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ANALYSIS OF NIGERIA'S POLICIES ON HOUSING

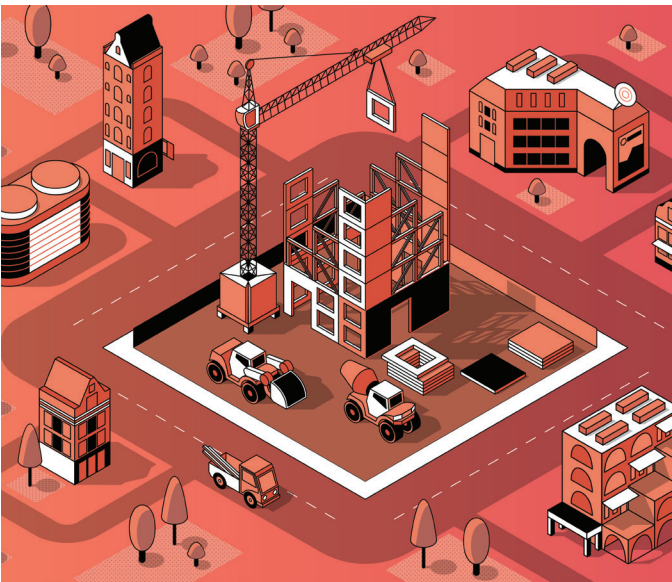


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Introduction

The implications of socio-economic forces on housing, population and the growth of a country are wide and far reaching. The deficit in housing could put many citizens in a precarious situation of either paying so much for an accommodation or not having any decent accommodation at all. Hence, the government's policy on housing is inescapable.

The government housing policy is therefore premised on the goal of providing affordable housing for the populace. Housing policy is the government actions or interventions, including legislation, programme delivery and subsidies, which have a direct or indirect impact on its people's housing objectives, housing supply and availability, as well as housing standards and urban planning.



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A Review of the Housing Policy in Nigeria

In view of the importance of housing to the overall development and existence of mankind, the right to housing is a well recognised and acknowledged right at international, regional and national levels. In Nigeria, this right is provided in the Constitution and considering the fact that the right is non-justiciable, makes it difficult to say that there is a legal right to housing such that would warrant a demand by the citizens on the government to fulfil this housing right. Section 16 (2)(d) of the Constitution provides as follows:

2. The State shall direct its policy towards ensuring:

.....
(d) that suitable and adequate shelter, suitable and adequate food, reasonable national minimum living wage, old age care and pensions, and unemployment, sick benefits and welfare of the disabled are provided for all citizens.

The fundamental objective and directive principle of the government on housing, which is founded on the Constitution is though not a justifiable right, but same had influenced the government's various housing policies over time. Nigeria's socio-economic policies on shelter encompasses deliberate guidelines and principles formulated and implemented to guide the government in her immediate and strategic goals for this all-important sector.

Government has recognized that the majority in need of housing are the low-income earners. Thus, the two major components of the government's framework with regards to shelter addresses the fundamental issues of availability and affordability.²

In 1980-1989, Federal Government proposed the 1981/82 National Housing Programme which was intended to provide 350 medium and high housing income units in each of the then 19 states of the federation by the Federal Housing Authority. This was in addition to the national low-income housing units embarked upon by the government in all the states of the federation popularly known as Shagari low cost housing, under the supervision of the Federal Ministry of Housing and Environment. The Government proposed 40,000 housing units to be constructed across the federation annually with 2000 units per state including Abuja, the Federal Capital Territory. The estimated target for housing delivery under this policy was a whopping 200,000 houses to be delivered between 1981 and 1985 but only 47,500 were delivered.³

The 1991 National Housing Policy, which succeeded the 1981/82 National Housing Programme was the first comprehensive and measured response by the government



aimed purposely at solving the housing problems in Nigeria, which was implemented in response to the ever-increasing housing problems and demands. The major aim of the 1991 policy was to ensure that Nigerians own or have access to decent housing accommodation at affordable cost by the year 2000. The policy addressed some fundamental issues like land acquisition (subject to the Land Use Act), housing finance, housing construction and delivery.

The main strategy of the policy was to establish the National Housing Fund Scheme to mobilize loanable funds from workers, which would be disbursed through the Primary Mortgage Institutions (PMIs) with the Federal Mortgage Bank of Nigeria to provide loan for housing research, construction and delivery.

