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Theoretical, Empirical and Comparative Perspectives**

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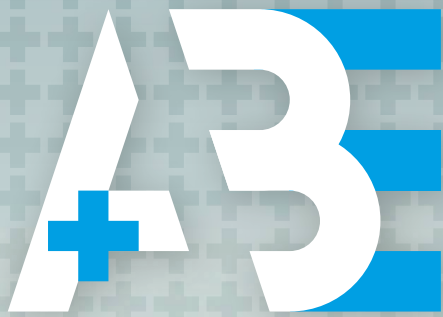
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2018

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Job Taiwo Gbadegesin



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Job Taiwo Gbadegesin

*Delft University of Technology, Faculty of Architecture and the Built Environment,  
Department of OTB - Research for the Built Environment*



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# Towards a new policy direction for an improved housing delivery system in Nigerian cities

**Theoretical, Empirical and Comparative Perspectives**

Dissertation

for the purpose of obtaining the degree of doctor  
at Delft University of Technology  
by the authority of the Rector Magnificus prof.dr.ir. T.H.J.J. van der Hagen  
chair of the Board for Doctorates  
to be defended publicly on  
Tuesday 4 September 2018 at 12:30 o'clock

by

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## Dedication

To God Almighty, my source of inspiration

and

My family;  
Darling wife, Dr Taiwo Frances GBADEGESIN,  
my lovely jewels; Oreofeoluwa, Otitololuwa and Ikeoluwa





# Preface

*My coming to Delft University of Technology (TU DELFT), The Netherlands from my home country for my PhD is a golden opportunity on one hand, but finishing the programme is another challenge on the other hand.* This was my big concern at the start of my PhD. I vividly remember as I arrived during a peak moment of cold breeze, I was troubled. Today, I am greatly indebted to all people who have contributed to the success of my doctoral pursuit and completion.

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# Summary

In Nigeria, housing units are not adequate for the entire population, especially in cities (Anosike et al. 2011, Makinde 2014). For instance, the deficit grows at an alarming rate, from about 8 million in 1991 to over 16 million in 2000s (Aribigbola, 2000; Aribigbola and Ayeniyo 2012). The challenges of housing provision are not only quantitative but also qualitative and have to be dealt with in a dual institutional perspective: the formal and the informal sector (Makinde, 2014; National Population Census, NPC, 2006). How can the Nigerian housing provision be improved and what are the new roles that policy can play to address the housing shortages in Nigerian cities?

Several researchers have examined the subject of housing in Nigeria and confirmed the existence of shortages. Some have also attempted to advocate that there are challenges without giving an appropriate policy way forward. Also, most of the existing studies are not based on appropriate theoretical underpinnings. Therefore, this thesis contains a diagnosis of the housing problems in Nigeria, based on the nature of the housing provision systems (formal and informal) and a framework for possible policy solution(s), using theoretical, empirical and comparative approaches. Emphasis was placed on the theoretical and empirical perspectives, while an insight was gained into possible solutions adopted in some selected countries through a synthesis of extant studies. To capture the actual contexts of housing challenges, six objectives raised in the form of research questions were pursued. In the first objective, the Nigerian housing situations were examined in the contexts of political, economic and demographic developments in order to identify the nature of the housing shortages. Findings from the first objective indicated that housing shortages in Nigerian cities are both quantitative and qualitative in nature. The major problems were found in the informal sector because the formal sector is not accessible due to changes in government administration, the low income condition and institutional barriers. It was found that the decline in the formal provision resulted in the growth of the informal provision.

Against the backdrop, new institutional economics, NIE theoretical approach was embraced owing to the fact that Nigerian property market constitutes formal and informal institutions, and fraught with non-availability of data (Omirin and Antwi, 2004). This is central to the second objective. With the adoption of NIE as the appropriate school of thought, the structure, institutions, agencies, strategies, interests, and how these elements are connected to housing delivery could be examined, using an appropriate analytical framework, based on factors of production. Subsequently, the structure of housing provision was examined over the pace of time.

Because the influence of government was identified in the structures, objective four elaborates on the actual roles, the units of housing provided by the government and the changing roles of the government.

The research question five is the central focus of this dissertation where the strategies of procuring factors of production, (land, labour, materials and finance) were examined. Housing outputs, its management, institutional environment, structure, transactions, motivating factors and the existing challenges were examined. The main findings include inadequacy of finance and the complexity of securing formal funds are key to decent housing provision by individual formal providers, from the pre-construction to post-construction stage. There are also difficulties of acquiring land and securing it, due to threat of Omo-oniles (families of the customary owners who often lay claims to land). In addition, formal system is only accessible to higher income groups and inaccessible to lower class in Nigeria

Since the formal market cannot be easily accessed by many people, low income groups rely on the informal sector. In the informal finance system, member of a financial association mandatorily saves an agreed amount, within the limit of his/her income capacity, and augments it with personal or family funds. One of the motivations behind these informal group finance systems is that they serve as saving mechanisms for the people. Other production factors, such as human and material resources, are equally procured in an informal manner either through family members or by friendly arrangements and instalment agreements in order to avoid the complex hurdles identified in the formal system, e.g. transaction hurdles.

To gain insight into other countries with similar housing experiences, a review of the situation in South Africa, Brazil and Mexico was done. In South Africa, existing studies and existing policy documents revealed that various policy approaches were adopted. I found in the review that the perceived improved performance in transforming informal housing is attributed to the joint cooperative, participatory approach and political support through legal instruments. I observed that policy approaches in Brazil are channelled towards addressing informal housing. The review of existing literature and documents revealed that legal instruments have been the intervening tool in the context of the regularisation goals, which includes legalisation, recognition of tenure rights, upgrading and provision of services/amenities (urban management). These exercises could only be executed within the broader, integrated, multi-sectoral scope of city and land use planning, concurrently implemented and recognition of politico-institutions, i.e. the involvement of a cooperative government, informal residents, NGOs and private developers with substantial technical, managerial and financial support.

In Mexico, regularisation projects, through an extensive land titling programme, taxation instruments and planning tools, made it a result-oriented land regularisation programme in the developing world, as indicated by Monkkonen (2012). Mexico's approach is known for its recorded successes, however, it is not without challenges. It was also mentioned that the whole process commenced from the ejido system, which indicates an integration of communities and civil societies into the land system. Mexico has also attempted to incorporate informal housing finance institutions on a limited level into mainstream financial institutions (FONHAPO and SOFOLES). The point is that the land titling process, in collaboration with agencies and NGOs in procuring production factors, contributes significantly to progress in some cities. Nevertheless there is still room for improvement.

Having examined the strategies, their motivations and the challenges, it was recommended that a combination of suggested possible solutions and lessons from the three selected countries resulted in a comprehensive solutions framework which includes the following recommendations:

- Review of Land Use Act (LUA) of 1978 to incorporate both customary and statutory systems in order to resolve Omo-onile crisis.
- Ensuring prompt tilting of land of existing informal houses at a low cost.
- Upgrading the existing informal settlements/housing with joint consent of the owners or the occupiers and ensuring their socio-economic empowerment.
- Introducing, implementing and government monitoring of housing subsidies for development and maintenance.
- Formulating policies and educating new home owners ( both owner-occupied and rental housing owners) to comply with building codes for safety reasons.
- Government should implement and manage affordable housing that can lead to social housing.
- Government should be involved in making cooperative societies formal and embraced PPP agenda that can touch low income groups.



# Samenvatting

Nigeria kampt met een woningtekort, vooral in de steden (Anosike et al. 2011, Makinde 2014). Het tekort is bovendien sterk toegenomen van rond de 8 miljoen in 1991 tot meer dan 16 miljoen woningen in het begin van deze eeuw (Aribigbola, 2000; Aribigbola and Ayeniyo 2012). De uitdaging waarvoor Nigeria staat is niet alleen kwantitatief maar ook kwalitatief van aard en moet worden aangepakt vanuit een duaal institutioneel perspectief: een formele en een informele (Makinde, 2014; National Population Census, NPC, 2006). De hoofdvraag die aan deze dissertatie ten grondslag ligt is dan ook: Hoe kan de Nigeriaanse woningvoorziening worden verbeterd en welke rol kan overheidsbeleid spelen om de woningtekorten in de Nigeriaanse steden aan te pakken?

Verschillende onderzoekers hebben het bestaan van woningtekorten in Nigeria bevestigd en benoemd als grote uitdaging, veelal zonder bruikbare oplossingen te geven. Bovendien hebben de meeste studies geen theoretische basis. Daarom is deze studie gericht op het geven van een diagnose van de problemen in Nigeria, gebaseerd op de aard van de woonvoorziening in de formele en de informele sector, en op het formuleren van een raamwerk voor mogelijke oplossingen. Daarbij wordt gebruik gemaakt van theoretische, empirische en internationaal vergelijkende benaderingen. De nadruk ligt op theoretische en empirische perspectieven, terwijl voor het formuleren van oplossingsrichtingen ook gebruik gemaakt is van ervaringen in enkele andere ontwikkelingslanden die worden geconfronteerd met min of meer vergelijkbare problemen.

Om de feitelijke aard en context van de huisvestingsproblemen in Nigeria te kunnen doorgronden, zijn zes onderzoeksvragen geformuleerd. De eerste vraag is gericht op het identificeren van de achtergrond van de woningtekorten in Nigeria. Hiertoe is de huisvestingssituatie in Nigeria in kaart gebracht in de context van politieke, demografische en economische ontwikkelingen. Duidelijk kwam naar voren dat woningtekorten in de Nigeriaanse steden kwantitatief en kwalitatief van aard zijn. Veel problemen doen zich met name voor in de informele sector; de formele sector is voor veel huishoudens niet toegankelijk door lage inkomens, institutionele barrières en een gebrek aan continuïteit in het overheidsbeleid. Een afname van de woningproductie in de formele sector droeg bij aan de groei van huisvesting in de informele sector.

Tegen deze achtergrond is in deze studie de nieuwe institutionele economie gebruikt als theoretische basis (tweede onderzoeksvraag). Deze benadering onderkent het bestaan van informele naast formele markten en de beperkte beschikbaarheid van data (Omirin and Antwi, 2004). Vanuit de nieuwe institutionele economie is een analytisch kader ontwikkeld, gebaseerd op de verschillende onderscheiden productiefactoren,



waarmee de structuur, instituties, actoren, strategieën en belangen in relatie tot woonvoorziening in de loop van de tijd konden worden onderzocht.

Vervolgens is aan de hand van de derde onderzoeksvraag de ontwikkeling van de structuur van het Nigeriaanse volkshuisvestingssysteem in kaart gebracht. De veranderende rol van de overheid in deze ontwikkeling en het aantal door en via de Nigeriaanse overheid geproduceerde woningen zijn aan de orde bij de beantwoording van de vierde onderzoeksvraag.

De beantwoording van de vijfde onderzoeksvraag neemt een centrale plaats in in dit onderzoek: Hoe voorziet de stedelijke bevolking in hun huisvestingsbehoeften en wat is hiervan de achtergrond? Op basis van het ontwikkelde analytisch kader zijn strategieën onderscheiden waarmee huishoudens in de formele en in de informele sector voorzien in hun woonbehoeften. Deze strategieën zijn beschreven op basis van de wijze waarop in de productiefactoren (grond, arbeid, materialen en financiering) wordt voorzien. Daarbij is ingegaan op de productie en het beheer van woningen volgens de verschillende strategieën, de institutionele omgeving, transacties, de achterliggende motivatie en de ervaren problemen.

Uit het onderzoek komt naar voren dat er in de formele sector, waartoe ook de door of met betrokkenheid van de overheid gerealiseerde woningen behoren, sprake is van complexe procedures en protocollen rond bouwregelgeving, vergunningen en financiering. Bovendien doen zich vaak problemen voor rond het aankopen van grond, het 'beschermen' van de gekochte grond tegen Omo-oniles (families van traditionele grondeigenaren die claims leggen op gronden) en het verkrijgen van het formele eigendomsrecht. Het gevolg van dit alles is dat de formele sector in Nigeria alleen toegankelijk is voor de hogere inkomensgroepen.

Omdat de formele markt veelal niet toegankelijk is voor lagere inkomensgroepen, zijn deze huishoudens voor wat betreft huisvesting aangewezen op de informele sector. Voor wat betreft het aankopen van grond doen zich vergelijkbare problemen voor als in de formele sector. Voor de financiering van de bouw van een woning wordt veelal gebruik gemaakt van informele coöperatieve vormen van bouwsparen, aangevuld met leningen bij familie. Omdat het veelal niet mogelijk is om de totale financiering voor de aankoop van grond en het bouwen van een woning in één keer te regelen, worden veel woningen in de loop van jaren op 'incrementele' wijze gebouwd. Andere productiefactoren, zoals arbeid en materialen worden eveneens informeel geregeld.

De resultaten van de analyses en de door geïnterviewden (uit de formele en informele sector) aangedragen oplossingen zijn gebruikt om de zesde onderzoeksvraag te beantwoorden, die is gericht op het geven van aanbevelingen om de woningproductie

in Nigeria te vergroten. Daaraan voorafgaand is gekeken naar mogelijke lessen voor Nigeria op basis van ervaringen in enkele andere ontwikkelingslanden: Zuid-Afrika, Brazilië en Mexico. In deze landen is ook sprake van een grote informele woningsector. In Zuid-Afrika en Brazilië bestaan programma's om informele nederzettingen te 'formaliseren' (legaliseren) en de aanwezige voorzieningen te verbeteren. Deze programma's zijn gebaseerd op een samenwerking van overheden, bewoners, NGO's en private partijen en worden technisch, financieel en beheersmatig ondersteund. In Mexico is veel ervaring opgedaan met het legaliseren van informeel grondgebruik (Monkkonen, 2012). Hoewel niet alle problemen zijn opgelost, is deze aanpak in een aantal steden succesvol. Ook probeert Mexico op beperkte schaal om bestaande informele vormen van woningfinanciering te incorporeren in formele financieringsinstituten (FONHAPO en SOFOLES).

Op basis van de onderzochte strategieën van woningproductie in de formele en de informele sector, de achterliggende motivaties, gesignaleerde problemen, door verschillende actoren aangedragen oplossingen en lessen uit Zuid-Afrika, Brazilië en Mexico, is een aantal aanbevelingen geformuleerd. De belangrijkste daarvan zijn:

- Herziening van de 'Land Use Act' (1978) waarbij ook traditionele vormen van grondeigendom in de wet worden geregeld, zodat problemen met Omo-onile kunnen worden opgelost;
- Formalisering van 'informeel' grondeigendom van bestaande woningen tegen lage kosten;
- Aanleggen/verbeteren van publieke voorzieningen (wegen, riolering, stromend water etc.) in bestaande informele wijken en buurten in samenwerking met de eigenaren en bewoners;
- Ontwikkeling van educatieve programma's voor woningeigenaren (eigenaar-bewoners en verhuurders) over het belang van bouwtechnische kwaliteitseisen en 'veilig' bouwen;
- Introductie en monitoring van subsidies voor de bouw en het onderhoud van woningen;
- Invoering en beheer van een sociale sector door de overheid, gericht op betaalbaar wonen voor lagere inkomens;
- Formalisering van coöperatieve financieringsvormen en uitbreiding van het bestaande programma van publiek-private samenwerking zodat ook lagere inkomensgroepen hiervan kunnen profiteren.



# 1 Background to the research problem

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## § 1.1 Introduction

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Housing is a key factor that can transform the status of a society, especially in the developing countries of the world. Kissick, Leibson et al. (2006) argue that good governance, an orderly civil society and a robust economy cannot be separated from adequate housing delivery in a developing and emerging economy. In the league of the growing nations in the sub-Saharan Africa (SSA), Nigeria is a large society, confronted with an alarming growing number of urban housing *shortages*<sup>1</sup>. This is upheld by the then Nigerian Minister of Finance and the national coordinator of economy, Okonjo-Iweala (2014), who indicates that the housing sector is a potential driver of economic growth if the challenges in the market can be identified and addressed effectively in Nigeria.

Over the years, the focus of policy-makers has been on the conventional system of housing delivery at various levels in Nigeria. The conventional system is the mainstream system and is often referred to as the formal system. The unconventional system comprises the extra-legal practices, referred to as the *informal*<sup>2</sup> system. Rapid increases in housing needs and declines in the formal provision system result in more shortages and growth of informalities in cities (Berner 2001). Thus, the shortages become obvious within the institutional and policy-related contexts in the Nigerian system (Olotuah and Bobadoye 2009, Ibem 2010, Waziri and Roosli 2013, Makinde 2014).

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1 Categories of situation (Edgar, B., J. Doherty and A. Mina-Coull (1999). *Services for homeless people: innovation and change in the European Union*, JSTOR, Springer, S. (2000). "Homelessness: a proposal for a global definition and classification." *Habitat international* **24**(4): 475-484, Tipple, G. and S. Speak (2005). "Definitions of homelessness in developing countries." *Habitat International* **29**(2): 337-352.

2 Unconventional housing provision practices by an individual or collective bodies or actors with attempts to avoid some or most institutional procedures and requirements of the formal institution, although the product meets urgent housing needs, there is obvious evidence of deficiencies. Berner, E. (2001). "Learning from informal markets: Innovative approaches to land and housing provision." *Development in practice* **11**(2-3): 292-307.

In Nigeria, the main policy document is the National Housing Policy (NHP) and its focus is on the formal housing provision system (FRN 2006). In the formal system, housing provision is organised in compliance with institutional procedures. Housing typologies usually include public housing (housing units delivered by Government through its policy instrument), formal private housing (individual householders, owners or landlords who comply with the formal regulations) and housing units delivered through public-private partnership (PPP) (collaboration between Government through its ministries and profit-oriented private developers) (Ojo and Gbadegesin 2017). Therefore, all the formal system outlets for housing provision are entrenched in the NHP procedures in Nigerian cities.

In addition, Government has emphasised its focus on adequacy<sup>3</sup> and housing-for-all over the years. For instance, Government posited in the NHP that its goal would be centred on the following objectives: *tenure security, affordability, accessibility, proximity to services and availability of infrastructure*. Despite government effort, the implementation of the NHP programmes has not been able to reverse the bulk of the housing deficit in Nigerian cities. On several occasions, different Nigerian governments in power have claimed that the housing outputs produced are meant for low-middle income groups. However, high-income groups have been found to transcend the lower classes in making use of the available outputs (Ibem 2010). The primary reason for this is that the low-middle income groups in Nigerian society cannot meet the stated requirements to acquire the housing units provided by the formal system. If housing, as posited by international communities UN-HABITAT (2005) and Tibaijuka (2013), is really a strategic means to drive economic progress, and to be an impetus for poverty alleviation and the foundation of good governance and security, it is necessary to look critically into the problems that hinder adequate provision in the system (Kissick, Leibson et al. 2006).

Moreover, in Nigeria, many urban dwellers are pressurised by persistent changes to the institutional and socio-political systems, demographics and the quest to have a personal residential dwelling (Opoko and Oluwatayo 2014). It thus propels people to embrace a variety of strategies, often referred to as informal strategies (Adebayo 2000, Danmole 2004, Nubi 2008). Consequently, informal housing provision spreads across the cities. Today, substantial urban housing provision (not less than 85%) in Nigeria is

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3 The provision of housing that is safe, secure, accessible, affordable with sanitary necessities as a fundamental human right and as enshrined in the United Nations Habitat Agenda such as No. 4 (1991), No. 7 (1997) and No. 12. The American Convention on Human Rights, the African Charter on Human and Peoples' Rights and the Charter of Fundamental Rights of the European Union.

achieved by individuals, through informal ways, starting from the process of securing production factors (UN-HABITAT 2006, Boleat and Walley 2008, Opoko, Ibem et al. 2015). Although the informal housing system is situated outside the scope of the NHP and is constrained by challenges in production and transaction, it is embraced today more than the formal methods in Nigeria. The pertinent question is thus to identify what the actual problem in the system is which triggers inadequacy.

Therefore, in this study, I investigate the Nigerian housing delivery system in the context of the formal system to unravel the current state of the system and the challenges it faces. In what follows I examine the informal system to identify the missing gaps left by the grassroots actors. The discussion of my investigation will be conducted as follows. Firstly, I report on my examination of the events of housing provision in the formal system in which I performed a desktop analysis of the readily available data via policy documents, building codes, regulations, standards, acts, extant literature and official data, sourced in the Nigerian building industry in order to position the template of the expected formal housing provision in Nigeria. Secondly, I discuss my empirical investigation of the informal system, i.e. the major routes of provision today, and identify the strategies and motivations for the adoption and the challenges faced using a scientific analytical framework. Thirdly, I compare studies of [South Africa](#), [Brazil](#) and [Mexico](#) (which are more or less similar in context to Nigeria) using desktop reviews of extant cutting-edge studies.

My investigation can also be viewed as a process of strategies evaluation in the context of factors of production. In my study I delve into how production factors are procured in the informal market in comparison with the formal system. This is done in order to make appropriate policy recommendations for the improvement of the housing delivery system. As stated by Malpass and Murie (1994) and Jenkins and Smith (2001), the idea of policy recommendations, based on critical and contextual evaluation, would not only improve the adequacy of housing but also sustain the provision cycle which often helps to tap into potential opportunities for productive provision in the housing market.

Existing studies on housing problems and solutions in Nigeria indicate that most of the approaches adopted over the years have been top-down i.e. they focus on what is happening at the top or macro level of the system (Olotuah and Bobadaye 2009). Practical research steps that incorporate housing system diagnoses (critical study) and prescription (policy recommendations) using a bottom-up approach are imperative to unravel the root cause of the problem and choices of policy solutions. This study therefore takes a step towards adopting a theoretical framework, referred to as the New Institutional Economics (NIE) school of thought. This theory recognises the existence of dual institutional systems and the unavailability of data on informal housing markets

(North 1991, Ostrom 2005). On the basis of these results, this study provides insights in the actual nature of housing shortages and provision systems and presents solutions to decrease the shortages. In this study, I also seek to contribute to current knowledge and extend the frontier of existing studies in housing provision, not only in Nigeria but in the whole SSA.

I begin this chapter with an exposition on the interconnectedness of the housing situation and demographic, institutional and socio-economic developments in Nigeria. Specific problem definition and the research main question are discussed in *Section 1.3*. The chapter also presents the research questions, the research objectives in *Section 1.4* and the research aims in *Section 1.5*. It concludes with the outline of the thesis structure in *Section 1.6*.

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## § 1.2 Interconnectedness of demographic, institutional and socio-economic profiles of housing in Nigeria

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In Nigeria, there appears to be a relationship between housing shortages and the demographic, institutional and socio-economic characteristics of the nation when considering the trends of city growth. In terms of demographics, for instance, the United Nations Department of Economics and Social Affairs, (UNDESA 2010, UNDESA 2012) envisaged that world population growth would increase from 3.6 billion in 2011 to 6.3 billion in 2050 and that much of the expected growth would be concentrated in cities of developing countries. According to Onokerhoraye (1995), Cohen (2006), Potts (2012) and UN (2009) examinations of demographic trends indicate that approximately 1.1 billion people would emanate from SSA and roughly 20% from Nigeria. In addition, a review of UNDESA (2012) shows that the rapid growth in the number of people might be more than double within the range of 160 million and about 400 million in the year 2050. Figure 1.1 presents this trend.

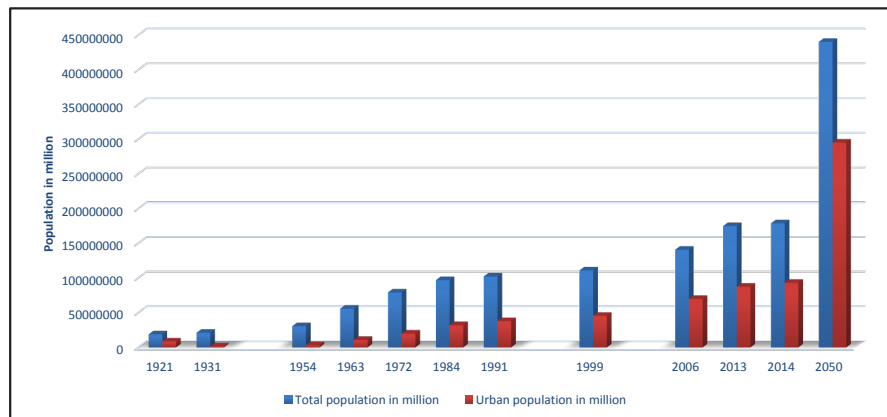


FIGURE 1.1 Nigeria population and urbanisation growth  
Source: (UN 2009, NBS 2013)

According to UN-HABITAT (2010) and Obeng-Odoom (2013), the nation currently experiences a 3.8% annual population growth and a high rate of overcrowding. As a result of this growth, Nigeria’s population is currently the largest in SSA. Studies by Ajanlekoko (2001) and Makinde (2014), and the Federal Government of Nigeria (FGN) report (2004) also indicate that the rapid change in the demographics over the years in cities have manifested in gross inadequate dwelling units. It thus triggers overcrowding, incessant rent increase in the private rental housing market, poor urban living conditions, low infrastructure services, high crime rates and outright homelessness<sup>4</sup>.

Empirical information further established that more than 55% of the total population reside in cities and over 60% of these urban residents live in poor housing conditions (Nwaka 2005, Daramola and Ibem 2010, Onibokun and Faniran 2013). For instance, the population of Lagos alone is approximately 15 million (Centre for Human Settlements and Urban Development (CHSUD) for UN-HABITAT, 2005, p. 3 as cited by Potts (2012)). Currently, this figure is one of the highest in Africa, following a growth rate of urbanisation (65%) in Nigeria. Not only is Lagos the most highly populated city in Nigeria, it is also prominent and peculiar in its status as a multi-ethnic city. (Olukoju, 1993; 2003; 2005)

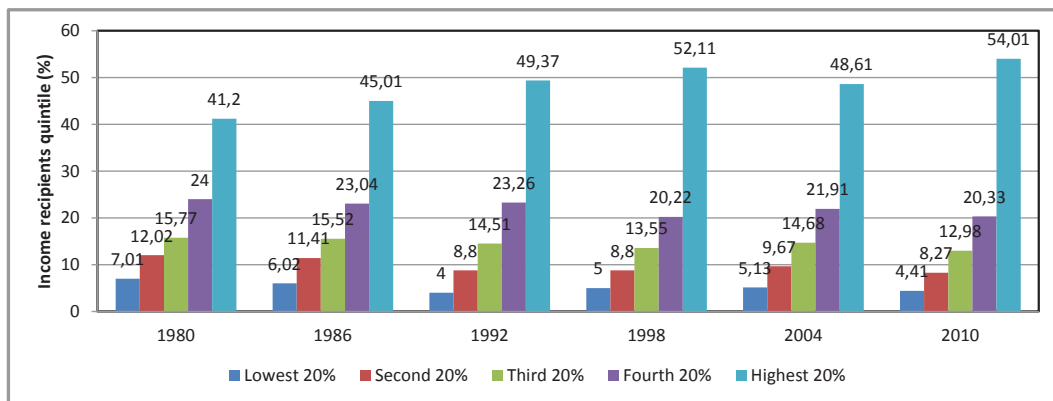
4

Either a specially or hurriedly designed abode in the form of short or long stay, housing in deplorable and insecure places or shackles not fit for human living (Daly, 1994; Springer, 2000; Tipple and Speak, 2005).



Literature in SSA countries describes socio-economic issues in relation to wages as one of the factors that influence housing shortages (Tipple, Korboe et al. 1997, Tipple, Korboe et al. 1999). In Nigeria, wage procedures are associated with the government administrative roles (governance) and mainly concern those who work in government establishments. Limited availability of formal jobs and inadequate wages often force people to depend on informal or casual jobs (UN-HABITAT 2010). The National Bureau of Statistics of Nigeria (NBS 2012, NBS 2013) also reports that there is an increasing rate of annual unemployment in Nigeria. Osalor (2014) indicates that, in 2014, the Nigerian unemployment rate was approximately 23.9%. In Nigeria, currently, unemployment is obvious in cities as many people are engaged in work that is not regular or permanent, and are thus forced to earn an insufficient income to meet their needs. Even among some of the employed categories of the population, the income is not stable. According to Africa Development Bank (AfDB 2011), the average monthly income of most of the employed people in Africa remains within the range NGN75, 000 - 100,000 (\$480 - 645, or roughly \$6,000 - 7,000pa)<sup>5</sup>.

There is also a situation of an increasing pace of inequality in income distribution, thus widening the gap between the rich and the poor (Centre for Affordable Housing Finance in Africa (CAHF 2013)). This is confirmed by the World Bank and Nigerian Federal Office of Statistics' (FOS) database from 1980 to 2010. The quintile income distribution (1980-2010) in Nigeria is presented in *Figure 1.2* to indicate the extent of income disparity.

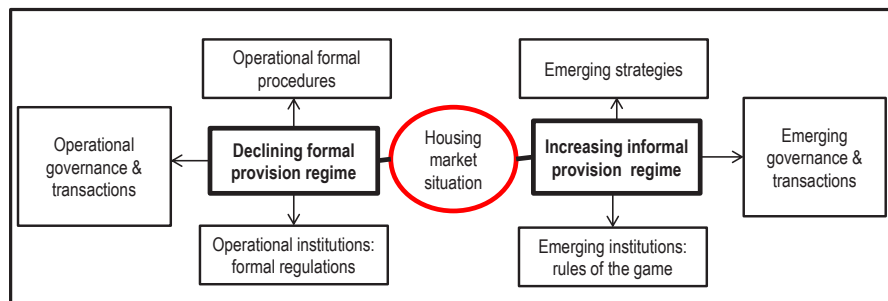


**FIGURE 1.2** Extent of income disparity in Nigeria  
 Source: World Bank database & Federal Office of Statistics, Nigeria (1980-2010)

5 1 US Dollar (\$) = 0.93 Euro (€); 1 US Dollar = 199.25 Nigeria Naira (N) and 1 Euro (€) = 213.54 Nigeria Naira (N) as at November 2015.

As is evident in *Figure 1.2*, there is a wide gap between the highest 20% and the lowest 20% of the income-earners. As a result of the foregoing circumstances, most individual providers aim to provide any form of shelter, if at all, within their capacities, disregarding a complete adherence to the formal institutional requirements in order to satisfy their housing needs.

Moreover, there are observed inconsistencies in the government system of administration over the years, thus affecting housing policy plans in Nigerian cities (Daramola 2006). Evidence of government instability is indicated in Table 2.1. For instance, between 1960 and post-independence eras when military and democratic systems were in control, the trends of administration and policy plans varied in the urban housing programmes. The inconsistencies were most notable during the implementation of housing plans by various political dispensations from 1950s until the era of NHP (1991) across the federation. It is important to note that although all housing plans are carried out within the framework of NHP across the capital cities of the country, outputs have not been able to meet the projection (Waziri and Roosli 2013). In *Figure 1.3*, the urban housing situation is illustrated.



**FIGURE 1.3** Urban housing provision situation in Nigeria  
*Source: Author's illustration from literature in Nigeria*

*Figure 1.3* shows that the housing situation is an expression of the decline in the formal provision system and an increase in the informal system. In addition, I observed that the informal system is facing constraints in the process of provision and in the context of production factors, i.e. land, labour and capital. According to Ajanlekoko (2001), the combined effect of the transaction costs of procedures and unstable per capita income have made it virtually impossible for people to opt for a mortgage due to the associated complex conditions. Consequently, housing shortages continue to increase, especially for the low-middle income people and the poor in Nigerian societies.

More recently, however, four summarised opinions on possible solutions for addressing quantitative or qualitative shortages in the housing market have been proposed (Sule 1990, UN-HABITAT 2010, Mardeusz 2014). They are: (1) providing more formal housing units to avoid informal practices; (2) allowing the observed informal housing within the urban settlements, but initiating an agenda towards improvement in the provision; (3) clearing the informal settlements in the hope that residents will be discouraged and driven away by the loss of their houses; and (4), allowing government involvement in reform plans by subsidising production factors (land, labour and capital) in cities. These topical suggestions often generate debates among stakeholders in the Nigerian urban setting. To recommend an appropriate policy solution that complies with the nature of the system, this study comprises an investigation of the context of the informal provision within the provision chain, compared with the operational formal system template in Nigeria. This leads to the definition of the research problem, objectives and questions.

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### § 1.3 Problem statement and the main research question

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As previously indicated, Nigeria at present has the largest population in Africa and the largest portions of its population focus on living in cities within the country. Nigeria's experience of government involvement in the formal housing provision started solely with the provision of public housing in Nigerian cities, particularly in Lagos, prior to the independence declaration of 1960. In the early years of independence in Nigeria, focus had been on the mainstream and/or conventional housing delivery system, i.e. the formal delivery system. Later, there was a high population growth combined with a decline in the formal housing delivery which led to an increase of housing shortages. It thus triggered the growth of the informal housing delivery system in Nigerian cities. The formal system operates within the context of statutory systems through National Housing Policy (NHP), while the informal market operates deeply within the customary system, often described as the extra-legal system.

In addition, the formal system is unable to provide for the entire population, while the informal system provides a significant portion of the units (about 85%) of the housing today, although some outputs from the latter are characterised by deficiencies. Thus, it implies that housing shortages in Nigeria are orchestrated by dual institutional perspectives in the context of quantity and quality (NPC 2006, Ibem 2010, Ibem, Anosike et al. 2011, Makinde 2014). Against this backdrop, the deficit has grown at an alarming rate, from approximately 8 million in 1991 to an estimated figure of

over 16 million in 2015 (Aribigbola 2000, Aribigbola and Ayeniyo 2012). In addition, circumstances of the formal and informal institutions vary greatly from the mannerism of housing market operations (Gbadegesin, Van der Heijden et al. 2016). Having identified that a policy perspective is a promising answer to the situation of inadequacy, in this thesis, I investigated the formal and informal systems to identify obstacles in the systems and the motivating factors for the proliferation of informal strategies, concentrating on the most densely populated city in sub-sahara Africa (SSA), Lagos. In doing so, I took into perspective the rules, regulations, culture and governance over the years in the contexts of the production factors in the systems. The pertinent question is thus: *How can the Nigerian housing provision be improved and what are the new roles that policy can play to address the housing shortages in Nigerian cities?*

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## § 1.4 Research questions

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To address the main question, the study is guided by six research questions. *Figure 1.4* presents a general overview of this study:

### **RQ1: What are the contexts of the Nigerian housing situation?**

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In response to this question, I elaborate on the influence of politics, population, urbanisation, GDP and GDP per capita on the housing situation in Nigeria. Therefore, the nature of the housing shortages in Nigeria is examined.

### **RQ2: Which theoretical and analytical frameworks are relevant to examine the Nigerian housing provision system?**

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In response to this question, I discuss the place of theories, the theoretical underpinnings and the emerging analytical frameworks for this thesis.

### **RQ3: What is the structural context of the Nigerian housing provision system?**

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In addressing this question, two issues are examined, i.e. the general overview of the housing system structure and the structure from the pre-colonial era to date.

**RQ4: What are the roles played by the government in the Nigerian housing provision?**

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This question will be answered through an investigation of government roles in the actual housing provision and in the formulation and implementation of policy instruments towards provision from the pre-colonial era

**RQ5: Amidst shortages, how do urban residents provide for their housing needs and why?**

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Having raised a question on provision structure in RQ3 and government roles in RQ4, this research question aims to examine the formal and informal housing provision systems. It addresses the strategies of procuring factors of production, land, labour, materials, finance and output management, institutional environment, structure, transactions, motivating factors and the existing challenges. This question also endeavours to explain findings in the context of theories examined in RQ2.

**RQ6: In what direction could possible policy recommendations be made towards an improvement in housing delivery in Nigeria?**

---

The answer to this question emanates from the following sources: (1) findings from RQ1 to RQ5 (2) analysis of the possible solutions to eliminating challenges suggested by both the formal and informal stakeholders; (3) synthesis of possible solutions adopted in similar cases from comparable countries (Southern Africa (*South Africa*), Latin America and the Caribbean (*Brazil and Mexico*)).

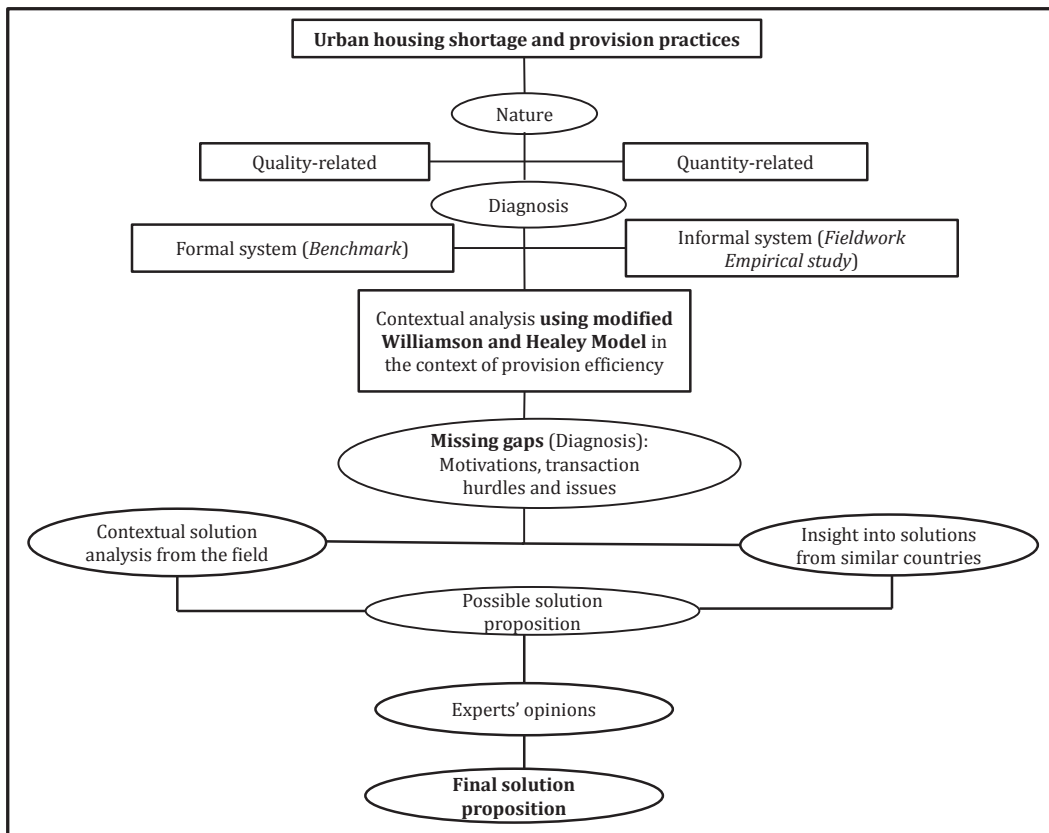


FIGURE 1.4 General overview of the research  
Source: Author's conception

## § 1.5 Aim and significance of the research

As previously stated, this study endeavours to examine and compare the Nigerian formal and informal housing provision systems in order to identify the challenges and motivations within the two systems, using an empirical method and backed with the appropriate theoretical underpinnings. A framework for policy suggestions towards addressing challenges in the Nigerian housing contexts is achieved after deriving lessons from the analysis of similar cases in the selected countries.

## § 1.6 Structure of the thesis

This thesis begins with the background to the research problem in *Chapter 1*. The discussion is centred on the situation of housing, its provision, distribution and the contexts. The chronological arrangement of other chapters in this book is borne out of the themes emanating from the thematic analysis of both primary and secondary data using the adapted analytical framework. Hence, the thesis is organised into *fourteen* chapters.

*Chapter 2* is designated to elaborate on the context of Nigeria, partially mentioned in Chapter 1. It answers research question 1: *What are the contexts of the Nigerian housing situation? In consequence, what is the nature of the provision shortages in Nigeria?* In this chapter, I discuss an in-depth examination of the political, demographic and economic (GDP and GDP per capita) atmosphere of Nigeria and its implications on housing delivery. Trends of the administrative system, population and urbanisation are reported. Through the foregoing synthesis, the quantitative and qualitative nature of delivery shortages, previously mentioned in Chapter 1, are established.

*Chapter 3* looks into the theoretical and analytical frameworks which provide the scientific and central underpinning for this thesis. Having identified the nature of the shortages in Chapter 2, in this chapter I describe the direction of the study as it captures the contexts within the theoretical framework. It answers research question 2: *Which theoretical and analytical frameworks are relevant to examine the Nigerian housing provision system?* It extends the description from the critiques of orthodox theories in extant studies, while explaining its tenets and the associated sub-theories. This chapter also looks into the rationale for the usage of the theory by justifying how the theoretical framework is applicable to all the research questions raised in this study. The sections on the analytical framework establish the context within the theoretical framework, upon which the evaluation of production factors and their mobilisation strategies are done with reference to empirical evidence. It concludes with a presentation of the model adaptation for this study.

In *Chapter 4*, details on research design and methodology are presented. In this chapter, I discuss research techniques and delimitations in the context of data description, target population/groups and the contextual discussion on the basis of the selected study area in Nigeria. The chapter sequentially highlights the data collection methods in the context of the pilot study (exploratory survey; preliminary interview, telephone and literature review conducted), quantitative approach (questionnaire survey conducted), qualitative approach (interview and direct participation/

observation conducted) and desk analysis of secondary information performed. As a justification of the combined approaches adopted, I discuss qualitative and quantitative methods to provide a general and necessary overview of the requirements of scientific research in the built environment. I also look into the aspects of integrity, trustworthiness and ethical consideration as prerequisites in the conduct of research. Furthermore, I report limitations and challenges encountered in the course of the study in the subsequent section of this chapter.

In *Chapter 5*, I aim to answer research question 3: ***What is the structural context of the Nigerian housing provision system?*** This chapter unveils the key elements of the urban housing system. Information presented in this chapter is derived mainly from literature review and synthesis of policy documents. It is interesting to note that these accounts are contextual in nature. The structure of the housing system entails the aspect of the formal and informal system with schematic diagrams. It concludes with the main findings.

In *Chapter 6*, roles played by the government are examined through the analysis of the qualitative data collected and the desk analysis of the secondary information. This chapter aims to answer research question 4: ***What is the role played by government in Nigerian housing provision?*** My approach to this question is purely an analysis of the historical antecedents from extant studies and retrieved documents from housing ministries. The observations are closely connected to changes in the government administrative system (change in institutions). Therefore, I present this discussion in two contexts: (1) roles played in the specific housing units provided and (2) roles played in the housing policy/other policy instruments formulation in the contexts of land, labour and capital. In doing so, the evaluation of the events from the past until present administration is done.

To answer research question 5: ***Amidst shortages, how do urban residents provide for their housing needs and why?***, the following strategies are addressed: procuring factors of production, land, labour, materials, finance and output management, institutional environment, structure, transactions, motivating factors and the existing challenges. This question also endeavours to explain findings in the context of theories examined in RQ3. Therefore, this question is analysed and discussed in 4 chapters; Chapters 7, 8, 9 and 10.

*Chapter 7* answers the question carved out of research question 5: ***What are the strategies adopted in Nigeria to provide housing amidst housing shortages in the formal system and why (motivations and challenges)?*** It comprises the analysis and discussion of the existing strategies of the formal housing provision system. It includes strategies, rules of the game, governance and transaction activities of actors and the outputs. The



analysis in this chapter is based on the adapted analytical model that incorporates production factors, strategies, structure and institutions in Chapter 3.

In *Chapter 8*, the answer to research question 5 continues but refers to the informal system: *What are the strategies adopted in Nigeria to provide housing amidst housing shortages in the informal system?* It comprises the evaluation of the informal strategies through the empirical study approach (field work). I analysed the transcribed interviews by following a thematic approach. It includes land acquisition and the institution, finance strategies with emergent themes on cooperatives and other informal methods. I also analysed and discussed the context of human and material resources. It also includes the governance, institutional environment and transactions. The analysis in this chapter is based on the adapted analytical model that incorporates production factors, strategies, structure and institution in Chapter 3.

In *Chapter 9*, the discussion of the “why” (motivation and challenges) in the informal provision system is triggered by the question: *Why is it that informal housing provision strategies grow in Nigerian cities? Are there obstacles that confront the informal provision routes?* The chapter dwells on motivations for the land acquisition strategies, informal finance, human and material procurement methods identified in the production processes as identified in Chapter 8 in the process of pre-construction, construction and post-construction processes (management; renting, sales, environmental services such as road, water, security etc.). It also includes the identified challenges.

In *Chapter 10*, I scientifically discuss the contextual findings in the Nigerian housing provision system in the context of theories in order to suggest possible policy solutions. The chapter is devoted to the application of the theoretical underpinning. The chapter addresses the question: *How can findings in the Nigerian housing systems be theorised?*

Having diagnosed the sequences of events in the Nigerian housing provision in Chapter 10, Chapter 11 answers research question 5 which concentrates on the pinnacle of the way forward (prescription) to address the challenges. In doing so, I devote this chapter to the personal observation from the analyses and analysis of the stakeholders’ responses.

In Chapter 12, I discuss the comparative studies with South Africa, Brazil and Mexico because they have nearly similar cases, although not perfectly the same, due to contextual differences. This is done with a view to offering insight into their experiences. I considered this approach necessary in order to gain an insight into similar cases of housing challenges and how they are tackled, with particular attention

on land, finance and informal settlements, using desk-analysis of policy documents and extant studies on housing delivery.

Finally, Chapter 13 is devoted to the proposed solutions' framework in the context of the findings. For a clearer connection between the identified challenges in Chapter 9, I highlight the challenges before proposing solutions. I arrive at a proposed comprehensive framework for possible policy solutions with a view to addressing the Nigerian housing shortages and informal practices after consultations with experts.

Chapter 14 is the final chapter of the thesis which contains a summary of findings, reflection on the theories, conclusion and recommendations. Figure 1.5 presents the overview of the layout.

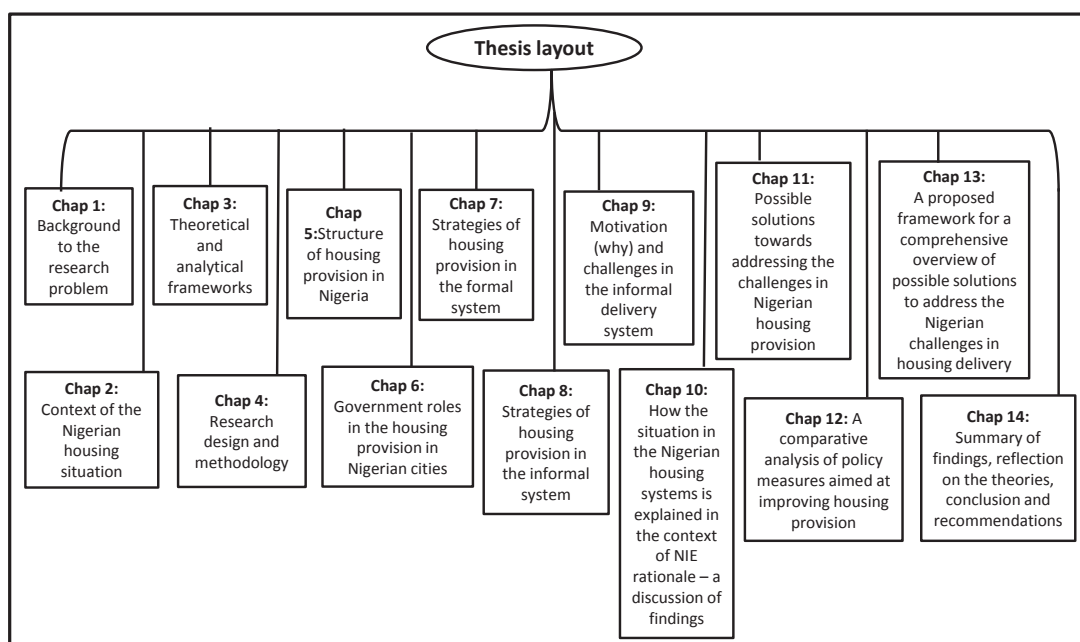


FIGURE 1.5 Overview of chapters  
Author's conceptualisation (2017)



## 2 Context of the Nigerian housing situation

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### § 2.1 Introduction

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Chapter 1 introduced the background to the research problem. Therefore, for the purpose of the study contextualisation and understanding of Nigeria's contexts, this chapter provides insight into the background information on the country of the study and implications on the housing delivery system. It also provides the dimensions of provision shortage. It thus seeks to answer research question 1: *What are the contexts of the Nigerian housing situation?* Thereafter, the nature of the provision shortages in Nigeria is unveiled.

It is necessary to provide all the contextual information from the pre-colonial era to date in order to have a deeper understanding of other research questions highlighted in Chapter 1. It starts with the discussion on the political and administrative system in Section 2.2, followed by information on demographics and economy. The implication of the contexts is analysed and explained under each section. In Section 2.5 the dimension of the provision shortages in Nigeria is analysed and discussed. The schema of the chapter is shown in Figure 2.1.

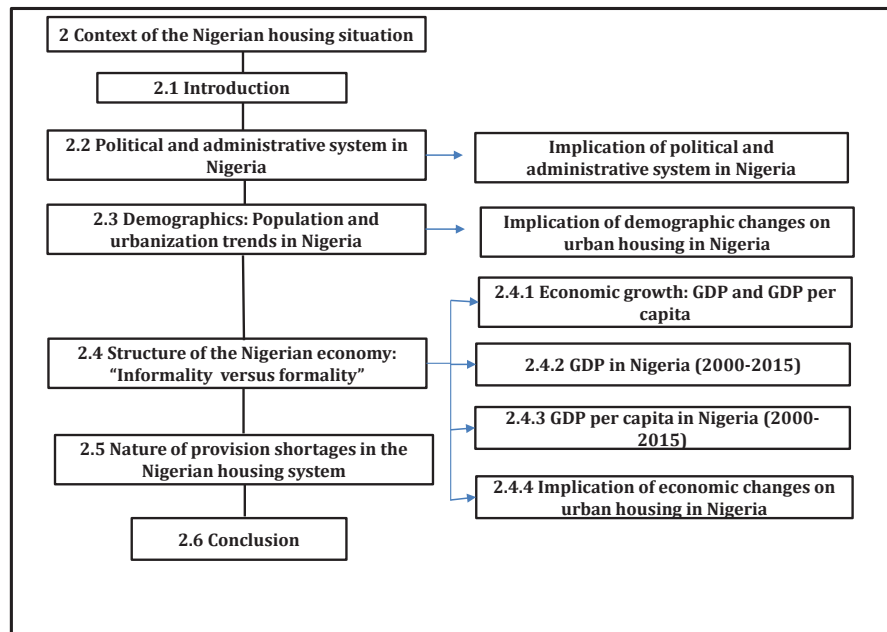


FIGURE 2.1 Overview of Chapter 2

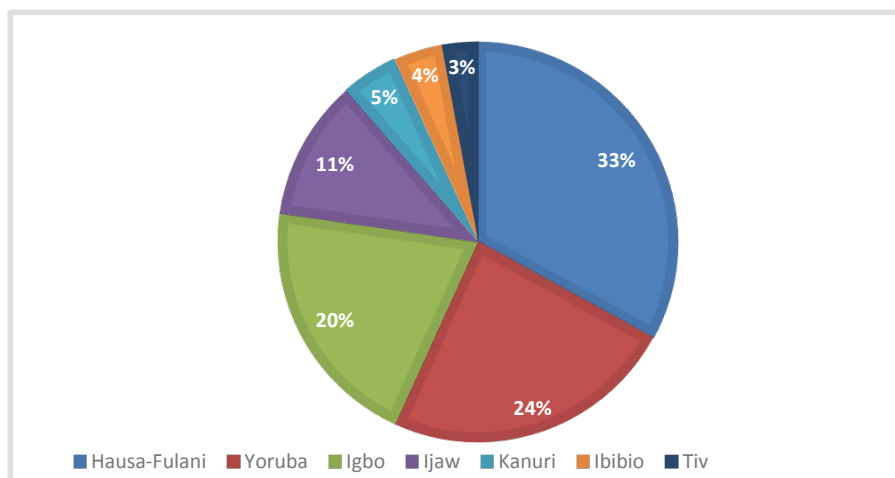
## § 2.2 Political and government institutional (administrative) system in Nigeria

Nigeria is one of the major countries in the SSA, located in the western part of Africa. Nigeria's political system can be viewed from three perspectives: political era, political identity and political administration. My explanation of political era is classified into three, namely the pre-colonisation era, colonisation era and independence era.

In the pre-colonisation era, Nigeria fell under traditional and ancient governance of kingship, villages and community-based leadership. The pre-colonisation era was the time when the African continent was fraught with inter- and intra-ethnic and community wars. These periods are referred to as dark ages when modern knowledge, education and civilisation eluded humanity. During this period, there were kingdoms including the Oyo, Benin, Nupe, Jukun, Kanem-Bornu, Hausa-Fulani empires and others. The periods were characterised by voodooos and taboos until the late 18<sup>th</sup> century when Africa was visited by foreigners.

Later on, foreigners came as missionaries with the intention of assisting the country in the areas of health and education. This period is described as the colonial era. Falola (1998) and Kane (2003) indicate that there were activities of transatlantic slave trade which transpired among the Portuguese, Dutch and British between the 15<sup>th</sup> and 18<sup>th</sup> centuries. Subsequently, colonial administration established the government administration as the entire system was manned by expatriates from Europe until 1960 (Okpanachi 2010). Thereafter, the British colony orchestrated the unification of Nigeria towards the formation of a federation (Douglas 2004).

In relation to the independence era, Nigeria became a federation referred to as the Federal Republic of Nigeria (FRN) by the declaration of independence in 1960. Since then the nation has been under different political dispensations. The political identity has to do with tribal and regional affiliations. There are approximately 374 identifiable ethnic groups, with the Igbo, Hausa, and Yoruba as major ethnic groups (NFS 2001). UN-HABITAT (2008) indicates that more than 50% of the population is distributed among these major ethnic groups. Figure 2.2 shows the proportion of the main ethnic groups in the order of population in Nigeria.



**FIGURE 2.2** Proportion of ethnic group population in Nigeria  
 Source: Central Intelligence Agency (CIA) (2002) World Fact Book data.

At present, Nigeria is made up of 36 states and a Federal Capital Territory (FCT), Abuja. The country is grouped into six geopolitical zones: North-Central, North-East, North-West, South-East, South-South and South-West. There are also 774 constitutionally recognised local government areas (LGAs) in the country.

In the context of political administration, Nigeria has been ruled by both military and elected administrations over the years. Table 2.1 presents the details. Elected administration is a civilian rule, and in political terms, is described as a democratic system of government. In Table 2.1, it is indicated that since the departure of colonial administration, both military and civilian administrations have ruled Nigeria in almost equal proportions. During the military administration, the decree was the main institutional instrument. Many policy instruments were promulgated in decree, for example, the Land Use Decree, now Land Use Act of 1978.

### § 2.2.1 Implication of the political system on the Nigerian housing delivery system

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The incidents of inconsistent political administration undoubtedly influenced various policy decisions in Nigeria. For instance, the results of the interview reveal that national housing plans under the national development plans could not achieve the targeted housing units in each year of the plan due to the lack of continuity.

*“We cannot shy away from the fact that lack of stability in the government and political system causes set-back to housing programme. Every government wants to have different programme immediately they assume office...I mean, it is an issue!” (Assistant Director and legal practitioner, Ikeja, Lagos).*

In other related responses:

*“One of the problems not only in housing delivery, but also in education and economy policy plans that I can see in Nigeria is our party-system government. I think we are not mature enough to practice a civilian system because a change of government from one party to another always results in a situation when the new administration discontinues with the plans of the former one.” (Senior lecturer, Lagos State University, Lagos).*

*“How can we achieve a reasonable housing delivery for that matter?” (Independence private practitioner, architect, Lagos Inland).*

In addition, there have been cases of coup d'état and insurgencies which impeded the implementation of development programmes such as housing provision. A good example is the coup after the independence which led to a civil war that lasted until the 1970s. This caused a disruption in the implementation of the second national housing plan (FRN, 1991). The essence of discussion on ethnicity is that the understanding of the proportion of ethnic groups and the cultural institutions can be helpful while

examining the influencing factors in the housing delivery system in Nigeria. While considering the implication of cultural diversity, responses from interviews indicate the following:

*“I want to personally believe that lack of consideration for cultural background and ethnicity affected the success of housing delivery through the NHP of 1991, then, especially in the northern Nigeria. Because, by virtue of the society over there, the tribes are used to their own house design. So it might be wrong to assume the same design for all regions in Nigeria, I think.” (Building contractor, raised in Northern Nigeria, resident of Lagos).*

TABLE 2.1 Trends of government administration in Nigeria

PERIOD OF RULE	Head of State/Presidents	Administration Type	Ethnic Origin	How administration ended
1960-66	Balewa	Civilian	Hausa (North)	Attempted coup assassination.
1966	Ironsi	Military	Igbo (South)	Coup/Assassination
1966-1975	Gowon	Military	Angas/Middle Belt (North)	Coup
1976-1979	Mohamad	Military	Hausa (North)	Attempted coup assassination
1979-1983	Shagari	Civilian (Democratic)	Fulani (North)	Coup
1984-1985	Buhari	Military	Fulani (North)	Coup
1985-1993	Babangida	Military	Nupe, Minority group in Niger State (North)	Elections results nullified in June 1993, stepped down in August 1993
1993	Shonekan	Civilian (Interim Govt.)	Yoruba (South)	Coup
1993-1998	Abacha	Military	Hausa (North)	Presumed heart attack
1998-1999	Abu-Bakar	Military	Nupe, minority group in Niger State (North)	Election
1999-2007	Obasanjo	Civilian (Democratic)	Yoruba (South)	Elections after serving two consecutive terms
2007-2009	Yar'dua	Civilian(Democratic)	Hausa (North)	Election, died during tenure
2010	Jonathan Goodluck	Civilian (Democratic)	Bayelsa (South-South)	Parliament delegated powers after Yar'dua demise
2010-2015	Jonathan Goodluck	Civilian (Democratic)	Bayelsa (South-South)	Election
2015-	Buhari	Civilian (Democratic)	Hausa (North)	Election

Source: Author's compilation



Table 2.1 shows that in Nigeria, after the independence of 1960, there are four eras of civilian administrations under different executive leaders: (1960 – 1966; 1979 – 1983; 1993; 1999 to date).

## § 2.3 Demographics: Population and urbanisation trends in Nigeria

It was found in the review that both the national and international demographic reports show that Nigeria has experienced a high population growth over the years. In addition, it was also observed that there was a rapid growth in population in the 1980s which was attributed to a drop in child mortality rate and an increase in birth rate (National Population Commission, NPC 2006). This is confirmed by comparing the population figure of 1950 which was approximately 37,860,000 to the recent population figure of about 160 million (UN 2012, The World Factbook 2013). The annual growth rate of Nigerians is now within 3.2% - 3.8% (National Bureau of Statistics, NBS 2016). According to The World Factbook (2013) there is a consistent growth in population in Nigeria as presented in Figure 2.3.

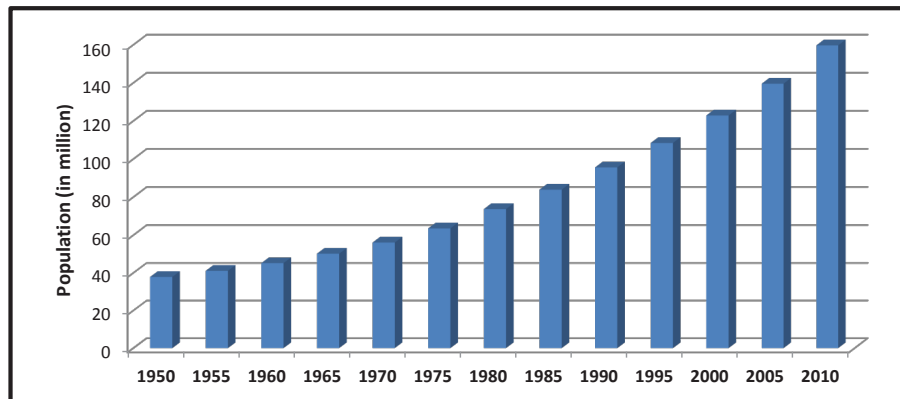


FIGURE 2.3 Trends of population growth (1952 - 2010)  
Sources: UN (2012), The World Factbook (2013)

The population trend in Nigeria is growing progressively. From 1952 to 2010, there has been a noticeable growth in population across ages. The changes are reported at five year intervals. Figure 2.4 provides the details.

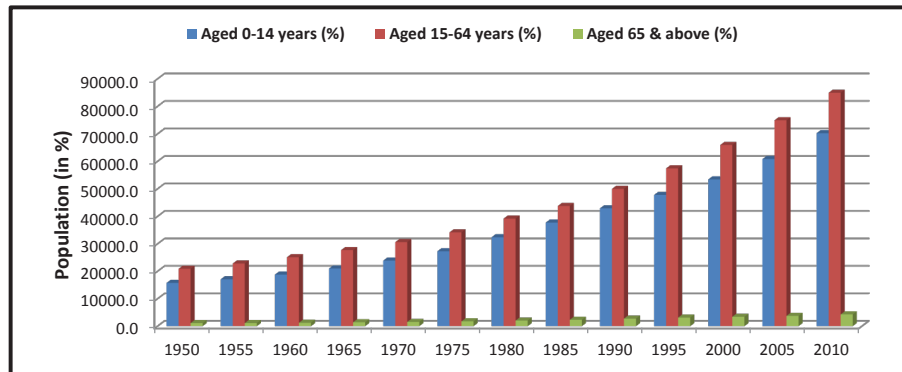


FIGURE 2.4 Five yearly population trend based on age (1950 - 2010)  
Source: *The World Factbook (2013)*

The largest proportion of population as depicted in Figure 2.4 is within the age ranging between 15 and 64 years of age.

There is a growing fear that more rapid growth will occur. For instance, the UN (2012) indicated that Nigeria would reach populations of 440 million and 914 million by 2050 and 2100 respectively. Further description of the Nigerian population, based on urban and rural proportions in 1990, 2014 and projected for 2050, is illustrated in Table 2.2. The proportions of urban population in the selected years are indicated in the fourth column of the table.

TABLE 2.2 Proportion of urban and rural population in Nigeria

YEAR	Total population	Urban dwellers population	Urban population (percent)
1921	18,720,000	842,400	4.5
1931	20,956,000	1,404,052	6.7
1952/1954	30,402,000	3,101,004	10.2
196	55,670,000	10,688,640	19.2
1972	78,927,000	19,810,677	25.1
1984	96,684,000	31,906,000	33.0
1991	101,900,000	37,703,000	37.0
1999	110,650,000	45,366,500	41
2006	140,431,790	69,654,168	49.6
2013	174,507,539	87,253,769.5	50
2014	178,517,000	92,828,840	50
2050	**440,000,000	294,800,000	67

Source: (UN 2014, NBS 2016)

In addition, a cause of the growth in urban population is how people move *en mass* from rural areas to urban centres (Muggah 2012). One of the main reasons for the exodus of people is their desire for better lives and opportunities (Celik et al. 2009, O'Neill et al. 2012). A report by World Bank (2013) indicates that there is a higher concentration of population in cities. While Table 2.3 gives the overview of the population in the world largest cities, Figure 4.5 indicates the population figures of key cities in SSA.

TABLE 2.3 Comparison of the world's largest megacities (1970 and 2015)

1970 POPULATION (MILLION)			2015 POPULATION (MILLION)		
S.NO	Urban agglomeration		S.NO	Urban agglomeration	
1.	Tokyo, Japan	16.5	1	Mumbai (Bombay), India	28.2
2.	New York, US	16.2	2	Tokyo, Japan	26.4
3.	Shanghai, China	11.2	3.	Lagos, Nigeria	23.2
4.	Osaka, Japan	9.4	4.	Dhaka, Bangladesh	23.0
5.	Mexico City, Mexico	9.1	5.	São Paulo, Brazil	20.4
6.	London, England	8.6	6.	Karachi, Pakistan	19.8
7.	Paris, France	8.5	7.	Mexico City, Mexico	19.2
8.	Buenos Aires, Argentina	8.4	8.	Delhi, India	17.8
9.	Los Angeles, US	8.4	9.	New York, US	17.4
10.	Beijing, China	8.1	10.	Jakarta, Indonesia	17.3

Source: UN (2012), World Bank (2013)

Compared with other large cities around the world, Lagos has been reported to be the third largest city in the world (23.2 million) after Tokyo, Japan (26.4 million) and the first in SSA as at 2015, followed by Kinshasa, Democratic Republic of Congo (9.4 million) (UN-DESA 2000).

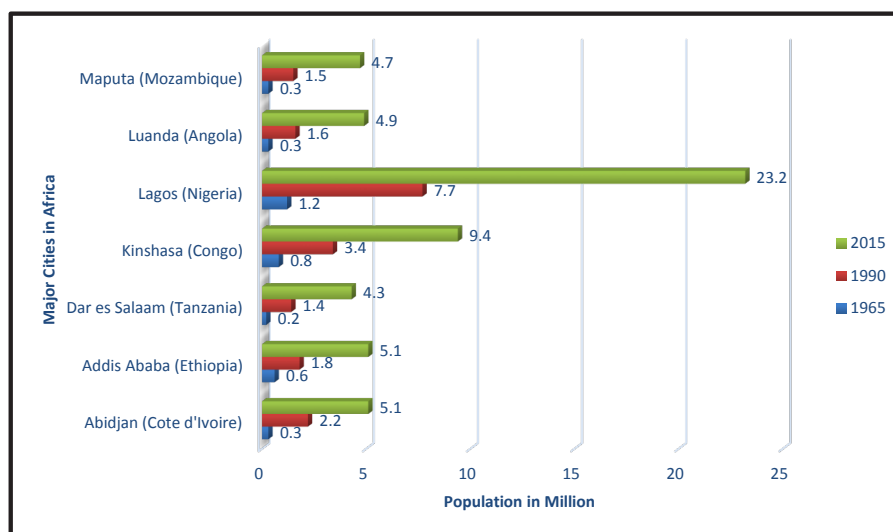


FIGURE 2.5 Lagos urbanisation rate among other major cities in Africa

Source: (Brockerhoff 2000, UN-DESA 2000)

The UN report complements George's (2010) report that in Lagos specifically, the trend of population between 1901 and the last census exercise in Nigeria in 2006 grows geometrically as shown in Figure 2.6.

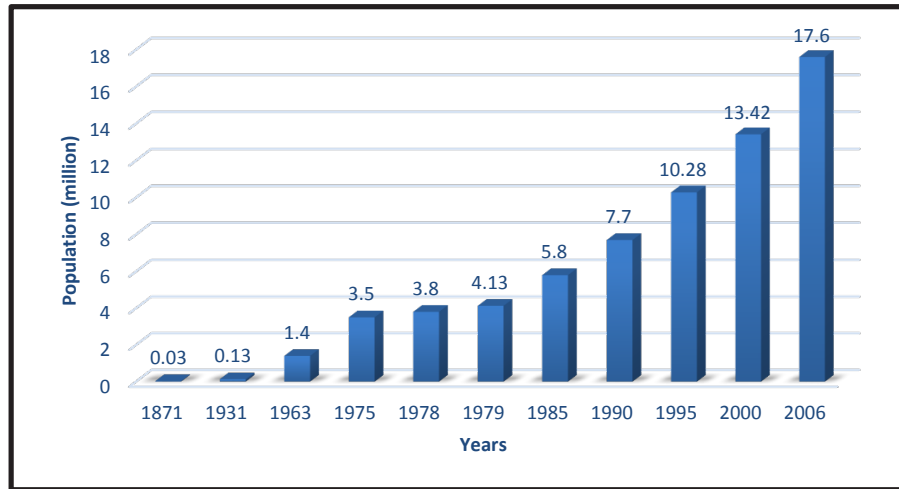


FIGURE 2.6 Trend of population growth in Lagos, Nigeria  
Source: George (2010), Oshodi (2010)

Figure 2.6 shows that there is an increasing trend in urban population, thus signalling an increasing demand for housing units per year. I propose further that the need for policy solutions for an extended delivery is incontestable in Nigerian cities.

### § 2.3.1 Implication of demographic changes on urban housing in Nigeria

As previously indicated, it is evident that the changes in demographics including urbanisation create pressure in cities.

*"...I think something needs to be done to expunge some portions of population to a prepared location. The idea of new and satellite towns could be revisited. There is no point in making people focus on cities because this tells on housing adequacy" (Senior lecturer and researcher in Urban and Regional Planning, YABATECH, Lagos).*

According to the Assistant Director and architect at the Ministry of Housing:

*“...why can't we get land through the section of LUA, develop low cost housing and provide all infrastructure that encourages people to move from the cities centres to the periphery to tackle unnecessary urbanisation?” (Alausa, Ikeja).*

In the light of the demographic growth, housing is inadequate to match the demand, thus causing overcrowding (Filani 2012, Opoko and Oluwatayo 2014). In addition, a direct violation of planning principles has emerged. As identified by Mabogunje (2002) and Aribigbola (2000) there is still more to be done in the areas of housing and urban infrastructure maintenance, crime management and environmental health.

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## § 2.4 Structure of the Nigerian economy: “Informality versus formality”

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The result of the review proves that the structure of the Nigerian economy can be classified into two sectors: formal and informal (Behar, 2013). Further exploration of existing studies confirms that informal economic activities in Nigeria have been used for many years, since individuals had to learn to fend for themselves within the limits of their resources. During those years, individuals were used to petty businesses, operating on a small scale without any specialised skill. The basis of the activities was to generate basic income for survival and family sustenance.

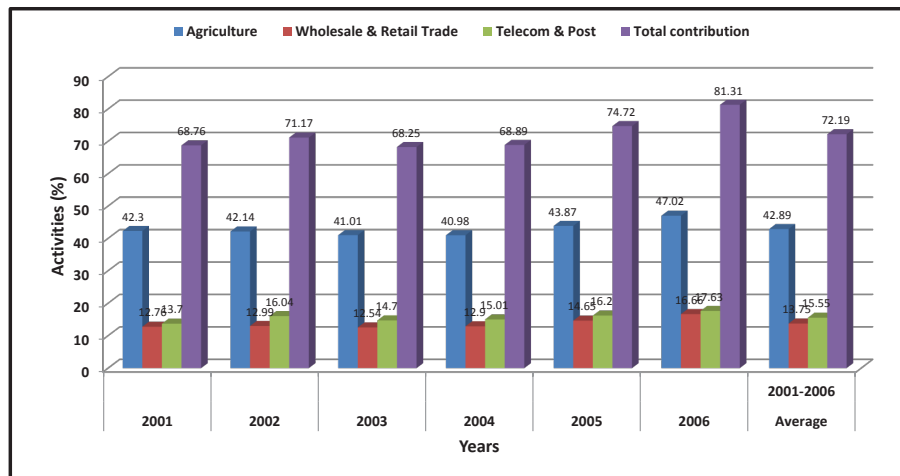
Over the years, informal sectors have gained ground as a legitimate route, especially during the era of structural adjustment programmes and campaigns for individual empowerment. As time passes, different interpretations have been ascribed to informal economic activities. However, the popular definition differentiating informal from formal economic activities is captured in the official description in the Seventeenth International Conference of Labour Statisticians (17<sup>th</sup> ICLS) in November/December 2003, by the Expert Group on Informal Sector Statistics (Delhi Group), which complements the 15<sup>th</sup> ICLS Resolution, as follows:

*“The informal sector may be broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at a low level of organisation, with little or no division between labour and capital as factors of production and on a small scale. Labour relations – where they exist – are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees”.*

In the Nigerian context, Fapohunda (1985) includes the following features in the description of informal activities: easy entry and exit in and out of fold, small scale of operation with smaller capital base, and dependence on locally fetched factors of production. In most cases, because informal activities are often family-driven enterprises, remuneration is low and there is a lack of security and insurance cover (Obadan et al. 1996). Interestingly, informal activities have dominated every nook and cranny of many cities in Nigeria. Duru (2012) and Yusuf (2014) point to few labour requirements, unrestricted ownership procedures, opportunities for partial compliance with standard, possibility of offering low wages and evading tax as the reasons for the growth in the informal economic sectors.

In the 1980s, the agenda of the then government on Structural Adjustment Programme (SAP) was originally introduced to improve the economy. However, SAP led to the growth of informal economy because many indigenous manufacturing organisations could not afford the cost of foreign exchange in the course of importation of raw materials. The insufficient capacity led to utilisation of local resources produced informally. As a result of the lack of a specific mode of operation, people were making efforts to create business ventures for themselves without any formal approval. Consequent to the move, the Nigerian economy has been driven through the contribution from the informal sub-sector. Often in Nigeria, estimates of household spending are used to determine the input of informal economy in the system, since there are no clear records of informal activities. It is also rarely possible to determine the actual incomes generated by a household due to many informal business activities undertaken without documentation. Yet, evidence shows that informal sectors contribute significantly to the economy.

In this section, the literature review is restricted to specialised reports and studies on the contribution of the informal sector to the economy, yet most of the resources indicate a range above 50% of GDP. For instance, in a survey conducted by Ajakaiye et al. (2015) in connection with the Central Bank of Nigeria (CBN) and NBS, it was revealed that Nigeria's economy comprises more than 50% of inputs from informal sectors. Figure 2.7 shows the contribution of informal sector activities to Nigeria's economy between 2001 and 2006.



**FIGURE 2.7** Contribution of informal sector activities to GDP (share in total %)  
 Source: CBN Annual Report and Statement of Accounts (2006)

As previously reported, there is no clear and accurate data for the informal sector. Therefore, results revealed in Figure 2.7 are based on the approximate estimates in percentage calculation.

Similar to the CBN report, a study on size and causes of the informal sector in Nigeria was conducted more recently by Ogbuabor and Malaolu (2013). The results revealed that since 1970 the size of the informal economy has hovered between 53.6% - 77.2% of GDP, and that the average size of the informal economy was about 64.6% of GDP. Essentially, this means the informal sector was approximately two-third of GDP between 1970 and 2010. It was also found that unemployment, tax burden, government regulation and inflation are the most important drivers of informality in Nigeria. The size of the informal sectors estimated between 1970 and 2010 is presented in Figure 2.8.



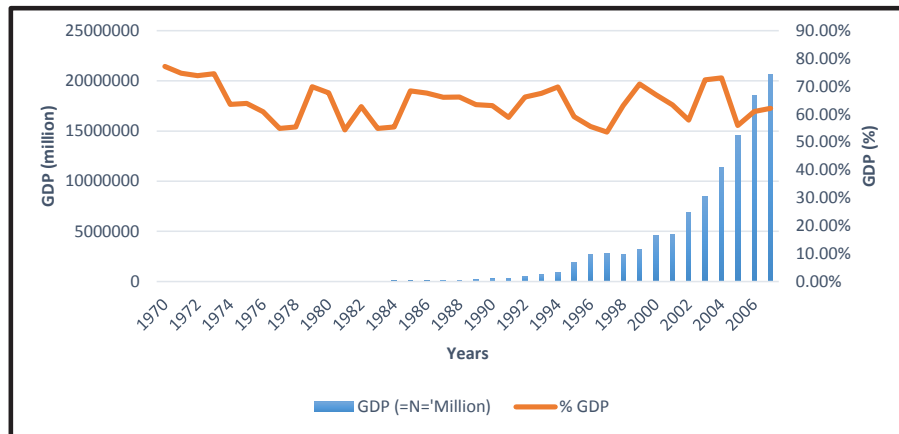


FIGURE 2.8 Trends of Nigerian informal sector size  
 Source: CBN (2010) and Ogbuabor and Malaolu (2013)

Therefore, to elaborate on the implication of the economy on housing in Nigeria, I discuss the status of GDP, GDP per capita and Gini index in the following sections.

### § 2.4.1 Economic growth: GDP and GDP per capita

After a series of reviews on the state of the Nigerian economy, it has been found and is supported by Ajakaiye et al. (2015) that before the discovery of oil in Nigeria, the country had been depending on agriculture, predominantly cocoa, as the main source of revenue. According to the authors, following the discovery of oil in 1956, Nigeria’s revenue accounted for approximately 90% of the total exports and roughly 75% of the country’s entire budget. In recent years, the contribution of oil to GDP has reduced drastically as a result of crises within the Nigerian petroleum industry and in the global oil market. As reported by NBS (2016), and as represented in Figure 2.9, there was a decline in production from 2.29 million barrels per day (mbpd) to 2.11 mbpd.

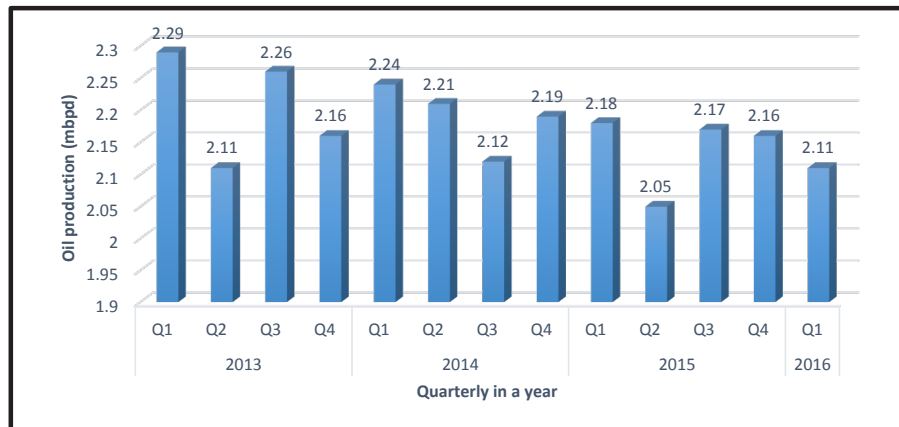


FIGURE 2.9 Oil production trend, quarter one, issue 9 (2016)  
 Source: National Bureau of Statistic, NBS (2016)

In Figure 2.9, the decline in oil production in mbpd is obvious from the first quarter of 2013 to the first quarter of 2016 when oil production stood at 2.11 mbpd. The decline was not only related to output but also to price which lead to a decrease in GDP. The components of the oil sector, also referred to as mining and quarrying, include crude petroleum, natural gas, coal, metal and other mineral resources. The era of an oil-driven economy is flying away as it was reported by NBS (2016) that the oil sector contributed just 10.2% and non-oil sectors which include agriculture (crop production, livestock, forestry, fishing), trades and telecommunications and information services, manufacturing, construction and other related sectors contribute 89.17% to the real GDP. Therefore, in this study, I examine the reaction of GDP, especially in the 21<sup>st</sup> century, in the context of GDP values and GDP per capita growth rate.

## § 2.4.2 GDP in Nigeria (2000 - 2015)

The GDP values in Nigeria between 2000 and 2015 indicate that the country has experienced two distinct eras of economic growth, i.e. between 2000 and 2008, and between 2010 and 2014. The reason for the fall in GDP in 2008 was attributed to the global economic crisis. In 2014, Nigeria's economy slipped into recession, resulting in a deep decline in GDP until now. Figure 2.10 presents the trend of the growth.

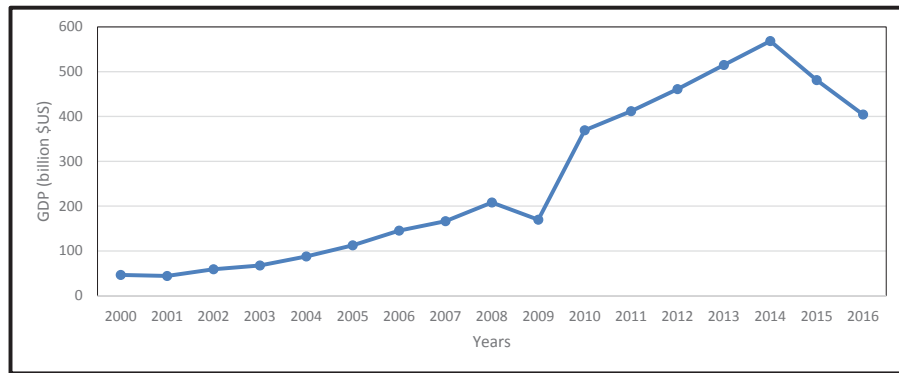


FIGURE 2.10 GDP in Nigeria (2000 - 2015)

Source: Source: World Development Indicators (WDI) (WorldBank 2017). <http://data.worldbank.org/data-catalog/world-development-indicators>.

### § 2.4.3 GDP per capita in Nigeria (2000 - 2015)

The GDP per capita shows the same trend as the GDP, but the increase is less. This is caused by population growth. But there is a substantial growth. The problem is that this growth is not 'proportionally distributed'. In other words, as a result of the explosive growth in population during the 2000s, purchasing power generally was affected as the increasing GDPs were not proportionately distributed on the basis of income per head, despite an improvement in the economy as indicated in Figure 2.10. The trend of GDP per capita is shown in Figure 2.11

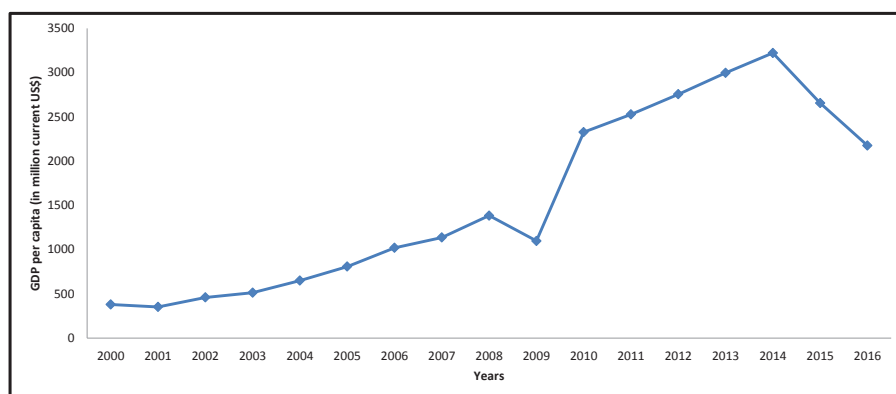


FIGURE 2.11 GDP per capita in Nigeria (2000 - 2015)

Source: Source: World Development Indicators (WDI) (World Bank 2017). <http://data.worldbank.org/data-catalog/world-development-indicators>

GDP per capita has increased but not everybody has profited from this increase because of income inequality (Ogbeide and Agu 2015). The observed gaps in the wages of working groups in Nigerian societies are presented in Table 2.4 in the form of quintile income and Gini-index between 1980 and 2010.

TABLE 2.4 Quintile income distribution and Gini-Coefficient Index (1980 - 2010)

INCOME RECIPIENTS QUINTILE %	1980	1986	1992	1998	2004	2010
Lowest 20%	7.01	6.02	4.00	5.00	5.13	4.41
Second 20%	12.02	11.41	8.8	8.8	9.67	8.27
Third 20%	15.77	15.52	14.51	13.55	14.68	12.98
Fourth 20%	24.0	23.04	23.26	20.22	21.91	20.33
Highest 20%	41.2	45.01	49.37	52.11	48.61	54.01
Total	100%	100%	100%	100%	100%	100%
Gini Index	34.18	38.68	50.0	53.0	42.93	48.83

Source: World Bank database and Federal Office of Statistics, Nigeria.

Gini indexes in the period 1980 - 2010 indicate a high rate of inequality. The expected Gini coefficient for an economy that has moderate equitable income distribution is stated as being between 20% and 35% (Adegoke 2013, EuroMonitorInternational 2011). Values within this range imply that there is a minimum level of income inequality among people and vis-a-vis their job categories.

## § 2.4.4 Implication of economic changes on urban housing delivery in Nigeria

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Considering the behaviour and trend of Nigeria's GDP as indicated in Figure 2.10, it is inferred that the housing situation in Nigeria is socio-economic as well as institutional in nature. For example, the study by Sulaiman et al. (2014) is a confirmation that although structural adjustment programmes (SAP) in Nigeria in the 1980s and economic crises have contributed at a low level to an increasing number of urban socio-economic conditions with spill-over effects on housing, the implication is that there is a need for an institutional perspective into the study. In addition to the foregoing findings in existing literature, responses from the interview include:

*"Socio-economic situations are parts of the issues that affect many people which also contribute to the way people build houses. It also has to do with people's attitudes in rental housing." (Landlord, Badagry, Lagos).*

*"...if we want to complete the story of shortages in housing in cities like Lagos, I think we should include the angle of oro aje (people economic status). Because today ita ore rin (society does not smile at people), in a situation where one just has to think of what to eat even before paying rent or build houses." (Tenants, Ikorodu).*

As previously illustrated in Figure 2.8, the informal sector contribution to the growth of GDP indicates that people are able to live through informal business activities. In tandem with existing studies, the new roles that policy can play on wages in SSA is recommended (Tipple et al. 1997, Tipple 2015).

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## § 2.5 Nature of the provision shortages in the Nigerian housing system

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Having examined the contexts and the influence on housing provision in Nigerian cities, this section provides an answer to the question: *What is the dimension of the provision shortages in Nigeria?*

I observed from the results of the review and analyses that the housing shortages in Nigeria are two dimensional, qualitatively and quantitatively. Existing studies (Agunbiade 1983, Makinde 2014), policy documents (FRN 2006, NPC 2006) and the empirical work in this thesis triangulate at this juncture. For instance, one interviewee indicated the following:

*"...I can say that housing delivery challenges in Nigeria have two legs; the quantitative, in terms of more provision in numbers and qualitative in terms of provision in the quality and standard. I can say that the two are talking of adequacy in cities like Lagos and this is the problem we have regarding housing in most Nigerian cities today."*  
**(Practising estate surveyor and valuer, Jide Taiwo and Co).**

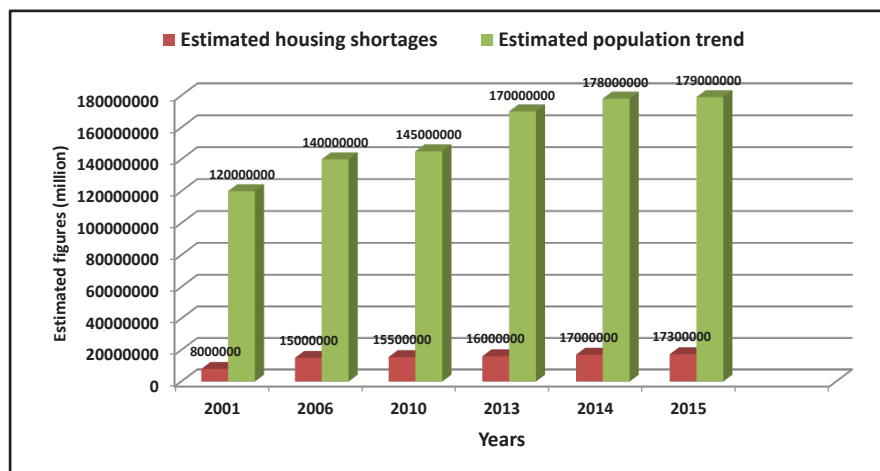
Existing housing units and shortages in Nigeria are usually estimated during the year of national census. In the aspect of existing housing units, for instance, Achunine (1993, also cited in UN-HABITAT 2001) detailed the estimated total of 15,221 million units in both rural areas and urban centres (rural, 11,848 million units; urban, 3,373 million units) as follows: rooming/tenement housing (74%), detached houses and bungalows (17%), flats and similar types in the categories (3%), and maisonette, duplex and semi-detached (1%). In the estimation, rooming apartments topped the lists of existing housing units. The lowest of the housing units in the city was maisonettes, while the lowest in the rural areas includes maisonettes, duplexes and flats. In addition, in most rooming accommodation, landlords and tenants are living together (Abiodun 1999). In the last enumeration of 2006, the government official records put the total number of existing houses at 28,197,085 of varying standards such as houses on separate stands (50.6%), traditional hut structures made of traditional materials (13.9%), flat in block of flats (9.7%), semi-detached houses (9.7%), rooms/let-in houses (13.6%), improvised dwellings (0.5%) and others (1.9%) (NPC 2006). Concerning housing shortages, between 1991 and 2001, the shortages were calculated to be around eight million (NPC 2006). In the last enumeration of 2006, about 16 million shortage of housing units was reported (CAHF 2013). Housing shortages in Nigeria were determined from the estimated households and numbers of housing documented through a population census programme (FRN 2006).

To tackle the housing shortages, the World Bank indicates that:

*"In 2006, Nigerian housing deficit was estimated around 16 million units and it required more than N56 trillion to bridge the housing deficit at a conservation cost of N3.5 million per unit (€15626.17 per unit)." (WorldBank 2016).*

During the course of this study, I found that the estimated shortages of 16 million units in the 2006 census in Nigeria are the *prima facie* data that exist in reliable literature and records. Since 2006, there has been a widening gap in the shortages because population has been increasing annually as illustrated in Table 2.2 and Figure 2.3. Records from some independent organisations recently indicated that the Nigerian housing shortages have increased to 17 to 18 million units, and postulate that the estimated population is around 170 million people in the country. In Figure 2.13 the trend of the housing shortages from about 800,000 in 2002 to 17 million at

present is illustrated. In addition, I also observed that the most vulnerable groups who suffer from the shortages are the low income groups in cities. I compare the trend of housing shortage in quantity which has been indicated in Figure 2.13 with the trend of estimated figure of population in 2006.



**FIGURE 2.12** Estimated population trend and housing shortages in Nigeria  
*Source: UN-HABITAT (2001), NPC (2006), NBS (2009), UN (2014)*

As the growth in population increases in Figure 2.3 and Table 2.2, so does the trend of shortages in housing output in Nigeria, as indicated in Figure 2.12.

My first-person observation in Nigerian cities offered ample chance for me to appraise the qualitative state of housing. There are expected and established standards in the planning regulations and national building code in relation to structural components and spaces (FRN 2006). For instance, Table 2.5 presents the basic minimum standard size of rooms in Nigeria.

TABLE 2.5 Minimum standard size of rooms and suggested reductions

TYPE OF ROOM	Recommended standard size by planning authority in m2	Feasible/suggested size in m2	Reduction in m2
Living/Dining	18.00	12.00	6.00
3 Bedrooms	36.00	27.00	9.00
Kitchen	6.00	4.00	2.00
Bathroom	3.00	1.20	1.80
Toilet	2.00	1.50	0.50
Total rooms	65.00	5.70	19.30
20% for passages and thickness of walls	13.00	9.14	3.86
<b>Total Floor Area</b>	<b>78.00</b>	<b>54.84</b>	<b>23.16</b>

Source: FRN (2006)

I observed that there are presumptuous violation regulations by some groups. According to Arimah and Adeagbo (2000), compliance with established standards is hampered by the shift in emphasis from the recommended standard to feasible standards. This means, essentially, that Agbola and Jinadu's (1997) argument that compliance with standards is virtually ignored by housing customers in their endeavour to become landlords by any strategy, whether or not this entails contravening laws, is valid. Today, there is a proliferation of sub-standard houses and slums in various Nigerian cities. Examples are abundant in the Maroko, Ajegunle, Ikorodu and Badia areas of Lagos. Many private housebuilders often disregard compliance (Belo and Agbatekwe 2009). Iyanda (2015) indicates that institutional hurdles such as unexpected costs in terms of procedures, protocols and requirements for formal housing provision curb many people from building freely. Berner (2001) describes their actions as innovations. My finding from the review on persons per room also supports the extent of qualitative shortages in Nigerian cities, as shown in Table 2.6.

TABLE 2.6 Distribution of persons per room and household size in Lagos

LOCAL GOVERNMENT	Status by income	Persons per room	Household size
Eti-osa	High and middle	1.6 and 3.0	5.6
Apapa	High	1.4	4.8
Ajeromi/Ifelodun	Low	5.8	5.8
Lagos Island	Low	5.4	10.8
Mushin	Low	8.0	8.0
Surulere	Middle	3.0	4.8

Source: Filani (2012); Lagos State Government/UN-HABITAT Nigeria office (2004).



For instance, Opoko and Oluwatayo (2014) indicate that the congestion in rental and owner-occupied housing in Nigerian cities is an expression of inadequate plans for both space and the occupants. Thus the distribution of persons per room and household sizes in cities like Lagos hints at housing crises. In addition, house providers are often pressurised by land transaction procedures, cumbersome procedures of seeking approval and meeting the expected standard to boycott formal systems amidst enormous housing needs in cities (Gbadegesin et al. 2016). Furthermore, in conducting this study I embarked on a physical observation of existing housing units in the core areas of cities to confirm the existence of qualitative shortage as shown in Figure 2.13



FIGURE 2.13 Identified quality features of informal housing outputs  
Source: Author's fieldwork (2016)

## § 2.6 Conclusion

In this chapter, Nigeria's political, demographic and economic background has been examined empirically to reveal its fundamental and contextual characteristics necessary for understanding the general and current situations in the Nigerian housing system. Generally, the administrations have been a mix of military and civilian rules.

Currently, the country is ruled under democratic dispensation comprising 36 states and 774 local governments distributed among six geopolitical zones. The Nigerian population is made up of several ethnic groups and diverse cultural identities, the largest of which are the Hausa-Fulani in the North, followed by the Yoruba in the Southwest and Igbo in the Southeast. Nigeria operates under the federal government system with geographical, ethnic and cultural diversity within the country's federal structure (central, state and local governments, i.e. three tiers).

In terms of demographics, Nigeria has the largest population in SSA with approximately 160 million as at the 2006 population census programme and an estimated 170 million now. The bulk of the population is found in urban centres, especially in Lagos. As the urban population increased after 1921, there was inadequate housing to keep up with the growing population, leading to overcrowding (Olukoju, 1993). In addition, the production rate of housing does not commensurate with the population's needs. The accumulation of many years of housing deficits has resulted in the enormous urban housing inadequacy today.

In relation to the economic situation, I established in this chapter that economic growth in terms of GDP and GDP per capita does not accurately represent the average Nigerian purchasing power and well-being, owing to a high level of inequality in income distribution in both formal and informal employment markets. It thus contributes to the problem of housing delivery. This points to the urgent need for a new policy direction. It is also established that housing shortages in Nigerian cities are both quantitative and qualitative in nature. Through direct observations of urban housing components in Nigeria, the qualitative housing issue was established and discussed. Evidence of qualitative shortages was also observed and discussed in the context of persons per rooms in most of the locations visited in Lagos. The implication for the nature of shortages observed and discussed in this chapter is that a practical policy solution is required, considering the growth of population in order to ensure adequate housing provision in Nigerian cities.



# 3 Theoretical and analytical frameworks

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## § 3.1 Introduction

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In the previous chapters, I established that the Nigerian housing provision and the situations of shortage are closely connected to the institutional systems. Having described the concepts of housing provision systems and the emergence of different institutions in Nigeria which led to the problem description and the contexts, I identified lines of theoretical inquiry underpinning this chapter. It thus seeks to answer research question 2: *Which theoretical and analytical frameworks are relevant to examine the Nigerian housing provision system?* To address this question, reasons for the use of theories and how it led to new institutional economic (NIE) thought are discussed in Section 3.2. In Section 3.3, concepts and contexts of NIE are discussed. Section 3.4 is centred on the specific place of NIE in the Nigerian housing system. In section 3.5, two analytical frameworks based on the institutional concepts are examined. Section 3.5.1 proposes the conceptual framework, emanating from a combination of the two institutional models. It ends with conclusion in Section 3.6. Figure 3.1 illustrates this chapter.

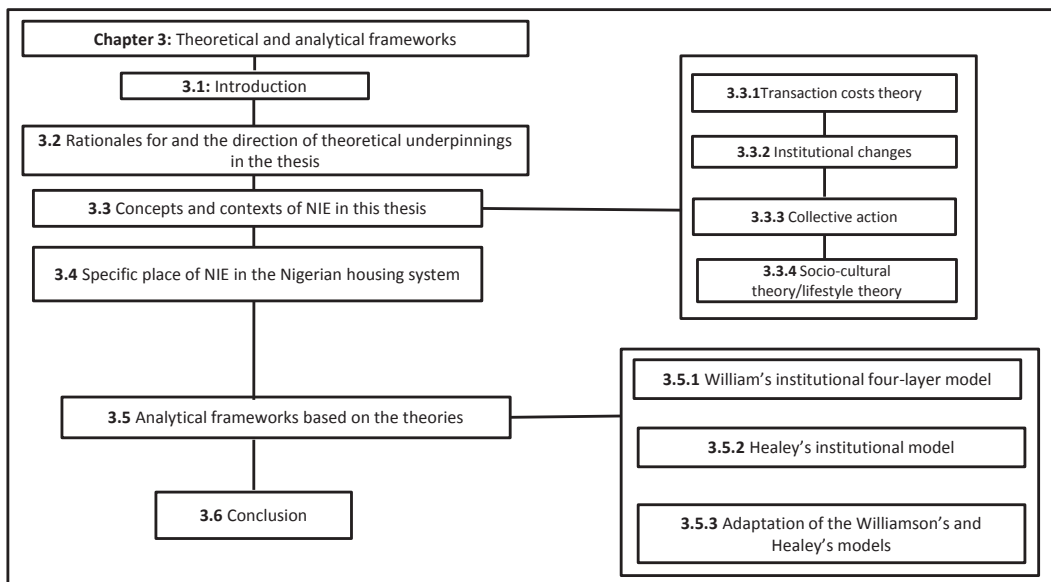


FIGURE 3.1 Schematic overview of Chapter 3

## § 3.2 Rationales for and the direction of theoretical underpinnings in the thesis

Property markets in the developing countries are in the context of formal and informal institutions which are characterised by inadequate data (Mooya and Cloete 2007, Mardeusz 2014). Real estate delivery in Nigeria also occurs within formal and informal systems (Omirin and Antwi, 2004). As a result, Ostrom (2005), North (1991), and Williamson (1998) recommend that a theoretical concept that incorporates both the formal and informal systems for an effective investigation is necessary. Mooya and Cloete (2012) emphasise the institution, transaction costs, socio-cultural attributes and property right as important concepts in the Africa sub-regional markets. In addition, both formal and informal market have institutions of their own in Nigeria. In the context of resource (factors of production) allocation and strategies or procedures, the market is also characterised by inadequate information.

Over the years, the informal housing provision system has grown. The informal practices have been in the system from before colonisation until the independence eras. One of the unique features of the informal market is the lack of adequate and accurate data and so there is no flow of information in the informal sector (Gbadegesin and Ojo 2012, Gbadegesin and Ojo 2013, Gbadegesin et al. 2016). When it comes to the subject of housing delivery, there is no adequate data on the units of informal housing delivered by people in cities, despite the observation that the informal system provides more housing than the formal system (Gbadegesin 2017). The situation breeds growing demands, less supply, discrimination, defiance and crises in tenancy over the existing units. There are also formal housing development rules and regulations. Both formal and informal institutions operate together in the market in the form of statutory and customary systems respectively in the process of allocating resources (land, labour and capital) and provision. In my fieldwork, I observed a different manner of transactions on resources (production factors) in the two institutional systems.

In light of these characteristics, I observed that this study demands an explanation of the meaning, structure, nature, events, institutions, stakeholders' roles and the associated challenges in the Nigerian urban housing market by using an appropriate theoretical framework. For research in the developing and/or emerging countries, particularly in pluralistic societies commonly found in Africa, Mooya and Cloete (2012), Karrina (2013) and Agboola (2015) justify the appropriateness of the use of the NIE school of thought. I also demonstrated the importance of NIE in urban low-income housing in Nigerian cities (Gbadegesin 2017). Therefore, the concepts of NIE are described in the next sections.

