

## HOUSING POLICIES AND MARKET FAILURES IN ONDO STATE NIGERIA

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**Abstract:** One major factor that account for housing market crises in developing countries is the seeming disconnect between housing policies and housing markets in these countries. This paper examines the links between housing policy and urban housing market dynamics in context of developing world drawing from the housing market situation in selected urban centres in Ondo state of Nigeria. The data utilized were derived from the study of housing situations in the selected urban centres. Thus 180 questionnaires were administered on selected household heads and key officials of major agencies and organizations including government departments involved in housing provision and development in the state. The data collected were analyzed using simple descriptive analysis where appropriate. The study revealed that housing policies introduced over the years have had little impact on housing production and by implication urban housing market in the study cities. The study also revealed a disconnect between these policies and housing provision and trends in terms of quality, quantity, affordability and accessibility to housing. The paper argued that these were so because institutions connected to efficient functioning of these policies were inefficient, ineffective and sometime over ambitious and so more often than not, set goals were not met. The study concluded by suggesting more commitment on the part of Federal and Ondo state governments to ensure these policies dovetail to housing consumers.

**Key words:** Urban housing markets, housing policy, housing market dynamics, housing production

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### INTRODUCTION

The importance of housing in meeting one of the basic needs of human being has been a focus of many researchers since the dawn of this millennium. Population explosion, gentrification and urban explosion necessitated the need for more housing facilities and policies to regulate them. (see Ajanlekoko 2001, Bichi 2002, Akeju 2007 and Ademiluyi 2010). Discourses on the topic

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provide an interesting and thought provoking insights into housing market dynamics from academic and policy making perspectives in developed and developing world.

In recognition of the importance of providing adequate, safe and cost effective housing for all, many countries including Nigeria are signatories to the global commitments to housing for all as a fundamental right of the people. Seven decades after universal declaration of housing for all only few countries such as Sweden and Norway have been able to grossly reduce homelessness. The rise in global population which was projected to increase from 6.1b in 2001 to 10.9b in 2050 (Ogundipe, 2003) from natural growth in less developed countries of Asia, Latin America and Africa and immigration into developed countries of Europe and USA have compounded the problem of homelessness.

In Nigeria the phenomenal rise in population from 82 million in 1991 to a projected population of about 170 million in 2013 (National Population Commission, 2010) and massive economic growth at over 7% per annum over the last decade (Awojori, 2011) makes the country the continents second dominant economy brought much pressure on the already depressed housing infrastructures to the extent that current estimates put the number of homeless people in Lagos in 2010 at over 250,000 while those living in settlements were put at 7% of the urban dwellers (Olotuah & Bobadoye, 2009). This problem has been aggravated by the structure of the population of which there is a large population of young people who are just graduating into adulthood and would require decent and affordable homes.

In Nigeria, housing is generally inadequate in the rural areas in term of quality, while the major problem in the urban areas is a combination of quality and quantity. The implication of this is clear, Nigeria cannot house its people. Many governments in the country since independence highlighted housing as major priority, unfortunately after many years of its independence, Nigeria has not developed a vibrant mortgage market. (Olotuah & Ajayi, 2008).

Many initiatives and policies have been made by the successive Federal government of Nigeria and Ondo state government to provide housing to people irrespective of their socio-economic status with limited success. The first major National policy on housing was launched in 1991, with the goal of improving access to cost effective and decent housing for all Nigerians by the year 2000. This policy was however reviewed by the democratic government in 2002 with a revised National Housing Policy, which outlined the overall policy thrust, goals, objectives and strategies for dealing with key concerns in housing delivery, including land, housing finance, housing maintenance, social housing, institutional framework and policy implementation, monitoring and evaluation of housing, drawing from failures of the past.

In Ondo state, the programme on housing consisted of establishment of residential Site-and-service schemes of the 18 local governments in the state, establishment of Ondo State Property and Development Corporation to build low income houses and the Capital and Urban development authority in Akure the state capital to facilitate land allocation for housing projects

A general assessment of the overall policy goals on housing in Ondo state of Nigeria revealed a disconnect between policy goals and reality on ground. Generally wide gap exists between these policies and programmes and attainment of the set goals in spite of the huge financial commitments and institutional frameworks provided. Several years after the launch of the housing policy and another previous attempts, housing affordability accessibility and adequacy are still a mirage. The overall aim of this paper is to explore these policies and programmes, assess their impacts on housing market, identify the gaps in implementation and proffer necessary solution for sustainable housing delivery in Ondo state of Nigeria.

