 30years, interest on NHF loans to PMI’s were scaled down from 5% to 4% while the lending rate to contributors is reduced to 6% from previous 9%.

The new policy aimed at removing the impediments to the realization of housing goal of the nation. The goal of the policy is to ensure that Nigerians own or have access to decent, safe and healthy housing accommodation at affordable cost”. This goal is similar to that of the 1991 policy except that the fulfillment of the policy is not tied to a specific period. The scope of the policy objectives has also been widened to include some of the issues put under the 1991 policy strategies. The policy objectives are:

i. Develop and sustain the political will of the government for the provision of housing for Nigerians.
ii. Provide adequate incentives and an enabling environment for greater private sector (formal and informal) participation in the provision of housing.
iii. Strengthen all existing public institutions involved in the housing delivery at the federal level.
iv. Encourage and promote active participation of other tiers of government in housing delivery.
v. Create necessary and appropriate institutional frame work for housing delivery.
vi. Strengthen the institutional frame work to facilitate effective housing delivery.
vii. Develop and promote measures that will mobilize long term sustainable and cheap funding for the housing sector.
viii. Government shall by patronage, develop and promote the use of certified locally produced building materials as a means of reducing construction cost.
ix. Ensure the use of relevant and fully registered Nigerian professionals to provide appropriate designs and management in housing delivery.
x. Develop and promote the use of appropriate technology in housing construction and materials production.
xi. Make land for housing development easily accessible and affordable.

xii. Develop and promote a national housing market.

xiii. Enact laws and make regulations to prevent and control fire incidence in Nigeria.

xiv. Improve the quality of rural housing, rural infrastructure and environment.

The main policy thrust is on institutional reform, capacity building, and increased financial mobilization to the housing sector, local building material production and adequate access to building land. In order to achieve the policy objectives, 22 strategies were specified in section 2.3 of the policy, some of which are:

1) Strengthen and sustain the federal ministry of Housing and Urban Development to harmonize and monitor housing delivery in Nigeria.

2) Maintain and strengthen the department in the standard organization of Nigeria responsible for monitoring and setting minimum performance standard in the building industry.

3) Restructure and adequately capitalize the following institution to effectively perform their statutory roles: the federal mortgage bank of Nigeria (FMBN), Federal Housing Authority (FHA), Federal Mortgage Finance Limited (FMF) and Urban Development Bank (UDB).

4) Restructure and adequately fund the Nigerian Building and Road Research Institute to perform its statutory role.

5) Nominate representative of relevant professional bodies, stake holders and organize private sector into the policy making organs.

6) Review as when necessary, the provision of the followings to make them more effective and enforceable: Mortgage Institutions Act, Federal Mortgage Bank of Nigeria Act, Trustee Investment Act, Insurance Act, National Housing Fund Act., Employees Housing Scheme (special provision) Act, Federal Government Staff Housing Board Act., Urban Development Bank Act, and Land use Act.

7) Establish and sustain a secondary mortgage market to enhance greater accessibility to long term housing fund for house ownership among all segments of the Nigerian population.

8) Grant fiscal incentives to small and medium scale local manufacturers of building materials.

9) In collaboration with federal ministry of Housing and Urban Development, federal ministry of industries, the NBRRI and the committee of bankers, to promote the growth and development of small and medium scale industry in the building material sub sector.

10) Promote and encourage partnership between research institutes and private organizations.

11) Ensure the enforcement (government example) of the provisions professional practice Action the building industry.

12) Encourage and fund the training of skilled manpower required for the building industry.

13) Encourage the use of conventional building systems as a means for marrying the need for mass housing to employment and wealth generation.

14) Establish regional economic and infrastructural planning programmes that would enhance the socio-economic status of the rural dwellers throughout the country.

15) Devise simple and affordable techniques for upgrading existing housing stock.

16) Encourage the establishment of cooperatives or housing association to enable the rural dwellers has access to fund.

17) Embark on and sustain appropriate urban renewal programmes in blighted areas.

18) Provide fiscal incentives (tax waivers, duty waivers etc) service land and expeditious planning approval process to encourage private sector participation in housing delivery.

19) Encourage the establishment of, and sustain land registries in all tiers of government in the country. Promote modernization, computerization, and human resources development of land registry throughout the country with special attention to the development of coordinated and comprehensive registries for land belonging to all tiers of government and all their agencies and net working of all land registries into a national land depository.

20) Provides sites and services scheme for housing nationwide.
21) Provide statistical data for effective process of housing delivery in Nigeria.
22) Seeking international bilateral and multilateral assistance for promoting housing and urban development.

The new policy emphasizes private sector participation in housing finance and investment. In fact, one of the short term measures advanced in the policy is the commencement of the implementation of a private sector lead housing construction programme. Section 3.5 specifies the role of the private sector to include participation in the employees housing scheme, establishment of the primary mortgage institutions and cooperating with all tiers of government in the provisions of houses.

The new housing policy as it is consists of nine chapters. Chapter one is the general introduction including a review of the past policies and programmes. Chapter two has housing policy goal, objectives and strategies. In order to resolve the problem of inadequate access to land, in chapter three the goal of making building plots available at the right time, in the right place and at reasonable prices for people willing to build. It re emphasize the problem of land use act of 1978 and recommended the immediate amendment to the land use decree. The proposed amendment includes the land use registries at local government areas, review of the composition of the local government land allocation committee to include relevant professionals, amendment of the land compensation law to reflect present day economic value of land and quick payment of compensation, provision of guidelines for fixing ground rent and separation of the land use decree from the 1999 constitution of Nigeria among others. The policy also intends to improve the procedure for land registration by means of survey and cadastral maps as national system of compulsory land registration. Chapter five of the policy considered the issue of housing finance and advanced proposals for improvements. Other issues considered include building materials and construction cost in chapter six, low income and rural housing chapter seven. It is worth noting however, that the new housing policy meant to address the housing needs of Nigerians. The policy emanates from the recognition of the various impediments to housing policy and programme implementation in the past and an attempt to proper long lasting solutions. The effectiveness of the policy measure is already manifesting in the housing finance sector as brought about by the recent mortgage finance reforms.

However, the success of the policy depends largely on the provision of necessary political will through the creation of an enabling environment for people to own or have access to decent accommodation.

References:


