



## **CAUSES AND CONSEQUENCES OF HOUSING DEFICIT IN NIGERIA**

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**Abstract:** This research was motivated by the increasing gap between the demand and supply of housing, considering the rapid population growth in Nigeria. It focused on Causes and Consequences of Housing Deficit in Nigeria. The specific objectives were to; examine the factors responsible for housing deficit in Nigeria, evaluate the implications of housing deficit, and explore the strategic actions needed to reduce housing deficit in Nigeria. The study involved a descriptive research design and content analysis whereby the quantitative method was adopted using secondary sources of data. Findings revealed that; high cost of land acquisition, rising cost of construction, lack of basic infrastructure, inaccurate housing demographics, poor funding, amongst other factors, were responsible for housing deficit in Nigeria. The study also revealed that; housing deficit leads to high unemployment rate, rising crime rate, increased poverty, adverse health issues, and sluggish economic growth. To address the widening gap between housing demand and the available housing, the study recommended the provision subsidized lands for developers, introduction of legislation to checkmate the cost of land, and the provision of basic infrastructure for easy access to undeveloped lands. The study also recommended increased budgetary allocation for housing development by governments at all levels.

### **1.1 Introduction**

It is generally recognized that shelter is one of the fundamental human needs crucial for survival. It provides security, personal safety, protection from harsh weather, prevents ill health and disease, as well as comfort and relaxation. It is also one of the most significant factors in creating and boosting economic activities. Abraham Maslow in his hierarchy of needs noted that shelter is one of the basic

needs that must be addressed before humans can move on to the next level of fulfilment. He called them physiological needs and they form the foundation upon which other needs are rested.

Although housing serves multiple purposes, its primary purpose is to give protection and is essential for the survival of the human species. It provides people with dignity and the opportunity to lead a normal life. It also plays a

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major role in reducing vulnerability and building resilience. The availability of decent and affordable housing is an integral part of any successful nation, conferring economic, social, and environmental benefits that underpin sustainable growth and development. Housing availability and affordability are critical for the development and expansion of the workforce, thereby increasing government revenue through taxation.

According to Moore (2019), “The performance of housing sector is one of the yardsticks by which the health of a nation is measured”. This implies that housing is one of the indicators for measuring the quality of life of the people. It is also a measure of economic and social development. The overall well-being of a nation and its attendant economic development cannot be achieved if there is no clear policy direction by the government to ensure that there is provision of adequate housing for the people. The government therefore has a responsibility to collaborate with the private sector and other relevant stakeholders to provide affordable housing for the populace.

Housing deficit is a global challenge, and every country is experiencing the challenge in different dimensions, though the impact is much felt in developing economies like Nigeria. This challenge is caused by a combination of many factors including the massive shortage of homes for the expanding world population, lack of adequate funding and investment in the housing sector by both the government and private sector, rising cost of land acquisition, cost of construction, lack of clear policy direction by the government, etc. Although there is controversy as to the actual housing deficit in Nigeria, some of the reputable international data-gathering organizations and

frontline data-generating agencies of the Nigerian government debunked the much-reported 17 to 20 million housing deficits in Nigeria. This does not however invalidate the fact that there is a huge deficit of housing in Nigeria, particularly in the urban areas.

Previous studies have however conducted in-depth research on the causes and consequences of housing deficit in Nigeria, and proffered solutions. The Research Department of the Central Bank of Nigeria in its Occasional Paper No. 74 on Assessment of the Performance of National Housing Fund (NHF) in Nigeria (2020) noted that the challenges of adequate housing provision in Nigeria are both contextual and organizational, and are manifested in low productivity and poor quality, but expensive housing. Also, Agbugah-Ezeana in Ekpo (2019) stated that the Nigerian housing sector accounts for only 3.00 percent of Nigeria’s GDP and the current housing construction stands at about 100,000 units a year for a country of over 190 million people. This provides a clear picture of the gloomy performance of the housing sector in Nigeria. It also attests to the fact that the government is not doing enough in terms of policy formulation and funding. However, the efforts of the government in housing development, particularly in the South Eastern States of Nigeria, though insignificant considering the huge deficit, are shown in the table below:

**Table 1.1: Housing Schemes in South East Nigeria**

S/N	Housing Scheme	Year of Establishment
1.	Federal Housing Scheme	1973
2.	Site and Services Housing Scheme	1986
3.	World Bank Housing Scheme	
4.	State Government Low-Cost Housing Scheme	1980

*Source: Researcher’s Compilation (2022)*



Despite many scholarly works on the challenges of housing availability and affordability in Nigeria and the possible ways of addressing the issue, coupled with several approaches adopted by the government, especially in developing various housing delivery schemes and funding strategies, there is still a huge shortage of housing as witnessed in recent time. Many people are still homeless while others live in slums and indecent houses. According to Onukwubiri in Ajayi (2022), “over 30 percent of Nigerians, translating to nearly 62 million people are now facing serious housing challenge, while 80 percent of the country’s 206 million people live in informal housing, plagued by problems related to poor quality and inadequate infrastructure”. This is an indication that Nigeria’s housing problem is in the crisis stage and urgent intervention is required.

This paper, therefore, intends to critically examine the causes and consequences of the housing deficit in Nigeria, taking a departure from some of the already known causes, with a view to making insightful recommendations on how to solve the problem, considering current social-economic and environmental realities.

## 1.2 Statement of the Problem

The necessity for housing goes beyond the basic human need of shelter, it is part and parcel of the fundamental human rights as enshrined in many international treaties including the United Nations Human Rights. In an ideal situation, everyone not minding their social status, level of income or any form of incapacitation, should live in a decent house, either owned or rented. Even the destitute and lunatics should be decently housed. This is because a house is not just a building, it is a home, a place that protects and nurtures its occupants, and also a place for rehabilitation. It supports the personal and professional

development of its occupants and offers them a safe harbour. The availability of housing improves the quality of life of residents by leading to better health, adequate jobs, financial stability, and population diversity. Meeting the housing needs of residents is profound and capable of transforming the entire society, especially when the houses are designed to meet the specific and general needs of the residents.

Unfortunately, the current housing sector development in Nigeria presents a grim picture and an irredeemable decay of an otherwise vibrant and economically viable sub-sector of the society due to years of neglect by the government and intangible investment by the private sector. The resultant effect is the increasing dearth of affordable and decent houses, and in some instances the total unavailability of houses particularly for renting, forcing many to take refuge in uninhabitable places such as under bridges, under trees, houses under construction, motor parks, etc. while the lunatics roam the streets and sleep by the roadside. Millions of Nigerians are still living in slums and substandard houses. The political system is navigated to favour the privileged few thereby making more Nigerians to still live below one dollar per day and unable to afford a decent house. This problem is further aggravated by low household income, making it impossible for many households to afford decent housing. Lack of access to finance by low and middle-income earners further makes the impact of housing deficit to be felt majorly by these classes of people. This is an indication that Nigeria’s housing deficit is extremely high and poses serious challenges to sustainable development and economic growth.

No matter who we are or our level of income, we all deserve a decent house. We deserve to



feel the strength, confidence, and stability of living a comfortable life. We deserve to know that we have the power to take care of ourselves and build our own future. Every citizen should be housed decently, including the destitute and lunatics. Solving the housing deficit problem will entail creating the linkage between the provision of land to property developers, increased availability of housing finance, reduction in property transaction costs, and job creation across sectors ancillary to the provision of additional housing stock. The government should accept the responsibility of providing decent houses for citizens and residents alike. This could be done directly by building housing units across Nigeria for mortgage, renting, or any form that would make it seamless for the people, especially the unemployed, low and middle-income earners. Indirectly, the government can formulate policies, programmes and interventions that would encourage private developers and individuals to invest in the housing sector. This will go a long way in reducing the current housing deficit in Nigeria.

### 1.3 Objectives of the Study

The broad objective of the study was to analyze the causes and consequences of housing deficit in Nigeria while the specific objectives include to:

- i. Examine the factors responsible for housing deficit in Nigeria.
- ii. Evaluate the implications of housing deficit in Nigeria.
- iii. Explore the strategies for minimizing housing deficit in Nigeria.

### 1.4 Research Questions

This research work is intended to address the following questions:

- i. What are the factors responsible for housing deficit in Nigeria?

- ii. What are the implications of housing deficit in Nigeria?
- iii. What are the strategic actions to minimize housing deficit in Nigeria?

### 1.5 Statement of Hypotheses

The following hypotheses will be tested in the course of this study:

- i. Rising cost of construction is responsible for housing deficit in Nigeria.
- ii. Inadequate funding of the housing sector leads to housing deficit in Nigeria.
- iii. High cost of land acquisition and lack of basic infrastructure are responsible for housing deficit in Nigeria.

### 1.6 Significance of the Study

The result of this work will be of importance to the following:

**General Public:** The general public will get the requisite knowledge of housing deficit in Nigeria at the end of this work. It is expected that understanding the concept and how it affects the general well-being of the citizens, impede sustainable economic development, as well as strategies to improve housing supply will be showcased in this work. The general public will also find the result of the work refreshing.

**Academia:** The result of this work may act as bases for other researchers to do more periodic studies on housing deficit and its effects on the Nigerian economy. It will also add to the existing body of knowledge on the subject.

### REVIEW OF RELATED LITERATURE

#### 2.1 Conceptual Review

This study is predicated on the following conceptual foundations: housing, housing deficit, housing adequacy, and socio-economic development. These concepts are considered relevant and will form the basis for the analysis of the topic.





## 2.1.1 Housing

Housing has many contextual meanings and could best be described based on the intended application of the term. Generally, it is seen as a building or structure where people live or carry out economic, social, and other activities. Housing could also refer to both the people living in, and carrying out activities in their houses or apartments, as well as the houses and apartments themselves. This understanding is necessary to remove the ambiguity in what is commonly known as “housing”. Housing is a basic human right enshrined by the United Nations as the right not just to basic shelter but to “adequate housing” in terms of social security, availability, affordability, accessibility, habitability, adequacy, and provision of needed facilities.

According to Ruonavaara (2018), “housing is a material object, a good that can be manufactured and demolished, produced and consumed, perceived and experienced, bought and sold”. He called this the material side of housing. He went further to describe housing as “people getting housed”, i. e. getting access to housing. Aidelokhai, Maichibi, Abu & Kobo (2022) infers that “Housing is one of the paramount indices of measuring the standard of living of the citizens and the growth of a state”. Housing plays a key socio-economic role and represents the main wealth of the poor in most developing countries (The World Bank, 2020). The above assertions qualify housing as a component of the general well-being of the people. Logically, it provides ontological security and the perception of social status in both individual and community contexts.

## 2.1.2 Housing Deficit

Housing deficit is the shortfall in the number of housing units required to meet the housing expectations of the populace in a given area. It occurs when the population in each area

exceeds the available housing units thereby making the people to seek shelter in uninhabitable places. Collins English Dictionary defines housing deficit as “a deficiency or lack in the number of houses needed to accommodate the population of an area”. Carols in Aidelokhai, Maichibi, Abu & Kobo (2022) noted that “Housing deficit refers to the number of shelters which do not have adequate conditions to be habitable, plus the number of housing units that need to be built to shelter all families who currently lack one and as a result, share shelter with another household in overcrowded conditions”.

One basic principle of housing development is that if left unattended for a couple of years, it leads to housing deficit, and the more it is ignored the more the situation worsens. This has led to the relatively wide gap between available housing units and the ever-growing population as presently witnessed in Nigeria. It is worth noting that housing deficit follows the economic principles of demand and supply. When the unit of houses constructed per year falls below demand, there is certainly going to be housing deficit. This can only be addressed when there is a sincere commitment on the part of the government to ensure that the yearly housing supply matches the yearly population growth, while also making efforts to clear the backlog of the shortfall. Though there are no requisite statistics on the housing deficit in Nigeria due to the dearth of data, the Federal Mortgage Bank of Nigeria (FMBN) 2020 report puts the country’s housing deficit at 28 million housing units. To fill this gap, the country needs at least 800,000 housing units per year for the next 35 years.

## 2.1.3 Housing Adequacy

Adequate housing is a condition where the residential environment of the people is conducive, habitable, promoting good health,



safety, and secured living conditions as well as encouraging the economic, social, and cultural well-being of individuals, households, and communities. Okeyinka (2015) asserted that “Adequate housing must be habitable; it must provide the inhabitants with adequate space and protect them from cold, damp, heat, rain, wind and so forth”. He added that “the right to adequate housing is of central importance for the enjoyment of all economic, social and cultural rights”.

The 1948 Universal Declaration of Human Rights recognizes adequate housing as part of the right to adequate standard of living. Also, the 1966 International Covenant on Economic, Social and Cultural Rights, of which Nigeria is a signatory, and other international and regional human rights treaties equally recognize the right to adequate housing as a fundamental human right. It includes such other clauses as the protection of one’s home and privacy, protection against forced eviction, etc. However, to satisfy the minimum requirements for adequate housing as enshrined in the United Nations Committee on Economic, Social, and Cultural Rights Fact Sheet No. 21, these seven conditions must be met: security of tenure, affordability, habitability, accessibility, location, cultural adequacy, and availability of services, materials, infrastructure, and facilities. This is in addition to the fact that the house must have more than four walls and a roof.

Despite the central place of the right to adequate housing within the local and international legal system, millions of people in Nigeria are still not adequately housed. While many are still living in overcrowded life/health-threatening slums and informal settlements, others do not have a roof over their head. This is so because housing is not on the priority list of the government both at the

federal and state levels despite the increasing demand for affordable housing due to the increase in population and rural-urban migration. To swiftly address this issue, increased attention from the government in terms of increased budgetary allocation for affordable housing is required, while the private sector and individuals are expected to make business investments and humanitarian services in the housing sector in a bid to address the challenge of inadequate housing.

## **2.1.4 Socio-Economic Development**

Socio-economic development could be seen as the transformation of society with regard to social and economic dimensions. It incorporates public concerns in developing social policy and economic initiatives. The ultimate objective of socio-economic development is to bring about sustained improvement in the well-being of individuals, households, communities, and the society at large. It involves the sustained improvement in the standard of living of a country’s population, normally accomplished by increase in major economic indicators such as GDP, per capita income, life expectancy, employment rate, housing availability, etc.

Investment in housing is a significant development strategy as housing markets and housing construction in various economies have served as a catalyst for growth. The housing sector plays a prominent role in the process of economic recovery from depression. Many economists believe that the construction of mass housing is a key element of rapid economic growth. Dorling in Arku (2005) for instance believes that housing generates economic growth, creates wealth, creates employment and income, redistributes income, and serves as a macro-economic stabilizer during periods of recession.



Apart from the economic significance of housing in terms of investment turnover, it also provides shelter for all categories of the workforce, thereby making them to be comfortable and energetic for each day's social and economic activities. Adequate housing remains closely connected with socio-economic development, generating employment, promoting industries, and creating opportunities for lower sections of the society to have better carrier options in life and overcome poverty (Gupta, 2022).

## 2.2 Theoretical Framework

The theoretical approach adopted for this study is the "Social Welfare Theory". This will form the basis for this study and will be reviewed to establish the relationship with the research topic. Social welfare theories have been propounded by different social welfare scholars and they have different connotations based on the research interest of the scholar or the problem it is intended to solve. However, the social welfare concept adopted for this study was propounded by Abram Bergson in 1938 and it provides a satisfactory solution to the problem of housing deficit in Nigeria.

The social welfare theory makes a distinctive contribution to an understanding of the causes and consequences of housing deficit in Nigeria. It also suggests how the housing deficit problem can be solved. Specifically, it analyzes the development of welfare criteria which the government can be evaluated beyond its primary responsibility of providing security and welfare for the governed. Social welfare is rooted in a normative tradition directed to the basic change of society. In the context of this study, social welfare is taken to mean the action of government or the private sector in influencing the allocation of goods and services with particular reference to housing. Social welfare analysts refer to a process by which the

distributive effect of such action, either an individual or classes of people, are described and evaluated.

The term 'social welfare' is used in its broadest sense to refer to the general well-being of persons and the measure of social security and services. It also refers to the material (production and distribution of goods) as well as moral welfare (rights and preferences). In the words of Hanson (2017), "Social welfare refers to a wide range of activities and services by volunteers, non-profit organizations and government agencies providing help to needy persons unable to care for themselves; activities and resources designed to enhance or promote the well-being of individuals, families and the larger society; efforts to eliminate or reduce the incidence of social problems". The delivery of social services is designed to protect or benefit individuals, households, and the larger society. Such services include the provision of affordable housing to the people, especially the most vulnerable in the society.

As an Economist, Abram Bergson's concept of social welfare emphasized the need for the provision of welfare facilities by the state and wealthy persons to the needy individuals and families. His idea of social welfare was to aid individuals and families to attain a satisfying standard of living, good health, personal and social relationships which permit them to develop their full potentials and promote their well-being in harmony. A major component of the social welfare package which will aid the attainment of the above-mentioned standard of living is decent housing. This therefore underscores the need for a structured institutional response to the challenge of housing deficit in Nigeria.



## 2.3 Empirical Review

### 2.3.1 Factors Affecting Effective Housing Delivery in Nigeria.

Taiwo & Misnan (2020) in their work: Factors Influencing Supply of Affordable Housing in Nigerian Cities Using Confirmatory Factors Analysis, used variables such as land accessibility and affordable housing to examine the causes of housing deficit in Nigeria. Their findings revealed that accessibility of developers to land was one of the major constraints of housing delivery process as the government does not usually provide infrastructures such as roads, water, drainage, and electricity that will aid housing supply process.

Nnadi (2015) in his work: An Evaluation of Cost of Construction Projects on Nigerian Economy, used variables such as cost of construction and housing availability to analyze the effects of the high cost of construction on housing delivery in Nigeria. He observed that the cost of construction in Nigeria ranks among the highest in the world. His findings revealed that high cost of construction was responsible for housing deficit and the decline in the building and construction sector's contribution to the nation's economic growth.

Igwe, Alaezi, Nwekete & Odu (2022) in their work: Assessment of the Implications of policies on Public Housing Projects in Nigeria, used variables such as policies and public housing to explain the relationship between housing deficit and low level of awareness on the housing funding windows. Their findings revealed that low level of awareness of the Nigerian government policies on public housing projects in Nigeria and the various mortgage schemes was partly responsible for housing deficit in Nigeria. For the avoidance of

doubts, some of the Nigerian Government's mortgage schemes are shown below:

**Table 2.1: Housing Mortgage Schemes in Nigeria**

S/N	Mortgage Scheme	Year of Establishment	Maximum Loan Amount for Individual (₦)
1.	Federal Mortgage Bank of Nigeria (formally Nigeria Building Society)	1956	15,000,000.00
2.	Primary Mortgage Institutions	1989	Depending on Net Monthly Income
3.	National Housing Fund	1992	15,000,000.00
4.	Nigeria Mortgage Refinancing Company	2013	50,000,000.00
5.	Family Homes Fund	2018	15,500,000.00
6.	Federal Integrated Staff Housing Scheme	1974	Depending on Salary Grade Level

**Source: Researcher's Compilation (2022)**

### 2.3.2 Implications of Housing Deficit in Nigeria

Ekpenyong & Mathias (2019) in their work: Urban Slums and Youth Criminality in Bayelsa State: A Study of Selected Slum Settlements in Yenagoa Metropolis, used such variables as urban slums and criminality to nexus the relationship between housing deficit and criminality. Their findings showed that government's continued neglect of those living in slums by not providing decent and affordable housing for them was considered to be one of the reasons for the rising spate of criminal activities particularly among the youths living in such settlements.

Otto, Ogunyemi & Luyi (2022) in their article: Housing Quality and Perceived Health Effects





in Ijebu Ode, Nigeria used variables such as poor housing quality and health to explain the implications of housing inadequacy on the health conditions of the residents of a particular settlement. Their findings revealed that inadequate housing and poor housing quality have continued to be a significant concern in public health and a major predator of perceived health effects experienced by residents.

### **2.3.3 Strategies for Minimizing Housing Deficit in Nigeria**

Ajayi, Ajayi, Akinsiku, & Osunsanmi (2016) in their work: Strategies for Housing Affordability in Nigeria, used variables such as land accessibility and affordable housing. Their study revealed that land inaccessibility, stunted financial and mortgage system, government policies, high cost of land acquisition, etc. were the fundamental issues affecting housing delivery in Nigeria.

Moore (2019) in his work: Addressing housing challenges in Nigeria: Issues, Challenges and Prospects, used variables such as housing deficit and building cost. His findings revealed that high cost of foreign building materials contributed to the overall high cost of building thereby leading to inadequate housing in Nigeria. He recommended that government should encourage the use of local building materials for construction to reduce building cost. He noted that this was successfully done in Tanzania and Sweden. Entrepreneurs wishing to go into the production of building materials should be encouraged with tax relief and other incentives.

## **METHODOLOGY**

### **3.1 Research Design**

The study adopted descriptive design methodology to examine the causes and consequences of housing deficit in Nigeria. This involved testing some specific variables

such as housing deficit, adequate funding, cost of construction, poor health, and insecurity to obtain the desired results. The research design aimed to obtain information that systematically described the phenomenon, situation, and population. It was designed to depict the participants in an accurate manner and thoroughly observed the dependent and independent variables. The broad objective of the study was to explore the causes and consequences of housing deficit in Nigeria, the research design therefore provided a guide in conducting the research.

### **3.2 Area of Study**

The study was conducted in the South East geographical zone of Nigeria. The South East geo-political zone is made up of five states: Abia, Anambra, Ebonyi, Enugu and Imo States. The region is bedeviled with housing deficit just like other regions in Nigeria. Summary of empirical review was however expanded to cover other regions due to the dearth of housing deficit literature and demographics for the region, and also for comparative analysis.

### **3.3 Sources of Data**

Data were collected for this study from secondary sources which involved documented facts from already published sources initially collected through primary sources and readily available for use by other researchers. The secondary data were retrieved mainly from academic journals, newspapers, government publications, and credible web contents.

### **3.4 Population of the Study**

The population for this study consisted mainly the relevant research carried out and related to the area of interest; studies that were closely related to the subject matter and followed the trend of event with regards to housing deficit.

### **3.5 Methods of Data Analyses**

This study adopted content analysis to identify the intentions and described the attitudinal



and behavioural responses of the relevant works reviewed.