## **CONCEPTUAL ISSUES AND RELEVANT LITERATURE.**

### **Housing Market and Housing Affordability**

Housing market simply entails the process of buying and selling or letting of residential dwellings (Harriot & Matthews, 1998). It is a process whereby the forces of demand and supply determine what residential buildings to produce, when to produce and where to produce. It

involves enhancing private market capacity which is deemed would then be able to reach a wider share of commodity circulation that includes much of the lower income groups (Keivani et al., 2007). However, being a developing country, Nigeria does not have a well-developed housing market. The few available ones that are created by established developers are often priced out of the reach of low income people thereby creating affordability problem.

In recent years 'housing affordability' has become a common way of summarizing the nature of the housing difficulty in many nations. This is in contrast to the 'slum problem', the 'low-rent housing problem', the 'housing shortage' or the 'housing need' definitions of previous decades (Hulchanski, 2005). A household is said to have a housing affordability problem, when it pays more than a certain percentage of its income to obtain adequate and appropriate housing. Affordable housing according to Aribigbola (2008), is concerned with securing some given standards of housing or different standards at a price or rent which does not impose an unreasonable burden on household incomes. This he noted should not exceed 20% of annual income. In broad terms, affordability is assessed by the ratio of chosen definition of household costs to a selected measure of household income in a given period (Maclennan & Williams, 1990). Generally 'housing affordability' refers to the capacity of households to meet housing costs while maintaining the ability to meet other basic costs of living (AHURI, 2004). The American Chartered Institute of Housing (1992) determine whether accommodation is affordable or not using these variables such as, rent levels which will have an impact on the ability of a tenant to afford accommodation, household income, the type of household (that is Family makeup) whether couple, single parent, elderly, and whether the household is eligible for housing benefits. It was with an intention of improving affordability that the successive governments of Nigeria came up with national housing policies.

### **SYNOPSIS OF HOUSING POLICIES IN NIGERIA**

Housing is one of the most investigated sectors in Nigeria (see Aribigbola 2008; Olayiwola 2005), yet the least accessible, least affordable and least equitable, despite the fact that these have been the major targets of many housing policies and programmes in Nigeria. The operation of the free market structure no doubt has improved housing market in terms of housing stock growth, housing material production, housing and land economics, and housing infrastructure only marginally, the central focus which are stated above have not been realized.

There is a consensus among Nigerian housing experts that the magnitude of housing problems in the country is high. According to FRN (1991), the urban housing shortage as at 1990 was projected at 5million housing units while the rural housing shortage stood at 3.2 million. It was further projected that some 700,000 housing units had to be produced annually to tacklethis shortage. It will be recalled that Nigeria's population according to National population commission in 1991 was only about 83 million now 165 million. More recently, the United Nations study put the overall housing deficit at 17 million which the Nigerian National Bureau of Statistics had earlier estimated at between 12 and 14 million in 2007. It was in a bid to solve this problem that the Federal government of Nigeria formulated the National Housing Programme NHP in 1991, reviewed it in 2002 and a made new one in 2012.

Prior to this time there had been many programmes on housing development right from the colonial period. This period marked the establishment of European Reservation Areas which later metamorphosed into Government Reservation Area, to provide decent housing for the British colonialists. The post-colonial period marked the advent of Housing Corporations in Nigeria which were established to intervene directly in Housing provision. However this was not far reaching enough and the problem remained insurmountable (Oni, 1989). The first and thesecond national development plans made scanty provision on housing. However the housing component of the third national rolling plan made a lot of provisions concerning housing. In the Fourth National Development Plan, government accepted housing as a social responsibility and pledged to ensure that the average urban worker do not pay more than 20% of his salary as monthly rent. The period

also marked the establishment of the Federal Mortgage Bank to provide loans to people. it is informative to note that provisions were not made for low income people.

The federal government of Nigeria launched a comprehensive National Housing Policy in 1991. The major thrust of the National Housing Policy was the development of a housing finance system geared towards the provision of an enabling environment for the generation of housing finance, with the private sector as the main source. For the realization of this objective, the National Housing Fund (NHF) was established by the enactment of Decree No. 3 of 1992 and Decree No. 82 of 1993. Workers earning 3000 naira and above are mandated to contribute 2.5 percentage of their monthly income to the NHF. The Federal Mortgage Bank of Nigeria (FMBN) was to become the apex mortgage institution exercising supervisory roles over the primary mortgage institutions, which in turn were to provide loans to subscribers to the National Housing Fund. It was because of the poor performance of the 1991 housing policy, that a new housing policy was introduced in 2012, with the objective of strengthening institutions such as the Federal Mortgage Bank, Federal Housing Authority and the newly created Urban Development Bank. The major thrust of the new National Housing Policy was the development of a housing finance system geared towards the provision of an enabling environment for the generation of housing finance, with the private sector as the main source. For the success of this policy, a lot of programmes were put in place (Olotuah & Aiyetan, 2006) namely: the inauguration of the implementation committee on housing policy to facilitate and coordinate the implementation of the housing policy; inauguration of the housing policy council (for monitoring and evaluation of the housing policy).

The housing policy of Ondo state over the years, centered on direct housing provision to its citizens. The state government established the Ondo state Property Investment Corporation (OSPIC) in 1982 to facilitate all governments' intervention in housing delivery, with a major focus on establishment of housing estates to build and transfer same to willing and financially capable citizens. Under this programme housing estates were established in the major towns of the state such as Akure the capital, Ondo, Owo and Okitipupa. As part of the policy, housing loans were provided for civil servants at concessionary interest rates to facilitate building of houses. In 2010 the state launched vision 2020 and Ondo state medium development plan 2010 - 2013 with a housing component which aims to stimulate increased participation of the private sector in the development of the urban housing delivery and maintenance of the environment.

### **STUDY AREA**

This study was carried out in Ondo state, Nigeria. The state is one of the seven states created on 3rd February 1976. It was carved out of the former Western State. The state covered the total area of the former Ondo province, which was part of the western region which was created in 1915 with Akure as the provincial headquarters. Ondo State took off formally on 1st April 1976, consisting of the nine administrative divisions of the former Western State (Ondo Ministry of Information and Culture, 1979). These nine divisions then were Akoko, Akure, Ekiti Central, Ekiti North, Ekiti South, Ekiti West, Okitipupa, Ondo and Owo. Akure town-ship was retained as the administrative headquarters. However, on 1st October 1996, Ekiti State comprising Ekiti Central, Ekiti North, Ekiti South and Ekiti West Divisions was carved out of Ondo State. Hence, the present Ondo State is made up of Akoko, Akure, Okitipupa, Ondo and Owo divisions. Akure remains the State capital.

The state lies between latitudes 5°45' and 7°52'N and longitudes 4°20' and 6° 05'E. Its land area is about 15,500 square kilometres. Ondo State is bounded on the east by Edo and Delta states, on the west by Ogun and Osun States, on the north by Ekiti and Kogi States and to the south by the Bight of Benin and the Atlantic Ocean (See figure 1).

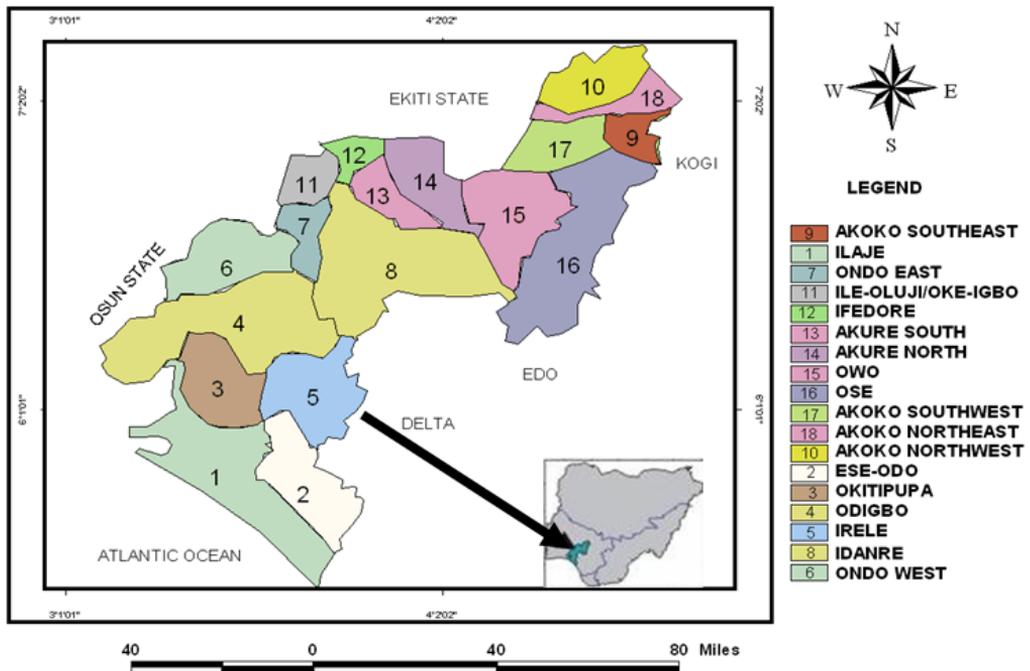


Figure 1. Map of Ondo State of Nigeria

#### SOURCE: ONDO STATE 2000

Prior to the carving out of Ekiti State from Ondo State there were twenty-six Local Government Areas (LGAs). Fourteen of these remained in Ondo State, and from these, additional four LGAs were created. An important aspect of the administrative set-up of Ondo State is the recognition of four subordinate area authorities. These are areas having some recognised autonomy within their LGAs. Besides, Ondo State is carved into 18 Local Government Area and three Senatorial Districts or regions, namely Ondo Central Ondo South and Ondo North.