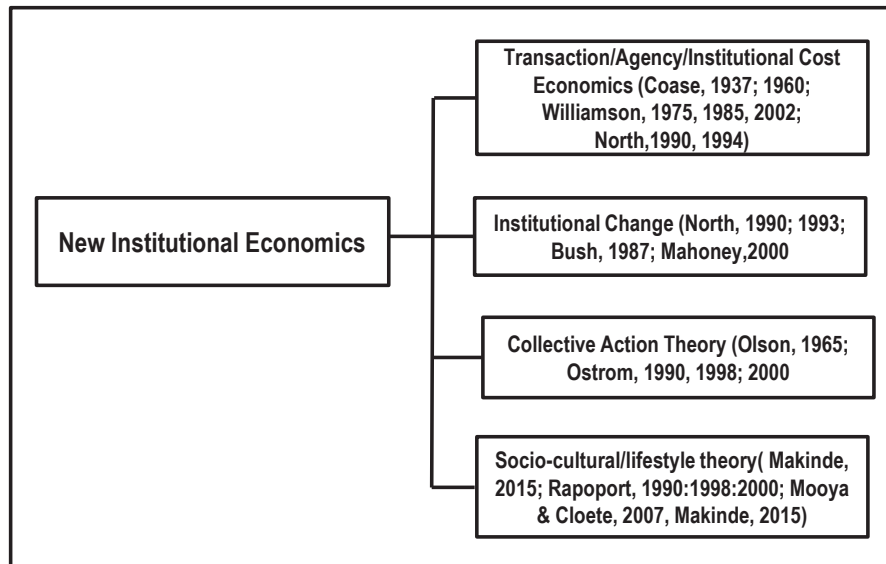
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### § 3.3 Concepts and contexts of NIE in this thesis

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NIE is a theoretical concept that considers hidden factors (fundamental factors that are generally not noticed) together with the role of strategies, interests of agencies, transaction costs, rules and challenges especially in pluralist systems with diverse institutions (Ostrom 1990, North 1991, Ostrom 2005). In related studies such as those by Mooya and Cloete (2007), Kirsten et al. (2009) and Richter (2005), NIE works to form a connection of theories that incorporates property rights, collective action, lifestyle theory/socio-cultural theory, transaction costs and institutional changes. In other words, NIE is situated in a context of democratic ideas in a society of diversities. According to Agboola (2015), the theoretical concept focuses on self-interest found

in a democratic governance where classes, formal and informal groups and property right, agents' roles and information access are the prevailing issues. The usual assumptions of perfection in terms of adequate information, well-informed buyers and sellers, prudence and transparency, certainties, proper and predictable procedures/ marketing and other influences have been questioned by scholars (Coase 1937, Healey 1991). Thus it is extended to incorporate the circumstances in the informal market (Williamson 1985, Ostrom 1990, Ostrom 2005), specifically the non-classical features, and peculiar and unpredictable transaction factors (Alexander 1992). This implies that the explanation of formal and informal institutions and the transactions therein by Coase (1937), as supported by North (1992), is the basis of NIE which stands to provide a clearer connection and line of discussion in the distribution of resources or output. In a similar vein, Agboola (2015) utilised the theoretical concept in the context of real estate delivery, its provision pathways, institutions, socio-cultural dimension and transaction costs. More specifically, NIE is a theoretical concept which focuses on property rights, collective action, lifestyle/socio-cultural, transaction costs, institutional changes and other factors which often pose a strong influence in a society of diversities.



**FIGURE 3.2** A framework of the branches and interconnectedness of the NIE rationale  
 Source: Modified from Agboola (2015) and Mooya and Cloete (2007)

The selected theories in the context of NIE in Figure 3.2 are discussed in what follows.

### § 3.3.1 Transaction costs theory

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In any activity that involves stages and processes which cannot be predicted, there are emerging expenses not specifically budgeted for. These expenses are common in a situation where there are series of protocols or procedures that are dynamic and unstable. In the context of developing or emerging economies, where there are various practices and beliefs, these expenses can be found, especially in the production and manufacturing sectors as transaction costs. These can be described as the elements of transaction costs theory. Transaction cost theory, also referred to as transaction cost economics, is situated within NIE. Lai (1994) describes transaction costs as other protocols, procedures, requirements and unplanned expenses aside from the actual budgets on erection, installation or construction. The argument is that, apart from the sum expended to make the physical product, there are invisible or unforeseen costs that sporadically emerge during the process. These costs often emerge because of a lack of conformity or reasonableness and perfect knowledge or awareness usually observed in a perfect or modelled market (Buitelaar 2004). In other words, the flow of information is impeded, there is no agreement to reasoning in envisaging any other costs apart from the obvious costs and the ethical principles in most cases are violated (Williamson 1985).

Transaction costs are also described as institutional hurdles, processes or procedures, extra burdens, hidden costs outside the budget and dead weight losses that have to be minimised (Buitelaar 2007). It is the price of prices (actual costs) that an individual has to pay. Transaction costs are those activities that cost time, extra money, effort and commitment, which are not budgeted for in the production, or the actual costs in relation to information. Buitelaar (2004) indicates that transaction costs are not bound in the output of a development like land, bricks, concrete and other costs often referred to as production costs, and are usually uncertain and unforeseeable. As expressed by Hindmoor (1998), the fewer the transaction costs (institutional processes, bureaucracies, hierarchies and consultations), the smoother and more efficient the development processes. These costs are encountered at every phase of production from the land acquisition stage to the post-construction stage (Healey 1992).

From the above, it can be seen that the transaction costs are the hurdles of passing through institutional procedures in the development process. Buitelaar (2004) argues that the simplicity of a system or institution determines the output coherence or



productivity. For instance, in Nigeria, both formal and informal institutions exist. The practices in the informal institutions cannot be judged illegitimate or alien because they had been in operation before the advent of the formal system. This implies that the informal practices are cultural and systemic. As stated by North (1990) and Ostrom (2005), informal institutions cannot be disregarded. To determine what constitutes transaction costs, Buitelaar (2004) also capitalised on the concept of “efficiency”, in which he suggests that those costs emerging with the context of institutional procedures and that contribute to the efficiency of the process be considered (Buitelaar 2003). Based on the information provided earlier, an amalgamated description of transactions includes: information search costs (Stigler 1961), coordination costs (Hazeu 2000), agency costs (Jensen and Meckling 1976), bargaining, contracting, and enforcing/compliance costs (Williamson 1985). In housing production specifically, Buitelaar (2004) identified the following as the parts of transaction costs: preparation for land acquisitions, preconditions, information searches outside the institutional arrangement, depth of administration and protocols, depth and extent of deliberation and bargaining with professionals, procedures and determination of sales agreement formats, design approval administration and bureaucracy, passing through application procedures for planning permission, application conditions and calculation of land values as transaction costs.

In light of the above, Williamson (1981) identified the three main criteria of classifying a cost as follows: asset specificity, uncertainty and frequency of transaction. Asset specificity describes the degree to which the effort necessary for a transaction is specific to that particular transaction. For example, if such a transaction is not successful, the worth of the effort is less valuable, even if channelled to another venture. In other words, it indicates the degree of attachment such an investment effort has on a transaction considering that diverting the effort to an alternative venture within the same production system would yield relative advantage. Uncertainty can take the form of unexpected situations caused by issues such as risk, force majeure and unforeseen circumstances (Crosby et al. 1998, Mallinson and French 2000, Kelliher and Mahoney 2000), thus affecting rights (De Alessi 1991). It could be related to environment and unusual behaviour that can trigger the course for re-negotiation, re-planning and modification of the process (Rindfleisch and Heide 1997). Frequency of transaction can be described as the consistency of the asset provision (hereafter referred to as housing). The frequency of transaction influences the flow of delivery (Boudreau et al. 2007). The differentiation between production costs and transaction costs in the context of NIE and the neo-classical economy, as summarised in the Williamson’s model, is provided in Table 3.1.

TABLE 3.1 Differences between production costs and transaction costs in housing development

DEVELOPMENT ACTIVITIES	PRODUCTION COSTS <sup>1</sup>	TRANSACTION COSTS <sup>2</sup>
School of thought	Neo-classical	NIE
<b>Land acquisition costs</b>		
Land price	Specific cost	Consumers/Information research
Agency fees on land (10%)	Specific cost	Market research
Land Surveyor	Specific cost	Extent of negotiation and agreement
Land titling	Specified fees	Extent of institutional procedure/protocol, bureaucracy, planning permission
<b>Construction</b>		
i. Building costs	Specific cost	Zoning regulation obstacles, planning permission
ii. Professional fees: Architect, Quantity Surveyor, Engineers' fees 10% of building cost	Specified fees	Point of consensus in forming contracts/agreement and signing
iii. Finance <sup>3</sup> on building costs @ 25% for 12 months	Specific rate	Application process and administration length of housing finance
iv. Finance on professional fees @ 25% for 12 months	Specific rate	Pre-conditions and how to meet up
v. Estate agent and legal fees: 5% of GDV	Specific fees	Negotiation and bargaining (lease agreement)
vi. Promotion/Advert: 5% of GDV	Specific fees	Administration process
vii. Contingencies/Caution fee	Apportioned rate	Force majeure, police post, eminent domain, Omo-onile crisis
viii. Developer's profit @ 10% of GDV <sup>4</sup>	Specific percentage	Extent of transparency Difficulty of compliance with building code
<b>Total cost</b>	<b>Quantifiable costs/valuation</b>	<b>Not quantifiable</b>

Source: Author's survey (2017)

1 Quantifiable actual costs (Boudreau, M.-C., R. T. Watson, A. J. Chen, M. E. Greiner and P. Sclavos (2007). *The benefits of transaction cost economics: The beginning of a new direction*. ECIS, Buitelaar, E., M. Galle and N. Sorel (2014). "The public planning of private planning: an analysis of controlled spontaneity in the Netherlands." *Cities and Private Planning: Property Rights, Entrepreneurship and Transaction Costs*: 248-265.

2 Non-quantifiable costs caused by institutional conditions.

3 Costs of housing finance accessed (interest rates).

4 GDV is the price or value of existing comparable property within the location.

The uncertainty manifests as a result of unexpectedness, thus determining the security of rights in housing (Mooya and Cloete 2007, Karrina 2013). These costs are contingent costs due to their hidden nature and the obstacles they constitute.

### § 3.3.2 Institutional changes theory

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The application of institutional changes is centred on the examination of various governance or institutional systems in the context of urban policy issues across time. This is a theoretical concept that holds the belief that regulatory systems are 'filtered' by the particular national influencing factors which vary from one country to another (North 1993). This is a situation where institutions, both formal bodies of law and informal regulations such as norms, customs and values, are changed or transformed as a result of changing external factors such as demographic, socio-economic and technological factors, as well as other legislation (Mahoney 2000). According to Boelhouwer and Van Der Heijden (1992) and Van Der Heijden (2013), it is also described as the concept in relation to past policy effects and trends in housing systems. This theoretical concept is only applicable where there is evidence of changes to a housing provision system from one period or era to another in a society with a plan and/or functional instruments.

### § 3.3.3 Collective action

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Prevailing situations in societies often bring neighbours together to lay claim to what they desire in housing. This is an approach that involves the commitment of actors from different sectors to a common agenda in order to address a specific problem (Kania and Kramer 2011). This theoretical concept thus requires getting people to work together in pursuit of a clearly defined common goal. It often brings stakeholders together in a structured and deliberate way to achieve changes. It is about working together to make effective use of the resources within a system. Westley et al. (2009) describe the collective concept as the process of networking in a united voice of understanding that a need should be jointly pursued together. I presume that the concept is applicable where there are role-players with uniform or similar goals and underlying common issues or challenges affecting them. Chen and Webster (2005) relate it to a form of cooperation to achieve a goal in a society.

### § 3.3.4 Socio-cultural theory/lifestyle theory

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As previously described, every society has culture and often people's ways of life are matters of their cultural practices. In my fieldwork I sought to investigate the contextual understanding of a nation together with cultural diversities in predicting the behaviour. Similarly, I strongly promote the opinion that social interaction and culture are important concepts in the thesis of NIE. This is upheld by the early concept of Vygotsky (1896-1934), i.e. that any concept that is socio-cultural is often associated with attributes of local ideologies, beliefs, traditions or informalities in a particular context or practice. In the context of housing production, Nair et al. (2005), Rapoport (1990) and Makinde (2015) indicate that housing designs in most developing nations are reflections of owners' and occupiers' cultures. According to Rapoport (1994), this body of theories refers to the concept of place-making, emanating from social and cultural practices that are prevalent in an environment. In connecting people's lifestyles and housing, the literature indicates that the housing delivery system is a product of historical and cultural values, wrapped in the institutional frameworks of a society (Rapoport 2000, Walker and Li 2007, Alitajer and Nojourni 2016, Ilesanmi 2016, Koç et al. 2016). In other words, the concepts of housing cannot be separated from the socio-cultural characteristics which are based on orientation, perception, objective and contextual voices. As believed by Kamalipour and Zaroudi (2014), and Rapoport (2005), socio-cultural dimensions need to be considered in making a case for an effective housing policy framework in Nigeria. Simply put, culture is connected to value-beliefs, behaviour, lifestyles, spatial pattern morphology and housing design choice (Memarian et al. 2010, Salama 2011, Alitajer and Nojourni 2016). However, I observed that the main condition of this theoretical concept is that it is applicable only after the contextual background of the study area has been closely examined and the observations of the main role-players considered.

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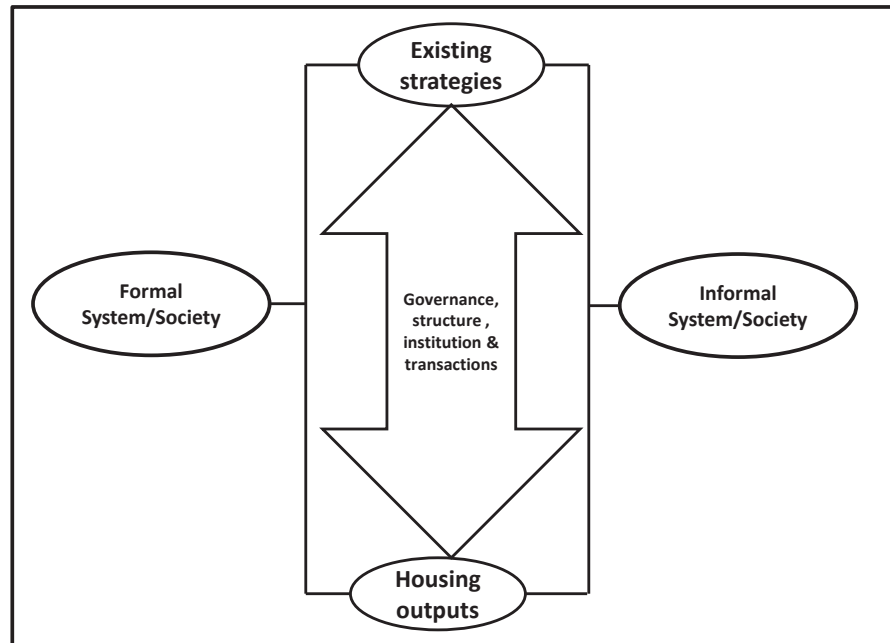
### § 3.4 Specific place of NIE in the Nigerian housing system

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There are three specific justifications for using NIE in this thesis. Firstly, using NIE concepts, the two institutional poles (formal and informal) in Nigeria are recognised with their operational norms, transaction hurdles, rules, governance and regulations. As stated by Agboola (2015):

*“NIE stresses the link between the associated consequences of human behaviour on exchange interactions and the emergence of institutions or governance structures, organic or designed, to create order and structure such exchange relations” (p.54).*

Secondly, for an empirical study, a comparison of one institutional arrangement (e.g. formal system) with another institutional system (e.g. informal system) is considered to be more effective and meaningful than evaluating an institutional process on a template that provides no realistic events in the system (North 1990). Thirdly, NIE offers an opportunity for the investigation of the stakeholders’ opinions for the way forward and in addressing the housing shortage problem in the context of Nigeria’s culture. In summary, the main goal of the use of NIE in this study is to find ways to secure housing output in cities (Karrina 2013) in the context of reliable property rights at less complex transaction costs (institutional hurdles) within the existing governance (institutions) (De Alessi 1991, Buitelaar 2003, Van der Krabben 2009), by role-players in the institutional settings (Thompson 1991, Hodgson 2006). For this, the existing institutional arrangement in the governance of Nigeria’s formal housing system is compared with the processes in the informal arrangement that take places in the city of Lagos (the largest city in SSA) as shown in Figure 3.3



**FIGURE 3.3** Housing provision system in Nigeria  
 Source: Agunbiade et al. (2013), Makinde (2014)

As previously indicated, housing provision is a function of production and distribution (allocation) efficiencies in a system. In Nigeria, provision takes place within the dual institutions (formal and informal institutions) (Agunbiade et al., 2013; Makinde, 2014), as shown in Figure 3.3. Therefore, it is imperative to find a connection between a production institutional model and an allocation institutional model that outlines strategies and procedures in the two systems. This will help to identify the challenges faced and the motivation for informal practices in housing provision. Thus, it leads to the utilisation of Williamson’s four-layer and Healey’s structure-agency models as discussed in Section 3.5.

## § 3.5 Analytical frameworks based on the theories

An analytical framework provides the guide on what information needed and helps to structure information. Williamson's and Healey's models are the analytical frameworks adopted for empirical investigation in this thesis. The bases for their considerations are explained in Section 3.5.1

### § 3.5.1 William's institutional four-layer model

Williamson's model describes the situation within a system or an organisational structure in the process of a production. The model explains how an institutional system operates to deliver outputs. It is said that in a system, exchanges take place through activities or procedures and interactions between actors, which are largely determined by prices, incentives and challenges. It is also said that activities take place in the context of governance, regulations and traditions. As a result, there are four layers to Williamson's model. These levels could be either top-down or bottom-up, as indicated by the arrows in Figure 3.4. Relating the outputs to housing provision in a system, Figure 3.4 describes the components in a system that is expected to deliver, under the concept of four levels or layers. Level 4 describes the quantum of housing outputs produced, price, production and consumption activities, incentives and challenges in the market that involve both public (government and its ministries) and private individuals. Level 3 describes the administrative structure of provision systems and the institutional process (transactions) in the provision. These two levels (3 and 4) are regulated by the institutional environment in Level 2. Level 2 describes the institutional environment (guiding principles, laws, rules, norms and legal instruments). Level 1 refers to non-calculative practices (i.e. how things are done). However, in Nigeria, both the formal and informal systems exist. Each system operates as a distinct sector. They are referred to as contextual practices based on the country of investigation within the existing systems. In this study, I describe it as both conventional (the organised main stream or conventional strategies) and unconventional (the cultural, customary or traditional strategies) in the process of housing provision over the years. The interaction of other levels with Level 4 strategies influences the delivery in a system over the years.

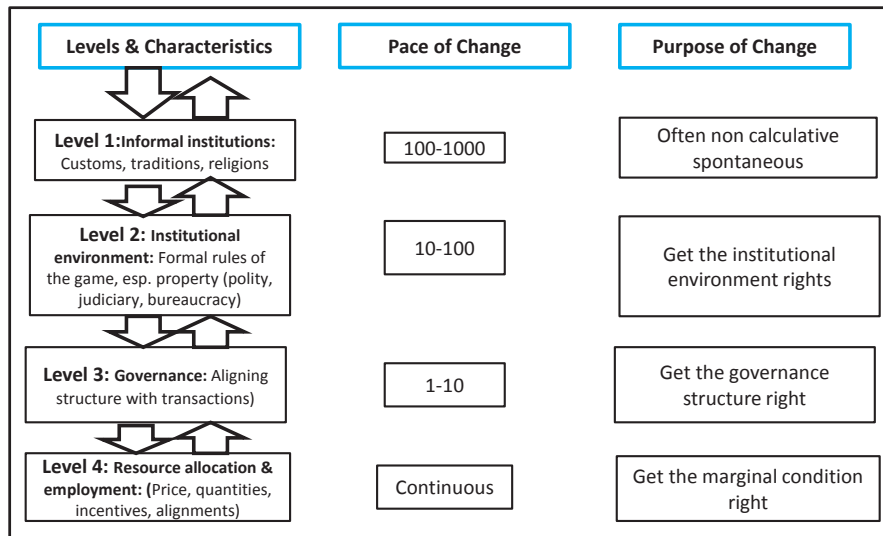


FIGURE 3.4 Williamson's four-layer institutional model  
 Source: Williamson (1998 and 2000)

**L1:** Conventional and unconventional contexts and traditions. **L2:** Formal rules. **L3:** Governance systems and transaction costs. **L4:** Activities, exchanges, motivations (incentives) and challenges

### § 3.5.2 Healey's institutional model

Housing provision is a process that involves combinations of land, labour and capital. Healey (1991) suggests the importance of production factors in the event of provision. In order to examine the missing gaps and challenges in the housing provision system, I utilised Healey's structure-agency model as presented in Figure 3.5 for this purpose.



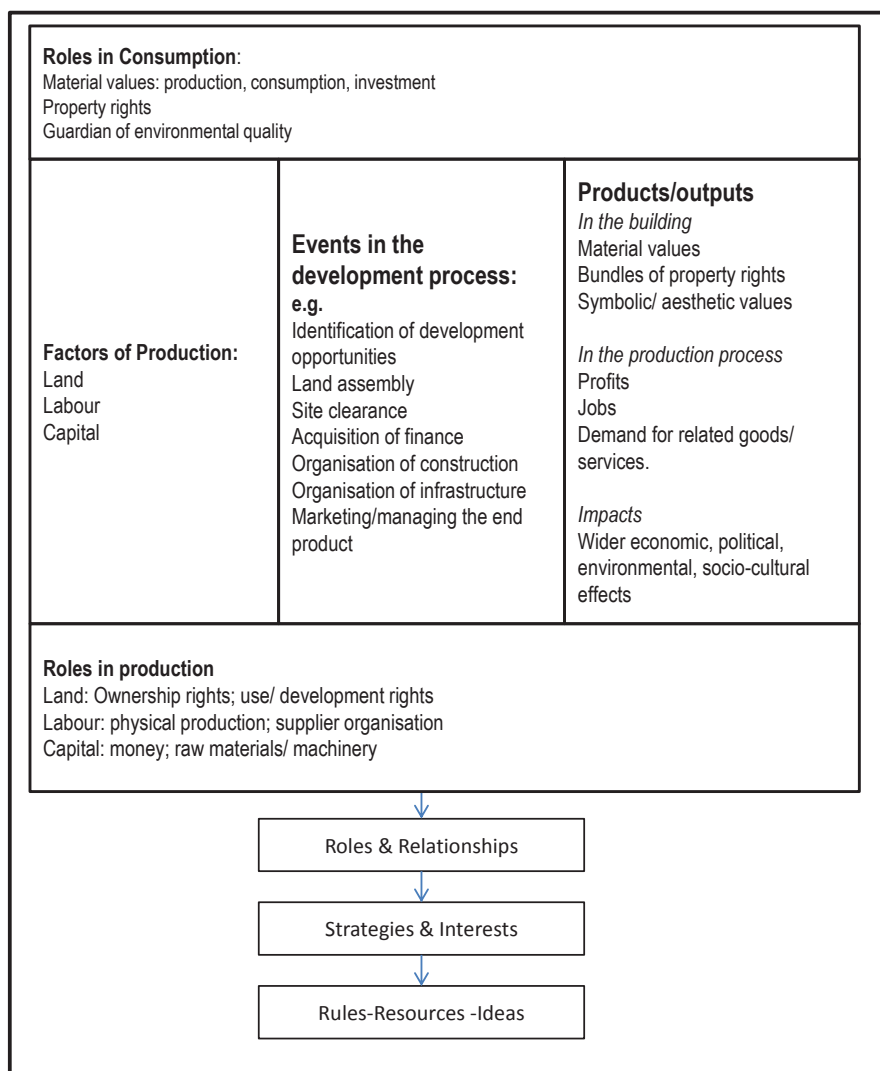


FIGURE 3.5 Structure-agency (Healey's) institutional model  
 Source: Healey (1991, 1992)

As shown in Figure 3.5, Healey's housing model focuses on production factors (land, labour and capital) in column 1, production process in column 2 and housing outputs in column 3. To achieve outputs in column 3 (i.e. procedural activities), the nature of the output provision and agencies' roles in the market are mentioned in the model. For instance, the first and second columns of Healey's model are centred on mapping the events in the production process, identifying the agencies (role-players)

involved, indicating the outcome (housing output) produced and displaying the market exchange activities. It also involves the analysis of the production processes and procurement of production factors (land, labour and capital). Other levels are concerned with the analysis of strategies, the contextual reasons for the adoption and rules and resource procurements, which are similar to Williamson's concepts. All these processes are described as events-sequence. Healey (1992) and Healey and Barrett (1990) describe the application of the model as

*"...the transformative process of the physical form, bundles of rights, material and symbolic value of land and buildings from one state to another, through the effort of agents with interests and purposes in acquiring and using resources within the context of rules, ideas and values".*

This implies that Healey's model connects the concepts of institution and transaction costs in producing housing. Institution (formal and informal rules) and transaction costs (procedures, bureaucracies, hierarchies, networks) define events-sequences, which vary from one country to another (Ball et al. 1998), as also described by Williamson's institutional model (Williamson 2000).

### § 3.5.3 Adaptation of the Williamson's and Healey's models

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In Nigeria, the housing provision situation originates from both production and allocation efficiencies (Ibem 2010, 2011). Because of the two important concepts (i.e. production and allocation of outputs and production factor efficiencies) in the structure mentioned in Figures 3.4 and 3.5 and in Section 3.5, it is imperative to adapt and modify Williamson's and Healey's models in order to position the conceptual framework in this thesis. In this context, Healey (structure-agency model) emphasises the production efficiency while Williamson (four-layer institutional model) emphasises distribution or allocation efficiency. This is the essence of the adaptation of the two institutional models in this section as the analytical framework for comparison and contextualisation. The adapted model comprises both the formal and informal systems. This is in line with the position of Ostrom (1990, 2005), that an examination of a system's efficiency is more appropriate in a comparative context. The main context of modification from Figure 3.4 is in Level 1 where informal institutions are conceived as conventional (formal strategies, regulations, codes and standard procedures) in the case of the formal system, and non-conventional (informal strategies, traditions, custom, norm, cultural procedures) in the case of the informal system. These are strategies which are examined from both formal and informal systems as the essence of the two comparable wings in Figure 3.6.

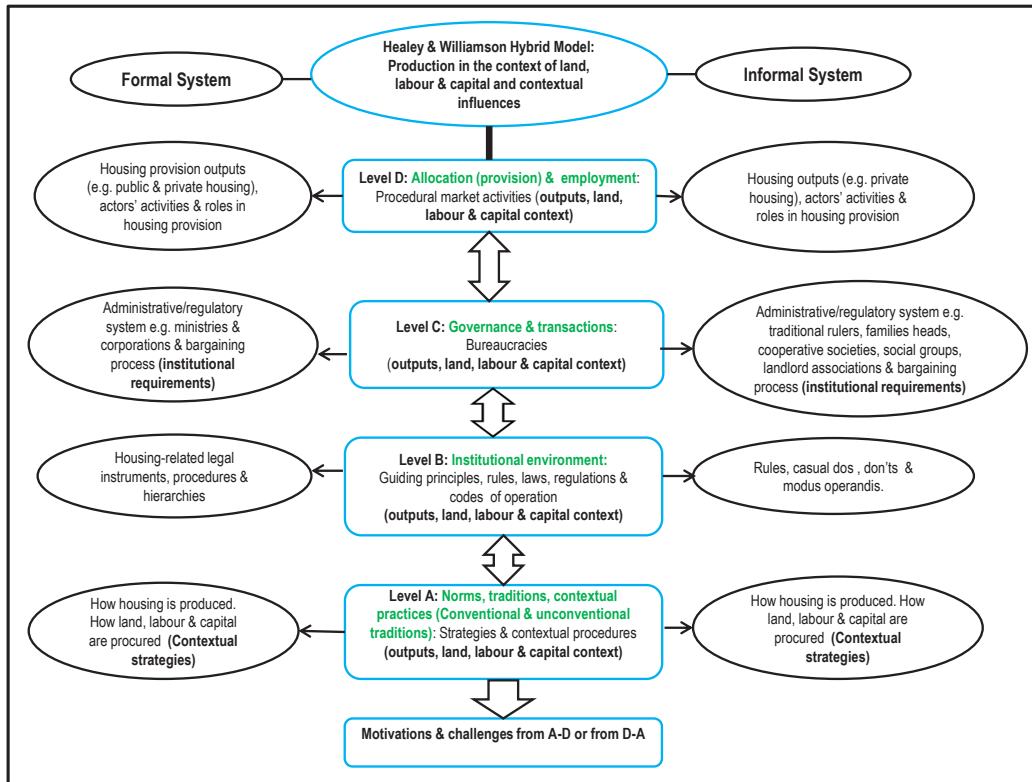


FIGURE 3.6 Adapted analytical framework: Healey's and Williamson's institutional models  
 Source: Adapted from Williamson's and Healey models

The conceptual model in Figure 3.6 provides the template as to how to analytically address research question five in the context of development activities, strategies, roles, motivating factors, production factors (land, labour and capital), institutions and transactions in the housing system. The formal system template is on the left side while the informal system events are documented on the right side. The template incorporates the components of Nigerian provision strategies in the context of land, labour and capital.

In Level A, strategies in the informal system are examined in comparison with the practices in the formal system. Level B gives the guiding principles, *modus operandis* and rules in comparative evaluation with the formal counterpart. In Level C, the administrative system and the transaction costs are evaluated. In the last level, the nature of housing provision, the exchange, activities and participants' roles are examined.

## § 3.6 Conclusion

In the chapter, I have looked into the theoretical and analytical frameworks that underpin this study. I began with the reasons for the use of theory and the direction of theory. As a fundamental step, I concentrated on investigating the Nigerian concept of housing provision in establishing the place of theory. This was then followed by an insight into the contexts of the theory and housing provision concepts. Having understood the circumstances in Nigeria and how inappropriate it could be to use orthodox theories in a less developed market, I considered an extension to NIE theoretical concepts. It has become necessary to examine structure, institutions, agency, strategies, interests and factors of production and how these elements are connected to housing delivery. Consequently I modified and adapted Williamson's and Healey's institutional models. The conceptual framework is embedded in NIE, which provides space for explanation in a multi-ethnic society that is characterised by a lack of data (Feige 1990, Alston 2008, Zhu 2012).

In Nigeria, housing provision is a process of production, exchange and consumption that in turn involves a variety of transaction costs, role-players, roles and influences. There are also guiding principles in the form of policies, regulations and cultural practices. Having expounded on the components of NIE, I also examined the various theories within the NIE rationale. The application of the theories is also discussed in connection with the research questions. The main idea is that the findings could be discussed in the context of both theoretical and the conceptual frameworks towards achieving an improved housing delivery system in Nigeria.



# 4 Research design and methodology

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## § 4.1 Introduction

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Every research process has specific research strategies to provide answers to the questions raised. The appropriate manner of ensuring answers is referred to as research design and methodology. Creswell (2013) describes a research design as the framework that embraces philosophical assumptions, strategies of inquiry and research approaches. The previous chapters elaborated on the background of the research problem and the theoretical/analytical frameworks as the fundamental bases to guide this study. Chapters 1 and 2 explored the state of the housing situation in Nigeria while Chapter 3 theoretically underpinned and conceptually shaped the focus of the study. The exposition on the theory aims to contribute to the scientific validity of the study. The analytical framework aims to provide an empirical template that helps to explore the nature of events in the urban housing delivery system through fieldwork.

This chapter therefore presents the research design and methodology employed for the study. It is organised into three main sections. Section 4.2 discusses the data collection techniques adopted. These include a pilot study/exploration, an interview, a questionnaire and a desktop review. In Section 4.3, I discuss the rationale for the adoption of the research techniques. A discussion of the target population (respondent stakeholders) and sampling procedure is the content of Section 4.4. Section 4.5 details the data analysis and tools utilised. In the concluding section, I discuss the challenges and limitations encountered. Figure 4.1 provides a summary of this chapter.

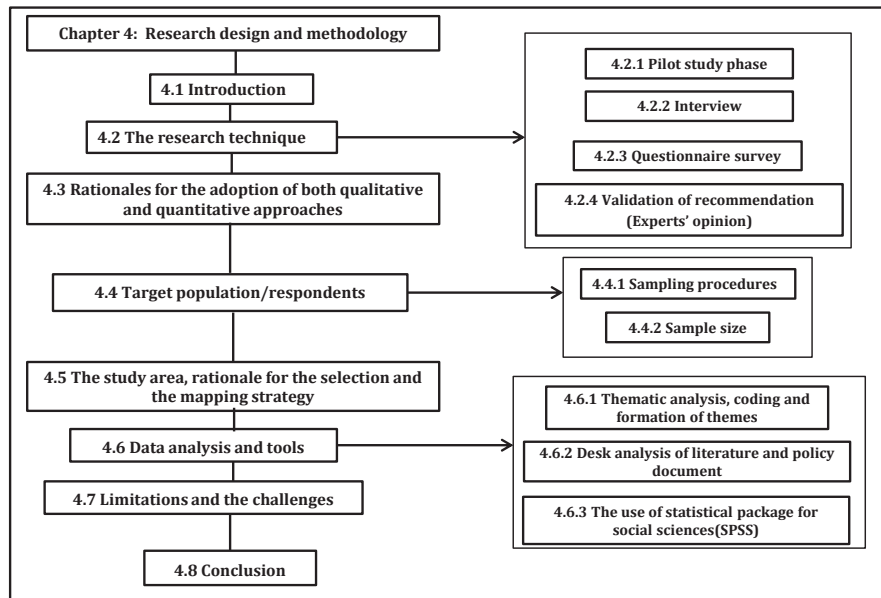


FIGURE 4.1 Overview of Chapter 4  
Source: Author (2016)

## § 4.2 The research technique

To achieve the aim of this study as stated in Chapter 1, I adopted a combination of research techniques. This involved collecting data from the field (the study area), and conducting interviews, questionnaire surveys and an in-depth literature review, with the aim of evaluating, describing and co-constructing meanings to sequences of events and activities on the Nigerian housing system. It also involved an examination of the study area and the bases for selection. Figure 4.2 presents the overall framework, while Table 4.1 describes the design.

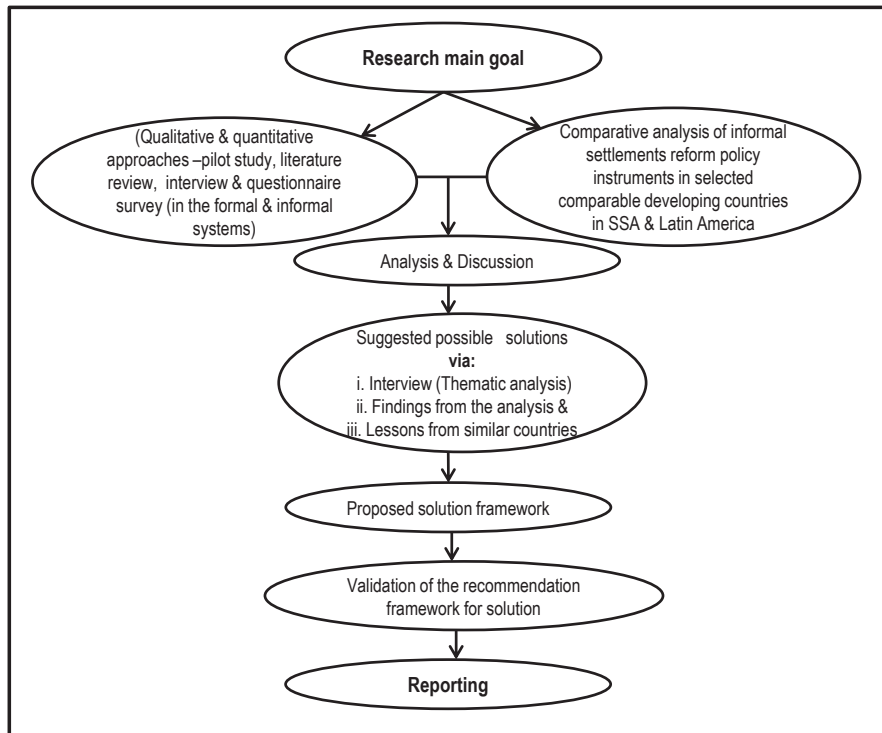


FIGURE 4.2 Overall framework of the study  
Source: Author (2016)



TABLE 4.1 Description of research design

RESEARCH QUESTION	CONSTRUCT	DATA COLLECTION	ANALYSIS
RQ1: What are the contexts of the Nigerian housing situation?	An insight into politics, population and urbanisation and GDP and GDP per capita, income distribution Nature of housing shortages	Literature, documents and interview	Desk-based research and qualitative data analysis tool
RQ2: Which theoretical and analytical frameworks are relevant to examine the Nigerian housing provision system?	Theories in the contexts of the Nigerian housing situation	Literature review	Desk-based research
RQ3: What is the structural context of the Nigerian housing provision system?	The general overview of housing system (structure) Structures from pre-colonial era until date	Literature, policy and documents interview	Desk-based research and qualitative data analysis tool ( <i>atlas.ti</i> )
RQ4: What are the roles played by government in the Nigerian housing provision?	Provision role in terms of the specific housing units provided through its agencies (ministries) in cities. Roles in the formulation and implementation of policy instruments towards provision.	Literature and policy documents and empirical data via interview	Desk-based research and qualitative data analysis tool ( <i>atlas.ti</i> )
RQ5: Amidst shortages, how do urban residents provide for their housing needs and why?	Formal and informal strategies Motivations and challenges Explanation of findings in the context of theories examined in RQ2	Empirical data via interview and questionnaire	Qualitative data analysis tool ( <i>atlas.ti</i> )
RQ6: In what direction could possible policy recommendations be made towards an improvement in housing delivery in Nigeria?	Findings from RQ1 and RQ5. Analysis of the possible solutions suggested by both formal and informal stakeholders on the way forward to eliminate challenges. Synthesis of possible solutions adopted in similar cases from comparable countries to derive lessons	Review on policy instruments and programmes (What happened after implementation of reviewed policy programmes and instruments)	Desk-based research
	Recommendation framework for solutions and its validation through a consultation with experts	Consultation and correspondences with: Experts and top professionals	Qualitative data and desk-based analysis

Source: Author (2016)

I perceived a need for sufficient information as the verity that guides the in-depth investigation into the housing provision system, the procurement of production factors, strategies, and the motivation and challenges behind it, similar in context to the studies of Healey (2006) and Healey and Barrett (1990).

Two approaches, qualitative and quantitative methods as described by Kvale (2007), Qu and Dumay (2011), Silverman (2013) and Yin (2014), are adopted for data collection. Specifically, these include an interview and questionnaire survey. Therefore, the schematic diagram of the research method in Figure 4.3 is presented.

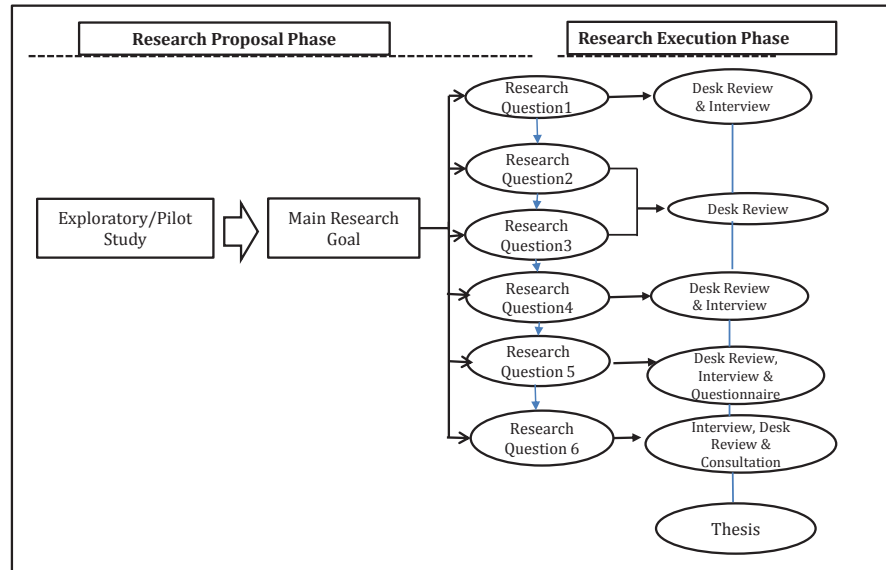


FIGURE 4.3 Schema of the research and process  
Source: Author (2016)

As illustrated in Figure 4.3, the use of pilot/exploratory research, interviews, questionnaires and existing literature is discussed as follows.

### § 4.2.1 Pilot study phase

In the initial stage of study, I reviewed studies on Nigeria’s housing market and other developing nations. A pilot study was conducted to contextualise this study and to determine how events take shape in the Nigerian system. This marked the beginning of the thesis. The pilot study allows the researcher to gather some data at the beginning of the study. The pilot study for this research was carried out in Lagos, the same city where

the comprehensive fieldwork was later conducted. Participants in the preliminary survey included landlords, agents (property managers), tenants and private developers. Observations and findings informed and led to the problem identification. Useful and relevant information was collected. Specifically, the pilot study allowed for the collection of a set of quantitative data via copies of a validated questionnaire in the private housing market on compliance attitudes of private rental housing owners/landlords, tenants and property managers (agents/role-players).. This exercise allowed for greater understanding of the system. This supports Kim's (2001) assertion that a pilot study is the initial reality test that explores practicality, feasibility, reliability and credibility of certain aspects of the research design. In essence, conducting pilot studies improves the researcher's own ideas and widens the understanding of concepts on the proposed theories (Gudmundsdottir and Brock-Utne 2010). For instance, in my pilot study, I was able to confirm the existence of formal and informal institutions in the housing sector. I was able to identify the governance structure and the key stakeholders in the Nigerian housing system. Also, the context of the problem and various events such as tenants and landlords' attitudes were identified in the housing market. Against the foregoing exploration, I was able to understand the focus of the study which paved way for the explained research problem.

#### § 4.2.2 Interview

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As indicated earlier, interviews are the major data collection method adopted in this study, because there is lack of information on the informal housing sector. Also, the study intends to explore the nature of the housing shortage, the problems faced as a result and the way forward in the Nigerian provision systems. The need to gather opinions on causes and possible solutions allowed for interaction with the actors. The involvement of informal groups also justified the basis for the adoption of interviews. In this context, some interviews were conducted in local languages and translated into English. The interviews were structured within the adapted analytical framework as described in Figure 3.6. The framework demonstrates the context within which housing provision systems and events-sequence can be evaluated, shaped by the practices and traditions of Nigeria.

I also took advantage of indigenous languages such as Yoruba and "Pidgin" English because some interviewees could not communicate fluently in English. In this respect, the interview served as a useful tool to gather all the necessary information needed for the study until the point of saturation was reached. I spent approximately thirty minutes conducting each interview. Because it was based purely on open-

ended questions, the interview allowed interviewees ample opportunity to express themselves. I envisaged a maximum range of 30–40 respondents for the interview. In particular, I focused on the moment when constant repetition of the information occurred. This methodological strategy promotes the opinion that there is no consensus on the number of qualitative interviews that is sufficient (Baker et al. 2012). The most important element in qualitative interviews, however, is the point of saturation, depending on the methodological approach and the analytical framework that is required of the particular research. The interview guide in appendix i was developed from the model and used to guide the interviews.

This approach is similar to some identified existing studies (Keivani and Werna 2001, Agboola 2015). Figure 4.4 highlights some visual scenes of the interview during fieldwork.



**FIGURE 4.4** The scenes of the interviews  
*Author's fieldwork (2016)*

### § 4.2.3 Questionnaire survey

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In this study, questionnaire surveys were conducted twice, i.e. during the pilot study stage and after the major interview campaign had been conducted (Section 9.7). In addition, parts of the data collected during the pilot study resulted in a published research article on defiant attitudes in the private housing market in the study area (see Gbadegesin, Van der Heijden and Boelhouwer 2016). During the course of the comprehensive fieldwork, a questionnaire survey was adopted in the process of surveying the motivating interest in the informal housing provision from the larger portion of landlords/householders in the mapped areas of Lagos. After reaching a point of saturation in the interview conducted, I revised the prepared questionnaire in order to incorporate newly identified items from the interview. I had two field research assistants with me who assisted in the administration of the questionnaires. The purpose of the questionnaire survey in this context was to solicit a wider opinion on the motivation for informal housing provision practice from the respondent actors in Lagos, Nigeria.

### § 4.2.4 Validation of the proposed solutions framework through consultation

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In this study, I solicited expert opinions on the possible solutions proposed. I considered this necessary in order to confirm the effectiveness of the proposed recommendation that emanated from theoretical, empirical and comparative perspectives. With the help of the contacts made during the comprehensive fieldwork initially conducted, I was able to consult with a set of experienced and high-profiled professionals, academic experts, policymakers and real estate financiers in Nigeria via e-mail and telephone. Table 4.3 presents the profiles, affiliations and years of experience of the experts consulted and their affiliations.

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## § 4.3 Rationales for the adoption of both qualitative and quantitative approaches

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The need to obtain a wider range of and sufficient information necessitated the use of both qualitative and quantitative approaches. I also considered the nature of Nigeria and the respondents. In this study, primary data was obtained through in-depth

interviews (case study), while secondary information was obtained from literature and archived documents. In particular, I grouped together actors of common interest to shed light on the research issues, for instance I grouped landlord/householder and tenant interviews (Qu and Dumay 2011, and Ritchie et al. 2013). Of much relevance to this study is its use in exploring areas of difference and agreement within and across groups, and also because it allows respondents to reflect upon beliefs and behaviour in addressing the urban housing shortage in Nigeria.

In addition, Nigeria is a multi-ethnic or pluralistic setting which involves both formal and informal institutions, without any available database (Uno Ijim, 1999; Odeyemi, 2014). Therefore, I prioritised a qualitative approach to obtain objective information. This information is about the respondents' side of urban housing, opinions on influencing factors and perceptions on possible policy solutions. The qualitative ideas thus ensured that new themes on housing provision strategies emanated through a diagnosis of events-sequences from a pre-development stage to a post-development stage of housing. Through this approach, a clearer picture, interpretation and understanding of the housing situation and the implications were reported.

Moreover, I hold that the use of a questionnaire is not the most suitable method for this study because it restricts actors' responses, thereby making it difficult to obtain in-depth knowledge of reality and meanings. Nevertheless, the use of questionnaires in this study triangulates the qualitative findings and is also useful in capturing the wider view of the respondent stakeholders (landlords/householders and policy-makers) without bias. In addition to the questionnaire survey during the pilot study, I used another set of questionnaires when examining the motivating factors. This is because I intended to statistically present a larger range of respondents' perceptions (landlords/householders and policy-makers). The quantitative information collected therefore augmented the qualitative information gathered through the previously conducted interviews.

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#### § 4.4 Target population/respondents

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Today, the key role-players in the Nigeria's housing system include landlords/householders, tenants, policy-makers, members of the Real Estate Developers Association of Nigeria (REDAN) and financial institutions. There is a need to gain wider insight into the reasons and possible solutions to the problems raised by the main housing providers (landlords/householders) on events-sequence of the housing

provision culminating across land acquisition, construction and post-construction stages. Against this backdrop, independent private developers and policy-makers (from the Ministry of Housing and Property Development Corporation) were interviewed. Hence, the study was conducted with the involvement of the following stakeholders/role-players:

- Landlords/householders/tenants (the main housing role-players)
- Real estate and housing practitioners (REDAN members).
- Senior officials at the Ministry of Housing and Property Development Corporation (LSDPC) as the policy-makers (planners, builders, architect, estate surveyors and valuers).
- Experts (high-profile professionals, researchers, contractors, planners, builders, architects, estate surveyors and valuers and representatives of financial institutions).

It is important to state that different sets of respondents were interviewed for the problems examination and for the suggestions on possible solution to avoid bias.

#### § 4.4.1 Sampling procedure

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In this study, a purposive sampling technique was adopted to reach the respondents. The reason for using this technique is that the sample from which to select was large and diverse and I had previously settled the issue of gaining access to these samples. I started with the mapping of the specific vulnerable locations in the study area with reference to pilot studies conducted, on actual areas designated for the core activities of the informal groups in the study area. This approach underlies the philosophy of purposive techniques. Creswell (2013) and Palinkas et al. (2015) explain that a purposive method serves as a useful approach in evaluative research that involves identifying and choosing the main stakeholders or participants who are involved in a subject of study, with the intention to gain a deeper knowledge of a key phenomenon. Therefore, sampling begins with a range of choices about with whom, where, and how a researcher wants to go about doing the research.

I also used the snowballing technique to select housing and real estate practitioners (REDAN) and policy-maker representatives, i.e. the formal role-players. For instance, the first practitioner and policy-maker was contacted via telephone and the official permission letter allowed me access to a greater network of participants to interview. This is consistent with the opinion of Atkinson and Flint (2001) and Petersen and Valdez (2005), who indicate that the snowball purposive sampling strategy allows

for participants to recommend other participants from whom to solicit the required information. I also utilised the advantage of my familiarity with the study area, having conducted a number of research projects in the city before. In particular, the pilot study initially conducted prior to the commencement of the research and the several telephone enquiries made during the exercise for appointments and confirmations made access to participants easier.

#### § 4.4.2 Sample size

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Sample size for the qualitative study and quantitative survey adopted are discussed in this section.

#### § 4.4.3 Qualitative study

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In a qualitative study the most important consideration while collecting data via interviews is the point of saturation (Mason 2010). It is scientifically reasonable to pay keen attention to the points of saturation in qualitative studies at a justifiable, reasonable and acceptable level (Marshall et al. 2013). Data saturation is a situation or process where the response obtained from respondents becomes repetitive (i.e. no new information is obtained). Congruent with Fusch and Ness (2015) and Hennink (2017), when the nature of response from the respondents during a course of qualitative research that entails interview is saturated as a result of repetition, collecting more data might be unnecessary. To recognise the data saturation stage in my research, I firstly envisaged a sufficient sample at the start and then identified points of constant repetition of codes and meaning. This is congruent with the scientific positions mentioned which also suggested to be adopted with the application of experience (Corbin and Strauss, 1990 and Hennink, 2017). Similarly, Malterud et al. (2016) indicate that the adequacy of information undoubtedly defines the concept of sample size, once the information obtained from relatively smaller participants is the same with what larger participants can offer. In other words, a qualitative study usually requires a relatively small sample size, because the nature of the collection is usually intensive and context-rich with the core aim of generating themes (Ritchie et al. 2013, Creswell and Poth 2017). In this study, for the qualitative aspect, based on the time frame, distance, cost and environment in which the study was completed, 35 interviews were conducted which included 25 landlords/householders/tenants,



5 independent housing developers and real estate practitioners, 4 policy-makers (personnel at government ministries) and 1 academic. Three sites and association meetings (participatory observations) were attended. The interview process was consistent in its method until a reoccurrence or repetition occurred. This approach is similar to previous study approaches (Keivani and Werna 2001, Wakely 2014, Agboola 2015). Table 4.2 presents details of the respondents:

TABLE 4.2 Respondents' profiles

S/N	RESPONDENTS	SYSTEM STATUS	PROFILES	LOCATION	NO
1	Landlords/households/tenants	Informal groups	Owner-occupiers and informal housing providers	Lagos	25
2	Policy-makers	Formal groups	1 official at LSDPC. 3 personnel at Land Bureau and Housing Ministry	Ilupeju and Alausa, Ikeja, Lagos	4
3	Private Developers	Formal interviewees	REDAN (private practitioners)	Lagos	5
4	Researchers/Lecturer	Formal	University staff member	Lagos and Ile-Ife	1
5	Sites		3 Development sites	Lagos Central, East and West	
	<b>Total</b>				<b>35</b>

Source: Author (2016)

Experienced and senior officials and practitioners were approached for the validation interviews. Table 4.3 presents the profiles, affiliations and years of experience of the experts consulted.

TABLE 4.3 Consulted experts for validation and their profiles

EXPERTS	AFFILIATIONS	NO	YEARS OF EXPERIENCE	PROFILES
Senior Officials	Land Bureau	3	Over 20 years	Assistant Directors
Senior Officials	Ministry of Housing	2	Over 20 years	Assistant Directors
Senior Official	Lagos State Development and Property Corporation (LSDPC)	1	Over 20 years	Unit Head
Credit Officers	Financial institution representatives	2	15 years	Experienced cadres
Private Developers	Property development companies	2	18-20 years	Professionally qualified and experienced practitioners with practicing seals.
Academics	Universities (University of Lagos)	3	Over 10 years plus professional practices	Senior Lecturers or Professors
Private household	Independent landlords/ rental housing owners	2	Born and live in Lagos	Experienced landlords/ rental housing providers
Total		12		

#### § 4.4.4 Quantitative study

Two research assistants were used for the questionnaire survey in the pilot study stage and after the interview section. Critical defiant attitudes observed among landlords and tenants, during the pilot study were published (see Gbadegesin, Van der Heijden and Boelhouwer, 2016 and Section 9.7, Chapter 9). For the last survey (after the interview section) 242 and 107 landlords/householders and housing ministries' personnel were surveyed respectively (see table 4.4). While the landlords/householders were reached through monthly landlord association meetings in May and June 2016 the latter were reached through solicited visitations to the Ministry of Housing and Property Development Corporation (LSCPD). Appendices *ii*, *iii*, *iv* and *v* provide the sample size break-down and details for both qualitative and quantitative approaches adopted in this study. Appendix *vi* presents the summary of the qualitative research design and technique schematically. Table 4.4 presents the sampling details of the questionnaire survey.

TABLE 4.4 Sampling of the questionnaire survey conducted

TARGETED POPULATION	LOCATION	SAMPLE ADMINISTERED	SAMPLE COLLECTED AND USED
Informal residents/ groups	The 3 senatorial districts in Lagos	300 copies (50 copies for each district)	242 copies
Formal groups	Ministry of Housing, LSDPC, Land Bureau	200 copies	107 copies

## § 4.5 The study area, rationale for the selection and the mapping strategy

Lagos is the actual study area in Nigeria. The interest which led to the selection of Lagos as the study area is borne out of the evidences in literature, policy documents and personal experiences of Lagos. The following three characteristics can also be mentioned about Lagos. First, there is a diverse ethnic composition in Lagos, and it can be described as a mega-city with a clear distinction between formal and informal groups. These groups are classified with disparity in terms of income distribution, job distribution and location differential.

Second, there is rapid growth in population in Lagos more so than in any other city. Alufohai (2013) indicates that the Lagos population is approximately 12% of a national estimate with an annual growth rate of between 6% and 8% compared with a 3.8% - 5% country growth rate and global 2% growth rate. Nevertheless, Lagos is still the financial and economic centre of Nigeria and SSA. As a result, it is the target of various ethnic nationalities of about 300 tribes that make up the federation. In terms of housing provision, Makinde (2014) indicates that 80% of housing stock in Lagos is built through informal means. Correspondingly, there are numbers of blighted and deteriorated settlements characterised by illicit dumps which constitute eyesores in various locations across the three senatorial districts (Gandy 2006, Morka 2007). The most vulnerable locations include the Ayobo-Ipaja, Ikorodu, Badagry, Eti-osa, Ajegunle, Badia, Maroko, Surulere and Mushin areas.

Third, Lagos is a classical representation of the situations in other cities in Nigeria and SSA. Therefore, any measure or approach that works in the study area has great potential in being effective elsewhere in SSA. This has therefore rendered Lagos the city to be used as the case study area for many policy implementation and appropriate

studies. It is also a city that attracts the attention of international organisations like UN-HABITAT, World Bank and Centre for Affordable Housing Finance in Africa (CAHF). Similar situations can be spotted in other cities across the federation. Hence, this confirms that the housing inadequacy in Nigeria is a national issue.

The main target participants for this study are the informal housing providers, who are within low-middle income groups, and formal stakeholders (senior personnel, researchers, building contractors and private developers, among whom are estate surveyors and valuers, architects, builders, quantity surveyors and planners (Opoko 2013, 2014, Opoko, Ibem et al. 2015). They are observed to be spread across different senatorial districts areas in the study area as identified in Table 4.5.

**TABLE 4.5** Lagos State senatorial districts and the existing locations

SENATORIAL DISTRICT	CODE	COMPOSITION
Lagos Central	SD/070/LA	Lagos Island, Lagos Mainland, Surulere, Apapa, Eti-Osa
Lagos East	SD/071/LA	Shomolu, Kosofe, Epe, Ibeju-Lekki, Ikorodu, Agege, Ifako-Ijaye
Lagos West	SD/072/LA	Alimosho, Badagry, Ojo, Ajeromi/Ifelodun, Amuwo-Odofin, Oshodi/Isholo, Ikeja, Mushin.

Source: <http://www.nigerianbiography.com/2016/03/list-of-109-senatorial-districts-in.html>

Lagos state, like other states in Nigeria, has three senatorial districts as shown in Table 3.3. Usually, low-middle income housing role-players (main target respondents) in Nigeria are located in these areas and belong to any of these groups: faith-based groups, ethnic clubs, cooperative societies and landlord associations (Agunbiade, Olajide et al. 2015). They are often found in market places, places of worship and nearly in all streets in cities of Lagos. A study by Akinsorotan and Olujide (2007) indicates that these groups often constitute many urban dwellers who rely mostly on their self-efforts to execute housing projects without any external financial assistance from other sources. There are 20 local governments (LG) in Lagos State.

By using the mapping technique, the community landlord associations were contacted. Finding respondents was done according to the three senatorial districts. This is because the senatorial district classification clearly incorporates and classifies all LG (councils) areas. Figure 4.5 presents the map of Africa, Nigeria and Lagos indicating its senatorial districts.

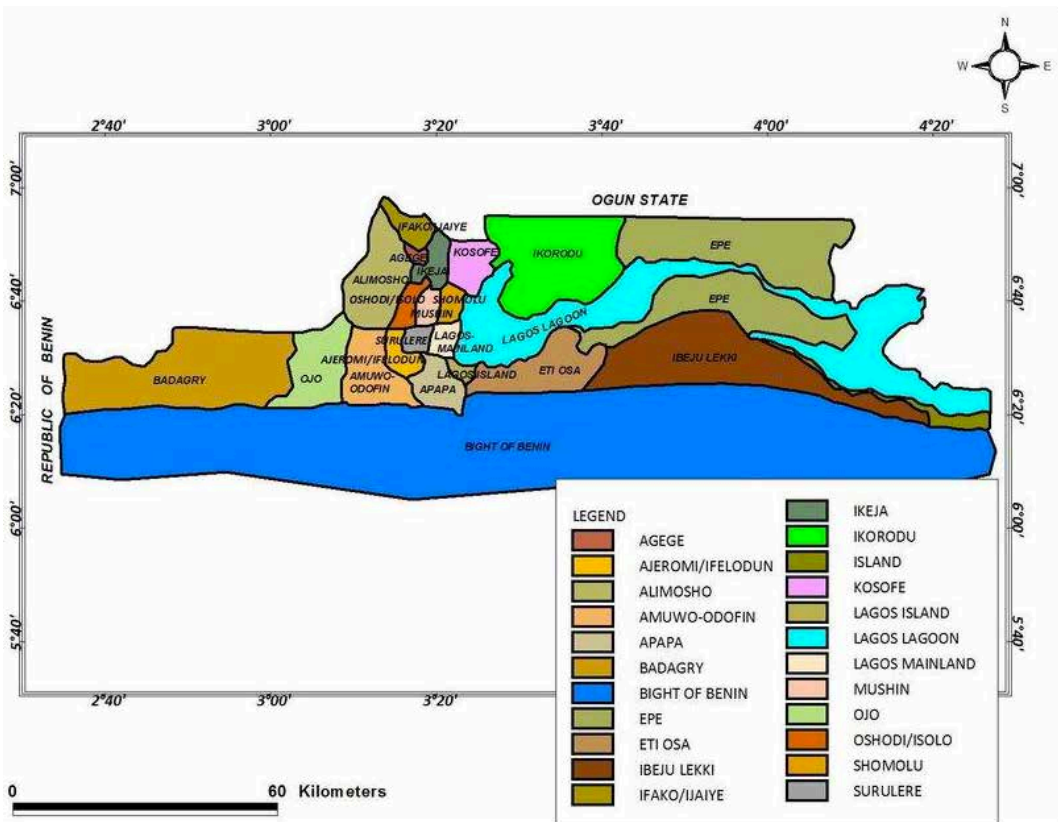


FIGURE 4.5 Sub-Sahara Africa, Nigeria and Lagos in maps  
 Source: <http://www.enchantedlearning.com/africa/nigeria/outlinemap/>

Incidentally, the vulnerable settlement areas are distributed across the three senatorial districts. For instance, Surulere and Eti-Osa local governments are located in the Lagos

central senatorial district, Ikorodu and Agege in the Lagos West senatorial district and Alimosho and Badagry in the Lagos East senatorial district. Therefore, two LG areas from each district were selected for the study, amounting to six local governments in total. In addition, these segregated areas have a large number of housing units developed and being developed through unconventional approaches (Opoko 2014). Fieldwork activities were thus concentrated on the mapped areas in Lagos, i.e. Surulere, Eti-Osa, Ikorodu, Agege, Alimosho and Badagry.

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## § 4.6 Data analysis and tools

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Due to the nature of the study, I adopted three distinct approaches: thematic data analysis (TDA) for the qualitative data collected via interview and observation, desk analysis of literature and policy documents for the secondary information, and SPSS for the data collected via questionnaires. The applicability of these tools to this study is described in what follows.

### § 4.6.1 Thematic analysis, coding and formation of themes

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Thematic analytical method (TAM) is a tool used to analyse qualitative data (i.e. the interviews in this study). It is a qualitative research method of analysis that involves the practice of developing themes from word-based data and presenting the information in an illustrative form (Braun and Clarke 2006). Specifically, TAM is employed in qualitative research including the built environment and is designed towards extracting themes within the data set. The emphasis and goal of the tool in the qualitative method is embedded in the rich organisation of the raw data set through the coding process. The task of coding is germane in the use of TAM because it is the foundational process for forming themes within the raw data, simply by pin-pointing important moments in the data and encoding it before the actual interpretation. I noted repetition in and the appearance of the codes across the raw data set, as the comparison of the frequencies of occurrence of the codes allows for a more nuanced interpretation and thus helps to identify and position theme re-occurrences. In turn, the interpretation of codes can include comparing theme frequencies, identifying theme co-occurrences, and graphically displaying relationships between different themes (Thomas and Harden 2008, Vaismoradi et al. 2013). Most researchers consider

thematic analysis to be a very useful method in capturing the intricacies of meaning within a data set (Guest et al., 2012). These meanings are referred to as themes emanating from the interview.

In this study, cases of overlapping of meaning and similarities in semantic expressions have been numbered and coded as follows: nature of urban housing (C26), challenges of provision strategies (C11), land acquisition (C6), approaches to development (C22), labour and material (C24), cooperative financing method (C12), consumption/management (C24) and possible solutions (C29). From these coded data, patterns of the themes emerged (these are discussed and interpreted later). Codes are the tagged labels that are attached to particular pieces of the data that contribute to a theme. For example, "Urban Housing" is a code, but "traditional and cultural system of transaction on land" is a theme. Six basic steps of TAM are prescribed by Braun and Clarke (2006) as shown in Appendix vii.

For the purpose of this study, recorded interviews were played back, notes were made, and both were transcribed. Other field notes were compiled, coded and analysed. The transcription was done sequentially based on the research questions. The adapted analytical framework was used to categorise and organise the data, after which initial codes were generated. Having generated codes for all the transcribed interviews, the coded data were collapsed under each component of the framework adapted, in reference to the analytical structure that the housing provision system is better examined within the context of factors of production and interest. Thereafter emerging themes were identified and reviewed. Selection of the most appropriate, interesting and knowledgeable contributing findings is central to the uniqueness of the themes. This is achieved through the collation of the specific data context, existing knowledge and personal reflection, aided by the memos recorded during the TAM.

In the TAM process the use of *ATLAS.ti*, a computer-aided qualitative data analysis software (CAQDAS), was embraced. The software was used in coding selected passages against particular themes and in further refining and reviewing themes, conducting TAM data analyses, and interpreting and reporting the data. Using this software to code data contributed immensely to the analysis because it helped to identify and differentiate between the categories of respondents, i.e. landlords/householders (informal institution role-players), policy-makers and independent housing and real estate professionals (formal and hybrid institution role-players).

## § 4.6.2 Desk analysis of literature and policy documents

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The desk analysis consisted of an extensive review of relevant literature and documents, national housing policies, programmes, journals, professional research documents, archival materials, reports and other related documents collected from the field.

## § 4.6.3 Analysis of the questionnaire surveyed data

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Similar to previous studies, I utilised the Statistical Package for Social Sciences (SPSS) tool to analyse a set of data collected during the pilot study which resulted in a published research output (see Gbadegesin et al. 2016 for the article). In the article, descriptive and inferential statistics were adopted. During the examination of the wider perceptions of the two stakeholders (formal and informal institutions) on motivations (Section 9.7), descriptive statistic was used to analyse the motivation for the spread of informal housing delivery.

## § 4.7 Limitations and the challenges

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I considered it imperative that the scope and limit of coverage in the study should be defined. This is upheld by Morrow (2005) who indicates that in order to avoid ambiguity and ensure concrete result within a time frame, boundaries should be set. Therefore, I restricted my study to the diagnosis of urban housing and the events in the provision system in Nigerian cities, using Lagos as the study area. The essence of this study is to identify and examine the challenges in the system in order to improve on housing delivery.

There is no doubt that many challenges were faced in the field. These challenges include cancellations of interview appointments, and difficulties in gaining access to the interviewees, especially the respondents at the ministries. I was also confronted with challenges of complying with landlords' requests to answer interviews in local languages or "Pidgin" English. This, however, was not a significant issue as I am able to communicate in the two languages fluently. On another note, I had to make use of



commercial transport while visiting various mapped locations to conduct interviews, which had financial implications (which were later resolved). This made the research on the field more demanding and expensive. Another challenge I encountered in this research is that many landlord associations are not registered under any ministry where their information can be easily accessed. It required personal initiative and professional network experiences to connect with landlord association members and other respondents.

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## § 4.8 Conclusion

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In this chapter, I elaborated on the methodological perspective underpinning the study and described the scientific position of my research design. I narrated my research design which defines the specific method used for data collection, and detailed the advantages and disadvantages of the methods. Referring to empirical evidence, I also indicated in this chapter that purposive sampling in the context of scientific studies for qualitative studies of this nature was adopted. Thereafter I explained the processes of TAM in the data analysis. In order to ascertain the integrity of the study, aspects of credibility and trustworthiness and ethical issues were ensured with informed consent. Lastly, I experienced cost-, time- and appointment-related challenges, specifically in my fieldwork. Therefore, in the subsequent chapters, I elaborate on the background context of Nigeria and the outcomes of the data analysis.

# 5 Structure of housing provision in Nigeria

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## § 5.1 Introduction

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Having examined Nigeria's contexts in connection with demographic, political, economic attributes, the implications on the housing provision and the dimensions of delivery shortages in Chapter 4, this chapter aims to answer research question 3: *What is the structural context of the Nigerian housing provision system?* The question is approached by putting different political administrations over the years into perspective. As discussed in Chapter 2, Nigeria has been ruled by colonial, military and civilian administrations prior to the independence until date. Various government administrations have also performed either direct or indirect roles in terms of housing delivery. Therefore, in this thesis, the analysis and discussion are categorised and conducted in the order itemised in the 2012 NHP (FRN 2012):

*"The colonial period up to 1960, the post-independence period (1960 - 1979), civilian administration (1980 - 1983), military regime (1984 - May 28, 1999), civilian administration (May 29, 1999 - May 28, 2007), civilian administration (May 29, 2007 - May 5, 2010), civilian administration and the current civilian administration (May, 2015 - 2017)".*

In Section 5.2, the overview of the existing housing system and its characteristics are discussed. Section 5.3 concentrates on the structural contexts of Nigerian housing delivery systems. Section 5.4 and Table 5.1 present the structure of housing finance and existing scenarios in Nigeria. Figure 5.1 provides a schematic overview of the chapter.

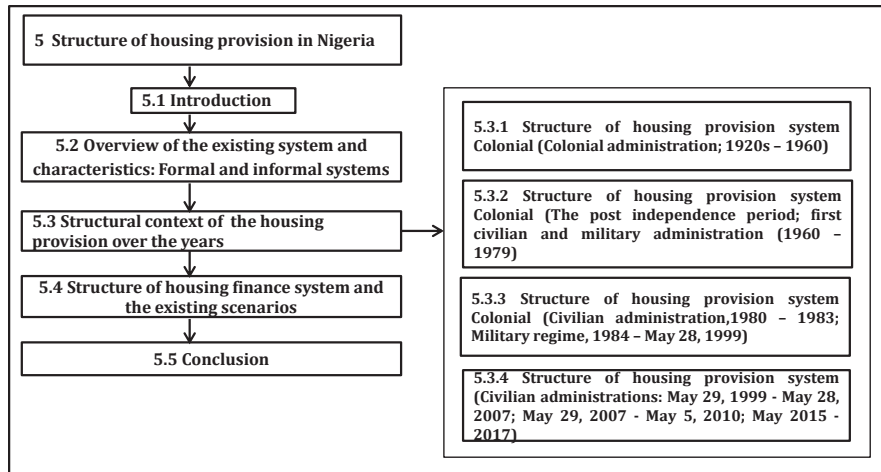
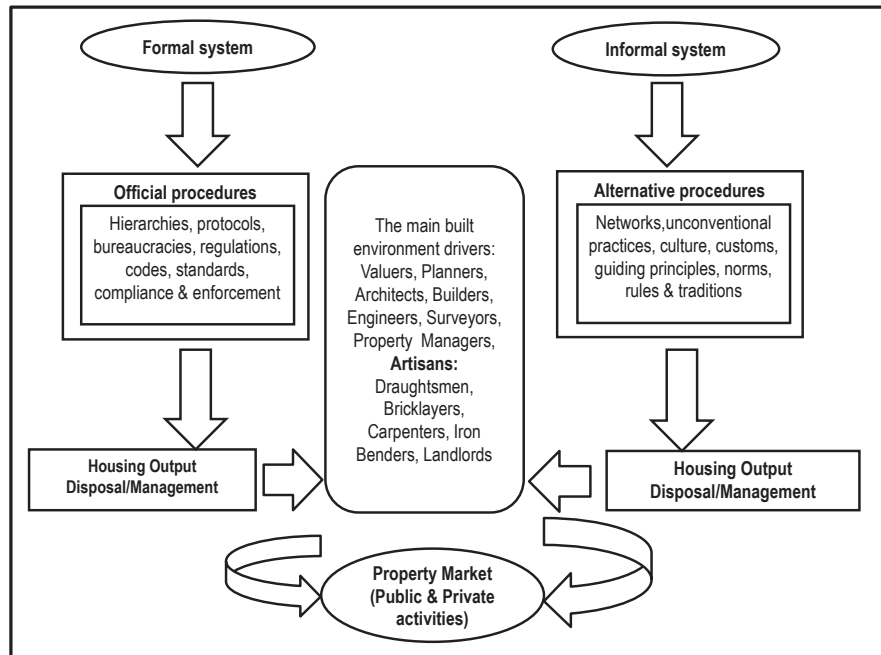


FIGURE 5.1 Schematic overview of Chapter 5

## § 5.2 Overview of the existing provision structure and characteristics: formal and informal systems

As described earlier, the Nigerian housing system is simply divided into the formal and informal. The formal system is operated mainly by public agencies and organised private sectors and is institutionalised by formal laws. The informal system is operated by private individuals in relatively less formal ways with the intention of providing housing for citizens. Figure 5.2 presents the main classification of the system.



**FIGURE 5.2** Main classification of institutions in the Nigerian urban housing system  
 Source: Mooya and Cloete (2007), Makinde (2014)

In Nigeria, the difference between the formal and informal systems lies within the nature of their respective rules. Helmke and Levitsky (2004) identified openness and wider acceptability as a point of difference. The formal system operates in and communicates through an official channel of acceptance while the informal system is based on culture, habit, communalism, tradition and social networking as described by Ostrom (2005). It also has religions, kinship, marriage, familial and inheritance connotations. The structure of the housing provision is examined in detail in Section 5.3.

### § 5.3 Structural context of the housing provision systems (1920s - 2015)

The structure of the housing system in Nigeria is analysed and discussed under two broad eras: colonial and post-colonial eras. The post-colonial era is further divided into two regimes: military and civilian regimes.

For the purpose of analysis, NHP classified the data into three broad categories: (1) the colonial and post-independence periods; (2) civilian administration, and (3) military administration (Federal Republic of Nigeria (FRN) 2012).

I discuss housing structure as they occurred chronologically.

### § 5.3.1 Structure of the housing provision system (colonial administration: 1920s - 1960)

As far back as the 1920s in Nigeria, colonial administrator ministries or agencies were the main providers of standard housing, mostly for public officials in cities. Few numbers of private individuals were included in the provision. At the time, there was no specific housing policy. Figure 5.3 presents an overview of the system.

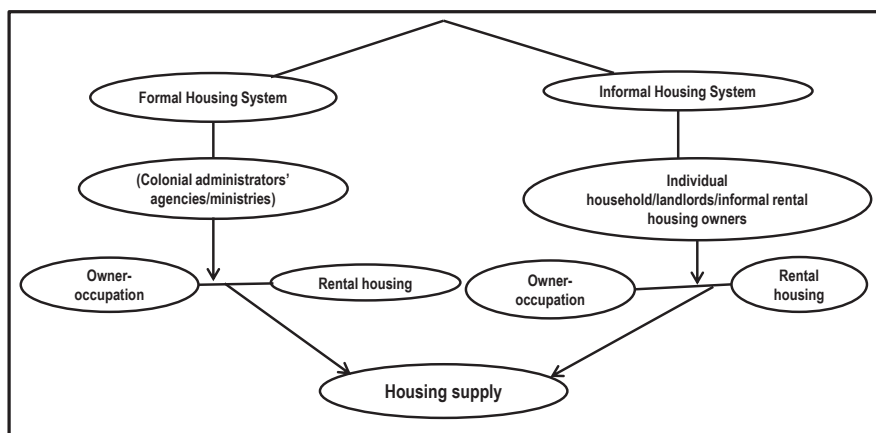


FIGURE 5.3 Early housing system in Nigeria (pre-colonial era)  
Source: Author's finding

During this period, foreign experts were actively involved in various sectors of the economy, especially the health care administration, manufacturing, education and construction sectors. Staff housing, quarters and Government Reservation Areas (GRAs) were constructed. Later on, through the input of colonial administrators, built environment professionals were trained in the country while many young scholars were sent overseas for studies.

### § 5.3.2 Structure of housing provision system (post-independence period: first civilian and military administrations, 1960 - 1979)

Nigeria gained her independence in 1960, which ushered in a change of administration. As indicated in Table 4.1, Chapter 4, civilian administrators came into power. During this period a national development plan was unveiled. Although the developed national housing plan presented a number of housing plans and projections, there was no official legislated housing policy. During the 1960s modern houses, except the colonial administrators' structures, were springing up in cities through the input of individuals. In order to officially recognise the roles of private bodies in urban housing provisions, there was a gradual push for a housing policy. Until the late 1960s, no significant changes had been made to the existing colonial regime housing system structure

Between the late 1960s and 1980, the activities of the trained built environment professionals became more salient. This occurred when a number of universities and polytechnics were established with faculties and departments of the built environment, thus leading to a transformation in the structure of the provision system as represented in Figure 5.4.

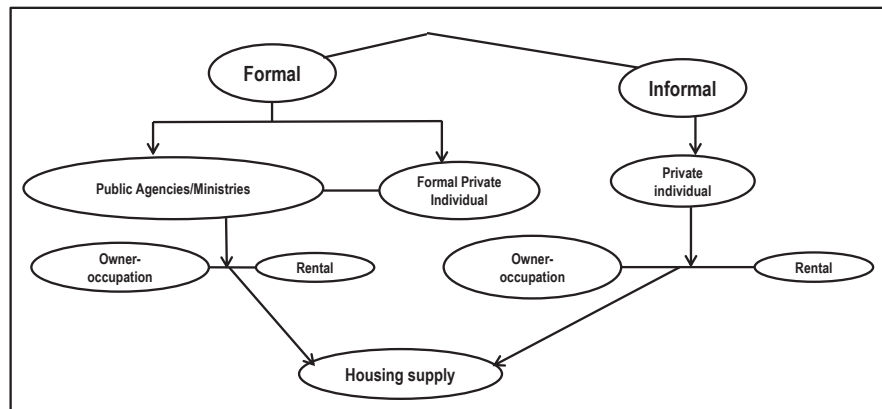


FIGURE 5.4 Housing provision system (late 1960s - early 1980)  
Source: Author's finding

During this period, a sizeable number of individuals (formal private house owners/builders) engaged professionals in the built environment through indigenous small-scale construction companies in building houses in cities, especially in Lagos.

### § 5.3.3 Structure of housing provision system (civilian administration, 1980 - 1983; military regime, 1984 - May 28, 1999)

Public ministries were actively involved in the urban housing provision which resulted in many public housing estates in cities. The public housing regime was active during this period. The structure of provision was still in operation and had extended to northern and eastern Nigeria. In the early 1990s, there was an intense policy step for housing delivery. Housing policy came into existence during military administration, thus bringing about changes in the structure of the housing system due to the change in government administration in 1991. Figure 5.5 presents the change.

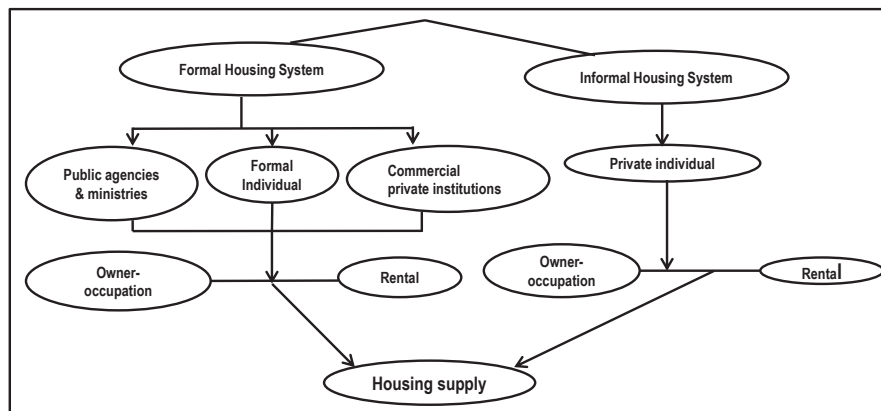


FIGURE 5.5 Housing provision system in early 1991 NHP  
Source: Author's finding

Nigeria's national housing policy was in operation fully from 1991. The involvement of organised private developers (also known as commercial developers) enhanced the extension of provision in the Nigerian housing system in the 1990s. This became necessary when there was an increasing need for housing, due to enormous changes in population and urbanisation, as discussed in Chapter 4. At that time, urban centres in Nigeria began confronting housing shortages with the emergence of slums or squatter

settlements (Opoko and Oluwatayo 2014). Due to the decline in housing supply, there was a steady rise in rent in the private rental market, resulting in defaults in cities. As the menace of housing shortage in cities reached an alarming rate, finding a good tenant became difficult in the rental market, especially among the low and middle-income groups (Oni 2011, Gbadegesin and Ojo 2012). Against this backdrop, there was an agitation to explore an alternative route of housing delivery with seemingly less constrained strategies, as conceived by people then.

### § 5.3.4 Structure of housing provision system (civilian administrations: May 29, 1999 - May 28, 2007; May 29, 2007 - May 5, 2010; May 2015 - 2017)

There was a change to government in 1999. A collaboration concept, termed *enabling framework*<sup>6</sup>, was inaugurated. This refers to a concept of public-private partnership (PPP) with a view to providing adequate housing (Ojo and Gbadegesin 2017). As the concept of PPP was officially launched, there was a further change in the housing system as shown in Figure 5.6.

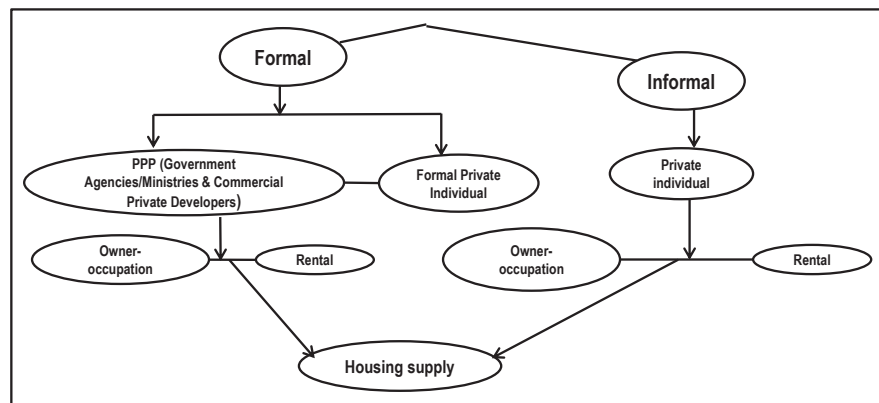


FIGURE 5.6 The present housing provision system in Nigeria (21st century)  
Source: Author's finding

6 Enabling framework; UN-Habitat, Global Strategies for shelter to the year 2000 describes the expected modus operandi of "enabling framework" which entails partnership or collaboration (PPP), and government turning from provider to enabler. See also Mayo (1991) and Mayo and Angel (1993).



The structure in Figure 5.6 can be described as the existing system of housing delivery that is officially in operation through civilian administration (May 29, 2007 - May 5, 2015) and the current civilian administration (May 2015 - 2017). The nature of PPP in Nigeria is the collaboration of corporate/commercial institutions with agencies for the purpose of direct large-scale production of housing units on a commercial basis (Ibem 2011). In other words, the private developers are more profit-oriented providers. Within the identified structures of provision, the underlying driver is the financial system. Financing takes a pre-eminent position, leading to the examination of the housing finance system.

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## § 5.4 Structure of housing finance system and the existing scenarios

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Finance in Nigerian housing market, to a large extent, is an integral and pre-eminent determinant of housing provision (Abiodun 1999, Ojo et al. 2015). The finance structure can simply be described as formal and informal, however Nubi (2010) indicates that the structure can still be categorised as modern and traditional. The main idea here, as argued by Boleat and Walley (2008) and Wapwera et al. (2011), is that modernisation is modifying the shapes of the structure. Some formal and informal housing finance methods are becoming modern in concepts. Therefore, there is now a dual concept of modern and traditional methods. In addition, Wapwera et al. (2011) indicate that in today's Nigerian society, traditional financing methods have yet been embraced. As previously indicated, however, it can equally be explained that the modern and traditional finance structures are based upon compliance with formal and informal institutions in society. Figure 5.7 illustrates the basic housing finance structure.

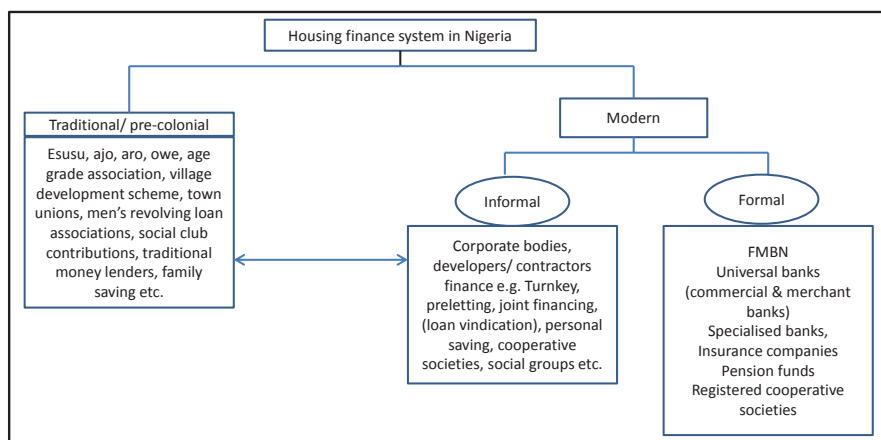


FIGURE 5.7 Housing finance system in Nigeria  
 Source: Abiodun (1999), Boleat and Walley (2008), Nubi (2010)

At present, four distinct scenarios are taking place in Nigerian cities in relation to the housing finance system as shown in Table 5.1. The first is a formalised traditional system, i.e. a situation in which the traditional systems are becoming popular as solution routes for the low and middle-income groups. The second is an increase in the use of the traditional finance system nation-wide. The third is that the formal sources in housing finance are often referred to as modern approaches. The majority of people are not able to access these finance methods, due to tough conditions and complex procedures attached to them. The fourth scenario relates to incidents of informal finance methods that are growing towards becoming part of the mainstream finance system, such as the cooperative society's system and micro-finance institutions.

TABLE 5.1 Four relationship scenarios of housing finance system in Nigeria

HOUSING FINANCE SYSTEM	TRADITIONAL SYSTEM	MODERN SYSTEM
Formal system	Formalised traditional methods	Formal or modern system
Informal system	Informal or traditional nomenclature	Informal growing to modern style (e.g. micro-finance institutions)

Source: Abiodun (1999), Nubi (2008, 2010)

## § 5.5 Conclusion

In this chapter, the structural contexts of Nigerian housing delivery systems have been examined. It comprises the structural contexts of formal and informal housing systems, and the structures of provision from the colonial era until date were identified and discussed. Formal provision is done in compliance with legal frameworks while the informal provisions are situated in the cultural context of the Nigerian society. In the early years of colonial administration, the government was the main provider until the changes in roles through policy formulation and the government agenda. However, changes have been made to the system with modernisation and reform.

# 6 Government roles in the housing provision in Nigerian cities

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## § 6.1 Introduction

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In Chapter 5, I examined Nigeria's housing structure system from colonial administration until 2017 under the following classifications as listed in the NHP of 2012:

*"The colonial period up to 1960, the post-independence period (1960 - 1979), civilian administration (1980 - 1983), military regime (1984 - May 28, 1999), civilian administration (May 29, 1999 - May 28, 2007), civilian administration (May 29, 2007 - May 5, 2010), civilian administration (2010 - 2015)"*

This chapter aims to answer research question 4: ***What is the role played by government in Nigerian housing provision?*** Based on housing governance in Nigeria, two tiers of government are mainly involved in urban housing provision through their ministries; federal and state government. Government roles at federal (central) and state levels are discussed under two headings: roles in actual production and roles in policy and legal instruments formulation. Desk analysis is largely used to analyse and discuss the accessed secondary data, i.e. literature and documents retrieved from government ministries in Nigeria. The analysis is done in two ways: firstly, in Section 6.2, federal and state government roles in the specific units of housing produced in cities are analysed, and secondly in Section 6.3, federal and state government roles in policy and legal instruments/frameworks formulation are analysed. It is important to state that every housing programme in Lagos and the other 35 Nigerian states is carried out in accordance with the NHP. In Section 6.4, the concept of PPP is examined. The arrangement is presented in Table 6.1 which provides a schematic overview of this chapter.

TABLE 6.1 Pattern of government roles (1960 - 2015)

GOVERNMENT ROLE	Production roles: Housing programmes, projection and achievements	Policies formulation and implementation roles
Federal government (Central tier)	1960 – 2015	1960 - 2015
State government (Provinces)	1960 – 2015	1960 - 2015
Local government (Municipalities)	Not involved in housing provision for urban dwellers in Nigeria (Chapter 7, Section 7.4.2)	Not involved in housing provision for urban dwellers in Nigeria (Chapter 7, Section 7.4.2)

Source: Author (2017)

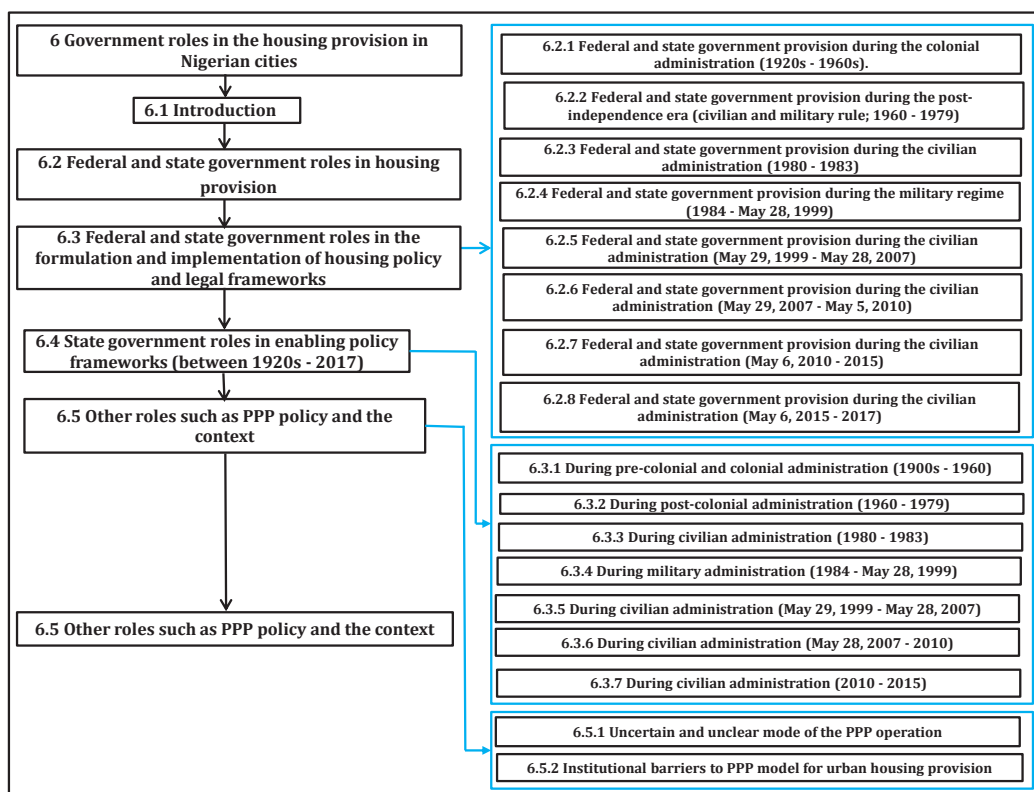


FIGURE 6.1 Schematic overview of Chapter 6

## § 6.2 Federal and state government roles in housing provision

Federal government has been the major provider from the early years, while the arms of state play a supporting and supplementary role (FRN 1991, 2012). Therefore, the roles of the federal development between 1920 and 2015, as indicated in Table 6.1, is divided into the following periods relating to different government administrations:

*“The colonial period up to 1960, the post-independence period (1960 - 1979), civilian administration (1980 -1983), military regime (1984 - May 28, 1999), civilian administration (May 29, 1999 - May 28, 2007), civilian administration (May 29, 2007 - May 5, 2010), civilian administration (2010 - 2015) and the current civilian administration (May, 2015 - 2017).”*

The housing projection, instruments and achievements of government are presented in Appendix *viii*. Details of the provisions are discussed as follows.

### § 6.2.1 Federal and state government provision during the colonial administration (1920s - 1960s)

This was an era of government official and staff housing provision in Nigeria. During this period, Lagos was, at the time, both the federal (central) seat of power and the capital city. Government roles in housing provision in Nigeria started during colonisation as far back as the 1920s. From the 1920s and early 1950s, both the federal and state governments were the main role-players, except for individuals because there was neither a ministry of housing nor a housing corporation. All housing and urban development activities were conducted through the Lagos Executive Development Board (LEDB), located in Lagos. From 1955 until the early years of independence, housing development became the sole mandate of LEDB at both federal and state levels. During that time the government embarked on the provision of housing for an important sect of official workers in the country. The aim of the provision was related to the outbreak of epidemics in Lagos (Gbadegesin and Aluko 2010). Subsequently, the delivery extended to the provision of staff housing in various government ministries. Government at the time did not have specialised ministries, commissioned to perform the roles of housing delivery. In light of this, government handed over the responsibility of housing delivery and urban development to the Lagos State Executive Development Board (LEDB) to administer and execute any actions relating to slum clearance and housing construction.

However, the provision was concentrated on government staff housing and Government Reservation Areas (GRAs) between 1956 and 1959. It is documented in the NHP that the main aim was to provide subsidised housing units (GRAs) and mortgage loans (Federal Republic of Nigeria (FRN) 1991). However, the entire project could not offer housing to the urban majority (Onibokun 1985, Olotuah and Bobadoye 2009, Femi and Khan 2014). Following the inability to cater for the entire population, there were plans for the provision of housing in phases, through the National Development Plan (NDP). In the NHP of 2012, the Federal Republic of Nigeria (FRN) analysed further roles played by subsequent government administrations, however, the analysis was not administration-based.

## § 6.2.2 Federal and state government provision during the post-independence era (civilian and military rule; 1960 - 1979)

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At the federal level, this was the start of the provision of public housing. It was the beginning of the NDP, initiated by the new government administration. As a result, five-yearly National Housing Development Plans (NHDP) were developed and implemented for housing delivery and housing corporations were established to replace the roles performed earlier by LEDB as follows:

*“During 1962 - 1968 the implementation of first NHDP commenced with the establishment of Housing Corporations. An example is the low-income housing estate developed through the first NHDP locates along Eric Moore Road in Surulere, Lagos. However, the contributions were rather insignificant as the impact within the low- and middle-income housing market remained low. Not only that, with the outbreak of the Civil War in 1967, the housing situation deteriorated further as resources were diverted to the war” (Federal Republic of Nigeria 1991, FRN 2012).*

Between 1970 and 1974, government started the implementation of the second NDP (FRN 2012). However, there were no specific records kept of the achievements made in the first plans in the early years of independence. As stated in the NHP;

*“The main projection of NHDP then was to construct 59,000 dwelling units with 15,000 in Lagos and 4,000 units in each of the other 11 state capitals. Also, housing loans were prepared for civil servants, provided applicants were able to provide 60 - 80% of the housing cost.”*

However, it is reported that 7,080 units (12%) of the projection were achieved, as stated in the NHP and supported by Onibokun (1986) and Olotuah and Bobadaye (2009). It was also mentioned that low-income groups could not benefit due to the complex requirements, age limitation and prices.

Between 1975 and 1980, the implementation of the third NHDP commenced with a three-yearly NDP (Federal Republic of Nigeria (FRN) 2012).

*“The Federal Government then aimed to construct 202,000 dwelling units in the country: 50,000 housing units in Lagos, 8,000 in each of the 19 states at the time. However, 28,500 units (14.1%) were achieved.”*

Agunbiade et al. (2013) and Agunbiade (1983) support the argument that the low provision was due to land acquisition challenges and the low priority placed on low- and middle-income groups, as stated in the reviewed NHP. During this period, the issues raised led to the promulgation of a land use decree.

At the state level, Lagos was the only active state in the provision of housing. In 1970s, the Lagos State Ministry of Housing and Lagos State Development and Property Corporation (LSDPC) was established by the Lagos State Government for housing provision. According to the reports from LSDPC Office records (2016) and Alufohai (2013):

*“About 4,502 housing units within the period of 17 years were delivered. In 1972, LEDB was transformed into LSDPC ...”*

### § 6.2.3 Federal and state government provision during the civilian administration (1980 - 1983)

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At federal level, during this period, the fourth NDP was implemented across the states. Within this period the federal capital was moved to Abuja, while there was a lack of political will to continue with the NDP on ground. Although, the fourth NHDP was aimed at providing housing as follows (FRN 2012):

*“Low-income earners, whose annual income did not exceed five thousand naira, for one-bedroom core houses and also the medium-income group, with annual income not exceeding eight thousand naira, for three-bedroomed houses. There were two phases of the policy plan. In the first phase, a total of 40,000 dwelling units were programmed annually with 2,000 units in Lagos and other state capitals.”*



To achieve this target, FRN (2004) stated that 80% of state allocation was earmarked for low-income housing. However, according to FRN (2012),

*“Only 32,000 were completed and low-income groups were not prioritised in the first phase. In the second phase of the plan, another 20,000 units of two-bedroomed core houses for low-income groups were planned. It is found that out of the aimed housing units in the first and second phases, a total of 47,200 units (23.6%) were achieved”.*

The low delivery was attributed to the design adopted, without consideration given for cultural and religious contexts, prices, chosen locations and political games in the system (Agunbiade et al. 2013). Again, there was a change of government administration from elected administration to military rule. At state level, there was little or no commitment to housing provision by the state government at the time, but federal housing projects were coordinated by the state government.

#### § 6.2.4 Federal and state government provision during the military regime (1984 - May 28, 1999)

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Between 1984 and 1989, the military government took over the seat of power. During this period, people and government administration were moved from Lagos to the new capital city, Abuja. At the time there was a specific projection for public housing schemes. According to FRN (2012):

*“In 1996, Gwarinpa II Housing Scheme was initiated in order to provide accommodation in the Federal Capital Territory (FCT), following the influx of people from Lagos and other parts of the country to the FCT. The entire project covers a total of 1,090 hectares of land with over 5,000 housing units. As at 1999, under the National Housing Programme and Prototype Housing Scheme in several states of the federation, Federal Housing Authority (FHA) and the Federal Ministry of Works set out to directly construct 121,000 houses.”*

According to FRN (2012) 121,000 dwellings were planned for construction across the nation, but only 1,014 units (0.84%) were achieved, due to a lack of transparency and poor management of funds. Towards the end of this era, a number of civilian administrations emerged from 1999 to 2015.

At the state level, it is reported from LSDPC Office records (2016) and Alufohai (2013) that:

*“between 1972 and 1999 LSDPC constructed 20,120 units. In 1992, the Lagos State Ministry of Housing constructed another 17,000 units in various locations, including Abesan, Amuwo Odofin, Iba, Ijaye, Ijeh, Isolo and Ojokoro. With the increase in housing needs, LSDPC intensified efforts to produce more housing through a joint venture arrangement that yielded appreciable numbers of units in the mega city of Lagos, such as Lekki Scheme, Apapa GRA Victoria Island, Abijo and other locations”.*

### § 6.2.5 Federal and state government provision during the civilian administration (May 29, 1999 - May 28, 2007)

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During this time, there was a campaign for the private sectors to take over some sections of the economy. Federal government initiated the strategies of the scheme by setting up committees to that effect. The agenda dominated the programmes of the government.

Against the backdrop that the previous plans could not achieve the expected housing target, the Federal Republic of Nigeria (FRN) (2012) through the NHP reported the following:

*“The federal government contemplated a new national housing programme which was aimed at constructing 20,000 housing units throughout the federation over a four-year period at the rate of 5,000 units per annum as a demonstration of government’s commitment to the eradication of homelessness among Nigerians.”*

However, this was not implemented and the blame was laid on weak infrastructure that did not allow the Ministry to do its necessary work for housing provision (FRN 2004). At this juncture, the need for alternative solutions became the order of the day. During the period, state government made an effort to provide housing. Between 2000 and 2010, LSDPC delivered 1,818 units. The building and investment company was operating as a private property development arm in Lagos.

## § 6.2.6 Federal and state government provision during the civilian administration (May 29, 2007 - May 5, 2010)

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During this time, part of the manifesto of the administration was housing reform. The administration believed that there was a need to review the previous NHP. According to FRN (2012), the 1991 NHP was reviewed and a strategy referred to as the *Seven Points Agenda* policy was introduced in 2006. The strategies for housing delivery in the agenda included land reform which occupied a fifth position on the government's development agenda. As stated in the 2012 NHP:

*"To engage in housing provision, N3.8billion was proposed as the budget. However, of this amount, N2.5billion was for personnel costs, thus, leaving only N1.3billion as capital provision for housing."*

No records of outputs delivered could be accessed during the course of this study, however, Alufohai (2013) reported that between 2000 and 2010, LSDPC delivered 1,818 units of housing.

## § 6.2.7 Federal and state government provision during the civilian administration (May 6, 2010 - 2015)

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This administration was a continuation of the previous one. The only difference was the change of agenda from Seven Points 2007-2010 to Transformation Agenda 2011-2015. During the administration, the Ministry of Housing was more involved in the announcement of housing programmes. As documented in the NHP by the Federal Republic of Nigeria (FRN) (2012):

*"The government through the Federal Ministry of Housing announced its readiness to provide site and services schemes in all parts of the country. Government envisaged that if 100,000 - 200,000 housing units were constructed annually in major cities across the country, using local bricks, housing shortages could be alleviated...10,271 housing units through public private partnerships (PPP) and 40,000 housing units through the Presidential Mandate Housing Scheme were projected."*

Through state government, Lagos HOM and Lagos Building and Investment Company (LBIC) were also set up to deliver housing. The specific units of housing provided by the state during this period could not be accessed during this study. However, the overall

break-down of the housing units delivered by Lagos State Government through LSDPC, Ministry of Housing, Lagos HOM and Lagos Building and Investment Company (LBIC) is presented in appendix ix.

### § 6.2.8 Federal and state government provision during the civilian administration (May 6, 2015 - 2017)

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The current administration is still in the process of restructuring and changing governance. There is no record of any housing units delivered at the time of this thesis. In appendix x I provide a summary of government housing programmes, instruments projection and achievements.

## § 6.3 Federal and state government roles in the formulation and implementation of housing policy and legal frameworks

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The roles played by both the federal and state government in the context of policy instruments formulation are analysed in this section according to the specific eras:

*“The colonial period up to 1960, the post-independence period (1960 - 1979), civilian administration (1980 -1983), military regime (1984 - May 28, 1999), civilian administration (May 29, 1999 - May 28, 2007), civilian administration (May 29, 2007 - May 5, 2010), civilian administration (2010 - 2015) and the current civilian administration (May, 2015 - 2017).”*

### § 6.3.1 During pre-colonial and colonial administration (1900s - 1960)

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In the early 1900s, there were many struggles for land which led to the Proclamation Act 1900, 1910, 1916, Land Registration Act 1924 and Registration of Title Act 1935 (Omotola 1988). In the 1920s, colonial government performed its housing delivery role through executive orders to LEDB. The executive orders continued to the first

civilian administration after independence (1960s) when the National Development Plan was unveiled as the roadmap.

### § 6.3.2 During post-colonial administration (1960 - 1979)

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As previously indicated, the development of housing plans, referred to as five-yearly plans, started prior to independence from the colonial administration. During the implementation of the second and third housing plans, as explained in Section 6.2, it was reported that inflation, escalating rents in the private market, finance and land were major factors. In order to address these problems, the following steps were taken by government (FRN 1991):

- Setting up of a rent panel that recommended State Rent Tribunals
- Setting up of an anti-inflation task force that recommended various fiscal and monetary policies aimed at addressing inflation.
- Setting up of the Land Use Panel in 1977 that recommended promulgation of the Land Use Decree (now Act) of 1978 (see sections 7.3.2).
- Conversion of the Nigerian Building Society to the Federal Mortgage Bank of Nigeria (FMBN) in 1977 to address finance problems.
- Making a policy note that recommended the joint operation of the Federal Ministry of Housing and the Federal Housing Authority in 1979 and to extend their roles to the environment.

Yet, the trend of housing decay was growing and deficit was increasing despite the aforementioned steps taken in Nigeria, thus, the following was adopted:

- In 1979, the World Bank Assisted Nigerian States Urban Development Programme (NSUDP) collaborated to provide financing.
- The Federal Ministry of Housing and Environment was merged with the then Federal Ministry of Works and Surveys to become the Federal Ministry of Works and Housing.

### § 6.3.3 During civilian administration (1980 - 1983)

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A shift in focus to the private sector took new momentum, following the restructuring as government highlighted the importance of the private sectors' involvement in formal housing delivery (Awotona 1990, Ogu and Ogbuozobe 2001). Private sectors'

roles stood out in providing housing in the midst of several transaction challenges. At the juncture, scholars criticised government's decreased responsibilities (Adedokun 1982, Akinmoladun and Oluwoye 2007). Growth in housing shortage at the time was also blamed on government's decision to shelve housing provision responsibilities. Another critical problem was the lack of a specific and officially formulated housing policy on housing since independence. Against this backdrop, a committee on housing policy was constituted in 1985 (Federal Republic of Nigeria (FRN) 2012). In addition, in the review of studies and policy documents, it was reported that the Second and Third National Housing Plans were implemented from the colonial era until the 1980 - 1983 administration, with no clear units of delivery. It was also found that the finance and land issues were not properly addressed prior to the early 1980s.

### § 6.3.4 During military administration (1984 - May 28, 1999)

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Despite the obstacles, the Fourth National Housing Plan continued with the creation of the National Sites and Services Scheme (NSSS) in 1986 and the Mortgage Institutions Act of 1989. At one point, it was realised that there was a need for a comprehensive policy on housing delivery in Nigeria. By 1991, the National Housing Policy (NHP) was formulated, outlining the blueprints and objectives in housing delivery in Nigerian cities. The document comprises nine chapters. Chapters one, two and three outline the background information, objectives and institutional frameworks; chapter four addresses the issues of land and settlement development policy; chapter five is concerned with finance; chapter six focuses on building materials and construction costs; chapter seven looks at low-income housing; chapter eight is on the participation of the private sector; and chapter nine presents the monitoring and evaluation criteria. The main goal of the policy is stated in section 2.2 of the document as follows:

*"The ultimate goal of the National Housing Policy will be to ensure that all Nigerians own or have access to decent housing accommodation at affordable cost by the year 2000 A.D."*

In the reviews, I established that the inauguration of the policy led to the creation of the following instruments: the National Housing Fund (NHF) Decree No. 51 of 1992, Urban Development Bank of Nigeria Decree No. 51 of 1992, Urban and Regional Planning Decree No. 88 of 1992, Nigerian Social Insurance Trust Decree No. 73 of 1992, Federal Mortgage Bank of Nigeria Decree No. 82 of 1993 and National Urban Development Policy, 1997.

I also inferred that the focus of the NHP is on becoming a landlord or householder, because the concept of identifiable housing is often expressed in terms of homeownership (Section 2.2 of 1991 NHP and Section 1.2 of 2012 NHP). Another important aspect of the policy is mortgage market operation in the formal system, regulated by the Mortgage Act. In Nigeria, large numbers of people in cities could not meet the required conditions for the mortgage, except the upper-income groups, considering the complexities (Olayiwola et al. 2005)

Due to the increasing growth in housing needs and the exclusion of low-middle income groups, the 1991 NHP was amended in 2002, 2006 and 2012 in order to fully integrate the private sector, resulting in the concept of an enabling framework, hereafter referred to as PPP, as an alternative means as mentioned in Figure 5.6 and Section 6.4 of this thesis. Parts of the amendments in the reviewed NHP are the changing roles of government from main provider to enabler. Housing provision became an individual action, uncontrollable in cities.

Consequently, informal strategies infiltrated the market and spread within cities (Opoko 2014, Opoko et al. 2015). The prevailing informal strategies of provision take diverse and extra-legal dimensions, however, the influencing factors in the context of transactions are not accorded adequate attention (Fekade 2000).

### § 6.3.5 During civilian administration (May 29, 1999 - May 28, 2007)

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In the early 21<sup>st</sup> century, when it was the turn of democratic governments with promising manifestos, several institutional reforms were introduced, such as mortgage system reform, legal reforms, the creation of the Federal Ministry of Housing and Urban Development (FEDMLHUD), a presidential technical committee on urban development and housing, private-sector-driven housing provision, the creation of an institutional framework for mass housing production, including the Real Estate Developers' Association (REDAN), the Building Material Producers' Association of Nigeria (BUMPAN), the Federal Government Staff Housing Loans Board, and housing development in the coastal states of the Niger Delta. In 2004, there was a call for a review of the NHP, leading to the NHP of 2004, which subsequently paved way for the Infrastructure Concession Regulatory Commission (Establishment), ICRC Act of 2005 for the adoption of an alternative route to housing provision (Public Private Partnership, PPP). Consequently, in 2012, the NHP was further reviewed by FEDMLHUD to emphasise the private sectors' involvement in housing and infrastructure delivery. During that time, a number of government officials' houses

and GRAs were valued and sold to interested tenants or prospective buyers under the concept of privatisation.

### § 6.3.6 During civilian administration (May 28, 2007 - 2010)

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Between 2007 and 2010, the new government administration drew up a goal referred to as the Seven Points Agenda that included housing with land reform occupying fifth position. The reform included setting up a LUA review committee, a presidential committee on the implementation of a policy on affordable housing, a presidential technical committee on land reforms, and changing the Federal Ministry of Housing and Urban Development to the Federal Ministry of Works, Housing and Urban Development.

### § 6.3.7 During civilian administration (2010 - 2015)

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The administration of 2007 - 2010 continued between 2010 and 2015. The administration revised the agenda and named it the Transformation Agenda. It re-established the Ministry and re-named it the Federal Ministry of Lands, Housing and Urban Development (FMLHUD). Government therefore envisaged the possibility of incorporating local government into the role of providing urban low-cost housing instead of only federal and states (if it is concluded that the Land Use Act review provided room for local government (municipalities). In addition, Vision 2020 was inaugurated to avert a likely complex housing crisis in 2020. Lastly, the present administration took over in May 2015 when the Nigerian economy started experiencing a recession and no substantial outputs could be delivered.

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## § 6.4 State government roles in enabling policy frameworks (between 1920s - 2017)

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In Section 6.2.1, it is reported that LEDB was the sole government agent for housing and infrastructure delivery before independence and during the early years following independence. In Lagos, in order to ensure efficiency in housing plans, the LEDB was



transformed into the Lagos State Development and Property Corporation (LSDPC). The role of the LSDPC was legally established by Edict No.1 of 1972 to oversee the following housing provisions: executive-income housing programme, medium-income housing programme and high-rental housing programme.

As part of the effort to address the urban housing problem in Lagos, between 1980 and 2010, state government embarked on the following policy projects:

- Lagos Metropolitan Master Plan Project and establishment of New Towns Development Authority (NTDA).
- NTDA was inaugurated to provide sites and services schemes. The acclaimed objective was to provide housing for individual middle-income housing and enabling environment for private developers in housing provision (Aribigbola and Ayeniyo 2012).
- In 1995 the Lagos State Urban and Regional Planning Law was promulgated to create an enabling spatial environment for housing development.
- Urban and Regional Planning Laws promulgation in 2010.
- The aim was to ensure a regenerated urban fabric, sustainable environment and improved urban housing delivery.
- In 1997, the Rent Control and Recovery of Residential Premises Decree (now Edict) of 1997 was promulgated.

Because the increasing population in the mega city resulted in an enormous housing backlog, the circumstances empowered landlords to capitalise on the demand-driven market by arbitrarily reviewing rents upward without any control. Oni's (2008) study indicates that in the Lagos rental housing market, tenants who default in meeting the terms of their tenancies, including advance rent payments, are evicted without requisite statutory notice, thus leaving tenants at the mercy of landlords. The incidents have also resulted in various levels of defiance attitudes (Gbadegesin et al., 2016).

Consequent to the market experience, the then Military Administrator (Governor) of Lagos State in 1997 resolved to intervene through the promulgation of the Rent Control and Recovery of Residential Premises Edict of 1997. This was intended to be a way of regulating the rental market to allow for the low- and middle-income groups, who are the major victims. In applying the edict, according to Oni (2008), Lagos was deliberately divided into zones. I confirmed during my fieldwork that each zone was assigned a fixed rent, based on the approved rate for different categories of housing units. Hence, on the order of the Governor, the edict prescribes the following terms:

*“Standard rents payable with allowance for upwards reviews every three years. Such standard rent would be reviewed every three years at a rate not exceeding 20% of the standard rent prescribed in respect of each type of residential accommodation. The standard rent is expected to supersede any rent between the landlord and the tenant.”*

Furthermore, as part of the efforts of the Lagos State Government, the Lagos State Homeownership Mortgage Scheme (Lagos HOMS) was established in 2010 in the spirit of providing solutions to housing problems. It was in full operation in 2012. Appendix xi provides a summary of the overall picture of state government’s intervention role. It is reported that most of the housing units delivered by government through Lagos HOMS were snapped up by the high-income groups (Alufohai 2013). Because housing shortages in Lagos are becoming alarming, public private partnership (PPP) as an alternative means of addressing the housing shortage is emphasised in Nigeria.

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## § 6.5 Other roles such as PPP policy and the context

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Low- and middle-income groups are hampered by complex procedures in accessing the formal housing market (Okpala 1994). The units delivered also do not reach a substantial portion of the population (Aribigbola 2000). In addition, AfDB (2011) stated that only 3% of Africa’s citizens can barely afford the stipulated requirements of the mortgage system. This situation has placed pressure on many urban dwellers (Ogu and Ogbuozobe 2001) and has resulted in government changing its role from provider to enabler through the concept of PPP (Ojo and Gbadegesin 2017; Gbadegesin 2017).

The PPP initiative was a topical issue in 2006 and in the 2012 NHP because the policy is expected to cater for the urban housing needs of the low- and middle-income groups, based on the objectives highlighted in the policy document. The adoption of the initiative is mentioned in the policy, while the Infrastructure Concession Regulatory Commission (ICRC) 2005 is the acclaimed legal instrument to that effect (FRN 2005). Existing studies in Nigeria reveal that the PPP model, though it offered considerable contribution to housing provision, it was usually, and politically, diverted to high-income groups (Ibem 2011, Gbadegesin et al. 2016). An analysis of the most recent studies revealed that 7,282 units of housing were delivered through the PPP in Nigerian cities as shown in appendix xii.

In collaboration with government ministries, the Infrastructure Concession Regulatory Commission (ICRC) 2013 document, cited by Dominic et al. (2015) indicated that PPP has also delivered some housing units across the country. Nevertheless, there are barriers that have been identified, thus raising the following question: *Despite the PPP model's (enabling framework) promising notions of housing for all, why is it that most of the outputs by the providers are out of reach for the majority?* In other words, despite the collaboration in the context of housing provision, the housing deficit keeps growing daily in Nigeria.

During the course of the qualitative study, the themes which emerged included elements of institutional barriers in the context of production factors, i.e. land, finance, material and labour resources procurements. Complexity and uncertainty surrounds the land acquisition and titling process vis-a-vis the Land Use Act (LUA) of 1978. Emphasis is placed on the recognition of informal institution role-players, their preferences and Omo-onile and insecurity posed by the unrecognised customary system. Unclear PPP modes of operation lack clear specific legal instruments and objectives for low- and middle-income groups and collective opinions towards improving the PPP for better performance in the Nigerian housing market. These observations are discussed as follows:

### § 6.5.1 Uncertain and unclear mode of the PPP operation

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In the course of the interview with formal and informal stakeholders (respondents), I have found that critical information and institutional barriers hinder the success of the PPP (Gbadegesin 2017). Most of the independent private practitioners, private landlords and rental housing providers indicated that they found it difficult to agree that there was a functional PPP in Nigeria. Private practitioners verbally expressed that they could not pinpoint the role of PPP policy. According to them, although the NHP of 2002 made mention of PPP adoption, exact details of how it is to be practiced and implemented cannot be found in any specific policy instrument. This is made known by the following respondent practitioners:

*"... as for me I don't think what is being practiced in our country is really PPP. There is no clear specific policy instrument that targets housing alone... Let us start from the reasons for the partnership by comparing the present styles with that of the colonialist's type. During that time for instance, religion missionaries brought schools and hospitals to cities and peri-urban areas in order to ease the tensions of the citizenry...what we practice now, to me, is a kind of personal investment which excludes the rights of low-income groups." (Private practitioners, March 2016).*

Responses from two policy-makers who are senior ministerial personnel also indicate that the model has misconceived blue-print objectives in providing housing for all in cities:

*“PPP in Nigeria is still at the developing stage...as of now, we can point to a kind of reaching a memorandum (MoU) with private companies or corporate organisations to provide housing in cities. Although, the developers have the choice to target where they can get more profit...Yet, it is still PPP... And I don't want to say more than that in this context.” (Senior personnel, Land Bureau and Housing Ministry).*

Another related response from an octogenarian landlord in the Alimosho area of Lagos is as follows:

*“...if truly there is PPP in this nation I don't think the majority should suffer for basic needs such as housing. It will be better if the welfare of the commoners can be put into consideration. It cannot work this way. If housing needs of the low- and middle-income groups can be prioritised, the country will go well. Criminality and homelessness will vanish in our land.” (Landlord, May 2016, Alimosho, Lagos).*

The majority of the respondents expressed uncertainty regarding the mode of operation, claiming that the scheme was political, discriminatory and not all-inclusive. An example was when most of the landlords claimed that they had no adequate information on the modus operandi:

*“Government of this day or let us say our politicians are busy telling us that housing will be made sufficient through PPP...but how will it work, what will be our roles as stakeholders, who are the major providers today in cities, since government is incapacitated to meet the housing needs of people in cities...not clear to us, the objectives are not certain, especially in the context of production factors procurement.”(Chairman, Landlord Association, Baruwa)*

## § 6.5.2 Institutional barriers to PPP model for urban housing provision

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Barriers to the execution of the PPP were mentioned in the most of the respondents' responses. The land accessibility problem was emphasised by all the respondents. The dimension of accessibility was expressed in the context of availability, affordability, ease of transaction and security of right, as shown in Figure 6.2.

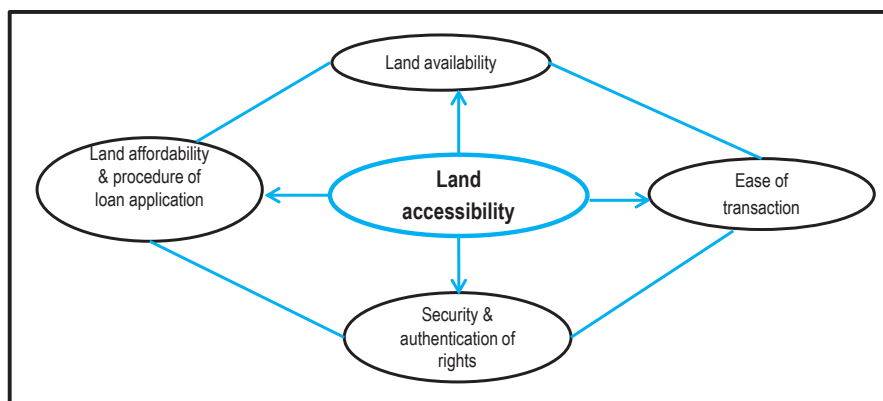


FIGURE 6.2 Dimension of land factors  
Source: Author's fieldwork (2016)

Access to land refers to the ability, opportunity and procedure to acquire a needed piece of land, either by direct occupation, exchange (purchase or rental) through membership of family and kin groups, or through allocation by government, other land owners and/or management authorities. It is a complex procedure today in Nigerian cities. In relation to land availability, two respondent private landlords said:

*"...even the PPP we are talking about in cities requires that lands are available, especially in Lagos. Where is the land? Most of the government land and lagoon areas of Lagos have been sand-filled. Vacant lands are not many. That is why people are now moving to neighbouring states like Ogun state." (Landlords).*

Respondents also indicated that there are many complex cases of corrupt practices in land transaction, where two or more people claim they are the owners of a single plot. Information in this context is not usually verified in the government ministries because most of the land owners claim that they are yet to secure titles to the land. Thus, land acquisition from the stages of information search, to transaction agreement and titling procedures have not helped smooth the practice of PPP. Three members of REDAN reported:

*"...Land is a big issue for PPP to succeed in Nigerian cities...So many unforeseen and uncertain challenges in the process of getting a genuine land and the bureaucracy of securing title to the land are problems...It is not the financial costs in most cases, the unnecessary procedures and protocols in the ministry."*

The respondents also expressed the opinion that the Land Use Act (LUA) of 1978 does not help. The LUA stipulates procedures for transition between the traditional owners

and the state government. Section 1 of the Act indicates that all the land within the territory of each state shall be governed and administered by the state Governors as the trustees for any developer, government ministries or individual. In other words, governors served as trustees from 1978, but without addressing the issues prior to that date. While the Act provides, in Sections 1 and 2, for the establishment of an allocation committee at the state level and a land advisory committee at local government levels to advise state government and local councils respectively on land use, customary owners are busy backdating their customary ownership title to land to pre-1978. According to the respondent private developers:

*"...if the government only reserves the supreme power to acquire land compulsorily for overriding public interest, then the security of investors on such land is not secured... by the way, meaning of overriding public interest is not clear... why should state government be the superior overlord of the land...? No investors would like to put their investments in such a situation where the enabling act is not supportive of the investment in land."*

On the issue of land, most landlords pointed to the complex procedures of securing titles to land as a major obstacle to PPP:

*"...there are too many procedures that easily discourage the ideal of PPP for housing provision.... let us look at about 11 to 12 procedures involved in land certification alone... yet one is not sure what can happen at the end of the process."*

The most current problem now is the threat of Omo-onile (the customary sons of the land) as fearfully mentioned by all respondents. Some respondent private developers and landlords referred to this as a worrisome factor:

*"...It is often difficult nowadays to acquire land in a city like Lagos. Omo-onile is our home-based problem [REDAN]. Omo-onile case must be considered and factored into the total costs....[Landlord]. Often you pay for the land more than twice [Landlords]... You go further and pay while doing the foundation, setting blocks, roofing, until you finish [House provider]. You pay several times without receipts and you must do that, otherwise they would sell the land to another buyer...[REDAN]"*

A similar problem is that of finance. Members of REDAN (private developers) point out that nothing can be done if there is no effective finance mechanism, coordinated by government. They often mention the stringent conditions for accessing finance for housing provision:

“...in relation to investment analysis of housing provision in Lagos, costs of other factors of production such as finance are very important especially at this time of unstable economy and interest rate of double digits [REDAN]...also when discovering that the conditions to access formal finance institutions are too stringent, it would still bounce back on low housing provision...these are constraints.” [A senior practising Estate Surveyor and Valuer].

In summary, the overall institutional impediments to establishing an effective PPP in Nigerian housing provision are presented in Figure 6.3.

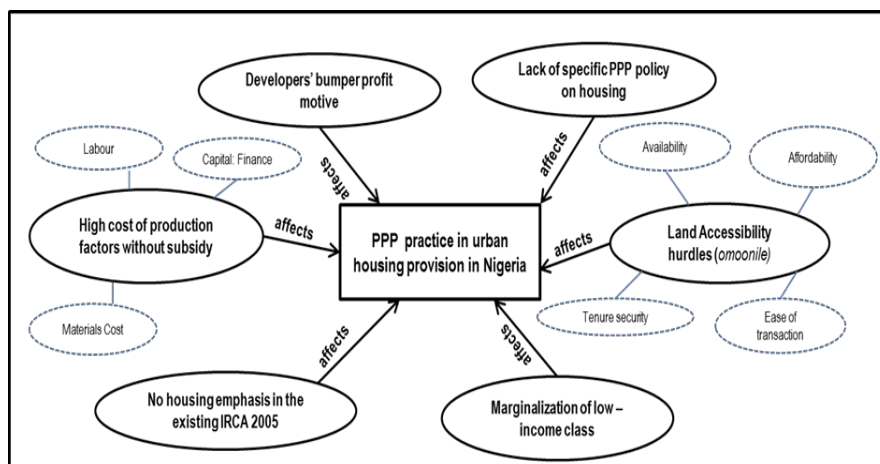


FIGURE 6.3 Forces against the effectiveness of PPP for housing delivery in Nigeria

In Figure 6.3, three major challenging forces are observed, including land inaccessibility and other factors of production, the private developers’ large profit motive, procedures and the high cost of production. These findings are connected to the remaining three factors, i.e. lack of specific PPP policy for housing, marginalisation of low-income, and Infrastructure Concession Regulatory Commission (Establishment, etc.) Act (ICRC) of 2005.

The extent of complaints regarding systemic factors, including the complex procedures involved in securing finance, land acquisition, transparency on the part of human resources and competent professionals, are emphasised repeatedly by most respondents.

## § 6.6 Conclusion

In this chapter, the roles that government has played to date in housing delivery have been examined. The discussion looks at the roles of both federal and state governments. The two tiers of government operate within the same NHP, which was firstly formulated in 1991 and lastly reviewed in 2012. The roles of government were examined from two perspectives based on the available sources of information. Firstly, government roles in terms of housing projection, provision and instruments used were examined. Secondly, the roles played in terms of formulating and implementing policies for housing programmes were analysed. According to the sequences of the analysis, government involvement in housing provision and policy programmes commenced from the colonial (pre-independence) era, especially in 1920s when a plague outbreak claimed many lives in Lagos. It continued in different dimensions until the present administration. This underscores the concept of changes in the institutional path.

It is also shown that most government housing outputs are not accessible to low- and middle-income groups. In other words, the low-income households are excluded and left to struggle for themselves, considering the high cost and the conditions required to meet the formal housing programmes. This study also found that while government has been involved in housing provision, this has not been on a commensurate level. Most of the drawbacks can be attributed to problems with the implementation of policy programmes. Against this backdrop, the concept of PPP was introduced. Moreover, it is observed that most outputs provided through PPP are beyond the affordability reach of low-income groups.

The implication is that the housing provision in Nigeria remains a problem and the current PPP concepts have not been appropriately directed towards low- and middle-income groups, who have a greater need for housing. There is a need for a clear policy that takes into consideration individual income classes, as well as production factors such as land, finance and material resources.





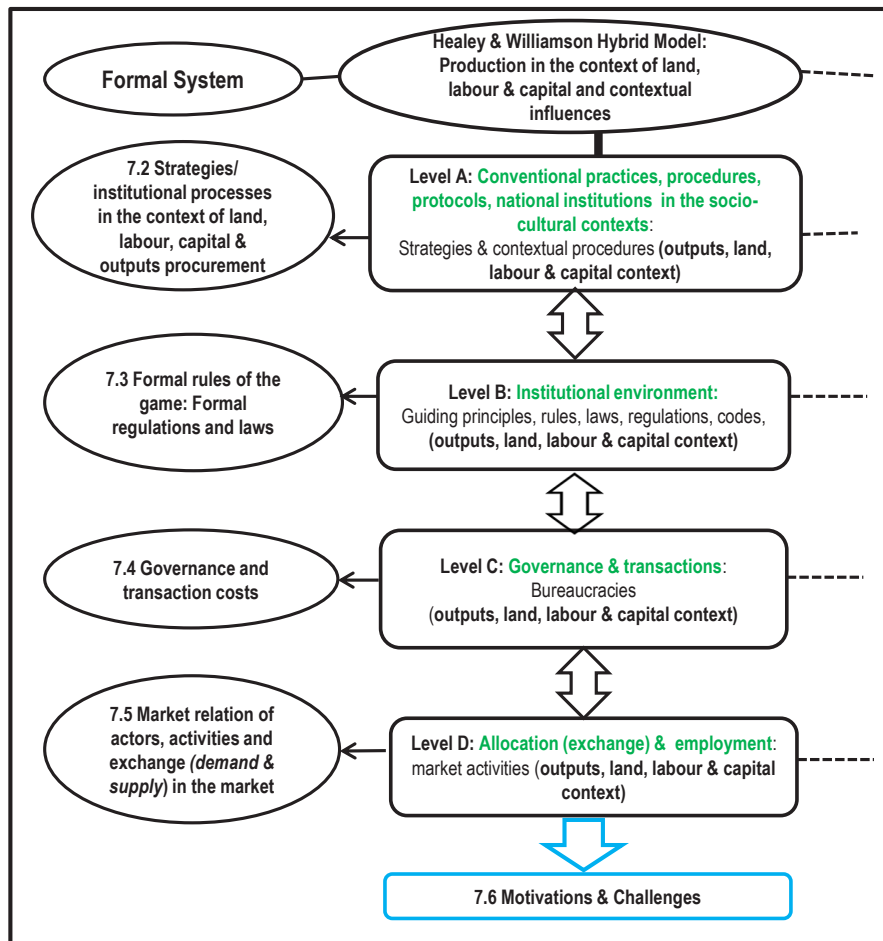
# 7 Strategies of housing provision in the formal system

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## § 7.1 Introduction

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In Chapter 5, the basic structures of housing delivery were identified, namely formal and informal systems. In Chapter 6, the roles played by the government in the Nigerian housing systems were also examined. It was found that government could not address the increasing housing shortages in terms of quantity and quality, despite the adoption of various strategies. This leads to research Question 5: *Amidst shortages, how do urban residents provide for their housing needs and why?* This question requires deeper insight into the strategies adopted for the provision of housing in the two identified systems (formal and informal), using an adapted analytical model (Figure 3.6). I first look at the strategies adopted to provide housing in the Nigerian formal system. The prompting question in this chapter is: *What are the strategies adopted to provide housing in the Nigerian formal system and why?* To answer this question, the strategies, from pre-construction stage to post-construction stage, are examined, using the left wing of the framework (Figure 7.1.). Section 7.2 examines the strategies and procedures involved in the provision of housing in the context of land, finance and resources, from the start of a housing development to post-completion activities. Section 7.3 is devoted to formal laws, regulations, acts and codes regulating the provision system. Section 7.4 looks at the administrative structures (governance) aligning with tractions. Section 7.5 discusses how outputs are transacted in the market and related activities. The “why” question refers to the motivation aspect (incentives) as well as the challenges in the provision system (Section 7.6). It is concluded that the formal housing delivery system in Nigeria is indicative of an environment where information is lacking there are lengthy protocols, complex procedures, bureaucratic red-tape and a governance that needs improvement in terms of transparency.



**FIGURE 7.1** Overview of strategies evaluation framework in the formal system  
 Source: Adapted from Healey's (1992) and Williamson's (1998) models

## § 7.2 Strategies and the evaluation of housing provision in the formal system

The procedures for formal housing provision involve an elaborate system from pre-construction stage to post-construction stage. Essentially, the procedural system has been instituted to cater for monitoring, approvals, controls and cross-checks through the various institutional bodies. The chain is illustrated in Figure 7.2.

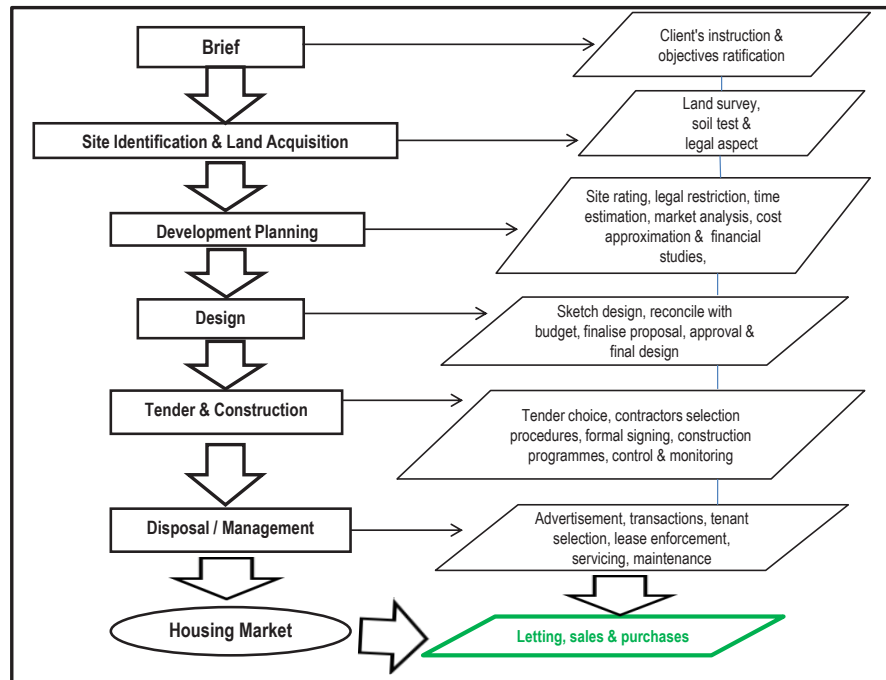


FIGURE 7.2 Housing production chain in the Nigerian formal system

Source: FRN (2006) National Building Code.

It usually begins with an instruction from the person requiring a house, who approaches the builders, either government arms or commercial developers.

## § 7.2.1 Site identification and land acquisition (pre-construction stage)

---

This is the fundamental and preliminary stage in housing development in Nigeria. Whatever the nature of the development, obtaining land in a suitable location as early as possible is imperative. Land acquisition involves complex processes, irrespective of whether the site is an existing development area or a virgin site. Investigating the owner, ownership title, rights and conditions attached to the site is important and should not be overlooked in current Nigerian cities. However, the land development task might be less stressful if the client has already addressed the issue of land transaction, prior to the design and construction.

In situations where land must first be acquired, this can be achieved either through private landowners or government allocation. Land acquisition through private landowners is usually sealed by a land agreement and a purchase receipt. The specific land may or may not have a title certificate. Where there is no title certificate, the buyer must ensure that the land is registered with the Bureau and/or Ministry of Land. This process is referred to as the land titling process. In Nigeria, the process of land titling has been described as a complex procedure, characterised by high financial costs, delays, bureaucracies, bribery and corruption (Aluko and Olawumni 2002). This study found that most procedures start with the submission of an application, together with a copy of a survey plan and the transaction agreement between the vendor's representative and the buyer. As supported by Aluko (2002), following submission, the ministry usually takes a long time to confirm the authenticity of the land and to verify any issues, described as encumbrances.

In Nigeria the client or project manager is also expected to identify and report any spatial conditions attached to the land. These are determined by land surveys, soil tests and legal investigations. These activities are important in the context of the professional standards of "Caveat Emptor" meaning that the buyer should be cautious when entering any transactions. In other words, the buyer or his/her project manager is fully responsible for ensuring that all conditions relating to their interest in the land are identified. In the process of site selection and land acquisition, Belo and Agbatekwe (2009) recommend the following, as shown in Figure 7.3.

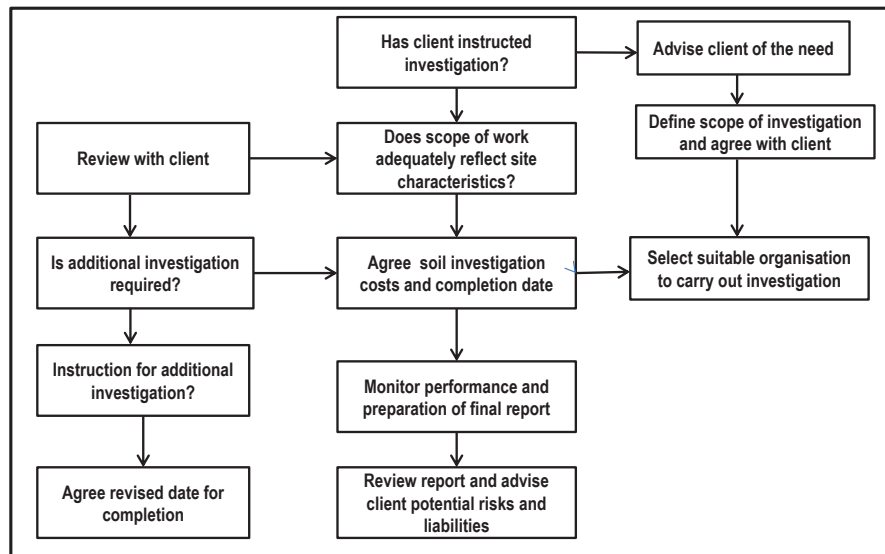


FIGURE 7.3 Flow chart for each of the activities under site investigation  
Source: Belo and Agbatekwe (2009, p.71)

As indicated in Figure 7.3, the following question is essential for the project manager or client in respect of the land: Has the client given instructions for an investigation on the site? This often gives rise to the scope of the investigation on the land, the costs involved and the need for the services of other professionals. I found that there are protocols, involving site identification, investigation and acquisition. It is necessary to prepare a list of what needs be done on the land for the proposed housing development. It is also necessary to prepare the criteria for site analysis, based on the objectives and requirements of the development, site finance, arranging for the site acquisition and to obtain advice regarding the open market value of the specific site. In a series of interviews conducted, the following transaction hurdles in land acquisition were identified:

*“...the procedures for titling have been there for years. I think they (house providers) have to follow these to get the title to their land” (Senior personnel, Bureau of Land, Ikeja).*

*“Getting every land registered with a title can be good for our property market of course...I agree that there are processes which might be discouraging, but it has to be done... If a land is registered with title, I think it will also help to monitor development if the owner wants to get approval for his or her development” (Estate surveyors and valuers).*

*"...land, the ability to acquire it and get its ownership title is a big issue in cities today, especially, Lagos...[can we talk about lands acquired through the formal system, please?].yes, the problem is still the long process it takes to get title to land... the situation where you have to know people in the ministry, delays and unexpected costs are still problems, yet titling is a necessity" (Practicing architect).*

## § 7.2.2 Finance procurement (pre-construction and construction stage)

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As stated earlier, finance is of paramount importance if any housing delivery is to be realised. After agreeing on issues of land, the next step is usually arranging finance. In Nigeria, only formal finance options, as identified in Figure 5.7, are considered in the context of feasibility and viability studies. Feasibility studies often indicate the general investment market, market research and financing arrangement, site rating and time estimation (Ojo and Ighalo 2008). It also appraises the credibility and reliability of the proposed debt services, operating costs, rental or capital value, and cash-flow to establish a break-even point and marketability prospects (Belo and Agbatekwe 2009). Obviously, formal finance sources have conditions that must be met by the applicants. Among these conditions are collateral and guarantees that are addressed in the feasibility study, especially in instances of investment properties (e.g. rental housing) (Ojo and Ighalo 2008). Because finance is crucial, the process can involve cumbersome procedures of applications with financial institutions, such as commercial banks, mortgage banks and other specialised financial institutions (Nubi 2008). In addition, the National Housing Fund (NHF) can only be accessed by following the procedures in the NHF Act of 1992 and meeting the necessary requirements. According to Udechukwu (2008), these procedures present obstacles in the process of housing delivery. During an interview with credit officers from two banks, the conditions of loans relate to the risks involved in granting a loan:

*"...There is no means on how the conditions to advance a loan in Nigerian banks can be made cheap considering the many risks attached to it...for example, land with title is believed to be a strong collateral, that could be sold...but on the condition that the owner is the true owner...there are other things to look into...but they are necessary because banks would not like to run into loss." (Bank credit officers, Lagos).*

This response from an expert also gives an insight into finance issues:

*“...the issue is that most banks are not really interested in granting loans for housing, even for rental housing, if the expected return cannot offset the fund...that is why financial institutions always demand a feasibility study...not only that, other requirements could be requested from customers” (ESV Elegbeleye, expert in feasibility, visibility and investment analysis, Jide Taiwo and Co, Lagos Inland).*

### § 7.2.3 Resources (labour and building materials) procurement (development planning to construction)

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In Nigeria, it is found that either the owner of the specific project or the appointed project coordinator is responsible for obtaining the necessary resources, including labour. However, in most cases observed during fieldwork, people jettison the roles of project coordinator or manager. The project coordinator or manager serves as the leader who coordinates all the role-players and the procedures of the development, as shown in Figure 7.4.

As the director of the housing development, a project manager has to make decisions in terms of his clients' expectations, goals, strategies, take-off and delivery time, and funds mobilisation, as well as provide a clear analysis and explanation of conditions, precautions, incentives, sub-results and end-results. Because the project manager is the overseer who represents the client, he selects all required professionals for the development project (Ofori 2008), as shown in Figure 7.4. In reality, many housing providers, especially for low-cost housing, do not involve a qualified project manager. According to this interview extract:

*“...many intending housing owners do not see it as that important to employ the services of a project manager. Either they coordinate all the activities themselves or they hand them over to an experienced artisan or family members or relatives to supervise the project”. (Quantity surveyor).*



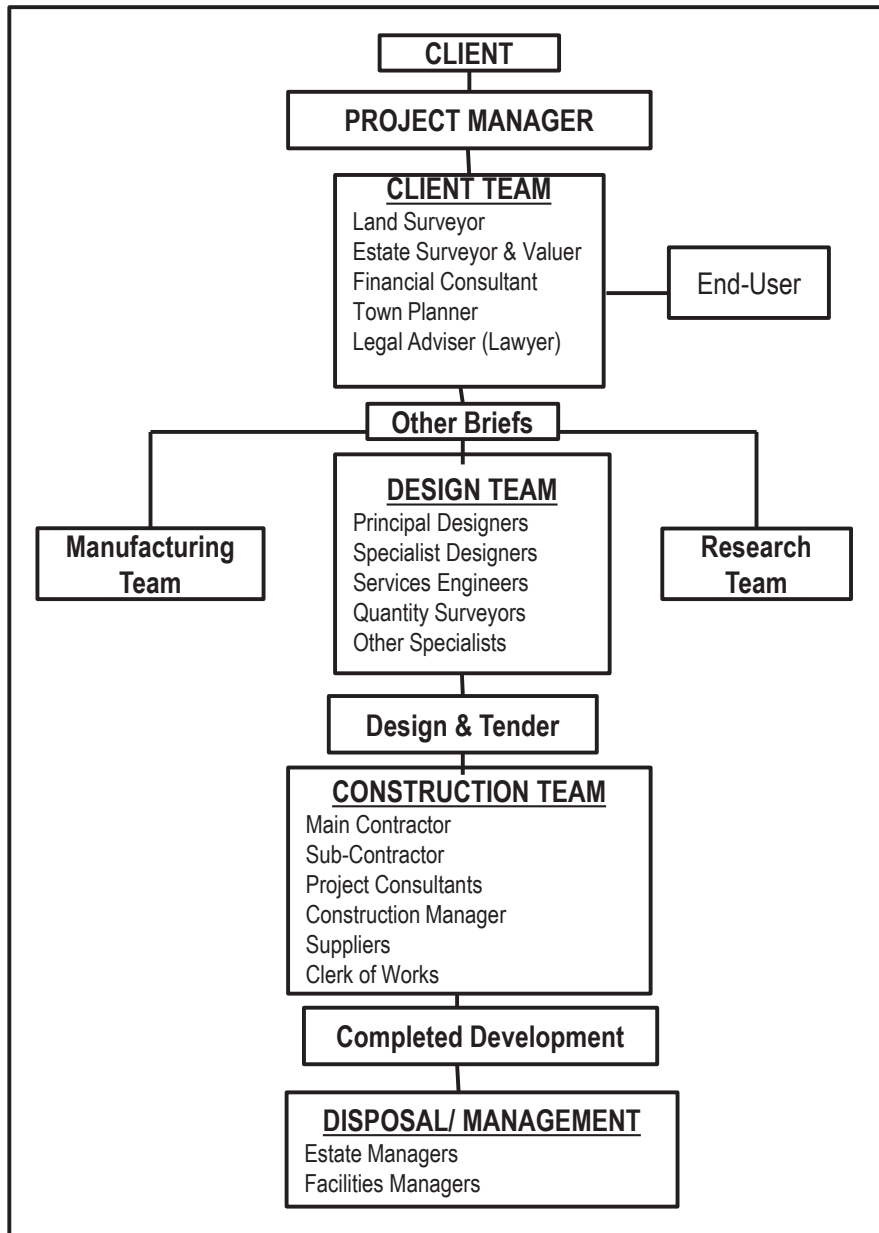


FIGURE 7.4 Participants coordinated by the project manager on behalf of the client  
 Source: Modified from Belo and Agbatekwe (2009, p. 90)

## § 7.2.4 Planning

Planning is an important step in the formal housing development process (Healey 2006). As shown in Figure 7.5 and Figure 7.6 in respect of a client’s housing project that I visited, planning is designed in terms of time (duration), expertise, progress measurement and resources requirements.

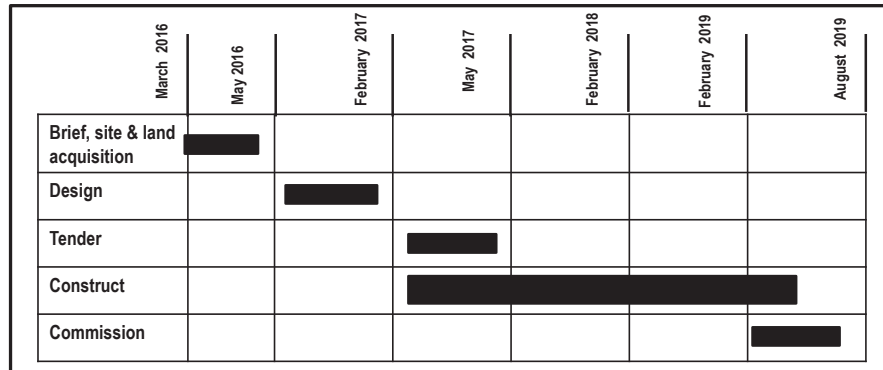


FIGURE 7.5 Overall control plan after decision  
Source: Author's fieldwork (2009)

The on-going housing project is a block of two-bedroomed flats for a two-year period in Lagos’ central senatorial district. Building commenced in March 2016 and the estimated completion date is August 2019. According to the project manager, the development plan is congruent with the regulations of the National Building Code of 2006.

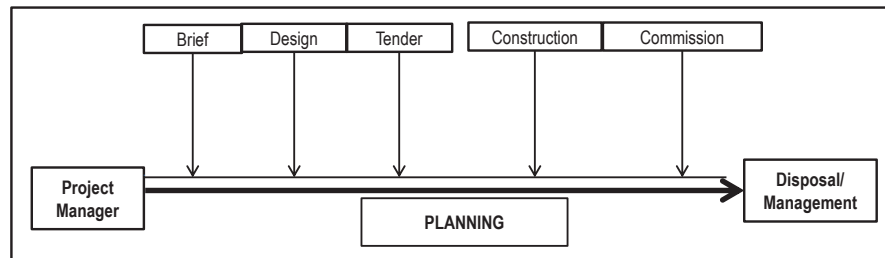


FIGURE 7.6 Planning process in the pre-construction and post-construction stages  
Source: FRN (2006)

The estimated development duration is two years. After this period, the development is expected to be delivered by the project manager. Planning is involved in the following tasks:

## § 7.2.5 Design

Designing a proposed housing development is an interactive process involving the client, project manager, experts and specialists such as architects, structural engineers, service engineers and quantity surveyors, depending on the size of the project (Ameh and Odusami 2014). This is because the designer's brief must pay attention to the end-user's requirements. The end-user's requirements, in this case, usually agree with the objectives of the client, which emanates from the client's or project manager's feasibility studies (Belo and Agbatekwe 2009). Figure 7.7 is a roadmap of a typical final design brief in Nigeria.

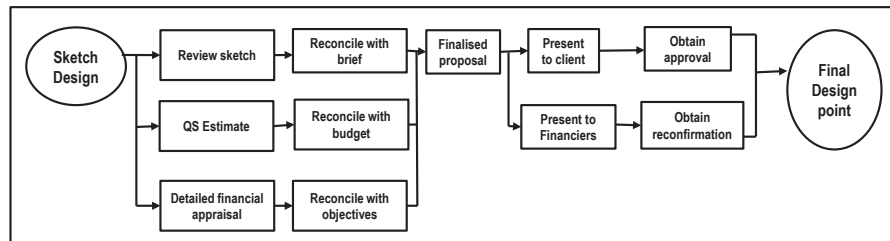


FIGURE 7.7 Final design brief  
Source: Belo and Agbatekwe (2009, p. 91)

Three distinct stages are involved. First, the project manager explains the design by means of a sketch. The sketch is reviewed in the context of the estimates and financial appraisal. The second stage is to finalise the proposed design with the client and then with the sources of finance for the project. In the third stage, the final design emerges following the client's approval and reconfirmation. However, there are activities involved in the design stage. Table 7.1 provides an overview of these activities in a typical property development in Nigeria.










Activities	Timeline	Definition
Finalise brief		On the toes to move on
Technical investigation		Technical issues attached to the design
Sketch design		Overall picture of the proposed house
Detail design		Final drawing
Planning		How to execute the design
Working drawing specifications, bills, schedules		Of the design
Final cost estimate		Based on the design
Tender		Consideration for the design
Construction programme		Activities based on the design

TABLE 7.1 Design stage activities

## § 7.2.6 Tender and construction

The tender stage marks the beginning of the transition from the design stage to the construction stage. Having completed the design activities, the project manager invites contractors by advertising in property magazines, such as Castles or in the property columns of daily newspapers. The appointment of contractors is based on tenders submitted in the bidding process for a formal housing development (Odusami et al. 2003). It may be an open invitation (open tender), restricted invitation (selective tender), open invitation to a restricted list of contractors, or a negotiated tender (Aibinu and Odeyinka 2006, FRN 2006). This depends on the agreement between the client and the project manager.

The construction stage follows the tender stage (Odusami et al. 2003). This is the actual stage of the development, within the limits of estimated time and costs (budget). During this stage, control and monitoring is important to avoid failure and to minimise contingencies (Olatunji et al. 2012). The major outline of a construction programme for a formal housing unit in Nigeria is presented in Table 7.2

TABLE 7.2 Outlines of construction programme

MONTH ACTIVITIES	1	2	3	4	5	6	7	8	9	10	11	12
Setting out and excavation												
Core foundation												
Block work												
Roof trusses												
Roof sheeting												
Plumbing works												
Electrical works												
Plastering												
Flooring												
Decorating works												
Fittings: Doors, Windows												
External works												

Source: FRN (2006): National Building Code (2006)

Basically, it can be classified into two sections: sub-structure and super-structure. While foundation excavation and core foundations are situated within sub-structure activities, block works, roof trusses, roof sheeting, plumbing, electrical works, plastering, decorating, fittings, flooring and external works are categorised as super-structure tasks (Griffith and Watson 2003). The coordination of these activities requires monitoring and supervision in the context of a control cycle in Nigeria (Oladapo 2007, Olawale and Sun 2010). Figure 7.8 illustrates the cycle

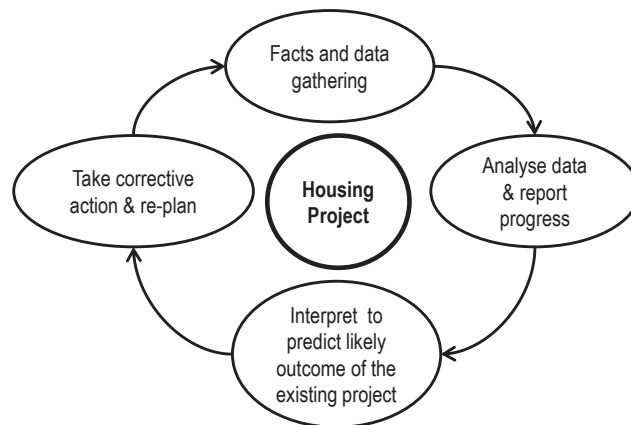


FIGURE 7.8 The control cycle of a housing project  
Sources: Oladapo (2007), Belo and Agbatekwe (2009), Olawale and Sun (2010)

The implication for the project management in Figure 7.8 is that in order for the project manager to take any action, whether re-planning or corrective planning, he needs to gather all the necessary data through a monitoring process, to analyse the data to ascertain the progress and to predict the likely outcome of the current project within the estimated time and cost frames. This refers to a concept of quality control in the building industry (Griffith and Bhutto 2009, Marasini and Quinnell 2010). The following is an extract from a one-on-one interview with two project managers regarding their roles in housing delivery in the Nigerian system:

*“...my role as a project manager goes beyond getting money. If people can get a qualified and experienced project manager, I believe the incidents of building collapse will be reduced in Lagos...the problem is that several house providers do not want to spend extra money on project management...they prefer doing it themselves or looking for a known artisan who has some experience in construction...anyhow, I think it is important that all the processes of development should be passed through for effective delivery and better built environment”.*

The opinion of individual house providers presents a different perspective:

*“...can't I build my house or even rent without all the processes of design, planning and others? ... I am not ready for these procedures...I can choose to build without long programming... as long as I can make it, the output is the point... why go through all these stages?”*

### § 7.2.7 Output management: renting, sales and servicing (post-construction stage)

---

After the completion of a housing project, the post-construction tasks include disposal, management and maintenance. In Nigeria, this stage is largely dependent on the objectives of the client. In a situation where the goal is for self-occupation, the task of disposal is eliminated. In the case of an outright sale, issues of agencies, advertisements and legal matters arise. In the case of rentals, managing tenant selection, rent collection, service charge administration and maintenance of the property become important (Gbadegesin and Ojo 2011). Current management tasks in Nigeria are described in Figure 7.9.

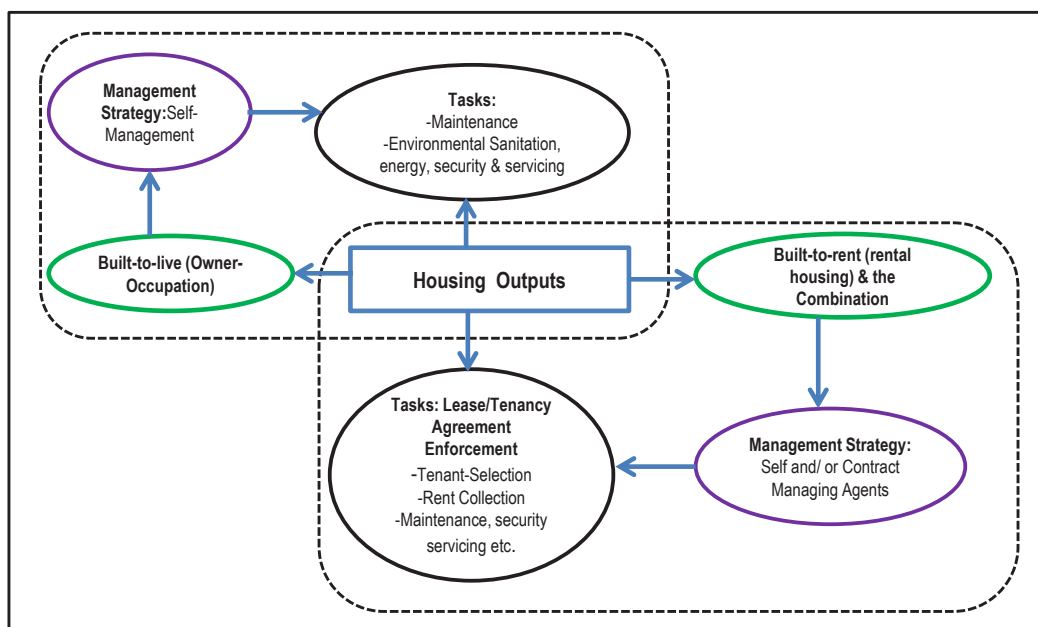


FIGURE 7.9 Management strategies schema (post-construction)  
Source: Author's fieldwork (2016)

Currently in the Nigerian system, there are two main outputs of housing delivery: owner-occupation or rental housing. In some situations, landlords and tenants live together in the housing unit, for example in rooming apartments. In these instances, either the owner takes responsibility or contracts the tasks to the client's or project manager's appointed agent (Oyedokun et al. 2014). Other allied professionals in financial and administrative capacities are also involved.

### § 7.3 Formal rules of the game (formal laws and policy instruments)

What are the bodies of law or institutions that guide and steer formal housing delivery system in Nigeria? In this section, I examine several of these that are closely involved in housing delivery and respondents' views are analysed. Formal rules (see level 3 of Figure 7.1) are written institutions or regulations, characterised by orders (Williamson 1998). I have defined these as enacted policy and legal instruments as stated in

Chapter 6, under policy formulation roles of government. In several situations, the framework of formal regulations changes periodically, thereby often creating obstacles. Below is an examination of a number of these institutions and regulations in Nigeria:

### § 7.3.1 7.3.1. Urban and Regional Planning Decree No. 88 of 1992, building development permits and approval procedures (planning permission)

---

The Urban and Regional Planning Decree No. 88 of 1992 outlines building development approval procedures. These include zoning regulations, building regulations, density and height control. In Lagos, for example, a development permit is obtained from the Lagos State Physical Planning and Development Authority (LASPPDA), a parastatal under the Ministry of Physical Planning and Urban Development. Documents and procedures from the client or his or her appointed project manager were found in various stages of securing approval from government institutional bodies, including:

- Land title evidence showing location, approved height and density of the development in the area (zoning regulation). Architectural drawings, structural drawings, detailing/calculations, letter of structural stability from COREN certified engineer, survey plan, tax clearance and government fee (in the case of individuals).
- A site inspection with a planning officer.
- Verification of evidence that tenement rates are duly paid to the government (or Lagos State or a sworn affidavit in lieu of that, or a land use charge rate).
- Inspection team for vacancy confirmation.
- Site charting while the site engineer performs his duties if a multi-floor housing is proposed. The design is sent to the architect after charting for clearance.
- Submission of architectural design for verification purpose vis-à-vis location.
- Submission of mechanical and electrical drawings if necessary.
- Site confirmation for the appropriateness of use.
- Confirmation of any conflict with the existing land use, and if the size of the plot on ground corresponds with the survey plan and design proposal.
- Registration of the application if all the stages have been successfully completed.
- Recommendation for development approval.
- The District Officer's recommendation for approval. The file is approved for registration by the District Officer (DO) and registered by the clerical officer.
- Transfer of file to the table of the DO, who sends it to the field officer to include his site sketch and report.



- Opening of files for all relevant payment receipts and sent to the Lagos State Internal Revenue Service for payment of tax confirmation. The file is sent back to the District Officer from the General Manager’s desk for final approval.
- The plan is stamped and sealed.

In most cases the above procedures are considered too complex for informal groups who only require low-cost housing for personal use.

### § 7.3.2 Land Use Decree (now Act) of 1978, land titling procedures and bureaucracy

The purported aim of promulgating the Land Use Decree in 1978 was to address issues associated with uncertain land transactions caused by the traditional tenure system (Agbosu 1988). A summary of how land in Nigeria changes hands between an individual and the government is provided in Section 1 of the Act. The main point is that state government has sole sovereignty over all land and individuals have to approach the necessary government ministry in order to obtain land. In other words, every piece of land must pass through the government for ownership certification. The government also reserves the power to acquire land from the owner in respect of public projects.

This implies that from 1978, governors served as trustees. However, the issues prior to 1978, where descendants of the original landowners lay claim to ancestral land, are not addressed. While Sections 1 and 2 of the Act provide for the establishment of an allocation committee at state level and a land advisory committee at local government level to advise state government and local councils respectively on land use, customary owners backdate their ancestral land ownership titles prior to 1978 (Fabiya 1990). I reflect on this situation as a conflict of institutional power.

By critically reviewing section 34 of LUA, it becomes obvious that the LUA limits private ownership rights by stipulating that individuals may hold not more than 0.5 hectares of underdeveloped land. Section 28 of the Act also forbids the allocation of land by sale, mortgage, assignment, sublease or otherwise without the consent of the Military Governor. Another concern noted is that the act authoritatively stipulates that a certificate of occupancy granted to any occupier of holder of land may be set aside if it is in the overriding public interest. However, it is promised that after the compulsory acquisition, the owner of such land will be paid compensation for the value of the land at the date of revocation, including compensation for existing developments on the site (Section 29 of LUA).

In summary, land ownership trends under the LUA of 1978 involve the redistribution of land from individuals and groups to the state at large for a period of 99 years (Ezeji for 1980). By implication, every land owner in Nigeria is entitled to use land for a period of 99 years. At this stage, holders of a certificate of ownership, known as a customary right of ownership or statutory right of ownership, have been converted to leaseholders for a term of 99 years and are regarded as tenants of the state.

With all the afore-mentioned power of the state, customary owners must be prioritised. The requirements of customary institutions are also not cost and time specific. This shows that land rights in Nigeria are situated within both customary and statutory systems, as supported by Aluko and Amidu (2006). The position of LUA is that before anyone can lay an authentic ownership claim to land, such land must have a certificate processed from the Bureau or Ministry of Land or local government in the state. Aluko (2002) outlines 11 bureaucratic procedures required under the LUA of 1978:

- Identification of suitable land, prior negotiation between the parties and their agents
- Title verification at the land registry
- Preparation of sale agreement/deed of assignment
- Exchange of price and documents, which include deed of conveyance/assignment (four copies)
- Original survey plans/deed of partition/certified true copy of deed of gift or will
- Original purchase receipt or building lease agreement
- Receipt for money paid (family receipt for family land)
- Purchase of application form for governor's consent at land registry
- Payment of stamp duties and stamping of documents
- Submission of forms to land use and allocation committee with stamped document
- Photocopies of tax clearance certificate for past three years
- Advertisement of notice in national dailies for 21 days
- Payment of relevant fees: consent fee (15% of purchase price), publication fee, survey approval fee, registration fee, stamp duties (C of O), charting fees, development charges, ground rent and capital gains tax (where relevant)
- Collection of certificate of occupancy (C of O).

In most cases, these procedures are considered too complex for the informal group who only requires low-cost housing for personal use.

### § 7.3.3 National Housing Fund Act, No. 1992, Federal Mortgage Bank of Nigeria Decree No. 82 of 1993, loan application procedure, condition and bureaucracy

---

The National Housing Fund (NHF) is a federal government scheme, established through NHF Decree No. 51 of 1992, in conjunction with the Federal Mortgage Act (FRN 2012). It was established to achieve the following goals:

*“To enable all Nigerians, above the age of 21 years in paid employment, to a low interest, government funded loan. Members of the scheme contribute 2.5% of their monthly salary to the fund through Federal Mortgage Bank of Nigeria. The maximum amount obtainable under the NHF used to be N5 million but has since been increased to N15 million. The borrowed capital is repayable over a maximum of 30 years at the rate of 6% interest.”(NHF Act 1992 and Nubi 2008).*

The objectives of the NHF Act (1992) and Nubi (2008) are:

*“to (a) facilitate the mobilisation of the fund for the provision of houses for Nigerians at affordable prices; (b) ensure the constant supply of loans to Nigerians for the purpose of building, purchasing and improvement of residential houses; (c) provide incentives for the capital market to invest in property development; (d) encourage the development of specific programmes that would ensure effective financing of housing development, in particular low cost housing for low-income workers; (e) provide proper policy control over the allocation of resources and funds between the housing sector and other sectors of the Nigerian economy; and (f) provide long-term loans to mortgage institutions for on-lending to contributors to the fund”.*

However, as identified in other policy documents in previous sections, there are always requirements that applicants must comply with:

#### For “Design and Build” Housing

- Open a savings account with a registered Primary Mortgage Institution (PMI)
- Operate the account for at least six months
- The account must have a regular flow of income
- Presentation of photocopies of land title
- Presentation of the approved survey plans
- Presentation of the approved building plans
- Priced Bill of Quantities where applicable
- Valuation report from a registered estate surveyor and valuer where necessary
- Letter of consent to mortgage contract with the chosen PMI

- Complete the application form for the mortgage loan
- Offer Letter/Acceptance and Allocation letter (In case of government projects)
- A registered self-employed applicant must possess a copy of Articles, Memorandum of Association and a copy of Certificate of Incorporation.

#### **For Outright Purchase**

- An introduction letter from the employer
- Copy of documents of the property to be purchased
- Valuation report of the property with photos.
- Debt service projection plan that incorporates all processing and administration fees.
- Evidence of good steady income
- Bank account statement of less than six months
- Offer letter from agent on the property.

In most cases these procedures are considered too complex for the informal group who only need low-cost housing for personal use (Fekade 2000).

### **§ 7.3.4 National Housing Code of 2006: formal procedures and requirements**

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The National Building Code of 2006 represents the 1991-approved document of the National Council on Housing and Urban Development that was structured and passed into law in 2005 (FRN 2006). This document comprises 15 sections and is divided into four parts. Part 1 addresses administration; part 2 entails classifications and requirements; part 3 forms the enforcement part of the codes, and part 4 is made up of the following sections: schedules of supportive documents, data, tables, information and various relevant and approved application forms for parts 1, 2, and 3. The entire building process is divided into stages as follows:

- Pre-design stage - requirements and enforcement
- Design stage - requirements and enforcement
- Construction stage - requirements and enforcement
- Post-construction stage - requirements and enforcement.

Under normal circumstances, clients are expected to cooperate with formal institutional bodies, planning authorities, Standard Organisation of Nigeria (SON) and the Ministry of Housing to ensure compliance.

### § 7.3.5 Contract law and agreement procedures

The law of contract establishes the conditions that bring parties together to form a deal in land and landed property development in Nigeria (Sagay 1985). The initial instance of contract begins when formal agreements are formed between clients and project managers. The agreement usually spans the phases of development from the pre-development to the post-development stages. An agreement on a land transaction in the formal market requires the services of a professional lawyer to draft an agreement that is valid and acceptable for official purposes. At the construction stage, it is a form of contract between the client and the contractors, sub-contractors and other professionals. These phases require a meeting of minds (*consensus adidem*) (Sagay 1985). The components of a contract document, depending on the nature of the project, include the articles of agreement, conditions of contract, drawings and specifications and the bills of quantities (FRN 2006, Belo and Agbatekwe 2009).

At the post-construction stage, the owner of rental housing, tenants and the managing agent enter into an agreement (Gbadegesin and Ojo 2011, Gbadegesin et al. 2016) in terms of the Estate Surveyors and Valuers Decree No. 24, 1975. Figure 7.10 is an overview of the management contract procedures.

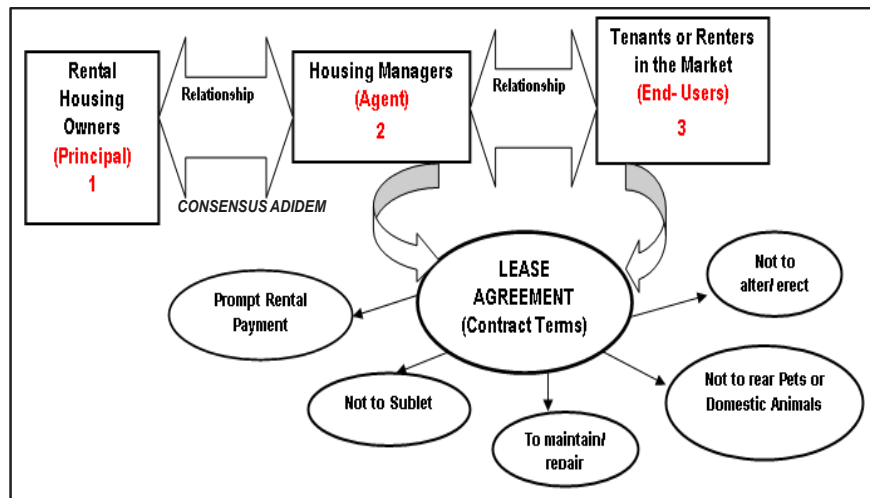


FIGURE 7.10 Procedures on the formation of management contract  
Source: Gbadegesin et al. (2016)

The procedure also brings parties, witnesses from vendors and buyers together. Litigation procedures do occur with the application of Rent Control and Recovery of Residential Premises Decree (now Edict) of 1997 (Oni 2008). There are procedures to resolve issues between a tenant and landlord besides litigation (Gbadegesin and Ojo 2012, Gbadegesin and Ojo 2013). Certain environmental responsibilities are also expected to be performed by the local government council such as drainage, roads, electricity, water and security. In addition to these aspects of Nigerian property management, a number of crises in the rental market, even in the formal housing market, were found.

The above indicates the existing strategies in the formal system of housing provision in Nigeria.

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## § 7.4 Governance and alignment with transactions

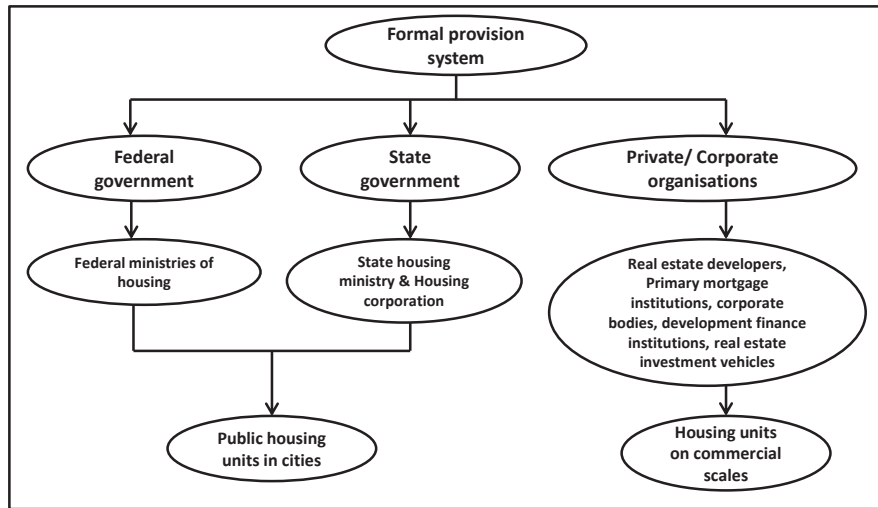
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Three attributes are examined, namely administrative structure, jurisdiction of government and transaction costs in the provision system, as situated in level 3 in Figure 3.4.

### § 7.4.1 Administrative structure in the formal housing system

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Strategies in housing provision are regulated by structures within institutions (rules, laws, regulations, cultural ideologies, norms) to produce housing outputs (Ball and Harloe 1992). Governance can be viewed as a type of administrative structure that regulates, controls or operates a system. The system of governance is an imprint of the administration that entails hierarchies (McGuinness 1991). In Nigeria, not only does government participate in the provision of land, it also serves as a regulator. The regulatory responsibilities are executed through its housing ministries and corporations. The governance structure in the formal system is described in Figure 7.11.



**FIGURE 7.11** Governance structure of the formal housing provision system in Nigeria  
 Source: FRN (2012)

The Federal Ministry of Lands, Housing and Urban Development (FMLHUD), the State Ministry of Housing, CBN and the Security and Exchange Commission serve as the key regulators in the development and financing of formal urban housing, FMLHUD is also responsible for housing provision, other public development projects, policies and standards. The Federal Housing Authority (FHA) which is a development agency, falls under FMLHUD. Other agencies in collaboration and for consultation are professional bodies including the Nigerian Institution of Estate Surveyors and Valuers (NIESV), Nigerian Institute of Town Planning (NITP), Nigerian Institute of Architects (NIA), Nigerian Institute of Quantity Surveyors (NIQS), Nigerian Society of Engineers (NSE) and Nigerian Institute of Builders (NIOB) (FRN 2006, EFinA and FinMarkTrust 2010, Pison Housing Company 2010, FRN 2012). Financial institutions or agencies include FMBN, specialised financial institutions, such as the Urban Development Bank, deposit money banks and commercial banks. Urban housing regulators, agencies (development and financing) and developers are located in the cities, especially in Lagos and Abuja as shown in Table 7.3.

TABLE 7.3 Formal agencies, regulators and the locations in Nigeria

INSTITUTIONS	MAJOR LOCATION IN NIGERIA
Federal Ministry of Urban Development and Housing	Lagos, Abuja and all other states' capital cities.
State Housing Corporation	Lagos, and all other states' capital cities
Federal Mortgage Bank of Nigeria (FMBN)	Lagos and Abuja
Primary Mortgage Institutions and Financial Institutions in Nigeria	Lagos, Abuja and all other states' capital cities.
Association of Housing Corporations of Nigeria (AHCN)	Lagos
Nigerian Building and Road Research, (NBRRRI)	Lagos
Commercial Banks and Insurance Companies	Lagos and all other states' capital cities
Real Estate Developers Association (REDAN)	Lagos and all other states' capital cities

Source: Pison Housing Company (2010)

Formerly, Lagos was the FCT and is currently a mega-city, having the largest population and largest housing inadequacy in the federation. The concentration of stakeholders (the federal and state-controlled agencies) in the formal urban housing provision is situated in Lagos and FCT, followed by other state's capital cities. The regulators, agencies and developers also have all built environment departments, including land surveying, urban and regional planning, estate surveying and valuation, quantity surveying, building technology, architecture, engineering and other allied departments.

FMBN is the top mortgage institution, regulated by the CBN. FMBN is responsible for managing the contributory savings scheme, known as the National Housing Fund (NHF), established by Act 3 of 1992. The National Housing Fund (NHF) is a long-term fund, mobilised from Nigerian workers, banks, insurance companies and the federal government to cater for concessionary loans to its contributors in the formal sectors. Today, FMBN has shifted its operational emphasis to expand its functions from the NHF lending system to lending on a commercial basis for housing provision. However, conditions must be met before it can be accessed by many Nigerians.

Formal private organs include corporate, faith-based and registered professional companies (Real Estate Developers' Association, REDAN). In addition, several professional bodies influence the activities of industry participants through technical and professional regulations.



## § 7.4.2 Jurisdiction of government operations in the formal housing system

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The Nigerian government system is federalism, operating within three tiers of government: federal government (central), state government (provincial) and local government (council or municipality). Only federal and state tiers of government through their housing ministries, corporations, the Federal Mortgage Bank of Nigeria (FMBN), Primary Mortgage Institutions (PMIs) and Central Bank of Nigeria (CBN) are the active role-players in urban housing provision currently in Nigeria. Other corporate actors include commercial banks and insurance companies. The third tier of government (local government or municipalities) is not involved in urban housing provision in Nigeria. Local governments in Nigeria are not given sufficient legal, human, financial and productive resources to embark on urban housing provision. There is no record of any urban housing provision provided by the local government in Nigeria, except in a few cases, for instance, Eti-Osa Local Government which recently provided lock-up shops in the market areas. In other words, the federal and state government in Nigeria retain ultimate power and control of administration in urban housing provision and other urban major projects.

Presently in Nigeria, there are 36 states (provinces), 774 local governments (municipalities) and FCT (central) as indicated in Chapter 4, Section 4.2. At the federal level, the Federal Ministry of Land, Housing and Urban Development (FMLHUD) is the regulator while the Federal Housing Authority (FHA), CBN and specialised financial institutions are the agencies. They are located in cities, especially in Lagos and FCT (see Table 7.3). Each state capital, across the federation, has a Ministry of Housing and State Property Corporation for the purpose of providing housing as well. This implies that urban housing, via government, is executed in Nigerian cities through a combined effort between federal and state government ministries.

To emphasise that urban formal housing provision via the government in Nigeria is through state (province) and federal (central) government efforts only, an examination of land acquisition for the formal housing delivery in cities provides more insight into the system. For urban housing provision to be achievable in Nigeria, land acquisition is fundamental in cities. The legal power to acquire land for urban formal housing provision by government is within the power of federal and state government only in Nigeria (Land Use Act, LUA, 1978). The constitutional power of state and federal government over land, especially in urban centres, for any development is also clearly embedded in the Nigerian constitution, Chapter 202, Laws of the Federation of Nigeria 1990. In section 1 of LUA of 1978 it is stated that:

*“Subject to the provisions of this Act, all land comprised in the territory of each state in the Federation is hereby vested in the Governor of that state and such land shall be held in trust and administered for the use and common benefit of all Nigerians in accordance with the provisions of this Act.”*

Because of the superiority of the Nigerian constitution over LUA, the federal government reserves the right to acquire land within state territories for public development (Laws of the Federation of Nigeria 1990; 1999). State government has the overbearing power, referred to as power of eminent domain, to acquire land for public developments, even at the express instruction of federal government as indicated in section 28, sub-section 4 of the Act:

*“The Governor shall revoke a right of occupancy in the event of the issue of a notice by or on behalf of the (Head of the Federal Military Government) if such notice declares such land to be required by the government for public purposes.”*

Also, in Section 2 sub-section 1 of LUA, lands are categorised according to rural and urban lands. Urban lands are governed by state governors and only the federal government has the right in the constitution to acquire land in cities. Determination of a land as rural and urban is pronounced by state (province). Local government councils (municipalities) only have power and jurisdiction to acquire and administer land in rural areas (Section 6 sub-section 3a):

*“It shall be lawful for a local government to enter upon, use and occupy for public purposes any land within the area of its jurisdiction which is not land within an area declared to be an urban area pursuant to Section 3 of this Act.”*

The main purpose of rural land is for agricultural purposes. This limitation that rural land is intended for agricultural purposes is stipulated in Section 6 sub-section 2:

*“No single customary right of occupancy shall be granted in respect of an area of land in excess of 500 hectares if granted for agricultural purposes, or 5,000 hectares if granted for grazing purposes, except with the consent of the Governor.”*

The power vested in state and federal government to acquire land for any formal development, such as housing in cities, is reinstated in sections 5 and 6 of the LUA of 1978. Section 3 further stipulates that state government only determines whether a portion of land is rural or urban following initial consideration by the National Council of States:

*“Subject to such general conditions as may be specified in that behalf by the National Council of States, the Governor may for the purposes of this Act by order published in the State Gazette designate the parts of the area of the territory of the State constituting land in an urban area.”*

Because municipalities (local government) have acquisition power mainly over rural land, they are empowered through the LUA to acquire large sections of land only in rural areas and mostly for agricultural purposes in Nigeria (Section 6). The constitutional roles of local government in Nigeria are clearly defined in the Constitution, Laws of the Federal Republic of Nigeria, 1990 and 1999:

*“Consideration and making of recommendations to the State Commission on economic planning or any similar body on economic development of the State, particularly the area where the Council and the State are affected. Collection of rates, radio and television licenses. Establishment and maintenance of cemeteries, burial grounds and homes for the destitute. Licensing of bicycles, trucks (other than mechanically propelled trucks), canoes, wheel barrows and carts. Establishment, maintenance and regulation of markets, motor parks and public conveniences. Construction and maintenance of roads, streets, drains and other public parks, open spaces, or such public facilities as may be prescribed from time to time by the House of Assembly of a State. Naming of roads and streets and numbering of houses. Provision and maintenance of public conveniences (toilets) and refuse disposal. Registration of births, deaths and marriages. Assessment of privately-owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly of a State. Control and regulation of out-door advertising and hoarding, movement and keeping of pets of all descriptions, shops and kiosks. Restaurants and other places for sale of food to the public and laundries. The local government councils also work hand- in-hand with state governments on issues such as the provision and maintenance of primary education, the development of agriculture and natural resources, other than the exploitation of minerals and the provision and maintenance of communities’ health services.”*

Urban housing provision does not form part of the main function. The specific built environment departments and their roles at municipalities in Nigeria include urban and regional planning, for the approval of building plans for private housing developments within that local government’s jurisdiction. This includes estate management and a valuation department for the management and maintenance of administrative buildings, executive officers’ houses, tenement rate (property tax), administration of private rental houses and issues on land acquisitions and allocations for other uses. All rating (tenement) activities are coordinated by the state for approval and documentation.

State governments through LUA are empowered to acquire large portions of land in urban areas for development projects, including housing (Sections 5 and 11 of the Act). Federal government, in terms of the constitution (Laws of the Federation 1990) is also empowered to acquire and use land for public development, including housing. This implies that all land in Nigeria is under the legal control of state governments and the federal government, especially urban land as it relates to this study. In each state, for example in Lagos, land titling is done through the state ministry (Land Bureau) in compliance with LUA. Customary rights of people to land do, however, exist, although ownership validity can only be guaranteed by applying for a legal title within the state (Sections 5, 6, 7, 8 and 9 of LUA).

Customary right is the land tenure system where individual families, clans, communities, villages and towns lay a claim to land based on traditional and cultural institutions. For such land to be marketable in the formal market, title perfection at the State Land Bureau is vital. Therefore, to administer any land transaction (public purchase, private purchase, titling, acquisition and compensation) every state has a Land Bureau to facilitate titling for people at a cost.

In Nigeria, the implication is that local governments (municipalities) do not have substantial capabilities to provide housing for the masses in urban areas. A further example of this is the fact that the formal system of the mortgage market is governed and administered through federal and state government arms only. The leading mortgage bank is FMBN and is situated currently within FMLHUD (a federal government arm). PMIs are under the control of states in cities. From colonial administration to date, there are no known records of housing units delivered by local governments in Nigeria, except for one or two residential dwellings provided for the executive officers/administrators. However, there is ample evidence and records of public housing provided by state and federal government arms as discussed in Chapter 6 of this thesis.

### § 7.4.3 Transaction costs in the formal housing system

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While details of procedures in the formal rules have been analysed, the results are used to solicit comments from professionals and individual house providers/consumers in Lagos. The following are responses from the senior personnel at the Land Bureau and Ministry of Housing, as well as housing corporations and private developers:

“...I think there are always processes in any development task. In housing or, let us say, in property development, it is like baking bread, all procedures have to be followed to produce a good bread. To me, it is normal, I am not saying the procedures are perfect.” (Land officer, Land Bureau, Ikeja).

“...of course, many things are involved in the development processes. For example, it is difficult to figure out what can happen in the process of development.” (Private developer, estate surveyor and valuer).

“Sometimes in a city like Lagos, development from beginning to the end might be uncertain, many things not planned for usually creep in and you just have to find solutions to them.” (Private developer, architect).

TABLE 7.4 Production and transaction costs in different stages of the development process for a formal single bungalow in Lagos, Nigeria

PRE-DEVELOPMENT STAGE		DEVELOPMENT PLANNING AND DESIGN	
Transaction costs	Production costs	Transaction costs	Production costs
Enquiry on the site and preparation for land acquisition (Information not available with institution)	Actual costs/prices of land	How to figure out the appropriate design preferred and permitted	Clearing, demolition preparation of building site
Transparency	Cost of setting out and layout design	Scheduling of meetings for preliminary and final design	Professional costs of design
Process of development permit <sup>1</sup>	Approved fees	Information on cost nairage (cost/meter square).	Gross development value (Costs)
Stress of bringing all parties together on consensus adidem (agreement) for land agreement <sup>4</sup>	Legal fees	Planning permission processes	Associated costs
Application procedures for finance <sup>5</sup>	Finance costs (loan-to-value ratio, interest rate, retention fee, amortisation)		
Land titling procedures and bureaucracy <sup>7</sup>	Survey plan and payments of approved fees	Administration and verification process for the approval of the plan with planning authority	
Location and building type/preference <sup>8</sup>		Zoning and construction classification <sup>9</sup>	

Source: Author, 2017

1 Urban and Regional Planning Act. e.g. Urban and Regional Planning Decree No. 88 of 1992.

2 National Building Codes 2006 gives comprehensive requirements (sections 4 to 15).

3 Lease agreement enforcement in the situation of defiant attitudes (see Rent Recovery Act, Landlord and Tenant Act, Gbadegesin et al., 2016).

4 Licensed estate surveyors and valuers or lawyers are legally allowed to do this in order to validate the agreement for official purposes, such as title processing, building approval and finance application.

*“At times, you face disappointment, duping, delay in planning approval, Omo-onile trouble which you have to settle, even to the point of the site security.” (Building contractor).*

In addition to these responses, it is observed that development of a housing accommodation is hampered by a number of unforeseen circumstances, from land acquisition to the management and consumption stages, owing to inadequate information and institutional weaknesses. Incidents of transaction hurdles identified during field work are presented in Table 7.4, in addition to production costs.

TENDER AND CONSTRUCTION		MANAGEMENT/DISPOSAL	
Transaction costs	Production costs	Transaction costs	Production costs
Control of development	Construction costs	Process of appointing the managing agent	Maintenance costs
Delay and contingencies	Professional fees	Letter of authorisation for management contract	Professional fees
Compliance with standard requirements for construction and materials <sup>2</sup>	Developers profit	Lease agreement enforcement <sup>3</sup>	Legal cost
Contract deal	Financial Costs	How to ensure adequate protection and security of the property and occupiers	Caution fee
Force majeure <sup>6</sup>			

<sup>5</sup> It is formally expected in Nigeria to source finance through procedural applications with financial institutions using legal instruments, including Federal Mortgage Act, CBN Act, National Housing Fund Act procedures.

<sup>6</sup> Implication of an unforeseeable circumstance, political crisis or superior strength that prevents someone from fulfilling a contract

<sup>7</sup> LUA of 1978.

<sup>8</sup> National Building Code 2006 outline building classification and requirement in various locations.

<sup>9</sup> Zoning regulation is embedded in the Urban and Regional Planning Act. It zones in terms of location, density and height of the building contrary to what low-middle income groups can do.

## § 7.5 Activities, outputs and market players interaction

In Nigeria, development activities are steered by the client (demand) and the project manager or owner (supply). Their activities are categorised into five broad tasks, i.e. brief, design, tender, construction and disposal/management, as illustrated in Figure 7.12:

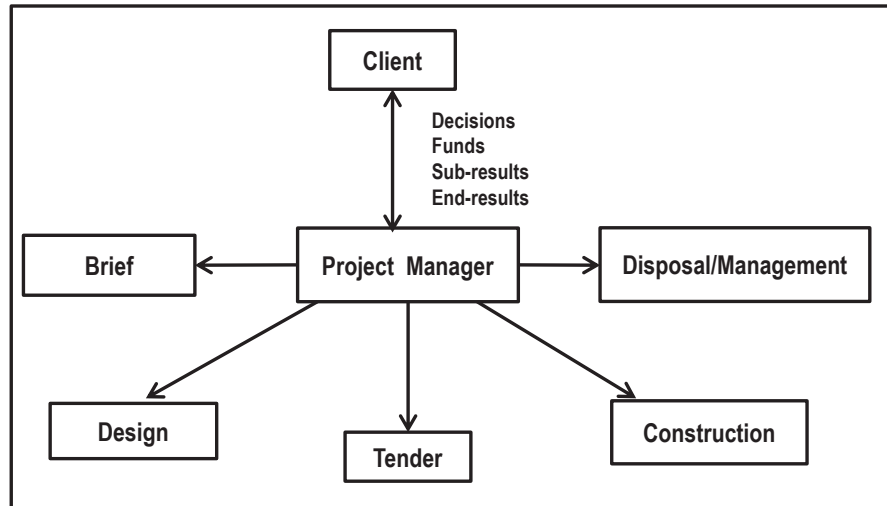


FIGURE 7.12 Client, project manager and the development components  
Source: Belo and Agbatekwe (2009)

While the project manager is the main role-player, the client refers to an individual who wants to build a house. Clients include those who develop only once, those who do so often, those who do so for owner-occupation, those who do so for investment purposes (rental housing) and those who are a combination of the above (Belo and Agbatekwe 2009).

An instruction to develop a housing unit in Nigerian cities is usually initiated by the client, who requires a house, either for occupation, rental or sales purposes. In other words, instruction is the brief which serves as an authority or power of attorney to develop a project on behalf of the owner. In some cases, it starts with the identification of land in a suitable location. Where land has already been acquired, the brief for the appropriate design, budgeting and the selection of participants commences through a joint meeting between the project manager and the owner in Nigeria.

TABLE 7.5 Housing development, activities, actors and relevant laws/regulations

DEVELOPMENT STAGE	INSTITUTIONAL AND REGULATORY BODIES	ACTIVITIES	ACTORS AND ROLES	RELEVANT REGULATIONS, LAWS AND CODES
Land acquisition	Government ministry of land, survey and planning	(i) Information on land (ii) Development approval on land (iii) Surveying of land and (iv) Land title procurement (certification)	(i) Estate Agent or Lawyer to confirm land information and facilitate the agreement on land transaction (ii) Land surveyor to do the survey (iii) Client, Estate agent or project manager to register the land in the government ministry	(i) Land Use Act (LUA), 1978 (ii) National Building Code, 2006 (iii) Architect's Decree No. 10, 1969 (now Caps 20. LFN) (iv) Nigerian Urban and Regional Planning Act, No. 88, 1992; (v) Survey Ordinance, 1958; Survey (Amendment) Decree 22, 1977; Surveyors Registration Council of Nigeria, Decree 44, 1989 (Cap 425, 1990) (vi) Decree 24 of 1975 (Estate Surveyors and Valuers)
Finance	Financial institutions including commercial banks, federal mortgage bank and insurance companies.	(i) Securing finance for land and construction	(i) Estate surveyors and Valuers (ii) Client or Project Manager (iii) Banks	(i) National Housing Fund (NHF) Act 3 of 1992. FMB Decree of 1993 (ii) National Building Code, 2006 (iii) Central Bank of Nigeria Act (iv) Banks and Other Financial Institutions Act of 2004
Design	Government ministry: Planning division.	(i) Query and approval of design in line with building regulation	All building industry professionals and environmental experts; Project Manager or Client, Architect, Engineer	(i) National Building Code, 2006
Tender	Government ministry: Planning division in the location	(i) Budget: Financial appraisal and bidding	(i) Quantity Surveyor (ii) Client or project manager	(i) National Building Code, 2006 (ii) The regulated and other professions (Miscellaneous Provisions) Act 1978 (iii) Quantity Surveyor's Decree No.31 of 1986
Construction	Government ministry: procurement and Construction section	Foundation, walling, roofing, flooring, electrical, plumbing, interior and exterior works	Project manager, Architect, Engineers and Designers	(i) National Building Code, 2006
Management & Disposal	Client's or Project Manager's decision	(i) Enforcement of sales, purchase and lease agreement: Maintenance, tenant selection and rent collection (ii) Advertisement and agency	Estate Managers to perform the listed activities.	(i) Estate surveying and valuation Decree 24 of 1975 now CAP E. 13 LFN 2007 (ii) Constitution of the Federal Republic of Nigeria (iii) National Building Code, 2006

Source: FRN (1991, 2006, 2012)



The above-mentioned implies lengthy processes and procedures, which require the necessary approval from institutional agencies.

A housing unit is an output after all the activities from the brief stage to the final stage, as indicated in Figures 7.2 and 7.12. Public housing, mortgages and formal individual housing typologies are the major formal housing outputs in Nigeria. Federal and state government provide public housing units through their agencies. Public housing comprises both rental and owner-occupied housing units. Currently, the concept of public housing is gradually being eroded because most of the housing units provided by the agencies/ministries are now for commercial goals. In recent years, a hybrid called the Public-Private Partnership (PPP) programme was initiated in Nigerian cities after the review of NHP. It is a form of collaboration that connects government (public) and commercial developers (private organisations) with the aim of providing housing and other infrastructure in Nigerian cities. Table 7.5 provides a summary of institutional bodies, development stages, activities, actors, roles and institutional environments.

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## § 7.6 Motivation and challenges in the formal housing delivery system

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In property development, there are always gains and losses or costs and benefits (Burchell and Mukherji 2003). Housing development in the formal system in Nigerian cities carries a number of incentives as well as crises in Nigerian cities. This is further discussed in the next section.

### § 7.6.1 Motivations in the formal housing delivery system in Nigeria

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The formal laws and instruments, described as the formal rules of the game in level B of Figure 7.1, include the institutional environment presented in Section 7.3 and the existing regulatory bodies illustrated in Table 7.5. These instruments include the National Building Codes, Constitution of the Federal Republic of Nigeria, LUA, Nigerian Urban and Regional Planning Act, Architects' Decree, Survey Ordinances, Estate Surveying and Valuation Decree, National Housing Fund (NHF) Act, FMB Decree, Central Bank of Nigeria Act, Banks and other Financial Institutions Act, and the Regulated and Other Professions (Miscellaneous Provisions) Act (see Table 7.5). These instruments and other codes of the built environment professional practices are

crucial in the formal housing delivery system. Their objectives can be described as the motivations that are tailored towards the formal procedures in the housing delivery. For example, the LUA was intended to ensure easier accessibility to land and to avoid encumbrances (Fabiya 1990). Section 1.3.3 of the 2012 NHP and Section 16 (1)(d) of the 1999 Constitution empowered state governments to join federal government to provide suitable and adequate shelter for all citizens as a means to achieve the aims of adequate housing delivery.

The requirements and criteria for designs and construction are elaborated on in Section 7 to Section 15 of the 2006 National Building Code and are aimed at achieving decency, quality and safety objectives. The subject of occupancy ratio and sizes as prescribed in the policy instruments are also outlined in Table 5.2. Therefore, these goals, agendas and prescriptions are the motivations behind the formal housing delivery processes in Nigeria, as outlined below:

#### Site identification and land acquisition process

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At this stage of housing provision, existing studies establish the benefits including security of land title, security of life and property, security of environment, ease of transaction, transparent exchange and security against land conflict (Belo and Agbatekwe 2009).

#### Planning and development approval procedures

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At this stage of housing provision, it is established that the existing formal procedures identified in Section 7.3.1 are to ensure proper planning, security of life and property, security of environment, ease of transaction and avoidance of chaos (FRN 2006).

#### Construction and post-construction

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At this stage of housing provision, current studies establish that regulations are to achieve urban housing decency, good environment, quality outputs, effective management and lease compliance (Belo and Agbatekwe 2009, Gbadegesin et al. 2016).

While relating these findings in this discussion, divergent opinions were obtained from interviews conducted. Comments obtained can be described as expressions of gains and losses. From the perspectives of personnel, who are in the ministries of land, planning, public affairs, environment and land, the outlined procedures are aimed at creating a better society:

*“Our society needs a pinch of regulation especially our environment. Imagine how many lives could have been lost without planning control and regulations.” (Planning officer, Ikeja).*

*“I think it is high time government enforced the national building code to rescue our cities...marking a development with red paint is not enough, but pulling it down should continue...” (Builder and university lecturer).*

From the perspective of private individuals, the procedures are viewed as a burden and an obstacle that deprives people of their rights.

*“...enforcement of regulation is good but the government should do what is right for the citizens. [Can you mention, please?]...I expect government to assist on land titling, subsidised for the cost of building materials, provide subsidised technical help for an approved plan and improve the socio-economic status of people.” (Private developer, REDAN Member).*

This shows that there are conflicts in the purpose and interests of different people. There are many well-constructed houses built on the land without the necessary titles. Table 7.6 presents a summary of the identified benefits:

TABLE 7.6 Observed benefits of the formal housing delivery system in Nigeria

STAGES	CONTEXTS OF THE FINDINGS	INTENDED MOTIVATION
Site identification and land acquisition	Sections 7.3.2 and Figure 7.3	i. Titling is intended for ownership title security, ease of transaction and availability
Planning and building approval	Section 7.3.1 and Table 3.1	i. To regulate and enforce compliance to standards in terms of the income groups that the client belongs to. ii. To generate revenue for government from fee paid by clients
Finance application procedures	Sections 7.2.2 and 7.3.4	i. To confirm the eligibility, possibility of repayment and status of the applicants
Construction and post-construction	Figures 7.2, 7.3, 7.4, 7.8, 7.10 Table 7.1.	i. To achieve quality housing outputs

Source: Author (2017)

## Relative security of rights

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Relatively, the question of security is often guaranteed in the formal housing system if the ownership title is ensured (WorldBank 2001, Karrina 2013). In the developed world, insurance companies take care of hidden costs, but in Nigeria, most developments, especially low cost housing, rarely engage insurance companies. Instead, estimates are often earmarked to take care of contingencies at an approved range of 10% to 20% of the estimated development costs.

In the Nigerian formal housing market, there are a number of rights: right to transfer, assign, sales, purchase and mortgage. Quantum of property rights is referred to as interest (Omotola 1988). However, the opinions and impressions of individual house providers and consumers differ:

*"...procedures of titling, development control, development approval and others could be okay to make housing delivery better. We know it is for our better living and better environment...if issues of barriers hijack our rights, we the mekunnu (low- and middle-income) could be attended to and in the process could be addressed". (Chairman, Landlord Association, Ikorodu Area, Lagos).*

The argument is that the rights of some classes of people to land and housing are still not well secured in the context of formal institutions in Nigerian cities. Property rights should enable land users to harness the interest (quantum of rights) with guaranteed security in property (Whinston 2003, Van der Krabben 2009). The transaction costs to harness the rights are viewed in terms of hidden costs and idiosyncratic transaction factors and processes attached to provisions, processes, protocols, procedures, bureaucracy, requirements, agencies (search and information), legal and title procurement (property rights) (Alexander 1992, Smith et al. 2006). Property rights and transaction costs are key elements of institutional approaches that influence housing markets because if the rights are exercised with fewer institutional requirements, constraints into markets could be eliminated (DFID 2005).

## § 7.6.2 Challenges (barriers) to the formal housing delivery system in Nigeria

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The challenges in the formal housing market are associated with the procedures and protocols in the housing delivery system as discussed in Figures 7.2, 7.3, 7.4 and 7.8 and Table 7.1. Thus, it indicates that the challenges are more transactional or institutional in nature. For instance, land titling procedures examined in Section 7.3.2

are lengthy and cumbersome. Accessibility criteria to finance, identified in Sections 7.2.2 and 7.3.4, are complex and exclude low- and middle-income groups, who are in most need of decent housing. Planning processes identified in Section 7.3.1 are challenging, as indicated in the same sets of interviews conducted:

*“...procedures of titling are not clear enough. They do not favour low-income and middle-income groups. Why should the system place all the groups on the same scale? The lobbying processes of getting titles to land and planning permission are real challenges in most times to many people. People can choose to boycott these...though this could be a problem later, but it could be crises across the nations...what impact and concern does government have for the low- and middle-classes in this society, my friend.” (Chairman, Landlord Association, Ikorodu Area, Lagos).*

For most informal housing providers, these protocols constitute obstacles and are often referred to as institutional or transaction costs (Buitelaar 2004, Buitelaar 2007). In Tables 3.1 and 7.7, some numbers of identified transaction costs (institutional barriers), in addition to production costs in the Nigerian formal housing market, are listed. Costs of other obstacles often emanate from professionals’ subjective opinions. In Table 7.7 the identified challenges of these procedures are summarised.

TABLE 7.7 Observed challenges in the formal housing delivery system in Nigeria

STAGES	CONTEXTS OF THE FINDINGS	CHALLENGES
Land acquisition stage	Section 7.3.2 and Figure 7.3	i. Lengthy, hectic and cumbersome procedures
Planning and building approval	Section 7.3.1 and Table 3.1	ii. Lack of transparency, often generates crises from the original owners.
Finance application procedures	Sections 7.2.2 and 7.3.4	iii. Costly for low- and middle-income groups
Construction and post- construction	Figures 7.2, 7.3, 7.4, 7.8, 7.10; Table 7.1.	iv. Complex procedures and requirements and delay for the low-middle income groups

Source: Author 2017

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## § 7.7 Conclusion

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In this chapter, the conventional (formal) housing delivery system has been examined in the context of the conceptual framework in Figure 7.1. I started with an examination of the modes of provision and strategies. The institutional environment, including laws, regulations and policy instruments, was also examined, including the steps and stages of the development processes. The procedures of development, from the sub-structure to the super-structure, were examined. It is observed that the formal delivery of housing has elements that are both beneficial and challenging. The identified procedures and requirements are intended for affordability, decency, safety and a reliable housing market, as indicated in various policy documents. There are associated challenges in the process of execution and implementation, resulting in set-backs in formal housing delivery and the growth of informal housing practices. Hence, what are the policy directions aimed at improving the provision of housing, in the light of the identified costs and benefits in the formal system that triggered the growth of the informal system? This led to an investigation into the informal system in the next chapter.



# 8 Strategies of housing provision in the informal system

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## § 8.1 Introduction

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In Chapter 7, the follow was examined: strategies, procedures, institutional environment, rules of the game, governance aligning with transaction, market activities of the outputs, and motivations and challenges in the formal housing provision system in Nigeria. This chapter continues to address research question 5 i.e *Amidst shortages, how do urban residents provide for their housing needs and why?* Using a similar evaluation framework to the formal system, the strategies in the context of the adapted analytical model in Figure 3.4 are investigated. Therefore, to make the evaluation specific to the informal system, I examine the strategies from the pre-construction stage to the post-construction stage, using the *right wing* of the framework as shown in Figure 8.1. From Sections 8.2 to 8.5, the housing provision strategies and procedures in the context of land, finance and resources from the start of a housing development to the activities after completion are examined. Section 8.6 is devoted to guiding principles, *modus operandi*, rules, norms and regulations in the provision system. The administrative structure aligning with tractions is examined in Section 8.7. In Section 8.8, I discuss how outputs are conducted in the market and the activities that are involved therein. The “*why*” question implies the motivation and the challenges to the provision system which are examined in Chapter 9



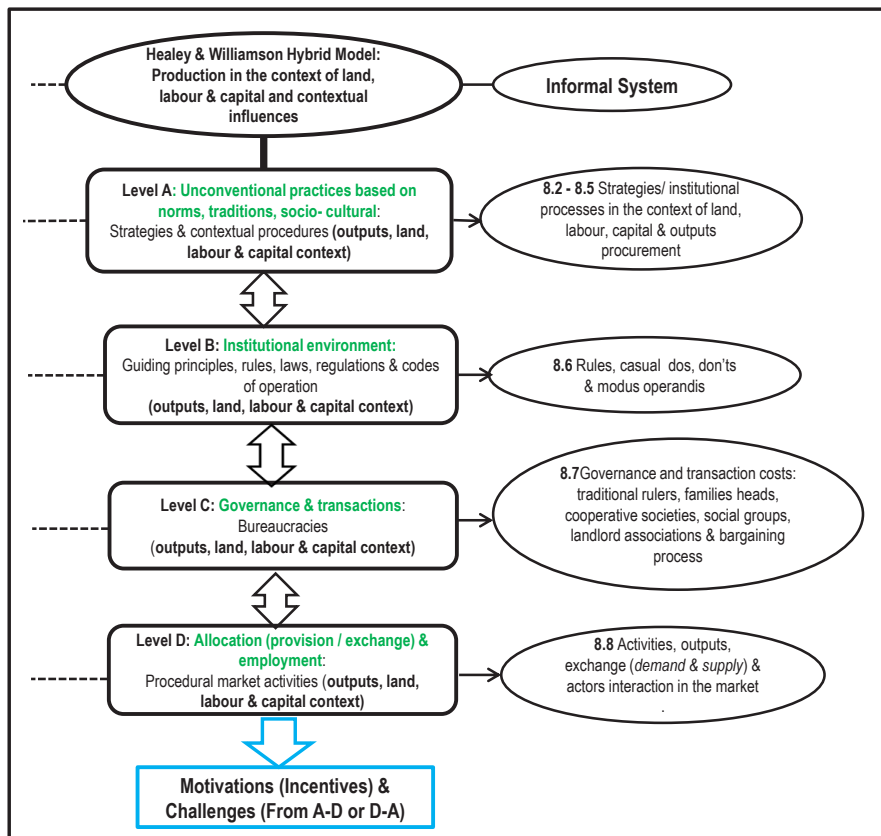


FIGURE 8.1 Overview of strategies evaluation framework in the informal system  
 Source: Healey (1992), Williamson (2000)

Following the empirical investigation, the procedures for the informal housing provision involving approaches from the pre-construction stage (land procurement) to the post-construction stage (management) are different to the formal system described in Chapter 7, in the following ways.