However, the poor performance of the first National Policy in achieving the above mentioned goals and objectives, inter alia, as well as the failure to adequately resolve the housing deficit and other associated problems created the need for more pragmatic solutions. The 1991 Policy was

² Over the years, Nigeria's ever-increasing population has brought about reviews of existing housing policies and her engagement in several housing initiatives. An overview of the evolution and development of housing policies in Nigeria highlights five distinct periods; the colonial period (before 1960), the post-independence period (1960-1979), the second civilian administration period (1979-1983), the military administration period (1984-1999) and the post military period (1999-date). The historical overview of the housing policies in Nigeria is however beyond the scope of this paper.

³ For details please see Waziri, Aminu Garba and Roosli, Ruhizal "Housing Policies and Programmes in Nigeria: A Review of the Concept and Implementation" in *Business Management Dynamics*. Vol. 3, No. 2, Aug 2013, page 62.

to ease some difficulties encountered by citizens with respect to the operations of the Land Use Act, as it affects land ownership, as well as meet the need of Nigerians for quantitative housing through mortgage finance.

The 2002 Policy later resulted into the Nigerian National Housing Policy (NHP) of 2006.⁴ The main objective of the 2006 Policy was on institutional reform, capacity building, and increased financial mobilization

to the housing sector, local building material production and adequate access to land.⁵ It was also meant to eliminate the bottlenecks that hampered the realization of the nation's housing goals but without any specific future date for its delivery. The policy also emphasized private sector participation in housing finance and investment, and one of the short-term measures initiated in the policy was the commencement of the implementation of a private sector led housing construction programme. . It 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.⁶

The National Housing Policy of

2012 was formulated to replace the prior Housing Policies particularly that of 2006. The thrust of the 2012 Policy was the introduction of mass housing for the purpose of pro-



viding houses for Nigerians irrespective of their financial status. It aimed at the construction of one million houses annually to augment infrastructural development in the sector. . It placed importance on the central role of the private sector, and the government as regulator, in the sustainable development of the housing sector. The Policy has also introduced the concept of social housing, with the hope of providing housing for the low income earners by developing low cost housing, compared to luxury homes, as well as make funds available for people in the informal sector, in a bid to ensuring that every Nigerian gets a house.

⁴ See Waziri, Aminu Garba and Roosli, Ruhizal, "Housing Policies and Programmes in Nigeria: A Review of the Concept and Implementation", in *Business Management Dynamics*, Vol. 3, No. 2, Aug 2013, page 64.

⁵ In order to achieve the policy objectives, 22 strategies were specified in section 2.3 of the policy.

⁶ Section 3.5 thereof.

The Policy further aimed at enhancing job creation through the establishment of skill acquisition centres in the six geopolitical zones across the country. The Policy also recognised the need for maintenance, proper planning of the environment, and addressing urban renewal and slumps upgrade, including the establishment of infrastructures in the areas. It addresses the necessity of having a disaster management, contractor financing where contractors are expected to source for funds, construct houses in a partnership with the government, and the Policy ultimately hopes to drive employment and income generation in the country.⁷

However, the 2012 Housing Policy is a good policy, but despite its laudable programmes, it remains so on paper as it has not yielded the desired practical results or effects on the common man.

The goal of the various housing policies was to ensure that all Nigerians own or have access to decent, safe and healthy housing accommodation at affordable costs.⁸

However, the implementation of these policies over time by the government has been characterised by poor administration, inadequate funding, as well as insufficient infrastructural amenities, and inadequate housing finance.

Critique of Nigeria's Housing Policy

It is imperative to note that despite that the objectives of the new 2012 policy were and are being rigorously pursued, Nigeria has still not been able to meet its housing need and remains encased in the menace of homelessness, slum dwelling, overcrowding, waste overflow, dilapidated houses, shanty towns, poor refuse disposal system, breakout of highly contagious infections⁹ and other related problems.

The evolution and development of

Nigeria's housing policies shows

the government's recogni-

tion of the essential nature of the right to shelter,

although the efforts of

the government are yet

to be translated into

positive results for the

average Nigerian, as the

ultimate goal should be

availability and afforda-

bility.

Housing deficit is a

global phenomenon with a wide gap in demand and supply in the sector resulting to homelessness, rise in slums

⁹ See for example Lassa Fever, which has affected 14 out of the 36 States of the Federation, including Lagos and Abuja.