The indigenous people are mostly Yorubas, made up of Akure, Akoko, Ondo, Ikale, Ilaje and Owo sub-ethnic groups. The inhabitants include ArogboIjaw and Apoi. By virtue of 2006 population census, Ondo state had a population of 3.4 m comprising 1.06 m in Ondo North, 1.15 m in Ondo central, and 1.22 m in Ondo South senatorial districts. The population was projected to 3.86 m in 2011 with the growth rate of 3%. The structure of the population is such that about 65% of the population is cosmopolitan, residing in over 21 major and minor towns in the 18 local government areas of the state. The other 35% comprise of the indigenous people as well as migrant farmers from the nearby states.

#### SOURCES OF DATA

The paper draws from primary and secondary data sources. To this extent, purposive sample of 3 major towns were taken from each of the three senatorial regions of the state. Ikare from Ondo North, Akure from Ondo Central, and Okitipupa from Ondo South. Sixty questionnaires were administered in each of the selected towns making a total of 180. These were administered on household heads residing in buildings selected randomly in high density areas of these cities as guided by master plans. Data collected were analysed using descriptive methods. The perceptions of residents on housing failure were ranked and the mean (Grouped Mean Weighted Average) calculated from each category of responses. Secondary data were collected

from sources such as Federal Ministry of Housing and Urban Development, Federal Housing Authority, Ondo State Ministry of Works and Urban Development as well as Ondo State Property Development Corporation. Other materials were sourced from publications including those originally from government departments, organisations and research institutes.

### **FINDINGS**

The literature has revealed many housing problems and programmes that have been formulated and implemented by the Federal and Ondo State governments right from the colonial period to now. An empirical investigation reveals that there is a disconnect between policy goals and housing market dynamics. Many of the broad goals in these policies and programmes have not been attained and have not impacted on housing production, housing quality, affordability and accessibility mainly due to government's lackluster attitude to housing policies implementation.

#### **Housing Production**

Housing production in Ondo state is mostly done informally reflecting the subsistent economy of the state. Prospective home owners purchase land or acquire land from family holdings, hire bricklayers, who in turn hire workmen. Building is done on stage by stage basis sometimes for years, depending on financial prowess. Family moves in immediately after roofing. All these have implication on quantity and quality of houses available. For example out of the 180 buildings surveyed 112 (62%) were completed while 68 (38%) were incomplete dwelling units which were occupied. The implication of this is that many of the infrastructures and services needed for decent living would be lacking. Aside from this housing production has not kept pace with population growth. Indeed, the 1991 national housing policy projected the urban housing shortage at about 5 million housing units (FRN, 1991). It was projected that some 700,000 housing units had to be produced annually to tackle these shortages by the year 2000 AD. More recent United Nations study put the overall housing deficit at 17 million units while Nigerian National Bureau of statistics estimates are between 12 and 14 million housing units. Anosike (2007) reported that majority of the urban population in Nigeria lives in rented accommodation spending more of their incomes on rent. One of the most obvious failures with the national housing policy is failures to meet set goals. The second national housing policy aimed at facilitating 8 million houses, yet participants in the National housing fund was less than half a million at the end of the targeted year. Current estimates put the population of the state at about 3 million people. With an average household size of 6 in a family, it is estimated that the state will require about 500 000 compared with the estimated 160,000 available bungalows (2006 National Population census) which is the commonest housing type in the state. It was in a bid to minimize these shortages that the Ondo state government established the Ondo State Property Development Corporation to produce houses to people directly. Under this programme, housing estates were established in major towns of the state. According to Ondo State government gazette (1994), the houses produced were grossly inadequate to meet the growing population. The few available high income houses were hijacked by politicians and bureaucrats.

#### **HOUSING QUALITY SURVEY**

An assessment of the housing quality in the three selected towns of Ondo State reveals poor housing stock, in spite of the fact that the National Housing policies launched in 1991 had the ultimate goal of ensuring that all Nigerian own or have access to decent housing accommodation at affordable cost by year 2000 and beyond. For example the survey reveals that 35% of houses in these cities can be classified as poor using yardsticks such as presence/absence of structural defects, materials used in construction, roofing, privacy, availability of courtyards/court gardens etc. while over 11% are in dilapidated forms. Yet out of these 46% (poor & dilapidated), majority of them (58%) were built after the launch of National Housing Policy in 1991. The structure as shown in Table 1, also reveals that 46.6% were made from Crude earth/clay materials, 42.8% of

houses do not have toilet facilities, 16.2% do not have access to electricity, 10.5% and 7.2% are still dependent on rainwater and rivers and streams for domestic water needs, 23.9% are still dependent on bush/field for sanitation, 42.8% cook in the open while an average of 56.3% still travel over 15 minutes to get domestic water.

The cause of these can be attributed to the failure of government supervisory agencies to ensure that participants in the housing market that is the client, builder, the employer and the housing finance organizations such as the primary mortgage institutions are sufficiently monitored and encouraged to scale up their activities in the face of massive population growth, which leads to pressure on existing housing stock and new projects which cannot keep pace with the population growth because of economic problems.

**Table 1.** Housing quality assessment

(Data source: Fieldwork 2013)

Housing quality Assessment	Akure	Ikare	Okitipupa	Total	%
<b>Electricity</b>					
Yes	54 (90%)	55 (91.6)	42 (70%)	151	83.8
No	6 (10%)	5 (8.4)	18 (30)	29	16.2
Total	60	60	60	180	100
<b>Source of drinking water</b>					
Piped into dwelling/yard/plot	4	2	3	9	5
Public tap	4	3	3	10	5.5
Open well in dwelling/yard/plot	7	7	7	21	11.67
Open public well	8	8	7	23	12.78
Protected well in dwelling/yard/plot	7	8	6	21	11.67
Protected public well	6	8	7	21	11.67
Spring	3	4	6	13	7.2
River/stream	2	5	6	13	7.2
Pond/lake/dam	8	5	2	15	8.3
Rainwater	4	7	8	19	10.5
Tanker truck	4	2	2	8	4.4
Other	3	1	3	7	3.9
Total	60	60	60	180	100
<b>Time to water source</b>					
Percentage < 15 minutes	53	59	57		
Median time to source	10	8.3	8.1		
<b>Sanitation facility</b>					
Flush toilet	11	9	11	31	17.2
Traditional pit toilet	19	22	20	61	33.9
Ventilated improved pit(vip) latrine	9	5	6	20	11
Bush/field	12	16	15	43	23.9
River	7	5	5	17	9.4
Other	2	3	3	8	4.4
Total	60	60	60	180	100
<b>Building materials used</b>					
Earth/clay	28	25	31	84	46.6
Burnt bricks	7	11	5	23	12.8
Cement	19	21	11	51	28.3
Wood	4	3	8	15	8.3

Metal	2	-	-	7	3.9
Total	60	60	60	180	100
<b>Average persons per room</b>	2.4	2.1	2.0	2.1	-
<b>Availability of Kitchen facilities</b>					
Detached	25	21	22	68	37.8
In-built	11	12	12	35	19
Not available	24	27	26	77	42.8
Total	60	60	60	180	
<b>General Assessment of Building qualities</b>					
Good	11	18	15	44	24.4
Fair	20	16	17	53	29.4
Poor	13	21	19	63	35
Dilapidated	6	5	9	20	11
Total	60	60	60	180	100

### HOUSING AFFORDABILITY AND POOR ACCESS TO FINANCE

One of the major reasons for a lull in housing markets in Nigeria and Ondo state in particular relates to poverty and non-affordability of majority of citizens of quality houses and even pay for housing rent. According to UN (2004) more than 70% of Nigerians live on less than one dollar per day. Moreover, the informal economy the country operates, and the low bankable number of people mean that access to formal financial institutions for loans are most times nonexistent. Even where there are, the collaterals refund before such mortgage loans could be granted may not be available.

Towards the achievement of the goal of the policy, a two-tier institutional financial structure, with Primary Mortgage Institutions (PMIs) as primary lenders and Federal Mortgage Bank of Nigeria (FMBN), as the apex institution with a supervisory role over a network of the PMIs were established. The FMBN later ceded the supervisory function over PMIs to the CBN in 1997 (Yakubu,2004).The FMBN as deconsolidated by Decree No 82 of 1993 was empowered, among other functions, to collect, manage and administer contributions to the National Housing Fund (NHF) from registered individuals and companies. The FMBN is however a wholesale mortgage institution and only disburses the proceeds of the N.H.F through PMIs licensed to do so. Prospective borrowers who must be contributors to the fund thus make application to the PMIs who in turn resort to the NHF through the FMBN. Funds on lent by the PMIs must be underwritten by them, while they must be participants in the loan making to the tune of 20 percent. Under the programme, workers earning above #3,000 per annum, are compelled to save 2.5 percent of their monthly income into the NHF as contributions. Commercial as well as Merchant Banks were expected to offer to FMBN 10 per cent of their loanable funds, while insurance companies are to pay 10 percent of their non-life funds and 40 percent of their life funds in real property development out of which not less than 50 per cent must be paid to the FMBN.

Studies revealed that several years after the establishment of these institutions, less than 2% of the population has registered so far to have their money deducted for the National Housing Fund (National Bureau of Statistic 2003) The subsistence economy which Nigeria operates do not allow for the system to operate successfully. Moreover, in their study of the operation of the Federal Mortgage Bank, Ukwanyi, Eja, Ojong and Out (2012) opined

*"The bank granted loan value of N4.531 billion to 4,151 national housing fund contributors to either build or renovate their houses. Nevertheless, the mortgage finance bank has recorded little or no success but has only improved in terms of fund mobilization".*

Yet the Federal Mortgage Bank was expected to perform a central role in Mortgage financing in Nigeria. One of the major problems confronting housing and housing infrastructure

development in Nigeria is inequitable access to housing among residents. This manifest in many forms including inequitable access to land, from reasons pertaining to gender, place of origin, literacy and ethnic group.

The Federal Government, in a bid to reduce the encumbrance faced by developers promulgated the Land use Act in 1978 to ease the problem of landlessness. The law provides that private developers would apply to the Governor of a states for issuance of Certificate of Occupancy (C of O) for the purpose of housing development. The law was intended to ease access to land, discourage land speculation as well as buying and selling of land at exorbitant rates.

Several years after the making of this law, access to land has not eased. The law has not achieved its intended purpose. The reason often cited being bureaucratic bottleneck in acquisition of the C of O, corruption among government officials and refusal of the land owners to forfeit same to the government as required by the law. The implication of this is that access to land for the landless through government intervention has not achieved its purpose. For example, out of the 180 people interviewed, only 22 (12.2) acquired them through formalized process of C of O, 35 (19.4) through inheritance, 104 (57.7) through buying from the open market and the rest through rent 19 (10.5)

Moreover, out of the 104 respondents who got land through the open market, 75 (72%) were strictly through private saving, 14 (9.6%) through private mortgage institutions, which unfortunately are non-existent in the state, and 15 (14.4%) through loans from other sectors such as private co-operative societies. Yet the inequity continues to reflect even when the gender characteristic is considered. For example out of the 180 buildings surveyed 163 (90.5%) of owners were males 17 (9.5%) were females, 152 (84.4) were indigenes while 28 (15.5%) were non indigenes, yet previous studies reflect that the ethnic composition of these areas was not overwhelmingly in favour of the indigenes. Men have more access to land for housing development than females as does indigenes to non-indigenes.

The perceptions of respondents were sought on the probable causes of housing policy failures in the state. Their responses were classified into three major groups. These are finance, governments inertia, and faults relating to supervisory agencies and building contractors.

### **Causes Related to Finance.**

The respondents were asked to assess causes that are related to finance and these are summarized in Table 2 below.

**Table 2.** Responses on Causes Related to Finance  
(Data source: fieldwork 2013)

Causes Factors	Responses			
	SA	A	DA	SD
The scope of work was too much for the available resources	107	44	23	06
No access to national housing funds	146	25	04	05
Bottleneck in securing loans from the Mortgage and commercial banks	129	38	06	07
Inadequate Housing Financial Institutions	47	77	21	35
Inadequate loans due to under estimation of cost of housing	76	41	36	27

The Mean Weight Values (MWV) for the above responses and the General Mean Weight Values (GMWV) or the cut-off point for this grouped responses were calculated. In so doing, only three factors out of the five listed factors were accepted as significant financial related root causes of unsuccessful implementation of past Federal Housing Programmes in Nigeria (Table 3).

From Table 3 above, causes such as the scope of work was too much for the available resources, no access to national housing funds and bottleneck in securing loans from the Mortgage and commercial banks were accepted because their respective Mean Weight Values of 3.40, 3.73 and 3.61 are greater than the Grand Mean Weight Value 3.28. Of these three major causes

explained above it is necessary to emphasize that out of the 104 respondents, who bought land from the open market, only 35 (24%) had indicated they received any assistance either from Primary Mortgage Institutions or cooperative societies for housing development, while the rest relied on personal savings and loans from friend/family members to build houses.