## § 8.2 Land acquisition (pre-construction stage)

The most common land acquisition methods observed in the informal market are presented in Figure 8.2.

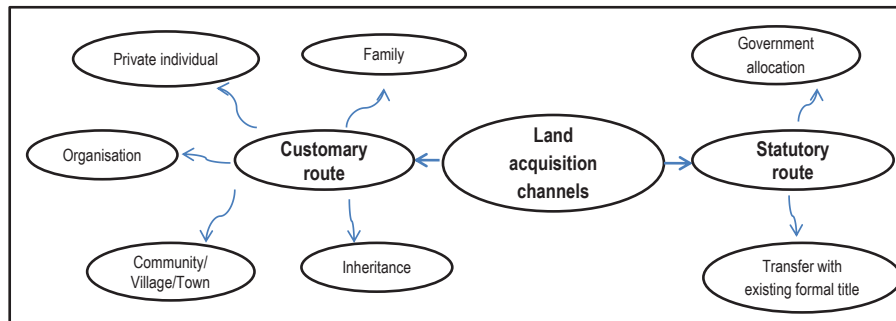


FIGURE 8.2 Informal land acquisition methods  
Source: Author's fieldwork (2016/2017)

The discussion of the analysis on the existing land procurement approaches and title documentation status is summarised in Table 8.1.

**TABLE 8.1** Land acquisition approaches and status of title documentation

ACQUISITION PROCESS ACQUISITION CHANNEL	Parties involved	Respondents' frequencies and percentages	Immediate approach to confirm acquisition	Latter approach to confirm acquisition	Title Security Status
Traditional communities Chiefs/Leaders	Community Baale, Buyer and Lawyer/ Agents, provided by the Chief or buyer.	<b>9 (25.7%)</b>	Purchase receipt, survey beacon and corner pieces	Land agreement Signing	Title to land in process
Customary original owner route/clan	Omo-onile, represented by the Elders in the clan	<b>6 (17.1%)</b>	Purchase receipt, land agreement signing	Survey beacon and corner pieces	Title to land in process
Single family owner	The family head (husband), buyer, witnesses and a lawyer	<b>5 (14.3%)</b>	Purchase receipt, land agreement signing	Laying foundation and fencing to about two courses	Title to land in process
Private individual	The owner showing receipt or evidence of ownership, buyer and lawyer for agreement	<b>5 (14.3%)</b>	Laying foundation and fencing to about two courses	Purchase receipt, survey beacon	Title to land in process
Inheritance	The owner (children or a child representing the deceased)	<b>3 (8.6%)</b>	Agreement and ancient receipt	Collection of C of O <sup>1</sup> , laying foundation and fencing to about two courses	Title to land in process
Organisation	Cooperative societies, religious bodies, clubs and professional association	<b>5 (14.3%)</b>	Agreement and purchase receipt	Fencing, farming and laying foundation	Some title perfected (C of O), some in process.
Government Ministry	Ministry of Land/ Land Bureau, housing corporation	<b>2 (5.7%)</b>	Land agreement signing and issuance of land certificate	Fencing, farming and laying foundation	Title perfected
<b>Total</b>		<b>35 (100%)</b>			

Source: Author's fieldwork (2016)

1 C of O; Certificate of occupancy. The evidence of ownership obtained from land ministries, similar to statutory right of occupancy (see LUA, 1978 in Section 7.3.2, Chapter 7).

During the course of the interview with landlords, householders and developers 35 respondents disclosed their land acquisition methods and the status of the documentation as indicated in Table 8.1. The results indicate that nine (25.7%) of the respondents acquired their land from traditional chiefs and leaders in the communities and lay claim to the ownership through the signing of an agreement. Six (17.1%) disclosed that they secured their land through the signing of purchase agreements and the erection of a corner piece after completing the surveying process

from the customary owners called Omo-onile<sup>7</sup> (see Section 8.8.2 in Chapter 8). Those who acquired their land through private individuals, organisations or single family owners are the second largest category at five (14.3%). While three (8.6%) inherited their land from parents, only two (5.7%) obtained their land through government allocation. Except for those who acquired land through government allocation, most of the respondents secured their land either by signing an agreement or by erecting a temporary structure in the form of a fence on the land. It was also found that the majority of respondents are either currently processing or are planning to process the official title to their lands.

Acquiring land through traditional owners revealed some salient peculiarities from the interview conducted with landlords/rental housing providers. One respondent said:

*"...okay, an easier way for people like us to acquire land is to consult the original owners of the land commonly referred to as **Omo-onile**...it is very important to have a meeting with the family head on seat to avoid trouble...The original owner of the land must be consulted and have an agreement for the land transaction to hold... and that is what I do to have my land, but you still need to ensure that all documentations are done because of the future."* (**Landlords/rental housing providers**).

Acquiring land for housing provision through an organisation is now also common practice in Nigerian urban centres. Land is often acquired through purchases from the original customary owners, or organisations (e.g. cooperative societies) purchase and subdivide land to their members. This is reflected in the script excerpt below.

*"...I am a member of a cooperative society in my place of work. Some years ago, the society took it upon themselves to acquire acres of land and then share the land among the interested members on plot basis...The association did the survey and allocated the plot to me. The total amount of money then was around two hundred thousand (200,000 Naira). ...I like the method because it gave me peace of mind in the sense that it was the association that negotiated with the **Omo-onile** family. ...agreement was reached and after it was shared with all members. After that, individual signed separate agreement with the family. It often works that way..."* (**Landlords/rental housing providers**).

---

7

The sons of the original owner, prior to LUA of 1978 (also refer to section 8.8.2 in Chapter 8).

The strategy of buying land through a cooperative society is confirmed where customary informal approaches are adopted by cooperative societies to secure land from indigenous landowners (**Omo-onile**) and the society members allocated land are responsible for ensuring that the statutory legitimacy is formalised. How are these formalisation processes conceived by landlords/housebuilders? Interview extracts reflecting the opinions of concerned actors in Lagos follow.

*"...It is complex to make effort in securing reliable titles to land. Other people might have the grace to pass through the processes, but many might not. And that is the problem here in Lagos as far as land is concerned. What I did is that I moved fast then to ensure that the agreement was signed by me, my witnesses, sellers (**Omo-oniles**), Omo-oniles' witnesses and the lawyers." - Interviewee 9 at Alimosho.*

*"I tried to quickly erect what we call corner pieces on the land to secure it and later tried to sign the agreement. I did not have money to give the lawyer immediately for the agreement, but opted to build the corner piece to escape **Omo-onile** factors." - Interviewee 8 at Badagry.*

*"I can remember vividly then that everywhere around this area of Ikorodu was bushy. I just started using my two plots as farm land. I cultivated the land, planted maize, yam and vegetables to secure the land, because I could pass through the complex system of land titling. At least, anyone that came there then would know that the land is not vacant and not for sale. Otherwise, these Omo-onile wahala (problems) or their agents will come." - Interviewee 7.*

*"I started the foundation of my bungalow immediately. I tried hard through my cooperative association to get some money to raise the foundation to at least my shoulders. Later, I made my agreement with the private agent that represented the owners that sold it to me." - Interviewee 6 at Ipaja.*

Land is also acquired through inheritance. For all of the above identified strategies, except acquisition through government, a signed sale agreement, witnessed by local family elders and friends of the purchaser or his intermediary, is often the only and common evidence of ownership observed that many landlords and householders possess. However, a certificate of registration is the authentic document needed if a housing unit is to be tradeable in a formal market. Few people acquired their lands from government allocation. Acquisition of land through government allocation is not common in the informal sector. Most respondents explained that many transaction costs and difficult protocols in the forms of consultation, bureaucracies, lack of transparency and bribery are involved in the formal protocols.

## § 8.3 Finance procurement (pre-construction and construction stage)

As detailed in Chapter 7, Section 7.2.2, under the formal system, the conclusion of land issues is usually followed by the arrangement of finance. In my study, I found that informal or traditional approaches are more prevalent and widely adopted than the modern ones in Nigeria, as indicated in Figure 8.3.

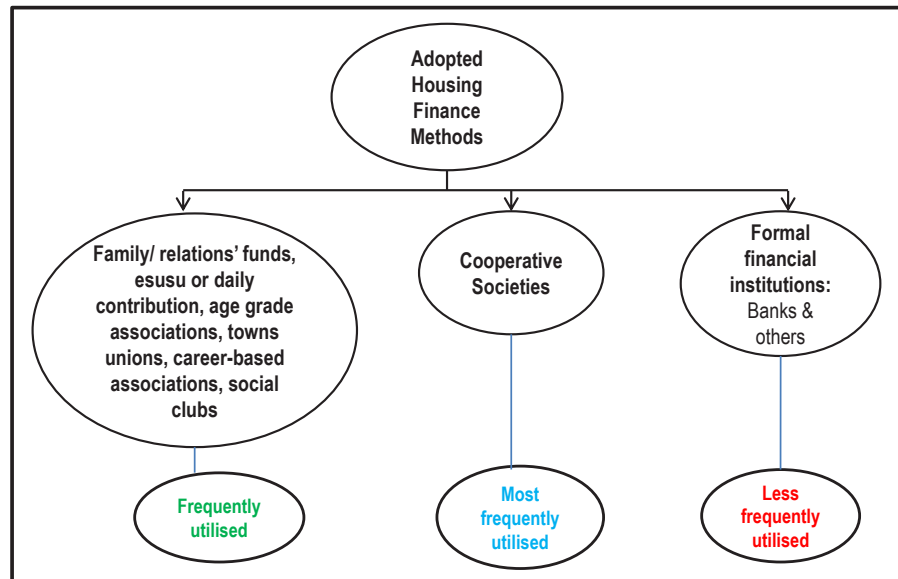


FIGURE 8.3 Adopted housing financing methods  
Source: Author's fieldwork (2016/2017)

The identified traditional methods of financing as indicated in Figure 8.3 are analysed and discussed based on two criteria: terms of funding and membership size. Short term funds include those methods of financial access which are limited to members, e.g. *esusu*, *ajo*, money from family/relatives, age groups (associations formed, based on age categories or sets), town unions, social clubs and private money lenders. These funding methods generally also have fewer memberships compared with those of longer terms funds such as cooperative societies or associations. *Esusu*, also referred to as *asusu*, is an indigenous informal saving scheme and is recognised in Nigerian literature. It is a system of mobilising funds in the form of a saving scheme among the

people who are familiar with one another. Other variants such as daily contributions, family or relatives, age grade associations, towns unions and social groups operate in similar ways but on a broader scale than *esusu*. Private money lenders are informal lending arrangement groups based on family or guarantorship.

These are traditional fund-raising groups or networks through which individuals save money which is then collected at a specified time. Short-term fund groups have similar characteristics. On the other hand, they are also a form of planned contributions which involve numerous contributors. They constitute individual or joint saving approaches to generate lump sums with restrictions on spending until a certain period of time. Apart from fund-raising, the rotation approach also characterises these groups, where each member collects funds due to him/her at specific or chosen time. At present in Nigeria's major cities, these informal group-financing methods are in practice, as reflected in the interview script below:

*"...as for this house, it is a combination of sources of finance. Let me say that I made use of esusu, daily contributions, association funds (owo egbe) and the common source today that everyone utilises, that is cooperative societies. With the combination of these sources, housing provisions are achieved" (Landlords).*

Specifically, it is also observed that *esusu, ajo* (daily contributions), age grade associations, towns unions and social clubs in the context of housing provision serve as financial self-help units based on local membership in Nigeria.

The growth of *esusu, ajo*, age grade/occupation-based societies, towns unions and social clubs often leads to the concept of cooperative society (Seibel 2004). Cooperative societies are longer-term fund sources when compared with *esusu, ajo*, family/relative, age groups, town unions, social club and private money lender. These traditional finance sources emerged as important ways of generating income for different forms of development, of which there are thousands, across Nigerian geo-political zones. They also often manifest in the form of male and female associations, with the sole agenda of contributing funds towards individual developmental projects. The members operate on the principle of trusteeship.

All of the above are referred to as informal micro finance units due to the relatively low enrolment compared with formal financial institutions (Adeokun et al. 2014). In this study, I also observed that some householders engage in rotary financial contributions, i.e. based on slots, irrespective of the tribes or religions, and/or restricted contributions where such arrangement is limited to a particular community alone. In communities, a variety of landlord associations where residential communities or neighbourhood needs are met by collective physical and financial contributions, operate as cooperative

societies. An interview with the chairman of a community landlords association, who participates directly in a monthly meeting, unveiled the practices of the informal groups as follows (refer to a sample landlords' meeting participated in Chapter 4, Figure 4.4, Section 4.2.2):

*"We started these monthly meetings, which developed to a big group like this some years ago. It was just like in the esusu group where we met to contribute funds. We had a central purse until we give the funds in batch. It later became a community landlord society as people were moving to this area. Now we provide some basic infrastructure through our monthly contribution, just to make sure the community is benefitting as well (Landlords).*

The main difference between short-term funds and long-term funds is that the members in the former often know one another while members of the latter might not know one another apart from being members of the same group. For example, people who engage in friendship-based saving schemes, rotatory saving schemes, town unions, age grade groups and family or relatives accords are knitted together from cognate relationships. However, the most adopted and existing informal housing finance method today in Nigeria is the use of cooperative societies. This is elaborated on in what follows.

### § 8.3.1 Cooperative societies and housing finance strategy

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As explained in Section 8.3, cooperative societies funds (CSF) are still classified more as informal groups than as formal groups. People are brought together through financial contributions and operate by rules and regulations. These financial self-help groups yield multiple benefits especially in the areas of housing provision in Nigerian cities, particularly in the incremental forms of housing. It is currently the most significant source of finance for development at the grass-root level. A confirmation of this finding is depicted in the interview script below:

*"I built these houses including the one I rent out to tenants through the combination of cooperative funding, family funds, I mean my two children staying abroad." (Landlord/house provider).*

*"...cooperative societies have been a great help in the development of this housing." (Landlord).*



*"...it takes me as long as eight years to complete them, but useful..." (House provider).*

*"At the land acquisition stage and building materials procurement stage, cooperative funding was of great value to me, not only me, but all our members." (Chairman at Ikorodu/Alimosho Landlords and Cooperative Societies).*

The foregoing responses are further upheld in the testimonial extracted from the interview with a commercial developer (REDAN) and senior official (policy maker) in the housing ministry in Nigeria, while narrating the prospects of the cooperative financing system in housing provision parlance as indicated below:

*"The roles played by those cooperative societies and some private informal groups today especially in housing delivery in cities like Lagos are much. I can describe these groups as saving grace mechanisms because in a situation where financing tasks become realities when many people could not qualify for bank loans as a result of inadequate and untenable collateral." (REDAN-03).*

*"I think the era has come when people have learned to create things in their own ways which is evident in the way people try to form groups and contribute money towards helping each other. I can remember, sometime ago, I did such. When it was my turn I received so much to complete my entire housing needs. After which I relaxed so that I can enjoy my income. Not only that the bukata (commitment) of children's education could not allow me to contribute as much. But at least I was able to achieve my family housing need and also some low-income rental housing. And that is what we are telling these young ones these days. When you are young, yet to be married, and you have a relatively stable income, try and belong to one of these groups in order to have good savings. By that you can manage to finance your housing or even rental housing for income generation tomorrow. It is economically wise to wisely spend your financial resources very well when it is available." (Senior official-02).*

It is observed that low- and middle-income groups mostly explore the use of CSF. A striking feature of the CSF is the adoption of the practice at different stages of housing development. In the process of evaluation within the context of production factors (land, labour, capital (finance) and management), CSF is one of the themes which repeatedly resurfaces on several occasions during the thematic data analysis.

As indicated in Figure 8.8, the basic phases of CSF in Nigeria are land acquisition, development or construction, building materials procurement and communities servicing phases. In terms of land acquisition, house providers, particularly private landlords and householders, attempt to solve their land affordability challenges by adopting an instalment process of payment through a cooperative society's funding.

Obtaining access to land as a family or individual at the initial stage through an accumulated lump sum collected from a career or job-based cooperative group is a strategy observed in practice, where sizeable numbers of landlords and householders claim to have adopted to meet housing needs.

House providers acquire land for their family's residential needs and/or for renting from traditional or customary owners (*Omo-onile*), private owners and government allocation (Figure 8.2) or through cooperative societies at times. However, I observed that among the low-income housebuilders in Nigeria, government land allocation is not common.

As stated earlier in Table 8.1, some house-owners or landlords build on land without title documents. In some cases the process of land titling is in progress. It is pertinent to report that all the activities on land procurement and documentation are done through incremental processes including the payment for the costs of land through cooperative societies. For instance, it was found during the course of an interview that payment for the costs of land in some cases is on an instalment basis from cooperative proceeds. This is a devised process where the buyer will approach the land dealer, usually *Omo-onile* or private owners, with an upfront or down payment of a lump sum plus a sufficient guarantee that he will pay the remaining balance on an instalment basis. The guarantor (cooperative society in this case), signs the agreement and stands ready in case the buyer fails to redeem his pledge. This process always starts with land acquisition as earlier indicated in Section 8.2. In another interview conducted with landlords who are long-time members of cooperative societies in Ikorodu, Lagos, the following was said:

*“As building houses is now important and tops the agenda of everyone in city, especially in Lagos, so the process of getting finance is becoming a tough matter. With the increasing uncertainties caused by increasing demand pressures, the only thing is to belong to one or more cooperative societies...in cooperative societies someone can guarantee that you will be committed to complete payment of the loan for land and other development activities by reason of your membership... With such, you can then begin to pay on instalment...that is another route to make headway in personal housing security. Through this means, belonging to cooperative society makes its easier. After all you cannot run away from the cooperative society. Your assets are there.” (Landlords).*

Aside from the instalment payment for the purchase of land for housing provision in Nigeria, particularly in Lagos, I also observed that the initial lump sum paid by buyer to the owner of the land is usually a secured fund from a cooperative society. This manner of practice in housing provision parlance is influenced by the situation in cities as stated by a householder:

*“As the situation in Nigeria even now is not favourable, politicians make things hard and survival is becoming tense every day, the nature of buying land through a lump sum payment at the start for the owner in order to secure the land before agreeing on the instalment payment of the remaining balance is not an easy thing. Let me tell you, me and my wife, we drank Gaari (it caused us self-discipline), because you just have to agree with me that even if you don't do it that way, when are you going to start thinking of your own house?” (Householder).*

Another related interview further confirms that acquiring land through a cooperative society in the form of instalment payment is indispensable for low-income groups and at the same time not easy to realise without due sacrifice, as reflected in the following response:

*“...even the payment of an initial deposit from land alone in Lagos is not an easy task for people like us called mekunu (low-middle income). I can remember, I made a down payment of 600 thousand through cooperative societies to acquire this land where I built, and on instalment, I completed the payment. Without cooperative, it is rare for low-middle income.” (Landlords).*

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## § 8.4 Human labour and material resources procurement (construction stage)

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Similar to the formal system, as described in Section 7.2.3, the procurement process commences mainly at the design, construction and post-construction stages of housing production but not in formal and systematic procedures as indicated in Figures 7.7, 7.6, 7.7 and Tables 7.1 and 7.2. In the informal system, clients are usually convinced that they do not need professionals in the design and housing development in the same way they need lawyers or doctors and accountants (Belo and Agbatekwe 2009). To them, the driving objective of any housing development is to provide accommodation for occupation and renting in a way beneficial to the owner. In other words, there are clients who develop their properties only once, those who do it every so often, those who do so for owner-occupation, those who do so for rental purposes and those who do it for the combination of the two. It is thus important to ask who designs houses, and who is involved in the design implementation and construction? Table 8.2 presents the findings on the various strategies of the respondent role-players.

TABLE 8.2 Approaches in the housing design in Nigerian urban centres

DESIGN LABOUR	CONSTRUCTION LABOUR	FREQUENCY	PERCENTAGE (%)	MAJOR HIGHLIGHTED MOTIVATION
Self	Self + Hired artisans	5	17.9	Avoidance of difficult transaction conditions, expression of personal preference, freedom and flexibility and cost saving advantages or cheaper cost implication and easier way to adjust to an affordable standard that is not too complex, cheaper cost implication and easier way to adjust to an affordable standard
Self and Artisans/ Draughtsman	Experienced Bricklayers/local contractors + Hired artisans	8	28.6	
Self and Architect	Experienced Bricklayers/local contractors + Hired artisans	2	7.1	
Artisans/Draughtsman	Experienced Bricklayers/local contractors + Hired artisans	5	17.9	
Contractor (Semi-skilled Bricklayer in Charge)	Self + Experienced Bricklayers + Hired artisans	3	10.7	
Self + Friends + Relatives	Self + Co-artisans friends + Hired relative artisans	3	10.7	
Architect	Experienced Bricklayers/local contractors + Hired artisans	2	7.1	Strive to at least reflect some modern features in the structure
<b>Total Respondents</b>		<b>28</b>	<b>100%</b>	

Source: Authors' fieldwork (2016/2017)

As shown in Table 8.2, 28 respondents indicated that combinations of self-labour and artisans are utilised in procuring labour and materials during the design and development of their housing outputs. Most of these artisans are draughtsmen, relatives and bricklayers who are semi-skilled in building construction activities.

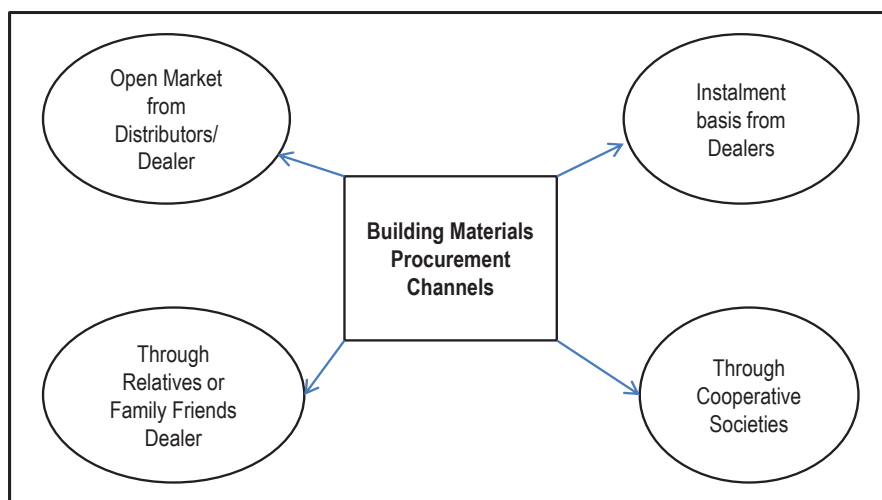
The majority of designs and developments do not pass through stages of critical analysis and pre-requisite tests such as soil-bearing capacity tests, structural soundness, material strength and other things to ascertain the consequence in the future on the inhabitants and the environment, as indicated in Figure 7.2. In the case of the formal system, many of the units are self-custom shelters that serve accommodation purposes only. In the opinion of three interviewed landlords:

*"I decided to make the design of this building and the ones I built for rent by my own initiatives. I don't want to follow the idea of anybody or one architect that can dictate his own idea to me. Sometime, the room designed might be too (Landlords)... And I need to manage the little resources I have. I fetched the resource myself, not government or politicians(Landlords)...I don't need any flashy design, what matters to me is providing an at least habitable place that I can live in and also rent to get some income. No need for any sophisticated design..." (Landlords).*

In the context of building materials procurement, I found that modes of mobilising building materials are quite different from what is obtainable in the formal market as examined in Section 7.2.3 and Figure 7.4 in Chapter 7. The emerging themes in this context are revealed as follows (in italics):

*“...I used normal cements and brick, bought at an open market. I have building materials dealers who I am used to. Sometimes, he allows me to buy on credit until I have money to...All the cement bags, sand and roofing materials used for the building were order through my cooperative society... I made a contract with one of my relatives who sell building materials. I paid by instalment...I made used of local bricks made of mud. I was fully involved it the moulding and was successful...I bought most of the building materials from distributors through private arrangement since I know him, but done one after the other to avoid pressure...” (Landlords and house providers).*

As highlighted in the interview responses above, building materials procurement in the informal sectors is either by direct purchase from market by cash, payment instalments, cooperative societies, relatives, distributors or by self-effort of brick-making by the owners. These attributes characterise resource procurement in the informal system. In summary, Figure 8.4 illustrates the main finding in the building material procurement strategies.



**FIGURE 8.4** Identified building materials procurement channels  
 Source: Author's fieldwork (2016)

Figure 8.5 presents a specific site where local bricks are produced.



**FIGURE 8.5** Local bricks production site and outputs inspected  
*Source: Author's fieldwork (2016)*

## § 8.5 Management of the outputs (post-construction stage)

This section offers insight into how the outputs in the informal system are managed. Management in this context includes renting, sales and the maintenance of both the property and the environment. Management of housing outputs in the informal system occurs in a similar manner as described within the formal market in Section 7.2.4 and Figure 7.9. However, the main difference is that more outputs are managed by the owners in the informal system than the formal ones, especially for the owner-occupied and the uncompleted houses. The management of outputs entails renting and maintenance. An instance of an informal householder who was doing some maintenance works is shown in Figure 8.6.



**FIGURE 8.6** A householder, brother (driver) and his little boy doing maintenance activities on his house  
Source: Author's fieldwork (2016)

According to the man;

*“...I need not to contract my housing management tasks to a managing agent. I can take care of it myself since I have the experience. You can see my brother joining me. With this I save a lot of money...” (Householder).*

The concept of self-help housing can be an individual effort or communal action where individual landlords/householders reside. A direct observation to *Ogudu-Baruwa* areas of Lagos further revealed the concept of self-help at the community level. Figure 8.7 presents a wooden bridge and electrification projects constructed through a joint community effort as identified. I was fortunate to be physically present in the field during the exercise.



**FIGURE 8.7** Wooden bridge construction and community electrification project  
 Source: Author's fieldwork (2016)

The idea of community self-help provides for all households living in the area particularly the general services that are collective in nature. There are four basic amenities that are germane to community development capacity, i.e. road network repairs, electrification projects, portable water and community security (day and night). The significance of these approaches is that they provide an impetus for social cohesion and collective community governance. In an interview section granted to an executive of a community-based association, the collective and facilitated effort of the association towards community developed is represented in the analysed scripts below.

*"...in this our community, we provide for infrastructure by ourselves... day security is done through the community network and hired night guards in the night...that transformer you see over there is bought by the landlords association...drainages and road grading are done by ourselves...in some areas where there are influential peoples like politicians and government officials, connection can be made to influence government to provide some of these infrastructure". (Landlords and householders).*

The contribution of community landlords/householders associations in Nigeria's urban centres is dependent on the condition that an individual householder should be integrated into the association financially by way of fulfilling community development dues. Variants of this association are now common practice in many communities in Nigeria, and, although not formally registered, their inputs are recognised. In some areas, the association presented themselves as cooperative societies. Apart from joint contributions for community developments, any new entrant to the community by way of buying land for either personal housing or rental housing is expected to identify with them. It is often beneficial to have a sense of belonging, thus imposing degrees



of responsibility to members, especially for executive members to watch over the site against any land grabber or speculators.

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## § 8.6 Rules of the game: Rules, dos, don'ts and modus operandi

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Rules, dos, don'ts are the guiding principles among the informal groups. The mannerism of interaction and exchange takes form of casual relation among members. As with the formal system, as indicated in Section 7.3, the informal system also operates under its rules and guiding principles, hereafter referred to as institutions. For example, cooperative societies.

### § 8.6.1 The nature of cooperative societies in Nigeria

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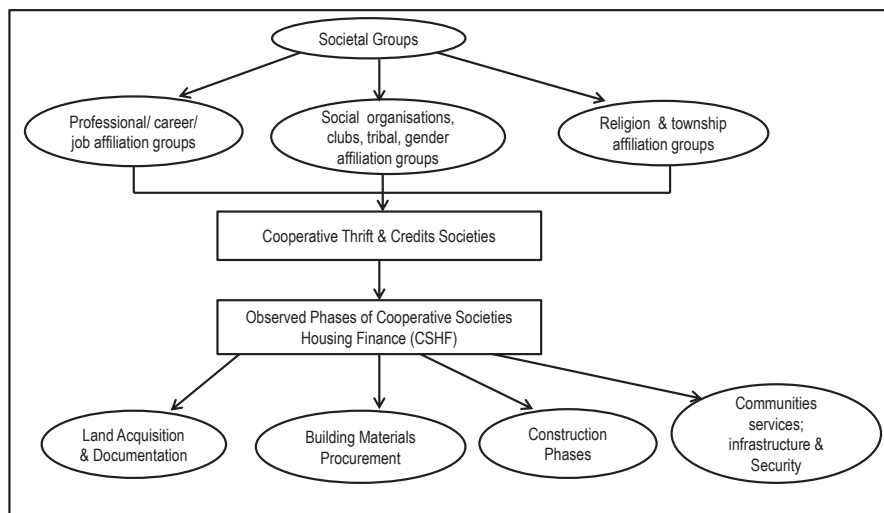
The mode of operation (modus operandi) of cooperative societies in Nigeria often originates from two or more people forming a consensus to operate a kind of contribution and rotatory collection. The focus is usually on the creation of opportunities and to have a lump sum collection of financial resources, allowing for individuals to embark on capital projects like housing.

The formation of the group usually takes the form of informal grouping. Because the majority of cooperative societies are not formally registered, there are no specific records of total numbers of cooperative societies. The ideas of cooperative societies have been extended to most organisational sectors, both formal and informal, in Nigerian society. The main objectives of cooperative societies are clear, as expressed by a respondent member:

*"You just have to be a financial member and ensure that you comply with the rules of the societies...In particular, you will have to present your pay slip in that place you work. Certain amounts of income will be diverted to the treasury of the societies... After a period of at least six months I think one is qualified to apply for a loan...Usually people use the loans for capital project like personal housing." (Landlords and house providers).*

Although membership to a cooperative is based on an individual's place of work or home address, an individual cannot automatically join. Some basic and fundamental requirements need to be met by a hopeful member. Most of the cooperative societies in Nigerian cities like Lagos operate within varied tenure contexts. For instance, there are limited, multiple and continuing tenures depending on the needs and perceptions of the members in relation to housing and other associated capital project needs (UN-HABITAT 2006). Siebel (2016) describes limited tenure as that which deals with the acquisition of resources by the co-operatives, sub-dividing it to members and ensuring the external services before the cooperative society is dissolved. The individual is the owner of his/her own asset. In multiple mortgage tenure, the housing co-operative owns and maintains joint services such as roads, recreation areas and other community facilities, but the members own their separate units and land (Seibel 2004). These tenure arrangements are practiced in Nigeria, for example in Co-op Villa, Lagos-Nigeria. In continuing tenure, the land, houses and joint services belong to the co-operative societies. Tenants are the members of the cooperative society and charged with the responsibility of paying for house maintenance and the loan repayment. What is due to members at their time of departure from the membership depends on the option that the co-operative adopts, for example no equity, limited equity and market rate (Ajayi 2012). However, this variant has not been well developed in Nigerian cities, but at the community management level and especially in the newly built communities, it often exists. Among the low-middle income group, usually in the newly built communities in Lagos, the practice of cooperative societies is parallel to professional or work place affiliations as indicated in Figure 8.8. A member of a bricklayers association expressed his experience on how he utilised his career-affiliated cooperative group (artisan societies' funds) to achieve his housing plan;

*"Let me be sincere with you, most of these development phases are done from owo-egbe which is the same as cooperative financing. It is a common style now. Otherwise in the present Nigeria, I doubt if it is so easy to source for finance to build like that, especially for the low-middle income group. I think this is one of the reasons why the speed of building might be slow and gradual." (Landlord-5).*



**FIGURE 8.8** Nature of cooperative societies in Nigerian urban centres and phases of housing finance.  
 Source: Author (2016/2017)

As indicated in Figure 8.8, most of the respondent actors belong to one or more of these cooperative societies. It is obvious that, in today’s Nigerian cities, there is a need for alternative financing groups like cooperative societies for an individual to embark on a capital project.

## § 8.7 Governance aligning with transaction in the context of production factors

The administrative structures of housing provision in the informal system demand that the administration of land and the main identified capital finance structures are discussed. Governance in the informal system in the context of production factors has similar elements but of extra judicial institutions that have provided sets of rules and regulations over the years (Berner 2001). For instance, in land administration, ownership tussles in the context of customary and statutory systems have been in the system since colonial administration. Therefore, in this section, administration and the transaction activities are examined in the context of land and finance as the two major factors in housing provision parlance.

## § 8.7.1 Land administration and the transactions

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Ancestral land was considered in Nigeria not as the material of man's creative energy, but natural, raw and unappropriated (Omotola 1988). This traditional belief is depicted in the expression that land belongs to a large family of whom many are dead, a few are living and countless hosts are still unborn (Uchendu 1979). The special status accorded to land in Nigeria is best reflected in the idea that land is deity, the source of all life, food and vitality, and the custodian of social norms and morals (Famoriyo 1981). Today, parts of the rituals are still in practice, e.g. when prayer precedes any action on virgin land by way of paying homage to the land as a token of liberation. In this context, gin or wine is used, part of which is poured on the land. As the trend continued then, it became clear in later years that in the reality of everyday life, virgin land no longer existed.

The system of land acquisition in Nigeria is broadly divided into two approaches: the traditional/customary approach and the statutory approach that led to the promulgation of the Land Use Act of 1978 (see Sections 7.3.2, 7.4.2 in Chapter 7). Land acquisition systems through traditional approaches started before the arrival of the British administration and are classified as the northern system, in which Fulani, under the rule of caliphate Dan Fodio, was in charge, and the southern (western and eastern) communal land tenure system.

In the northern Nigeria land holding system, the emirate was the key administrator in charge of land duties before the independence. In the 1900s, it was an Islamic land holding system, after the conquest of Dan Fodio warriors by Lord Lugard's soldiers. The Proclamation Act of 1900 was enacted with the aim of taking over the control of land from the custody of Fulani. This was further consolidated in the 1910 and 1916 proclamations (Omotola 1988). Because the northern indigenes then did not allow a non-indigene from the north to acquire land even for potential development, the British administrator imposed the proclamation Act of 1900 for reform. In the south-western and south-eastern parts of Nigeria, the land administration then was a communal land tenure system, where family and community heads and rulers were in charge (Francis 1987). However, the land accessibility problem persisted. Customary owners hold much of the control and this serves as the origin of Omo-onile today.

## § 8.7.2 Omo-onile and other traditional role-players in land administration

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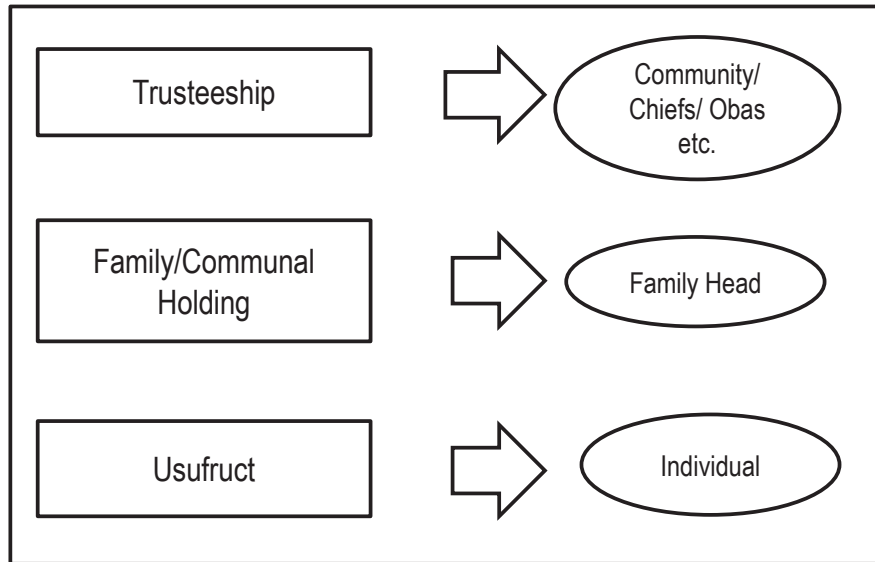
In the communal tenure system, the first role-player is the original family, referred to as Omo-onile and usually represented by family or community leaders. Omo-onile is described as children of the indigenous owners of the land (Opoko 2013). They are usually from various families that lay claim to the land. In Lagos, this is an issue that threatens land insecurity. Omo-onile has indeed become an outlet of informal institution, an offshoot of the customary land system which has been in operation prior to the LUA of 1978 (Opoko 2014). Their ancestors are said to have founded the land, and therefore the children refuse to adhere to the LUA and the Certificate of Occupancy issued by the government. They often hold on to the principle that their recognition and approval is the final title for the legitimacy of any land.

It is followed by royal rulers such as *Baales*, *Obas* and *Obis* as the key administrators of land. Land tenure arrangements embody contractual or customary arrangements with these people and anyone who needs land can only gain access by consulting them and meeting their requirements. This land tenure system constitutes local governance over land matters in Nigeria (Famoriyo 1984). The tenure system in Nigeria is also characterised by the relationship between group ownership, individuals and families. The groups manage and administer land for individuals or families. In light of this situation, an individual does not possess absolute title on the land but the mere right to use, referred to as usufructuary rights<sup>8</sup>(Famoriyo 1981). According to Fabiyi (1990), the rights of the individual to use land are protected on the condition that he continues to make beneficial use of the land. However, the holder of usufructuary rights lacks the capacity to alienate the land, due to the allowable field of discretionary action implicit in the terms of the grants (Adisa 2007). In other words, individual use rights are transferable along family lines with land becoming a family property to be shared amongst the heirs according to the rules of inheritance. Therefore, the initial land user's heirs become part owners until the land is abandoned (Adisa 2007). When the land is abandoned, the residual interest of the community in the land is re-asserted and reverts to the community to be held until it is required by another member. Figure 8.9 summarises the initial tenure systems prior to colonial administration.

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8 Right of one individual to use and enjoy a property possessed from another person, without altering or impairing it. See also Omotola

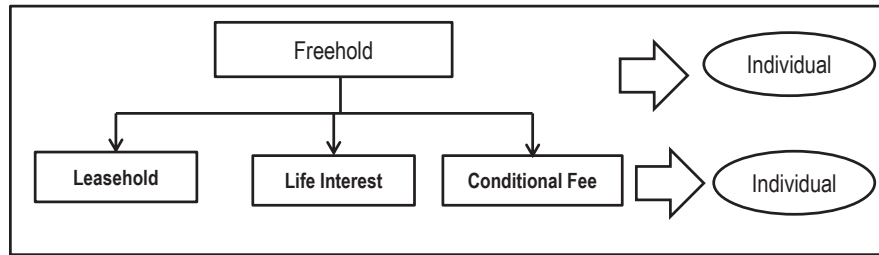
(1988).



**FIGURE 8.9** Customary land tenure structure before colonial administration  
 Source: Adisa (2007, p.98)

Figure 8.9 illustrates the nature of customary land tenure, an inherited informal land market system that does not permit alienation through sale or other transactions. The situation is characterised by the lack of credibility and suitability of land being used as collateral for loans in the formal financial institutions (Wapwera et al. 2011). With the increase in population and corresponding increase in demand for land, especially in urban centres, the colonial administration realised that Nigerians could no longer continue to remain in uncertainty on development without a land policy that addresses the inherited problem (Egbu et al. 2008).

As a result, various non-customary land tenures were introduced in order to change ownership structure and the techniques of ownership of interest in land. In Barlowe's (1978) study, various strategies of land acquisition were imported from Britain, including patents or government grants, private grants by deed, grants by device, acquisition under the laws of decent, forfeiture, dedication, eminent domain, prescription or adverse possession, accretion and escheat. These strategies are summarily presented in Figure 8.10 as colonial land tenure structure.



**FIGURE 8.10** British first colonial land tenure structure (non-customary system)  
 Source: Adisa (2007, p.98)

However, the strategies could not resolve the challenges of land accessibility because of the proliferation of crises and community clashes on land (Adisa 2007). The point made here is that the colonial administration arrived to a traditional land use system, but rather than developing it further, they introduced European ideas with the agenda to acquire absolute rights over the lands that British activities occupied. Since then, there have been misconceptions held about the traditional land tenure systems.

Consequently, the British tenure system triggered an increasing demand for land in the public and private sectors and land conflicts escalated, which marked the beginning of civil wars. Owei (2007) describes the system as two forms of ownership and administration – customary with plural or dual systems of private and state in Nigeria, and the federal military government introduced a national land policy in the form of Land Use Decree (Act) No.6 of 1978. According to Fabiyi (1990) land tenure problems received the attention of the federal military government in 1900s for five basic reasons. One, there was no national land policy guiding development of land tenure systems that was conducive to the general economic development of the country. Two, there was a need to coordinate and streamline the sometimes conflicting dual institutions – customary and statutory rules – that regulated the allocation, use and control of land. Three, there was a problem in providing security for those aspects of customary and tenure systems that are conducive to agricultural development. Four, the problem of land tenure was interlaced with that of increasing agricultural productivity and the level of rural income. Five, there was a need to establish a procedure for resolving conflicts arising from transactions of land.

The Land Use Decree (now Act, LUA) was promulgated in 1978 as indicated in Sections 7.3.2 and 7.4.2, with the main objectives of harmonising diverse tenure systems in Nigeria especially between the northern and southern Nigeria, refashioned by the colonial rule. It was also meant to ensure accessibility, registration, equity and egalitarian distribution of land. The mode of operation of LUA is described in Figure 8.11

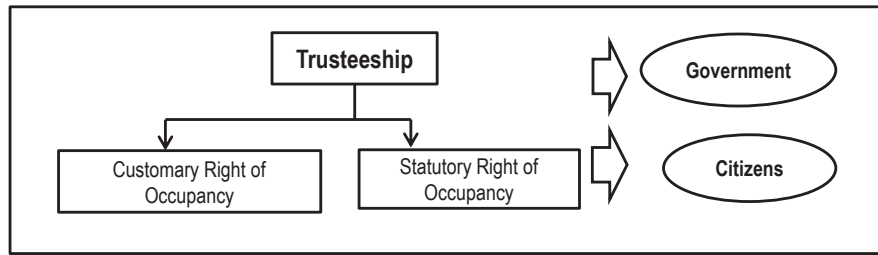


FIGURE 8.11 Land Use Decree (Act) of 1978 tenure structure  
 Source: Adisa (2007, p. 98)

Following the LUA promulgation, accessibility and transaction costs were still problematic due to the complexities, bureaucracies, hierarchies and protocols in the institutional system of formal land administration, as indicated in Section 7.3.2. Attempts to meet the challenges facing the built environment in the country motivated the government to introduce programmes and policies as well as to create institutions to control and manage urban land use. Despite the various efforts of government, individuals and agencies both locally and internationally to improve on land use, problems still persist with spill-over effects on housing provision especially for low-income groups.

Today, the reality is that the decision units on land are both customary and statutory systems which are simply formal and informal institutions respectively in Nigeria. Land is now a symbol of power, security, fundamental daily needs, socio-economic assets, spirituality and an object of conflicts.

### § 8.7.3 Governance in the informal finance system and transaction

The strategies of forming credit groups in Nigerian cities today have been vital sources of generating capital by low- and middle-income groups to achieve private small and medium-sized housing provision. These concepts of grouping and raising informal funds give rise to *esusu*, daily contribution, age grade associations, township unions of people living outside their place of birth, private money lenders, social clubs and cooperative societies.

Traditional or customary systems of housing finance can be described as the power of collectivism and associations among peoples, situated across ethnic groups and rooted in mutuality, cordiality, trust, understanding and culminating in a sense of communalism (Abraham 1997). Cooperative societies, families, friends, associations



and social groups are the main governing bodies while principles, rules, norms, regulations for membership conducts and actions are rules of the game. Therefore, Figure 8.12 illustrates the general structure in the informal system in respect of land and finance administration in Nigeria.

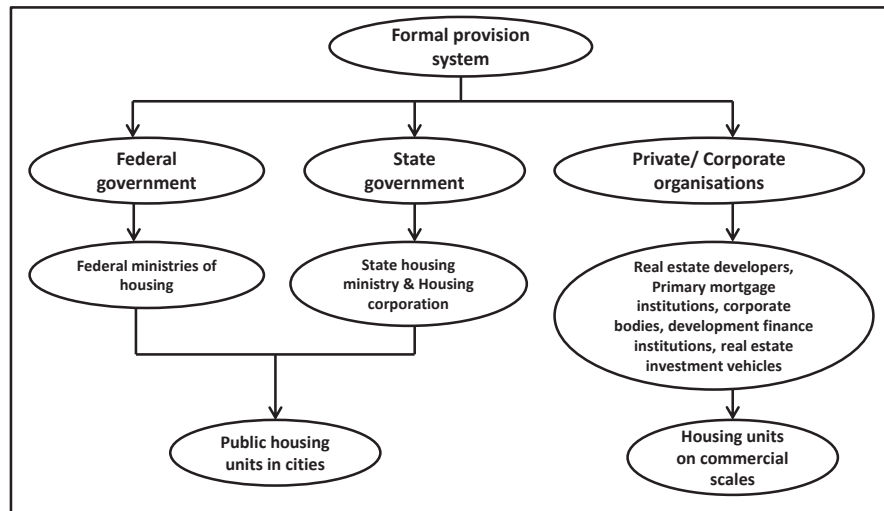


FIGURE 8.12 Governance structure in the informal system  
Source: Author (2017)

## § 8.8 Output nature, exchange and role-players' interactions in the market

Most Nigerians often desire owner-occupied housing. Agitation for homeownership has been deeply entrenched in the orientation of every Nigerian in the informal sector, and thus raises the need to identify the nature and style of housing produced. Informal practices are common in many locations and it triggers the discussion on outputs and their nature in this section.

## § 8.8.1 Housing provision outputs

Informal housing provision systems in Nigerian urban centres provide the largest outputs (Makinde 2014). In the fieldwork conducted, I found that in Lagos, self-help/built housing (owner-occupation or build-to-live), informal rental housing (autonomous/individual private rental housing or build-to-rent) and/or the combination of the landlords and tenants living within the same block are the major existing housing outputs. In Table 8.3, the features of the approaches are summarised.

TABLE 8.3 Informal housing provision routes and features in Nigerian urban centres

S/N	THE IDENTIFIED ROUTES	FEATURES	FORMS OF DEVELOPMENT IDENTIFIED	HOUSING TYPES
1	Build-to-live	Owner-occupier housing, personally built, occupied and managed by the householders without government and its agency's input, from the conception to the completion and management stage	Land without and/or with title document in process, inadequate or zero infrastructure, community joint self-help effort, innovative and/or sub-standard structure, incremental housing units, defiance attitudes of actors, squatting and land sub-division.	Tenement (single and multi-storey rooming apartments), self-contained, bungalows and flats
2	Build-to-rent	Private rental housing designed and built by an individual for a main purpose of renting to those who need houses. Lease agreement or contract personally determined by the owner or his or her managing agent without any recourse to government regulations		
3	Combination (Landlords and Tenants Co-habitation)	A privately built house with apartments, partially or fully demarcated, on this same block, with landlords and tenants co-habiting		A block of 2 or 3-bedroom bungalow or flats. Semi-detached house or bungalow, Rooming apartment/tenement house.

Source: Fieldwork (2016).

As indicated in Table 8.3, the distinctive characteristics of the practices lie in the manner of procuring production factors, i.e. land, labour, finance and materials, in the pre-development, development and post-development stages of the informal system (examined in sections 8.2 to 8.6) and of the formal system (examined in Section 7.2) Housing outputs in the formal system include formal owner-occupied, rental housing and combined styles, provided either by government ministries, PPP or formal

individuals (see Section 7.4.4), while housing units produced in the informal system include build-to-live (owner-occupied), build-to-rent (rental housing) and combined styles of occupation and rental units, produced by private low-middle income groups.

## § 8.8.2 Incremental and self-help activities of urban informal housing outputs in Nigeria

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The observed nature of providing both rental and owner-occupied housing is often characterised by self-custom while considering the incremental nature in an effort to make houses available. This is depicted in the interview extract below in Lagos:

*“...the majority of us built our houses either for living or renting by our personal effort gradually. It means piecemeal by piecemeal... somehow it is innovative ideal but might require some improvements”.* (Householder and REDAN).

It is a form of self-help, cemented in personal choice or preferences based on the reaction of the respondent actors. Sprawling self-help incremental housing in Nigerian cities expresses the combination of unilateral decisions to achieve housing goals and lack of possibilities to comply with requirements in the formal market, due to observed hurdles, described as transaction costs in Table 7.4. It also demonstrates prospects and potentials in self-help housing capacity, especially in a system where government cannot serve as the major provider. It can be argued that some of the housing units provided are substandard and deficient to an ideal standard housing at the start or at a stage of development. However, the output serves an indispensable role when it comes to offering shelter solution to majority urbanites who could have been homeless. In other words, as many people cannot overcome hurdles in buying a residential property in the formal housing market in Lagos, the idea of incremental and self-help housing is well embraced and serves a good purpose.

It is also observed and reported as part of the findings in this thesis that two distinct schools of thought emanated from the responses of the role-players (landlords/householders/rental housing owners and REDAN), i.e. self-custom and unconventional. These features thus underscore the discussion of analysis on this theme, as is consistently reflected in role-players' responses:

*“...many of us have to brush the question of high standard aside (Householder)... it is just to get a place to live and to rent if possible, not of much aesthetic but something called shelter. All those requirements on approved standard are obstacles (Landlords).... It is a*

*situation of survival of the defeated, achieved using your initiative...everybody desires to produce housing for both occupation and renting. That is the trend". (Landlords).*

*"Well... it may be like anything not too good. But somehow, it is sort of an innovation, especially, when an individual thinks of providing housing for him- or herself and others at a piecemeal development." (Landlords/rental housing providers).*

In light of these responses, it can be seen that incremental approaches in Nigerian housing parlance portray both positive and negative aspects. In other words, this approach encompasses both attributes of encouragement and degradation, triggered by certain factors.

Construction using the incremental approach takes many years to complete. Why it takes so long to complete, underlies the features of the style in the Nigerian context.