⁷ <http://scannewsnigeria.com/featured-post/nigeria-gets-new-housing-policy/> accessed, on 12th December 2018

⁸ This was fairly achieved by providing low cost housing for tenancy and sale. As for example, in Lagos State, the Lagos State Development and Property Corporation, apart from developing luxury houses in cities like Victoria Island, has relatively served this purpose and has so far delivered some low cost estates to the citizens across the State in Lekki, Ogudu, Agege, Ogba, Ikorodu, Iponri and some other places.

and squatter settlements (shanties) which usually creates problems of poor health due to poor living condition and lack of basic amenities. Nigeria is not exempted from this global shortfall. Nigeria's housing deficit is currently estimated at between 17 to 23 million by the National Bureau of Statistic (NBS), and industry experts. To this end, at least, about \$363 billion United States Dollars (that is, about N111.08 trillion) has been estimated as cost for bridging the housing deficit in Nigeria.¹⁰ Thus, despite various policies on housing, institutions and regulations which the Nigerian government had put in place since the 1960, people still suffer from dearth of housing.

There are several problems associated with the Nigeria's Housing Policy, which militate against housing development and delivery in the country. These problems have been responsible for the failures of the previous housing policies, and may, if not deliberately and adequately addressed with concerted efforts, continue to hamper the proper implementation of country's Housing Policy. Some of these problems have been identified below:

a. Rapid Urbanization

Nigeria is the most populous country in Africa with a population of about 197,565,448¹¹ and is equivalent to 2.57%

of the total world population, and accounts for 47 percent of West Africa's population. Nigeria's population is growing rapidly and moving into urban areas at an alarming rate. This puts a double strain on existing housing resources, although the housing development is more centred on urban areas. Nigeria, just like many other countries of the world, is unable to keep up with the housing demand associated with the population explosion, with the attendant consequence of informal housing, overcrowding and increase of slums. With an annual urban population growth rate of 4.7 per cent, it would have been expected that Nigeria would embrace an intensive and focus-driven approach to housing development.

However, Nigeria's incumbent housing problem has shown a historical lack of focus and intensity on policy implementation and housing development. Nigeria is yet to develop a viable and sustained housing finance system due to lack of expertise, up to date and knowledgeable industry leaders especially in the policy making sphere, lack of funding for relevant institutional agencies/departmental research into the appropriate policy model or framework.¹² There is need for the political and social will to formulate and implement a workable and effective housing policy.

¹⁰ See National Bureau of Statistic, Nigerian Real Estate Sector Summary Report: 2012-2015 and <https://www.thisdaylive.com/index.php/2018/05/15/nigeria-requires-363bn-to-tackle-housing-deficit/> accessed on 11th December 2018.

¹¹ This was as at Thursday, November 8, 2018, based on the latest United Nations estimates. See www.worldometers.info/world-population/nigeria-population/

¹² Nations like Mexico, Brazil, Egypt, Morocco, Singapore, Malaysia, India and Thailand, which are now first class models of sound housing policy systems were worse off than Nigeria at some point, but the high level of professionalism, and strong political will witnessed in their housing sector have made them successful in housing policy formulation, planning and implementation.



b. Long-Term Housing Finance

The Nigerian National Housing Policy from 2006 to 2012 had recognized the need for increased financial mobilization to the housing sector by encouraging private sector participation in housing scheme. Despite this laudable objective, the implementation of same has proved abysmal because of the inaccessibility of funds to the majority of people who live below the poverty line. High cost of building materials, inadequate financial instruments for mobilizing funds, short-term lending by financial institution, high interest rates, coupled with high rate of rural-urban rents have all obstructed the effective implementation of Nigeria's Housing Policy.¹³

¹³ Although there are various mortgage institutions that could be approached for housing finance, it is very unlikely that the vast majority of the average person on the street would be able to access such fund, and if they would, they may not get as much fund as necessary for purchase of a home.

The private sector should be provided with incentives, loans and subsidies to boost the drive in housing development and delivery. The government should encourage and guarantee long term finance and also continue to support the re-financing for primary mortgage institutions, as for example the Nigerian Mortgage Refinance Company (NMRC). In addition, the regulatory role of the government in the housing sector should also be strengthened. Also, there could be appropriate tax incentives and pioneer status in designated localities for real estate developers.

c. Bureaucracies in Land Acquisition

The Nigerian land tenure system requires that consent of the governors or minister for any alienation of interest in land.¹⁴ The bureaucracies in land acquisition, processing of certificate of occupancy and approval of building plans could stall the quick implementation of housing policies. The process should be made seamless and easy and electronic means of processing certificate of occupancy, building plans approval etc should be developed and fully utilised. Real estate developer should also be given priority in the application for consent and the fees payable across the various Lands Registries in the country should be made affordable. This will spur development of more housing estates as well as make the units quite affordable.

¹⁴ See Section 21 and 22 of the Land Use Act 1978. See also the cases of *Awojugbagbe Light Industries v. Chinukwe* (1995) 4 NWLR (Pt. 390) 379, *Yaro v. Arewa Construction Ltd* (2007) 16 NWLR (Pt. 1063) 333 at 374, paras. C - E (SC).

d. Weak Institutional Frameworks

Real estate development is poorly regulated in Nigeria. The problem is further compounded by the menace of land grabbers¹⁵ who would either attempt to dispossess a bona fide purchaser of his land or frustrate any attempt at the development of the property. In most cases, they demand heavy payment (as a form of compensation of some sort) from the purchasers or developers irrespective of the purchase price already paid by the purchasers or developers, up to the extent of disrupting and demolishing on-going structures. This discourages housing development. Some States like Lagos¹⁶ and Edo¹⁷ States have developed a comprehensive framework to deal with this menace, by way of legislation, while most states in Nigeria do not have any strong institutional framework to curb the problem which has acted as a clog in the effective development and delivery of housing.

It is hoped that the Federal Government would take the urgent and necessary step in enacting a federal law on this subject using the Lagos and Edo States laws as



models, reforms the extant Housing Policy, and strengthens the institutions therein to deal with such housing problems.

e. Ineffective Governmental Programmes and Policies

The Nigerian housing development history is replete with several well drawn up housing policies and programmes which were largely never implemented. For example, the 1981/82 National Housing Programme recorded a very minimal level of success. In 1994, following the 1991 National Housing Policy, the National Housing Fund was designed to deliver about 121,000 housing units but less than 5% were recorded to have been achieved. Accordingly, between 1990-1999, an ambitious housing policy was launched by the then military government with the slogan “Housing for All by the year 2000 AD” but this programme was a fundamental failure.

The National Housing Policy of 2012 has not also delivered on its mandate. The housing deficit keeps growing as a result

¹⁵ Popularly called Omo Onile in Lagos State, while some other states like Edo State they form community development associations.

¹⁶Lagos State Land Grabbing Law 2016. The Lagos State government has also set up a Special Taskforce on Land Grabbers to curb the deplorable acts as well as ensure effective enforcement of the said law which criminalizes forceful entry, land encroachment and fraudulent conduct in relation to landed property.

¹⁷ In 2017, the Edo State Governor, Mr. Godwin Obaseki signed the Edo State Private Properties Protection Law (a Law to Prohibit Forcible Entry and Illegal Occupation of Landed Properties, Violent and Fraudulent Conduct in relation to Landed Properties, Proscribe the Collection of Land based Community Development Fees, Levies, etc by Community Development Associations and any other groups in Edo State and for Connected Purposes), which prohibits land grabbing in the State. A special task force committee was also set up headed by the former Inspector General of Police, Mr. Solomon Arase. The law was largely sponsored by the Benin Monarch, His Imperial Majesty Omo N' Oba N' Edo Uku Akpolokpolo Oba Ewuare II, who in his coronation speech a year before had decried the land grabbing menace that had characterised the Community Development Associations (CDAs), which activities had affected land acquisition and development by citizens and investors in the state.

of Nigeria's demography, which is said to be the fastest growing in the world, and the ordinary Nigerian is still faced with the problem of access to fund.

There is therefore, need for the government to design practical policies and programmes and pursue same vigorously to meet designated targets.

Recommendation

There should be formidable national housing policies or plans with a proper and practical focus on the development of the housing sector. There is need to revamp these existing policies, explore new techniques and encourage best practices to attain sustainable growth in the sector. Resources should also be deployed towards addressing the issue of homelessness and/or reducing same to the barest minimum. Given the fundamental nature of shelter to man and the society in general, there is need for awareness around such government's policies on shelter.

Nigeria should therefore develop housing policies and programmes in line with the unique cultural diversity of its citizens as well as the financial, human and material strength for a systematic implementation over a period of time. Rental housing is still very relevant and should be incorporated into the housing policy and made very affordable especially based on the demographic and resource pattern of each state of the federation. This could in form of incorporating social housing into the policy. Lagos State

recently implemented such rental housing policy which targets low and medium income earners in both formal and informal sectors.¹⁸

Conclusion

The Nigerian Housing policies which have been directed in actualizing the goal of available and affordable housing for all have largely been unrealistic, unattainable and ineffective because majority of the people are low income earners who cannot afford housing under the various programmes, as well as high cost of capital.



¹⁸ See Lagos State Rent-to-Own Rental House Policy 2016,

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