## **DATA PRESENTATION AND ANALYSIS**

### **4.1 Data Presentation**

This involved the process of comparing variables to know how they relate with each other and analyzed them using content analysis. The process was useful in coming up with findings after data analysis. The data presented, analyzed, and reviewed had direct significance to the objective of the study, and was relevant in testing the hypotheses formulated for the study.

### **4.2 Content Analysis Based on Research Question One:**

#### **4.2.1 What are the factors responsible for housing deficit in Nigeria?**

A lot of factors are either directly or indirectly responsible for housing deficit in Nigeria. Such factors include:

##### **4.2.1.1 Land Accessibility and Affordability**

Land accessibility and affordability in terms of cost, provision of basic facilities like access road, drainages, water and electricity, bureaucratic bottleneck associated with land administrative laws, etc. remains a challenge to the overall value chain of housing development in Nigeria. Ezeanah (2021) explained that one of the reasons for housing deficit in Nigeria was that land was very expensive to buy. Moore (2019) added that the critical issue affecting housing in Nigeria include slow administrative procedures and the high cost of land registration and titling.

##### **4.2.1.2 Funding**

Funding to the housing sector was significantly low both in terms of yearly budgetary allocation to the housing sector by both state and federal governments, capital base of the Federal Mortgage Bank of Nigeria (FMBN) remains at N5 billion despite the glaring

housing deficit in the country, and loan availability from banks and other financial institutions to intending developers, as most of the financial institutions were giving loans to businesses with a quick return on investment. Ekpo (2019) noted that the Nigerian housing sub-sector was underfunded and to address the issue, there should be increased funding of the housing sub-sector through regular budgetary and fiscal programmes, and there is a need to put in place other measures to boost available investible funds in the sub-sector. This according to him could be done through the introduction of special-purpose bonds designed to attract institutional investors, firms, and individuals to participate in the housing sub-sector.

##### **4.2.1.3 Availability of Accurate Housing Data**

The lack of reliable data is worsening housing challenge in Nigeria as there is no veritable data from research. Most of the figures reeled out were under estimation and lack scientific proof. Nigerian Minister of Works & Housing – Babatunde Fashola in Ogbo (2021) stated that the estimated 22 million housing deficit was a misdiagnosis of the problems as Nigeria does not have a housing deficit of 22 million homes. He stated further that there was no proven data to support the claim as he had enquired from the World Bank, African Development Bank (AfDB), National Bureau of Statistics (NBS), and Federal Mortgage Bank of Nigeria (FMBN), and none of them owned up to the purported figures. The housing sector lacks credible and accurate data which is the foremost prerequisite for moving the country forward in providing adequate housing. There is no dispute about the huge housing deficit in Nigeria. However, what is not clear is the accurate figure and data about the level of the deficit (Ola, Arthur & Ejalonibu, 2018).



Housing problem in Nigeria will be a recurring issue until adequate and appropriate statistical data were made available.

#### **4.2.1.4 Urbanization**

Urbanization represents the movement of people from rural to urban areas. Each time people migrate from rural to urban areas in search of greener pastures or for any other reasons, a number of socio-economic problems are created. Prominent among others is the problem of housing. According to Lekwot, Vachaku, Usman, and Ezemokwe (2012), "The magnitude of the quantitative housing needs of Nigerians is staggering. This is due to the rapid increase in population, and the rapid rate of urbanization occurring in the country.

#### **4.2.1.5 Landlord/Tenant Relationship**

In view of the fact that there is a huge shortfall in the provision of housing in Nigeria, individuals and corporate developers invest in the housing sector for profit's sake and contribution to housing development in Nigeria. Funds for such investment are usually raised from financial institutions in the form of loan. A dilemma exists when house renters are unable to fulfil their obligations to the house owners either intentionally or due to prevailing economic circumstances. This affects the expected return on investment and servicing of the loan obtained for such project. In this circumstance, the house owners are left stranded, and the law seem to protect the tenant more than the landlord. This affects housing delivery in Nigeria.

#### **4.2.2 Content Analysis Based on Research Question Two**

#### **What are the implications of housing deficit in Nigeria?**

##### **4.2.2.1 Unemployment**

Housing deficit leads to shrinking of labour force rather than robust job creation. Majority of young people within the labour force age and

with prerequisite qualifications are still living with their parents or guardians due to factors such as shortage of affordable housing. Addressing the housing needs of such people will therefore reduce unemployment in the society. Ezeanah (2022) noted that the problem of housing shortages escalates unemployment in Nigeria. There is a huge potential of housing sector to generate employment in Nigeria given the enormous deficit bedeviling the country.