**Table 3.** The Summary of Decisions on Causes Related to Finance  
(Data source: fieldwork 2013)

Factors	Mean Weight Value	Decision
The scope of work was too much for the available resources	3.40	Accepted
No access to national housing funds	3.73	Accepted
Bottleneck in securing loans from the Mortgage and commercial banks	3.61	Accepted
Inadequate Housing Financial Institutions	2.76	Rejected
Inadequate loans due to under estimation of cost of housing	2.92	Rejected

GMWV= 3.28

### Causes Related to Government

The responses to faults that are related to government are as summarized in Table 4 below

**Table 4.** Responses on Causes Related to Government  
(Data source: fieldwork 2013)

Causes Factors	Responses			
	SA	A	DA	SD
Lack of proper and realistic Policy Planning by the Federal Government	24	31	45	80
Insensitivity of Federal and Ondo state government to housing problems	35	28	77	40
Lack of continue implementation of housing policies due to change of government, economic instability and inflation	92	44	26	08
Government policy on land acquisition and Problem of suitable site	78	68	23	11
Politicization of housing programme	78	73	15	14

**Table 5.** The Summary of Decisions on Causes Related to Government  
(Data source: fieldwork 2013)

Factors	Mean Weight Value	Decision
Lack of proper and realistic Planning by the Federal Government	1.97	Rejected
Insensitivity of the Three Tiers of government to housing problems	2.32	Rejected
Lack of continue implementation of housing policies due to change of government, economic instability and inflation	3.11	<b>Accepted</b>
Government policy on land acquisition and Problem of suitable site	3.18	<b>Accepted</b>
Politicization of housing programme	3.19	<b>Accepted</b>

GMWV= 2.75

It is very important to state that while all of these causative government factors have contributed one way or the other to housing market crises in Nigeria today, it is necessary to derive the perception of residents on the scale of these causes. The Mean Weight Values (MWV) for the above responses and

the General Mean Weight Values (GMWV) or the cut-off point for these grouped responses were calculated and summarize. In so doing, three factors out of the five listed factors whose MWVs are greater than the GMWV were accepted as significant government related root causes of unsuccessful implementation of the past National Housing Programmes in Nigeria (Table 5).

From Table 5 above, causes such as lack of continued implementation of housing policies due to change of government, economic instability and inflation, Government policy on land acquisition / problem of suitable site and politicization of housing programme were accepted because their respective Mean Weight Values of 3.11, 3.18 and 3.19 are greater than the Grand Mean Weight Value 2.75.

One major problem of government's direct intervention in housing provision in Ondo State relates to poor construction and abandoning of sites, inflation of contracts and and other shady deals. These were subjected to empirical investigation from respondents, the reasons given were analysed below in Table 6.

**Table 6.** Responses on Causes Related to Contractors/ Supervisory Bodies  
(Data source: fieldwork 2013)

Factors	Responses			
	SA	A	DA	SD
The scope of work was too much for the available period	108	37	27	08
Non utilization of locally sourced building materials	69	64	27	20
Lack of reputable contractors and unjustified advancement of mobilization fees to contractors with adequate financial backing	103	45	22	10
Indiscriminate award of contracts without reference to the available fund	113	30	27	10
Ridiculous pricing of contracts and Indiscipline and fraudulent practice by the operators / supervisors.	107	38	24	11

The Mean Weight Value (MWV) for the above responses and the General Mean Weight Values (GMWV) or the cut-off point for this grouped responses were calculated. In so doing, four out of the five listed factors were accepted as significant Contractors/ Supervisory Bodies related root causes of unsuccessful implementation of past Federal Housing Programmes in Nigeria (Table 6).

**Table 7.** The Summary of Decisions on Causes Related Contractors/ Supervisory Bodies  
(Data source: fieldwork 2013)

Factors	Mean Weight Value	Decision
The scope of work was too much for the available period	3.36	<b>Accepted</b>
Non utilization of locally sourced building materials	3.01	Rejected
Lack of reputable contractors and unjustified advancement of mobilization fees to contractors with adequate financial backing	3.34	<b>Accepted</b>
Indiscriminate award of contracts without reference to the available fund	3.37	<b>Accepted</b>
Ridiculous pricing of contracts and Indiscipline and fraudulent practice by the operators / supervisors.	3.34	<b>Accepted</b>

GMWV = 3.28

From Table 7 above, causes such as the scope of work was too much for the available period specified for the completion of contacted works, lack of reputable contractors, indiscriminate award of contracts without reference to the available fund and ridiculous pricing of

contracts and fraudulent practice by contract supervisors were accepted because their respective Mean Weight Values of 3.37, 3.33, 3.37 and 3.34 are greater than the Grand Mean Weight Value 3.29. Respondents Suggested Measures Towards the Success Of Future Housing Policy In Nigeria. Respondents' suggestions about the success of future housing policies in Nigeria were derived. This was necessary to ensure the success of the programme. These were analyzed in table 8.

**Table 8.** Summary of Measures towards the Success of Future Housing Policy in Nigeria  
(Data source: fieldwork 2013)

		Responses			
		SA	A	DS	SD
1.	The government should adopt and vigorously pursue a housing delivery strategy that is 'end-users driven'	112	36	25	07
2.	Development agents, and Public Private sector Participation should be encouraged.	100	47	22	11
3.	Financial institutions should be encouraged to finance some of these projects	104	42	22	12
4.	Cooperative housing should be encouraged because most individuals are able to achieve /perform through cooperative societies.	126	37	10	07
5.	Adopt the usage of locally building Materials	144	26	04	06

The Mean Weight Value (MWV) for the above responses and the General Mean Weight Values (GMWV) or the cut-off point for this grouped responses were calculated.

In so doing, four out of the five listed factors were accepted as significant Contractors/ Supervisory Bodies related root causes of unsuccessful implementation of past Federal Housing Programmes in Nigeria.

**Table 9.** The Summary of Decisions on Measures towards the Success of Future Housing Policy in Nigeria  
(Data source: fieldwork 2013)

Factors	Mean Weight Value	Decision
The government should adopt and vigorously pursue a housing delivery strategy that is 'end-users driven'	3.41	Rejected
Development agents and Public Private Sector Participation should be encouraged.	3.31	Rejected
Financial institutions should be encouraged to finance some of these projects	3.32	Rejected
Cooperative housing should be encouraged because most individuals are able to achieve /perform through cooperative societies.	3.57	<b>Accepted</b>
Adopt the usage of locally building materials	3.71	<b>Accepted</b>

GMWV = 3.46

From Table 9 above, measures towards the success of future Housing Policy in Nigeria such as the government should adopt and vigorously pursue a housing delivery strategy that is 'end-users driver', cooperative housing should be encouraged because most individuals are able to achieve/ perform through cooperative societies and adaption of the usage of locally building materials were accepted because their respective Mean Weight Values of 3.41, 3.57 and 3.71 are greater than the Grand Mean Weight Value 3.46.

### **SUMMARY, CONCLUSION AND RECOMMENDATION.**

The study started by examining the Nigerian and particularly Ondo state housing markets especially the policies that were introduced by the Federal and the state governments in order to ease housing provision from the colonial period to date. These include the housing components of the first second and third national rolling plans. The national housing policies of 1991, 2002 and 2012 were also examined and found to be in embryonic stage.

The study revealed an appalling housing market where policies are at best only partially implemented and where informal housing production still predominates. The study confirmed the need for more houses to cater for a population of 170million people which grows at 2.5% per annum. The housing market of the state is dominated by informal sector where policies on housing development such as housing development programmes on loan and regulations in term of quality do not trickle down to the developers. For example subscription to the Primary Mortgage institutions only stood at 2% of Nigerian entire workers, inaccessibility to land by many in spite of the Land Use Act of 1978 which was meant to ease the process of land acquisition.

The government related causes identified included the perceived insensitivity of the Federal and Ondo state governments to housing provision, inadequate and haphazard implementation of government policies and programmes and politicization of housing programme. The study also recognizes some problems associated with government direct provision of houses through establishment of housing estates. These include among others the use of incompetent contractors' lack of adequate funding and fraudulent practices among government bureaucrats. All these problems have stiffen the Nigerian housing market from becoming a vibrant one. However it must be noted that these problems are not insurmountable. The following are hereby recommended for sustainable housing market in Ondo state.

First Nigeria's population has to be controlled to manageable level. Nigeria is the only high population emerging country that does not have a viable population policy. Any programme on housing that is not supported with a viable population policy will not be successful. Moreover the government should strengthen housing finance institutions and recapitalize these institutions in order for them to be able to perform their roles effectively. To minimize cost of development, housing developers should shift from overdependence on imported materials to the use of locally sourced materials. Moreover there is a need to review the Land Use Act in order to make it more effective to enhance access to land for development. Moreover since most housing delivery projects are long – term investments and capital intensive, it is recommended that government and the private sector should put modalities in place and establish distinct institution such as construction industry owned financial institution where lending will be easier, this will not only boost housing construction, but the required housing finance services will be provided. Lastly it is recommended that the government should shift focus from direct housing construction as being done today by the Federal Housing Authority and Ondo state Property development Commission. This is because given an enabling environment, individuals and private agencies are more efficient in housing provision than government.

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- \*\*\* This paper was presented at THE RC 43 INTERNATIONAL HOUSING CONFERENCE HELD IN UNIVERSITY OF AMSTERDAM, THE NETHERLANDS FROM 9TH TO 12TH JULY 2013.

Submitted:  
March 20, 2014

Revised:  
May 25, 2014

Accepted and published online  
June 17, 2014