##### **4.2.2.2 Rising Crime Rate**

Many people resort to crime due to shortages of affordable housing which makes them reside in crime-prone areas such as slums and densely populated settlements. It is worthy of note that housing construction actively engages the youths through various trades and skills. When there are no houses to construct, the impatient youths resort to crime to keep themselves busy or to meet ends need. According to Ekpo (2019), "Housing deficit, when left unabated, could lead to increase in crime".

##### **4.2.2.3 Increased Poverty/Poor Standard of Living**

Housing deficit significantly degrades unemployment level, and unemployment is the major cause of poverty. Many people forfeit their jobs because of where to live and go for the job as the expected income cannot afford a decent place of living, making them to continuously remain unemployed. The acute shortage of housing affects mostly the poor as they could not afford decent accommodation due to their level of income. The situation further elevates their poverty status because they spend a large portion of their meagre income on rent. When people affected by housing deficit are unable to lead a decent life, there is no doubt that there will be increased poverty and the condition will further deteriorate and result in poor standard of



living. Aidelokhai, Maichibi, Abu & Kobo (2022) averred that “availability of housing contributes to infrastructural development, poverty reduction and national development”. Ademola (2019) added that “Housing sector development fosters growth in the economy, redistributes income because of the collateral that it provides and invariably reducing poverty”.

#### **4.2.2.4 Adverse Health Issues**

Housing is a major determinant of health because of the role it plays in providing shelter. Housing deficit leads to homelessness, which makes people to live in slums and squatter settlements characterized by environmental pollution and other adverse health issues. The consequence is low level of health due to the poor living conditions. This also exacerbates existing health problems and causes new ones. According to Juan, Eichholtz, Kok, & Erdal (2020), “individuals exposed to poor housing conditions report worse mental and physical health, and report increase in doctor visits”. Poor housing conditions occasioned by inadequate housing is also associated with a wide range of health conditions including respiratory infections, asthma, injuries, and lead poisoning. It can also lead to infectious diseases, childhood development and nutrition due to the substandard nature of the available houses. The UK House of Parliament in Asen, Ekpenyong & Okon (2020), reported that “poor housing is associated with increased risk of cardiovascular diseases, respiratory diseases; depression and anxiety, rheumatoid arthritis, nausea and diarrhoea, infections, allergic symptoms, hypothermia, physical injury from accidents and food poisoning”.

#### **4.2.2.5 Developmental Delays**

Housing has a major influence on productivity, and it is a reliable measure of economic development. Housing deficit therefore leads

to sluggish economic growth. Provision of affordable housing should be part of economic development strategies because people will need where to live and carry out various economic activities. The primary aim of some economic development policies, and reforms of the government is to attract investment in order to boost productivity. When the investments are attracted, workers would be needed to run the businesses, and the workers would need where to live and run the businesses. This shows the importance of housing in a nation’s economic growth. Moore (2019) noted that “housing sector is seen as an important sector for stimulating economic growth”. Olugbenga, Yusoff, Aziz, & Baba (2017) stated that “intervention of governments at all levels as well as the involvement of informal sector in the housing sector will generate multiple employment opportunities which will in turn stimulate the economy through the circulation of money in the system”.

#### **4.2.3 Content Analysis Based on Research Question Three:**

What are the strategies for reducing housing deficit in Nigeria?

##### **4.2.3.1 Increased Funding for the Housing Sector**

Moore (2019) attributed the reasons for the glaring deficit in affordable housing in Nigeria to include “affordable housing”. There is therefore the need for governments both at the federal and state levels to make an unwavering commitment through increased budgetary allocation for the construction of low-cost housing units for middle and low-income earners. It also requires the formulation of monetary and fiscal policies to stimulate rapid economic recovery, provision single-digit interest rate facilities for housing developers





and waiving of some collateral requirements for easy access to construction funds.

#### **4.2.3.2 Provision of Adequate Housing Data**

Addressing housing deficit in Nigeria depends largely on the availability of adequate housing data. Anunobi, Adebayo & Adedokun (2017) emphasized that “the need to collect data for the houses provided is evident as this would allow for measurement of progress in addressing the housing challenges”. It is therefore imperative for the government to consider the inclusion of home ownership, home rental, and overall housing census in the next national census. Data gathering institutions of the government such as the National Bureau of Statistics, and international data generating organizations should equally take part in gathering data of available housing units in Nigeria.

#### **4.2.3.3 Leveraging on Local Building Materials**

To reduce the cost of construction and eventually provide affordable houses, developers should take advantage of locally made building materials and adopt new construction techniques. In addition to locally fabricated materials, Nnadi, Okwu-Delunzu & Ezemerihe (2022) noted that “there are many locally available resources such as laterite and clay which can be exploited and readily applied to local production of low-cost construction materials”. They emphasized the need for use of stabilized earth blocks in housing construction. The earth blocks according to them have thermal comfort, durability, and cost-effectiveness. Local manufacturers of building materials should also be supported by the government through tax incentives and payment of lower duties.

#### **4.2.3.4 Provision of Basic Infrastructure**

In the quest to solve the housing deficit problem in Nigeria, infrastructure must be given adequate consideration. If the government makes provision for basic infrastructure such as access roads, drainages, electricity, water, etc. it would be easier for developers to access and rapidly begin construction on proposed housing sites. Ekpo (2019) corroborated this when he stated that “Basic infrastructure such as roads, power supply, security, etc. should be adequately provided and guaranteed to attract investors (local and foreign)”. This will also require promptness in issuing land approvals such as certificates of occupancy (C of O) for both private and corporate developers.

#### **4.2.3.5 Provision of Housing Grants and Loans for Employees**

According to Ewunmi (2013). “Employers should have housing grants as part of their workers’ fringe benefits’. This is to the effect that owning a place to lay a welcome mat is the dream of every employee. Employers of labour should therefore help their employees to achieve this dream of home ownership by making provision for housing grants or loans that may be waived over a period of employment to all category of their workforce. For loans, it should be provided at single digit interest rate with longer period of repayment.

#### **5.1 Summary of Findings**

Following the analysis above, the findings were:

1. High cost of land acquisition, high cost of construction, lack of basic infrastructure like road to enhance land accessibility, inadequate funding and stunted mortgage system, bureaucratic bottleneck associated with land administrative laws, lack of accurate housing demographics, low private



sector participation, high cost of labour and professional charges, lopsided laws governing landlord/tenant relationship, rural/urban migration, and weakness of housing policies affected the overall value chain of housing development and led to housing deficit in Nigeria.

2. Housing deficit leads to high rate of unemployment and underemployment, rising crime rate, increased poverty and poor standard of living, adverse physical and mental health, and sluggish economic growth in Nigeria.
3. Increased funding for the housing sector through government budgetary allocations, availability of mortgages, review of obsolete housing policies, provision of housing grants and loans by employers of labour to their employees, provision of basic infrastructure to ease access to construction sites, and provision of accurate housing demographics would go a long way in addressing housing deficit in Nigeria. Developers should as well leverage on local materials for housing construction.

## 5.2 Conclusion

The study accessed some of the factors responsible for the worrisome state of housing deficit in Nigeria, and the significance of housing deficit which include high rate of poverty and unemployment, increasing incidences of crime, physical and mental health challenges, crippling economic growth, etc. The study also reviewed previous research works on housing deficit in Nigeria in relation to the present-day situation with a view to addressing some noticeable gaps which would help to proffer lasting solutions to the ever-increasing housing deficit in Nigeria.

To address the precarious challenges of affordable housing availability in Nigeria, the

study recommended a holistic approach which would include overhauling the entire policy framework on housing development to suit the present day realities and encourage a broader private sector participation while the government would continue to intervene by creating an enabling environment for investors and increasing budgetary allocation to the housing sector for construction of more affordable housing for low and middle income earners. The government also has a responsibility to encourage the use of local materials for housing construction, provide critical infrastructure to aid accessibility to lands, provision of more mortgage facilities, and removal of bureaucratic bottlenecks on lands and housing approvals.

## 5.3 Recommendations

Following the findings and conclusions, the following recommendations are made:

1. The government should subsidize for land to make it cheaper for both corporate and individual developers. There should be legislation to checkmate the rising cost of land acquisition. Government should provide infrastructural facilities such as roads, water, drainages, and electricity to aid housing supply process. The relevant government agencies and international data-generating agencies should make it a priority to generate accurate housing demographics for Nigeria. There should be simplified legislation to address the issue of non-payment of rent by tenants. Government should simplify and hasten the process of obtaining approvals for housing development.
2. All the development partners including the government, employers of labour, private sector, and individuals should collaborate to make housing available



and affordable to avert the looming danger of extreme housing deficit and address the rising insecurity and poverty, stunted economic growth, and adverse health implications.

3. Both the government and private sector should be committed to increased funding for the housing sector. Awareness should be created on the existing national housing funds to increase participation of prospective home owners. There should be simplistic requirements for access to existing housing funds. Mortgage lenders and financial institutions should provide long-term credit facilities for developers at single-digit interest rates. All institutions in Nigeria both private and public should contribute 2% of their gross earnings for investment in the housing sector to provide enough liquidity in the sector.

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