Many of the respondents described incremental style as a progressive system, based on peoples' individual choices. Housing provision modes (build-to-live, build-to-rent and/or combination of the two) in Nigerian cities exhibit progressive natures, considering the forms of the piecemeal approach, i.e. a situation where a unit of housing developed by private individual takes a long period of time to complete. As reported in a series of interviews with landlords:

*"...do you know how long it takes me to build these houses? I live in one and the other one we rent to tenants. It takes not less than ten years...and gradually... I started building my house which you can see here since 1985. ...Rome is not built in a day. That is it. [how?]. This takes a very long time before the houses can be completed. But one has no choice. In some cases when one receives some levels of help from family outside and within the country, it could be easier". (Householders and landlords).*

*"For instance, it took me long to build this house myself. It was a tough moment when me and my wife discipline ourselves out of little personal funds. No subsidy or assistance. ...Even, the low-income and low-cost housing government often talks about are houses they built for themselves. They are not accessible for rent and are costly even to buy. Unless maybe those that are connected to government." (Landlords).*

Elements of craftiness based on choices identified in the contextual meaning given from the qualitative data are also parts of the characteristic nature of the outputs. It includes features of self-satisfaction, self-dependence and family, help from relatives and meeting immediate needs in the midst of deficit, despite institutional obstacles in the formal market system (as described in Chapter 7). The ability to utilise the available resources maximally with fewer costs underscores the basis of self-custom ideas as identified as follows:

*“...I don't go for any special design than what I can cater for my households and also can be rented to tenants to get income. That is what I did...it came from my personal desire to invite a draughtsman to design and other artisans to be involved in the construction. No need for any complexity...the most important thing is to achieve the expected goal within the saved cost, satisfaction, personal freedom and flexibility of the design in case one need to change it...The design emanates from my initiative and conception...”*  
**(Landlords/rental housing providers).**

Self-dependence and empowerment has been the advocacy of Nigerian government in the democratic dispensations. These principles originated from the concept of deregulation in Nigeria, i.e. the system where private individuals will be the main role-players at the realm of activities and personal preferences. It is a feature of democratic economy, although taking another realm with peculiar consequences in housing parlance in cities. In providing for housing, the basic principle is that all resources should be accessible and an enabling environment should be priority. However, in a system where everyone desires to pursue the single dream of self-housing in the midst of dwindling resources, the only existing resources will be utilised. This is in tandem with the response from housing providers in Ipaja, Lagos:

*“...huuuum...The day I see 10 blocks and money for one bag of cement, I set. I can also use some other resources to achieve my aim of housing. It is good and creative to build with your involvement on a gradual process. ...and they have reasons for that... People including are much more concerned on fulfilling and meeting personal needs of housing, less attention is placed on standard compliance. That is why today every community operates with a landlords association with exco operate as governance.”*  
**(Householders).**

This opinion is further reiterated by a respondent in Ikorodu, Ipaja and Badagry:

*“One thing beneficial here is the freedom to build your own house as you want. At least gradually people get it done. It might take a long time, but I have a sense of satisfaction....”* **(Landlord).**

Another striking finding is that many of the houses being developed are occupied by the owners (landlords) and tenants during the period of incremental development until full completion. There are reports of cases of residential apartments that took up to a period of not less than 20 years, 10 years and 5 years to complete. An example is captured in the interview excerpt below:

*“Let me be sincere with you. I prefer this approach... I started building my house which you can see here since 1985..... I was able to finish these blocks of houses lately... So, it is a*

*personal effort. Had it been I did not plan to discipline myself with my understanding wife, tell me if I could achieve anything...*" (Landlords/rental housing providers).

Figure 8.13 shows the internal structure of a housing unit provided informally by a householder.



**FIGURE 8.13** Interior view of an informal housing  
Source: Author's fieldwork (2016), Alimosho, Ipaja, Lagos.

During the course of the interview, I probed the reason for the incremental housing style. As earlier stated, two major things are achieved through an incremental approach in Nigerian cities: One, personal satisfaction of becoming a landlord which is embedded in Nigerian culture (i.e. cultural factor) as confirmed in the interview with landlords in Gbagada, Lagos:

*"...when you build for instance and you rent out. People refer to you as baba landlord or mama landlord, meaning you have achieved. That is it. It is a matter of choice."*  
(Landlord/rental housing provider).

Two, it is also observed that providing housing incrementally does not only originate as a result of formal institutional complexities, but also stems from individual choice, cultural orientation and lifestyle. For instance, I observed that the practice of incremental housing is not a new or strange approach to the role-players, but something of pride. They are proud of the opportunities for them to avoid unnecessary protocols and transaction costs associated with formal professions and hierarchical institutions. Thus in the course of interaction, the majority of the respondents perceive the approach as a thing of pride and achievement to celebrate. An instance of this ideology is observed in the interview excerpts below:

*“All these processes of housing provision as I told you before is borne out of self-effort and initiatives different from the complex formal procedures of architect...All processes of housing provision in Nigeria among the majority is done through personal effort which I am very proud of.... It depends but all are done informally in some ways. I personally have experienced bricklayers I have used and that I can vouch for...My experienced artisans did the design and the construction. By this I can say that much of the cost has been saved and the purpose has been achieved...” (Rental housing providers).*

Agbaje’s (2013) study is a confirmation of the aspect of the incremental outputs as shown in Figure 8.14.



FIGURE 8.14 Concept of incremental housing in Nigeria  
Source: Adapted from Agbaje (2013).

The central housing unit is the ideal housing.

## § 8.9 Conclusion

In this chapter, the strategies in the context of land, labour and capital procurement in producing housing in the informal system have been examined and compared with the formal system in Chapter 7. Housing development from both systems exhibit the same requirements for delivery in relation to long-term and capital-intensive projects. This requirement therefore serves as ample evidence that land and finance are the major factors in the process. Adequacy of finance is a key determinant of decent housing delivery, from the pre-construction stage to post-construction stage. Not only its availability, the accessibility is much more germane, however, there are conditional hurdles required to be fulfilled in the formal market. Thus, it leads to the adoption of informal housing methods.

In this chapter, repetitive themes emanating from a thematic analysis of the qualitative data collected formed the content of all sections. The emphasis is on the difficult conditions preventing people from accessing formal markets and the habitual principles of associating with an association to strengthen their self-effort in Nigeria. Traditional land acquisition methods, issues of Omo-onile, CSF and customary governance systems are observed in the informal system. For instance, despite statutory rights institutionalised by LUA, customary rights still hold strong influence on land markets.

In terms of finance, the usual approach is that each financial member of an association mandatorily saves a certain amount within the limit of income capacity and augments it with personal or family funds. At a particular instance when it is clear that a substantial amount of funds is already in the treasury, a lump sum contributed by a member is granted to an individual member in turns. Thus, it becomes a rotatory principle until all members benefit from the capital sum needed for a project like housing. One of the ideas underlying these informal group finance systems is that they serve as saving mechanisms for people. A majority of the associations are operated within their laydown rules and regulations, and are thus characterised as informal groups. CSF appears to be one of the most embraced financing options in Nigerian cities today. In some situations where there are well-informed executive members in a group, the accumulated sum in treasury is converted into investment assets in the formal financial market. The returns accruable through the investment methods become shares for all members. Other production factors such as human and materials resources are equally procured in an informal way, including family or friendly payment and instalment arrangement in order to avoid complex hurdles identified in Sections 7.2, 7.4, Figure 7.4 and Tables 7.4 and 7.5, such as transaction costs.





# 9 Motivation (why) and challenges in the informal delivery system

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## § 9.1 Introduction

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I have identified and analytically examined housing provision strategies in Chapter 8, and now continue to address research question 5: “...and why?” i.e. *why have informal housing provision strategies grown in Nigerian cities? Are there obstacles facing the informal system?* This chapter examines the reasons for these practices and the inherent challenges they pose. The aim of the questionnaire survey, while examining the motivation, is to gain greater insight into why informal housing has spread and to tabulate the results (Creswell 2014) (Section 3.2.3, Chapter 3). It is found that institutional factors (transaction costs) in the formal system top the list of influencing factors that drive house providers into the informal system, followed by socio-economic and cultural factors. The main challenges in the informal system include pressure from Omo-oniles, insufficient information which threatens transparency, inadequate financing due to complex and uncertain requirements, exclusion from the national policy agenda despite its impact on housing provision, sub-standard housing, land inaccessibility and the inability to use housing as assets to secure finance in the formal market due to a lack of title documents. Figure 9.1 presents an overview of this chapter.

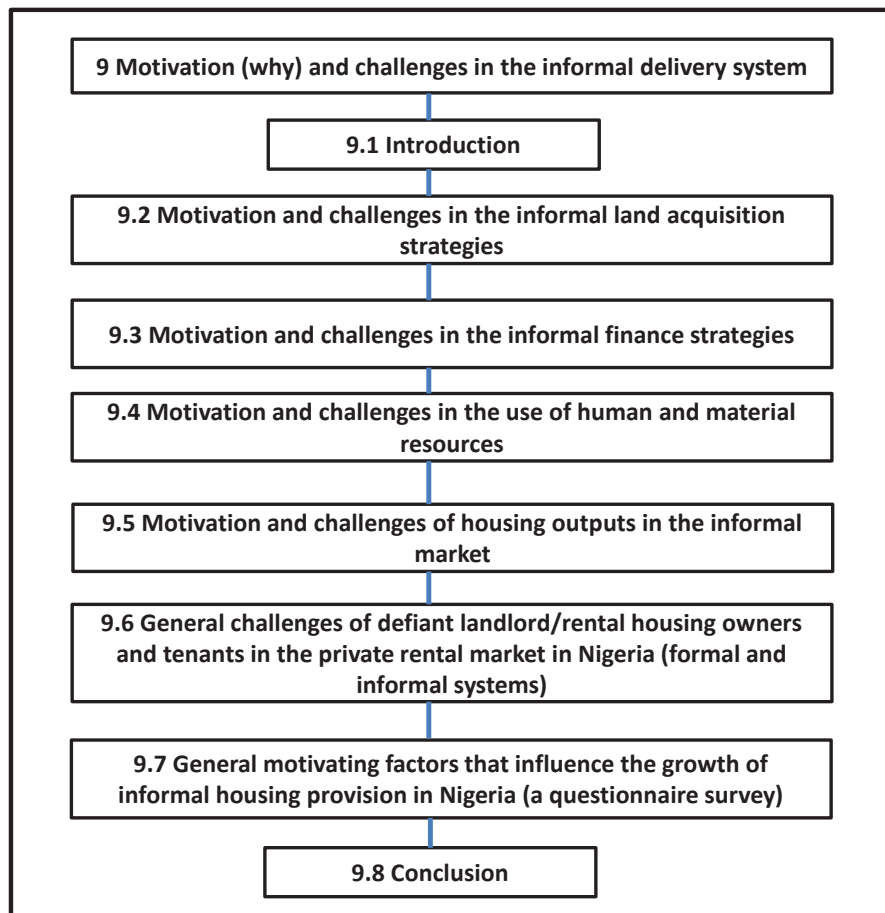


FIGURE 9.1 Overview of Chapter 9

I examine motivation for the informal provision strategies in the context of land acquisition (see section 8.2), finance mobilisation methods (see section 8.3), human and material resources procurement (see section 8.4) and delivery of housing outputs (see section 8.5 and 8.8).

## § 9.2 Motivation and challenges in informal land acquisition strategies

It is found that many people in Nigerian cities, especially in Lagos, support customary governance (as indicated in Figures 8.2 and 8.3) for the provision of land and finance due for two main reasons: one, the weakness of formal institutional regulations, and two, the advantages of arbitration over litigation in the formal market. In respect of formal land regulation, complaints are made regarding the complex and lengthy procedures involved in securing government allocations and the difficulties of land titling (Section 7.3.2) as well as bureaucracies, hierarchies, corruption, red tape and unnecessary protocols that create more obstacles for low-middle income groups. This is evident in the responses below:

*"...I may end up not getting any land or title to the land I use...I don't know anyone there to help me...With me alone nothing is certain...Getting government land or securing a title to your land depends on knowing someone in the land bureau or ministry... Nigeria is about who you know...I might spend all my little money on what is not a certainty in 10 years... I don't have time for such long protocols...I have no time for this mess...do you think it can work out easily like that...I doubt the system...just leave me like this, there are many of us in the same position...that will be later... it might cost a lot of money... I don't know..." (Landlords/householders).*

In other words, the complex procedures of land certification prevent informal house providers from obtaining the titles to their land before construction. There is the possibility of building without the necessary certification and then only processing it later, after occupation, once the situation becomes urgent. The bureaucratic procedures involved in obtaining planning permission often result in house providers losing their land while awaiting formal approval for the housing development (Section 7.3.1). The existing government land policy instrument, LUA of 1978 (Section 7.3.2) is insufficient to deal with the problems of land acquisition in Nigerian urban centres without factoring in the Omo-oniles. House providers realise the value of the LUA if Omo-oniles still have to be settled as an unbudgeted cost. Concerns were raised by developers (REDAN), who are also part of civil society, regarding the lack of effectiveness of the land policy, namely the LUA:

*"... we talk about the Land Use Act, yet the problem of land is still great. Looking at the record, you will see a lot of people have been killed over issues of land. The Land Use Act of government would have been a good instrument but it needs reform. There is need for land reform and that will require efficient policy instruments to overcome land challenges..." (REDAN and house providers).*

Most respondents remarked that the LUA of 1978 is not helpful. The LUA stipulates procedures for transition between traditional owners and state governments. Most respondent landlords attributed the complex procedures involved in securing titles to land as a major obstacle that also hinders them from complying with the required building standards:

*“... there are too many procedures in land acquisition, and their inability to link up easily discourages the ideal of complying with formal requirements for housing provision, because the fate on land is not certain at any given time... we are looking at about 11 to 12 procedures involved in land certification alone... yet one is not sure what will happen at the end of the process.” (REDAN and house providers).*

In Section 1 of the Act, it is stipulated that all land within the territory of each state will be governed and administered by the State Governors as the trustees for any developer, government ministries or individuals. In other words, from 1978 governors served as trustees, but the issues that existed prior to this date, were not addressed. While the Act provides in Sections 1 and 2 for the establishment of allocation committees at state level and land advisory committees at local government level, to advise state governments and local councils respectively on land use, customary owners backdated their customary ownership titles to land prior to 1978. According to a respondent (private developer):

*“... if the government only reserves the supreme power to acquire land compulsorily for overriding public interest, then the security of investors on such land is not secured... by the way, the meaning of overriding public interest is not clear... why should state government be the superior overlord over the land?... no investors would like to invest in a situation where the enabling act is not supportive of the hidden and powerful rights.” (REDAN and house providers).*

The dual operation of the land system without adequate attention being given to customary tenure is evident in the menace of Omo-oniles (the customary sons of the land), which is mentioned by all respondents. All responding private developers and landlords referred to this as a factor in Lagos:

*“... it is often difficult nowadays to acquire land in a city like Lagos. Omo-oniles are our home-based factors. The Omo-onile case must be considered and factored into the total costs... often you pay for the land more than two twice... you go further and pay while doing the foundation, setting blocks, roofing, until you finish. You pay several times without obtaining any receipts and you must do that, otherwise they will sell the land to another buyer...”*

Transaction costs in formal land acquisition are enormous and unexpected in Nigerian cities. Field experience raised the question of whether the two institutions should be recognised in the land market. The observation is that Nigerian society has an inherent interest in private land use because of the roles society plays in granting, recognising and protecting private property and controlling private land use. This can be seen as one of the reasons for the call to recognise both customary and statutory institutions, as depicted in this response solicited from housing providers (role-players):

*“... also, I think it is time for government to recognise Nigerian traditional heritage on land. Because one can even process the title of the land, and despite the fact that land titling is costly and time consuming, one still has an Omo-onile problem. I would suggest that these Omo-onile rights are recognised by government.” (Landlords).*

The above-mentioned obstacles are the reason why people perfect the title of their land after building completion. The majority of the respondents said that either the title to the land on which they were building was being processed or they were trying to apply for it. In response to the obstacles involved, people often opted to either move to informal settlement areas or used their customary rights to the land and held onto these as security. In some informal areas, there is no planned layout, no planned road networks or other supporting infrastructures. People have chosen to live there to avoid complex regulations in the zoned areas and unrealistic building code requirements. Essentially, customary institution is still important.

Against this backdrop, every land purchaser considers it necessary to identify with Omo-oniles and pay their dues before proceeding with their developments. As a result, many house providers do not bother to process titles to their lands as a way of formalisation, after all, Omo-oniles still have immense power. A conflict of customary and statutory rights still exists in which, despite formal legal procedures, Omo-oniles are a nuisance to house providers, while landlords give more priority and recognition to the customary institutions. The failure of house providers to negotiate with the customary governance often results in the demolition of buildings under construction, the clearing or stealing of building materials already on sites and even physical attacks on artisans and professionals working on site. After negotiating with customary owners, the statutory rights can easily be procured and titles to land can be secured. In this way, the housing need has been met. In some cases, people in the informal sector intimately know important information regarding a particular piece of land since there is inadequate information about some lands in the ministry. An interview with an Omo-onile descendant, who is also a householder and house provider, illustrates that a policy framework for a crisis-free society in terms of land is needed in Nigerian cities:

*“... the only heritage left by our forefather is the land... the government claiming to be the owner by ignoring us is the problem. Government needs not to take it by force from them. My forefather told me. It was out of selfish ambition on the part of government that the law was made to cheat the less-privileged who had no voice in government... it is high time we take our lot back. Or government should be ready to make alternative sources of income...” (An Omo-onile who is also a landlord/house provider).*

These situations strengthen the customary system in land administration, resulting in urban dwellers supporting them rather than the formal procedures of government as indicated in Table 8.1.

Regarding arbitration and conflict resolution, most informal role-players see opportunities in resolving land issues within the customary governance in the community through landlord associations and traditional rulers. There are a number of litigations and arbitrations regarding land transactions in Nigeria (Gbadegesin, et al. 2016).

The challenges identified include general land inaccessibility, the menace of Omo-oniles and a lack of transparency in transactions. There is also uncertainty and insecurity in land ownership, which is also caused by Omo-oniles in Nigerian cities, especially Lagos. These have also resulted in land resources becoming assets of economic importance whenever a prospective buyer shows sufficient interest in using them for developments. Thus, there are possibilities of multiple sales of the land in the future if there is a crisis within the selling family. Market prices restrict access to the poor. Transactions are sometimes secretive, thus making the validity of transactions doubtful. Such an interest leads to questions and negotiations whenever an individual shows an interest in the land. As stated in this interview:

*“... in getting land, it is important to be careful and get all the detailed information that relates to the land for sale.... ensure genuine information is obtained... conduct personal enquiries about the true owner and the status of the land... it is expected that every buyer must beware. Getting the right information is vital.” (House providers).*

It is imperative to get all the necessary information regarding a specific piece of land because, in Nigeria, this information might not be available in the Land Ministry. This confirms the advantage of consulting with the customary governance. This is necessary because land has become gold and is a valuable asset on which every Nigerian places a priority.

*“... getting land today is becoming a fundamental matter that cannot just be toyed with. Land is a major factor far above any other factors I know of people here in Lagos who try*

*to buy land, perfect title, erect some temporary structures on it so that at least they have secured the land and can later keep it as an asset to create wealth.... land is now a source of wealth creation..." (Policy-makers).*

The crisis regarding urban land in Lagos is centred on housing and real estate development, not on agriculture, as is the case with other states across the federation (Conroy 2014). The wave of land-related crises is growing in Nigeria and is associated with institutions that support land as a basic administrative need of modern communities in Lagos. This is quite evident in the traditional institutions, where certain sociological and religious concepts are associated with land for distribution. According to private developers interviewed:

*"...issues of land in Lagos have caused and are still causing much havoc. Killings and the destruction of on-going projects are on the increase by parties claiming to be the owners...Security of land is threatened generally, sometimes regardless of land title status...there are lots of unresolved conflicts and in both institutions...For instance, I can remember, I bought some pieces of land for my clients a few years ago for housing developments. We had no option but to pass through the original owners and elders. We were forced to give all that were demanded from us. This was done, otherwise it would not have been possible." (REDAN-2).*

Currently in Nigerian cities, especially Lagos, land accessibility problems are four dimensional, as indicated in Chapter 6, Figure 6.2. The dimension of accessibility was expressed in the context of availability, affordability, ease of transaction and security of right in formal areas designed and zoned for housing provision. These accessibility dimensions can be described in two broad concepts: One, the ability and opportunity to meet the necessary requirements in acquiring a piece of land through allocation by government and/or management authorities and two, the ease in registering the land and obtaining certification within a reasonable period without bureaucracies.

Accessibility is also threatened by the wave of Omo-oniles and their demands. The most current problem is the menace of Omo-oniles as mentioned in fear by most respondent developers:

*"...it is often difficult nowadays to acquire land in a city like Lagos. Omo-oniles are our home-based problems. The Omo-onile issue must be considered and factored into the total costs... often you pay for the land more than twice...you go further and pay while doing the foundations, setting blocks, roofing, until you finish. You pay several times without receiving receipts and you must do that, otherwise they will sell the land to another buyer..." (Commercial private developers, REDAN).*



An analysis of the responses regarding **Omo-onile** operations as extracted from housebuilders (landlords/householders/rental housing providers) in Alimosho, Ayobo, Badagry, Etiosa and Ikorodu areas of Lagos reveals the following:

*"... even if you're just setting up a mini structure for a business on the land which you think belongs to you in a particular area – the market area of Baruwa, Ipaja etc, – you need to get the permission of Omo-onile... Even, if you are renovating, the Omo-onile might come knocking at your door. It is a kind of menace in the city now in Nigeria... If you disregard the Omo-onile, they become your number one enemies...They will harass your builders, carpenters and workers. They will come in the night and, with self-righteous fervour, pull the walls down...With the Omo-onile, blocks of cement will disappear, taps will stop flowing, one-year projects will stretch on for years. They do not have a fixed amount to collect, it depends on the bargaining power of the parties involved, the perceived socio-economic status of the plot owner, size of the building and other factors..." (Landlords/rental housing providers).*

The extent of extortion by the Omo-oniles is not limited to land. It commences from the time of land acquisition to completion and even the consumption (renovation) of the structure, as reported by three householders who narrated their experiences during the course of personal housing development in Lagos:

*"They threatened me and my bricklayers with cutlass and guns... but to avoid untimely death, it is better to settle with them. That is what I did. The worse part of the story is that they collect money at each stage of development; foundation, walling and roofing, even in some cases, when the certificate of ownership has been processed. It is not applicable to me anyway in this scenario but the Omo-oniles still cause trouble. This shows that life security is important...If I fail to cooperate with the Omo-onile, they might strike me in the night where no government law enforcement agent, like the police, can intervene...it is a serious matter..." (Householders).*

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### § 9.3 Motivation and challenges in the informal finance strategies

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The operation of microcredit groups, such as cooperative societies, in the context of housing provision in Nigeria is virtually based on the principle of trust and flexibility. These elements of trust and flexibility therefore cement the foundation of the groups. These elements are relatively lacking in the process of accessing formal finance sources in formal institutions (Merrill and Mesarina 2006). This is no doubt based on the

concept of social cohesion and collective ideology, rooted in Nigerian cultural heritage prior to the colonial era (Wapwera et al. 2011). How do the principles of trust and flexibility relate to membership and loan eligibility? The response below gives an idea:

*“For instance, I have been a financial member of a cooperative society at the place of my work. I even acted as an executive member. I utilised the advantages of accessing funds to gradually build my house, even the one I built for renting... That is what we use today. I cannot just meet the bank loan just like that. The conditions of bank loans are too stringent for me to meet. It is very difficult to come by.” (Landlord-10).*

Opportunities offered within the context of cooperative societies often facilitate the proliferation of incremental housing as shown in Figure 8.14. It is an extension of revolving loans with low monthly payments, with the timely service guaranteeing low-income households access to new, larger loans with mutual guarantees from all participants in a mutually guaranteed system.

The use of CSF in Nigeria as a microcredit is also an indication of Nigeria’s socio-cultural and socio-political environment. This is evident in the practice of honouring guarantees which can be described as a replacement or complimentary or even supplementary informal scheme for weak mortgage guarantee structures. In the informal finance system, the attributes of trust, guarantorship or surety are the bases for loan disbursement for members (Allen et al. 2013). The guaranteed repayment schedule often functions better than a classic bank guaranty (Merrill and Mesarina 2006). Although encouraging members of society to save does not necessarily guarantee loan repayments; they also need to feel secure in mobilising the resources around a clearly identified project.

Essentially, the administration of loans to members for housing development purposes within these societies, allows the system to adapt to the modalities of repayments based on income levels, and to grant loans based on specific needs, such as lower payments, simple interest, adjustable duration, flexibility in the repayment period and disbursement of resources in accordance with progress in the construction processes.

In addition, the accessibility difficulties (described in Section 7.3.3) in the formal finance institutions mentioned in Figure 5.7, also drive low-middle income groups away from the formal system. Hence, the lack of access to formal finance source hinders the formal system of housing provision. For instance, it is reported that the difficulty in meeting stringent conditions in the formal housing institution constitutes a major obstacle, even for the commercial housing providers in Nigeria:

*“Most of the commercial banks demand many items as collateral security before you can get a loan...it is always difficult to meet the conditions required to get finance from financial institutions.” (Private developers, 2016).*

Members of the Commercial Private Developers’ Association (REDAN) argue vehemently that nothing can be done if there is no effective finance mechanism coordinated by the government. They often refer to the stringent conditions for loan applications for housing provision:

*“...in relation to investing in housing provision in Lagos, costs of other factors of production, such as finance, are very important especially at this time of unstable economy and interest rates of double digits...also when discovering that the conditions to access formal finance institutions are too stringent, it will still bounce back on low housing provision...these are the constraints.” (REDAN).*

Related responses from private house providers in Lagos state that the financial problems in the housing provision system relate to the institutional system, which creates disparities in the distribution of national financial resources. It is likened to a situation where wealth is concentrated in the hands of a few powerful and high-class members of society, to the detriment of others. This is reflected in this interview:

*“It is not that there is no money in this country...Definitely, there is money. Nigeria has money... but I think it is not well circulated...many people are therefore finding means for themselves... that is why we have many informal practices of raising money and providing houses...The problem of access to formal sources of finance relates to our system, if every group, whether educated or uneducated, politicians or non-politician, leaders or followers can be treated as important in society, it becomes fair play.” (House providers and landlords).*

The specific requirements and bureaucratic procedures of accessing funds for housing provision are referred to in interviews with developers (individual house providers and landlords):

*“As a private house provider and landlord, I am limited in most cases to personal funds and other traditional means because of conditions such as certificates of land ownership, C of O or S of O. This is not easy for me to obtain. Even the certificate of land for my personal house is yet to be processed due to the complex procedures.” (Private provider).*

*"...documents, like land certificates, are one of the major conditions to access formal finances... you have to know someone in the realm of government if you want to get the finance which is not certain at times." (House provider/landlord).*

*"...In addition to survey plans, tax clearance and approved building plans, most banks today are asking for certificates for the land that you want to build on, but this is a long and complex process. These often create barriers." (House providers).*

*"...For me, I don't think formal housing finances sources, such as financial institutions, mortgage funds and others, are really meant for the uneducated or low-middle income groups in this society because there are many barriers, such as proof of where you work, especially formal organisations and other land-related documents. It appears one cannot meet the expectations." (Landlord).*

*"...In my own opinion, formal housing finance methods are for those who are working for government at the top levels or big corporate organisations (aladanla). I don't think it is possible to access those funds, because it was not possible for people like me..." (Landlord).*

Further probing into the reasons for not accessing the available formal financial market led to additional findings that point to the lack of title reliability of land and other requirements that could be used as collateral security to secure loans. Formal financial institutions in Nigeria are sensitive about the legality of the land on which houses are built and are also concerned about the feasibility and viability reports in order to avert likely loss of funds through default. In an interview with a private developer regarding the reasons for the shift of focus towards an era of cooperative societies financing, this underlying reason was indicated:

*"...in a situation where formal financial institutions have made an effort to become involved in housing provision for low-income groups in Nigeria banks have been unable to recover their assets again. As a matter of fact, it is extremely difficult to guarantee the recovery of loans granted to a private family, who has no registered title on the land. It shows there is no basis for such a venture from the start. This is an issue. But through cooperative societies financing, which is a more flexible informal financier, an individual who works in the same town where the cooperative society is domiciled, can obtain financial bridging with the societies more easily and faster."*

A main challenge in the informal housing finance methods, such as CSF and other traditional finance systems, is the relatively short-term conditions when compared to its formal counterparts. They are also based on rotatory procedures, especially in a society where there are large numbers of members but low financial resources

that cannot meet the number of applications. Against this backdrop, the subject of transparency, orderliness and trust becomes salient (Seibel 2004). A study of documents and other studies indicates that more than 30% of all Nigerians belong to one or more informal groups, such as cooperative societies. This indicates that membership is a pre-requisite to access the funds of cooperative societies and other traditional sources (EFinA and FinMarkTrust 2010). Larger numbers of these informal societies in Nigeria are not registered. Based on the findings from interviews, the majority of cooperative societies in Nigeria do not have sufficient financial capacity to meet the long list of applications for funds for housing development. Most funding from cooperatives is meant to build houses on an incremental basis from land acquisition to completion. The funds are usually augmented with other sources of finance. The traditional finances are more focused on owner-occupied housing than on rental housing.

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## § 9.4 Motivation and challenges in the use of human and material resources

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Based on interview responses, supporting these groups (artisans/draughtsman and experienced semi-skilled contractors) depends on access to these technical artisans and the social advantages found in informal settings of Nigerian urban societies.

It is also observed that the use of building materials such as bricks (Figure 8.5) depends on the owner's willingness or self-independence to build what he/she desires. Other reported advantages are cost savings, flexibility without complex formal requirements and meeting the immediate housing needs in the city. An extract from a series of interviews:

*"I just have to look at what type of house that is ok...not in terms of size or of a big nature, but in terms of my personal preferences at the moment, considering the costs and price of building materials, and...if possible avoiding some protocols of the government, like the Ministry of Land, and boycotting them and raising my building to achieve my aim, based on my financial ability."* (Landlord and house provider).

However, some important challenges are also mentioned:

*"...as a matter of fact, I see a lot of good in making a house for oneself as a way of self-independence. I only see some dangers in terms of quality...I am more concerned about the state of the environment in the future...Many people in the city need somewhere*

*to rest his or her head, especially in Lagos here, and I often think about it when we just build, even without proper layout in this part of the city...I also know of Ikorodu side and Badagry with some locations turning into slums...Already in Lagos generally, there are cases of buildings collapsing, flooding due to a lack of drainage...Of course if there are no drainages and services, these buildings tend to fall down quickly and end up as slums or squalid settlements, as found in many built-up areas of Lagos... actually I don't think there is anything wrong when people build through their self-determination, I only feel uncomfortable with the materials people are using, which are likely to have negative effects later on." (Landlords, householders, REDAN and policy-makers).*

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## § 9.5 Motivation and challenges of housing outputs in the informal market

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As the population grows, urbanisation increases and the provision of formal housing declines. The increasing need for housing in Nigerian cities is alarming. This has resulted in many urbanites exploring alternative routes that are less restrictive. The focus of role-players in urban housing is on how to achieve housing. This has triggered the growth of social groups like community men's associations, community women's associations, and landlord associations. Private landlords and house providers in informal areas were positive in their responses in this regard, while formal stakeholders (senior officers in the housing ministry and corporations, Lagos) were more negative about the informal housing system. Responses were analysed and resulted in five basic comments regarding informal practices and outputs (Figure 9.2).

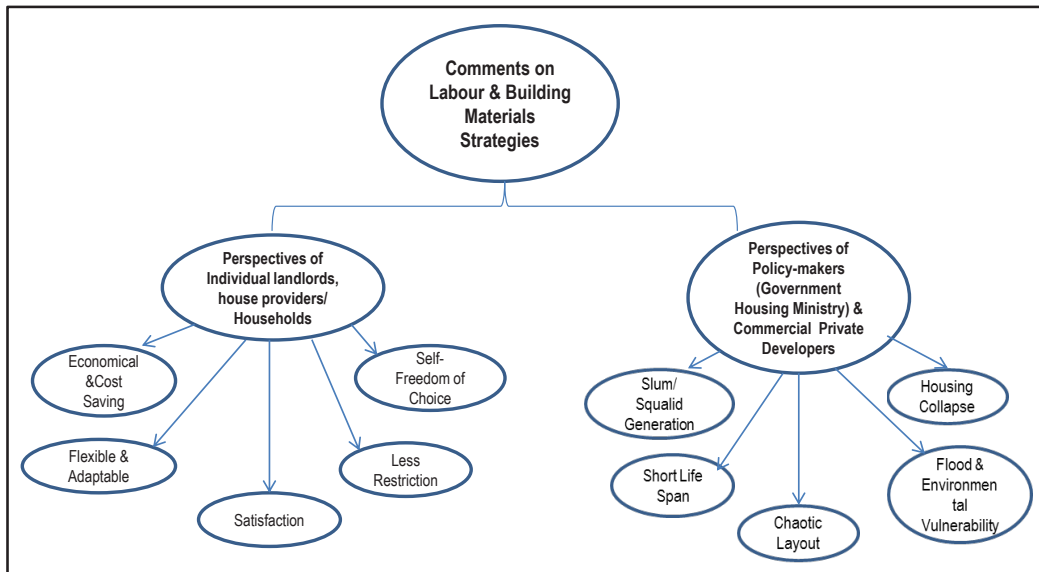


FIGURE 9.2 Motivation and challenges of the practices  
 Source: Author's fieldwork (2016/2017)

The results in Figure 9.2 reflect the positive and negative comments of both formal and informal respondents. This was done intentionally to avoid bias. Informal house providers advocated for government intervention to improve the informal concept in Nigerian cities, as stated in this interview:

*“To me, the informal system is a kind of self-custom that requires empowerment in order to improve housing provision in cities. Let us forget about the quality and whether it has all the infrastructure, government can come in here to assist the existing locations in that respect... self-effort is good in some ways but disastrous in others, especially if the house is not well built. You hardly see a house where soil tests and other preliminary tests are conducted on the land before development. No EIA, nothing.” (Landlord and householder).*

There are both challenges and motivations in the current Nigerian housing delivery to rental as well as owner-occupied housing.

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## § 9.6 General challenges of defiant landlord/rental housing owners and tenants in the private rental market in Nigeria (formal and informal systems)

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Questions and responses regarding rental housing provision emerged during the course of interviews conducted. During the interviews, I found incidents of difficult landlords and sitting tenants. Several cases of defiance<sup>9</sup> are reported from both perspectives on the tenancy. These findings are not very different from similar findings in existing studies on rental markets (Gbadegesin and Ojo 2012, Ojo, Olatoye-Ojo et al. 2015). The dimensions of defiance are evident from the interviews and questionnaire surveys conducted. As stated in Figure 7.10, Chapter 7, most defiance occurs in the context of lease or tenancy agreements. For example, the respondent landlords referred to situations where tenants did not comply with the terms and clauses in the contracts signed:

*“...even some tenants prove difficult. They do not keep to the terms of their lease...In many cases, tenants resort to physical assault...I have experienced many situations where tenants have destroyed my houses over there...I make sure tenants go through my property manager, yet, I can tell you that one of my tenants defrauded me and left... What I do in the case of problematic tenants (oni wahala) is that I ask them to leave because taking them to court might create a lot of stress for me, and I am not sure of the security of my family...Tenant violence is serious here in Lagos, be careful of just taking any tenant...I think carefully interviewing tenants can possibly help in this situation...”*  
**(Landlords/private rental housing providers in Ikorodu, Alimosho, Surulere and Ketu axes, Lagos).**

In most cases, the complaints of the respondent landlords refer to tenants deliberately defaulting on their rent, not undertaking maintenance that tenants are responsible for, alterations done to properties without the landlords' consent, the keeping of domestic animals without their approval and sub-letting, contrary to the clauses of the contract.

From the perspective of respondent tenants, most of the tenants' comments are centred on the landlords' refusal to undertake major maintenance work on their properties. According to many of them, they are responsible for all repairs, which is contrary to the lease terms. The responses below indicate this:

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Attitudes that relate to breach of agreement and violation of covenants (Gbadegesin and Ojo, 2012).



*“...I want to tell you that many landlords in Lagos today use the advantage of the shortage of housing and exploit tenants...My landlord does not even bother about repairs and services, but is only after his rent...It is not fair, the way landlords ride on tenants’ virtue simply because there is not enough housing in the city. They do not repair, there is no improvement on rental housing, drainage is bad, the toilet facilities are not okay...There is no way that tenants will not be rude if a landlord refuses to play his role, such as in doing repairs and having regular meeting with tenants...I choose to be a good tenant if my landlord can be good to me because one day I will also become a landlord...” (Tenants in Agege, Ayobo, Ipaja and Badagry, Lagos).*

In this study, similar findings are obtained from the quantitative (questionnaire) approach. Initially, I used questionnaire surveys to investigate the extent of the defiance through two major questions. Firstly, what is the nature of the defiant (non-compliance) attitudes from the viewpoint of property managers/landlords and tenants? Here the aspect of vulnerability was investigated. Secondly, how does the property manager/landlord intervene to ensure compliance? To address these questions, I identified five objectives:

- To identify and examine the causes of non-compliance from the viewpoints of managers and tenants in Nigeria.
- To identify and examine the areas or dimensions of non-compliance on the part of the two role-players.
- To determine the relationship among the tenants’ and managers’ submissions regarding the causes and dimensions of non-compliance with lease agreements.
- To identify the intervention tools adopted to resolve non-compliance.

It is indicated in the studies by Gbadegehin et al. (2016) and Gbadegehin (2017) that there is the need for appropriate regulations to address the incidents of non-compliance.

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## § 9.7 General motivating factors that influence the growth of informal housing provision in Nigeria (a questionnaire survey)

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In Section 9.1, the motivation and challenges of strategies adopted in the procurement of production factors and housing outputs are examined. In this section, a broader view of the factors influencing the growth of informal housing provision is examined, using a questionnaire survey. The questionnaire was developed after the first pilot study and

research conducted on the Nigerian housing provision system, specifically during the proposal stage. Six main factors were highlighted in the survey: institutional, socio-economic, socio-cultural, political, historical and demographic (Table 9.1).

TABLE 9.1 Contents of the survey instrument and the bases

S/N	FACTORS	DEFINITIONS
1	<b>Institutional factor</b>	Policy formulation (landlords/households), non-inclusiveness of low-middle classes, lack of access to formal resources allocation, hierarchies, bureaucracies, LUA and titling complexities, production factors regulatory environment and lack of transparency in the system ( <b>Landlords/ households</b> ). Policy implementation, compliance and enforcement difficulties (policy-makers) (NHP, LUA, NHF, Planning regulation and Building codes), enforcement and inadequate resources for formal allocation, official procedures including titling processes and low human and resource capacity ( <b>Policy-makers</b> )
2	<b>Socio-economic factor</b>	Poverty, income, affordability, wage and income inequality
3	<b>Socio-cultural factor</b>	Traditional lifestyle, religion, cultural orientation to personal house, family house, belief and family setting
4	<b>Demographic factor</b>	Urbanisation, population, room occupancy ratios, birth and death rate
5	<b>Political factors</b>	Major forces, name of party system, government instable administration,
6	<b>Historical factors</b>	Identity and value preservation,
	<b>TOTAL</b>	<b>30 Items</b>

Source: Author's literature review and pilot study

There are a total of 24 statement questions, divided into groups of six with four sub-questions each. The scoring was done on a five-point Likert scale with "strongly agree" scoring 5 points, "agree" scoring 4 points, "neither agree or disagree" scoring 3 while a "disagree" response scored 2 and a "strongly disagree" response scored 1 point. The survey statement questions were constructed around institutional factors, socio-economic issues, socio-cultural, political factors and historical factors as indicated in Table 9.1 and appendix *xiii*.

The reliability coefficient test of the survey instrument was conducted, using internal consistencies within a two-weekly interval for 40 respondent landlords/households and policy-makers and yielded Cronbach's alpha 0.85. The essence of the reliability and validity test was to confirm the effectiveness of the survey instrument (questionnaire) in terms of respondents' understanding and to ensure that the contents are capable of achieving the goals of the investigation. Afterwards, a large number of copies were administered through research assistants to landlord associations in the *Ipaja, Ayobo, Ikorodu, Isheri* and *Badagry* zones for informal respondents. Approximately 300 copies (50 copies for each of the six selected areas) were administered. 251 copies were retrieved and only 242 useful and valid copies could be used. Also, with the assistance

of research assistants, 200 copies were administered to staff members at the Ministry of Housing and Lagos State Property Development Corporation in Lagos, but only 107 copies were useful and valid (refer to Table 4.4). The descriptive analysis of the results from landlords/households is presented in Table 9.2.

TABLE 9.2 Reasons for the informal housing growth in Nigeria from the perspective of landlords/householders or representatives

S/N	FACTORS	FREQUENCY (%)	MEAN	SD	RANK
1	Institutional	138 (57.0)	4.27	1.05	1st
2	Socio-economic	35 (14.5)	3.83	.82	2nd
3	Socio-cultural	35 (14.5)	3.83	.82	2nd
4	Demographics	12 (5.0)	2.75	.51	4th
5	Political factors	12 (5.0)	2.75	.48	4th
6	Historical factors	10 (4.1)	1.83	1.02	6th
	<b>Total</b>	<b>242 (100.0)</b>	<b>3.21</b>	<b>.92</b>	

Source: Author's fieldwork (2016/2017)

The results indicate that institutional factors are the most motivating factors that trigger the interest of role-players followed by socio-economic and socio-cultural factors

In Table 9.3 the descriptive analysis of the results from policy-makers is presented.

TABLE 9.3 Reasons for the informal housing growth in Nigeria from the perspectives of policy-makers (staff members at the Ministry of Housing and housin

S/N	FACTORS	FREQUENCY (%)	MEAN	SD	RANK
1	Institutional	28 (26.2%)	3.43	1.03	1st
2	Socio-cultural	28 (26.2%)	3.43	1.05	1st
3	Socio-economic	17 (15.9%)	3.33	0.88	3rd
4	Demographics	17 (15.9%)	3.33	1.07	3rd
5	Political factors	9 (8.4%)	2.42	1.09	5th
6	Historical factors	8 (7.5%)	2.19	0.90	6th
	<b>TOTAL</b>	<b>107 (100.0%)</b>	<b>3.02</b>	<b>0.56</b>	

Table 9.3 indicates that institutional and socio-cultural factors are the major factors, followed by demographic and socio-economic factors.

The above findings further indicate that housing shortages and informal practices are mainly associated with institutional deficiencies and socio-cultural factors rather than socio-economic factors in Nigeria. This confirms the assertion by EFinA and FinMarkTrust (2010) that a combination of institutional, socio-cultural, political, demographic and socio-economic phenomenon have contributed to the inter-related problems of housing in most of the SSA countries. The limitation of this approach is that the administration of questionnaire copies was done at random to an unknown population sample because it is not possible to know the total number of residents in informal settlements. However, the results of the survey correlate with the outcomes of the qualitative approach.

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## § 9.8 Conclusion

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In this chapter, motivation is described as an influencing factor that contributes to the growth of informal practices in housing provision. The evaluation is done in the context of land, labour, capital and the output allocations. It is found that the institutional factor (transaction costs) in the formal system tops the list of the influencing factors that drives house providers in the informal system, followed by the socio-economic factor. The main challenges in the informal system are pressure from Omo-oniles, inadequate financing, exclusion from the national policy agenda despite its impact in housing provision, sub-standard housing, land inaccessibility and the inability to use housing as an asset to secure finance in the formal market due to the lack of title documents. It is further reported that transaction costs, in the form of inadequate information, institutional barriers, complex processes, hierarchies and bureaucracies, contribute to the decline in the formal provision of housing and non-compliance with formal requirements. The spread of informal practices also reflects attributes of contextual lifestyle (socio-cultural ideology) and collective action in providing for their housing needs in the context of principles, culture and customary governance.



# 10 How the situation in the Nigerian housing systems is explained in the context of NIE rationale – a discussion of findings

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## § 10.1 Introduction

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As discussed in Chapter 3, the essence of a theory in a qualitative study is aimed at enhancing a scientific discussion of the findings. In this thesis, it is envisaged that a scientific explanation of contextual events can be formulated. The underpinned could aid in recommending possible policy solutions to challenges identified in Nigerian cities. In Chapter 1, while positioning the problem in the context of the existing urban housing situation (Figure 1.3), five main research questions are raised for investigation in the Nigerian context. These questions refer to the Nigerian background; the implications of housing delivery; the nature of delivery shortages; the structural context of the provision system; and government roles and strategies of provision in both formal and informal systems. Having completed the analysis and reported the findings in previous chapters, this chapter looks at the following question: *How can findings in the Nigerian housing systems be theorised in the context of NIE rationale discussed in Chapter 3 and Figures 3.2 and 3.4?*

In other words, how applicable are theories of transaction costs, socio-cultural or lifestyle, collective action, institution changes and any other theories? The theoretical discussions of the findings are based on the research questions. It is observed that the main issues that manifest throughout housing provision strategies relate to institutional protocols and transactional activities. Therefore, I commence with the discussion from the research question relating to strategies. Figure 10.1 presents an overview of the discussion.

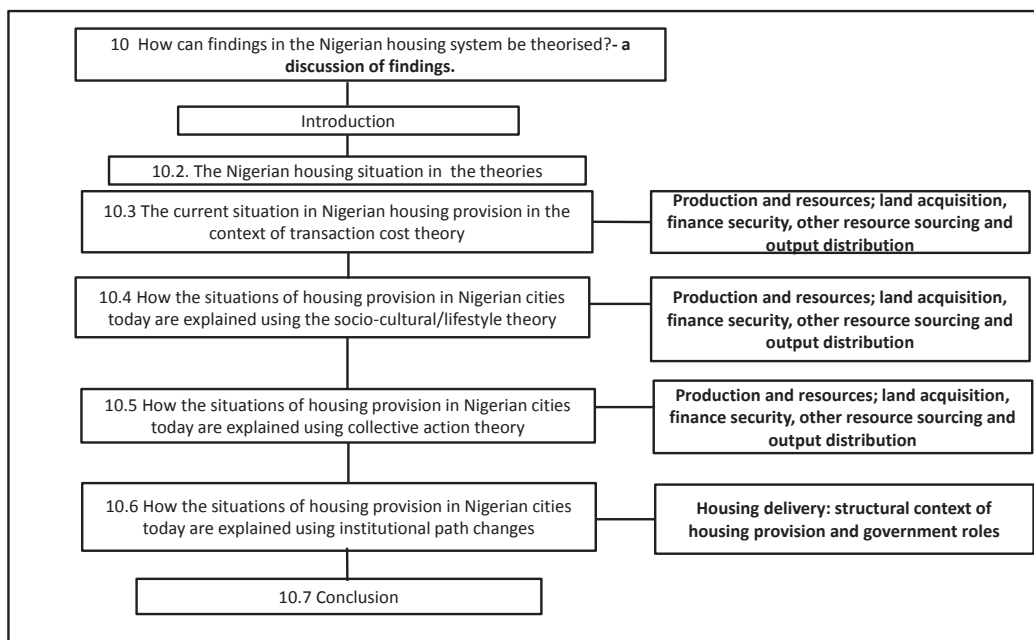


FIGURE 10.1 Schema of Chapter 10

## § 10.2 The Nigerian housing situations in the theories

As described earlier, two scientific approaches provide the basis for this study; theoretical and analytical frameworks. While the theoretical framework helps to explain the situation in Nigerian housing delivery systems, the analytical framework provides the templates, bases and dimensions for the empirical investigation. The analytical frameworks in the contexts of production and allocation efficiencies are adapted from Healey's transformation model and Williamson's four-layer model. In addition, transaction cost is the leading theory which is situated in the context of NIE and the analytical framework. The transaction cost theory serves two purposes in this study. Firstly, it explains the theoretical situation of housing delivery in Nigeria in the context of land, finance, human and material resources and housing outputs (theoretical explanation). Secondly, the concept of transaction cost has also been germane in the analysis of transactional activities in housing delivery. Having discussed the results of the analyses from the empirical and comparative perspectives, the transaction cost

theory and other applicable theories, such as socio-cultural, collective and institutional changes, from the NIE rationale (Chapter 3, Figure 3.2), are presented in Figure 10.2.

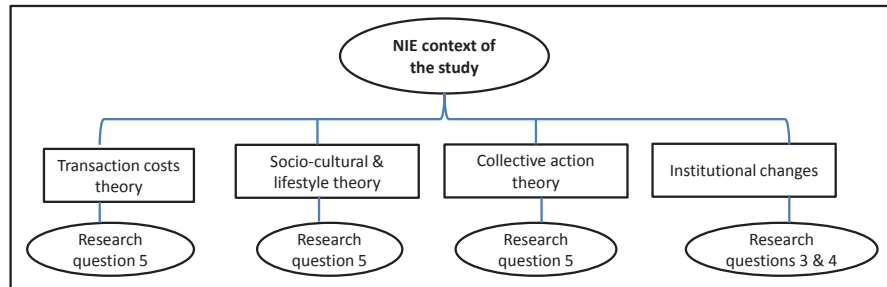


FIGURE 10.2 Nigerian housing situation in the theories  
Source: Author's findings (2017)

## § 10.3 The current situation in Nigerian housing provision in the context of transaction cost theory

As discussed in Chapter 3, transaction costs are those activities that constitute obstacles and cost time, extra effort and commitment, they are not budgeted for in the production or actual costs and are related to information and institutional barriers which often create uncertainties. They are characterised by activities and procedures involved in which the costs are determined by existing institutions (governance). All these scenarios are evident in the Nigerian housing market, as discussed in my findings.

### § 10.3.1 Production and resources; land acquisition, finance security, other resource sourcing and output distribution

When I examined the adopted strategies with reference to research question 5, motivation and challenges of housing provision in Nigerian formal and informal systems (dealt with in chapters 7, 8 and 9), the findings included the efficiency of land, finance, labour and materials procurement in the production process (sequence of



events). This implies that transaction costs play dual roles. They both guide the process of empirical analysis and explain the situation in theory. Essentially, an element of transaction cost is found in the analytical framework (Figure 3.4) and theoretical framework (Figure 3.2).

As described earlier, accessibility to land is a challenge in terms of adequate information, transparency, the ability to pay, ingenuity of the presumed ownership due to a lack of reliable information about the land, and the threats of Omo-oniles which creates a sense of uncertainty. I found that these are critical issues regarding housing delivery in Nigeria. In Sections 8.7 and 9.2, I reported that in the land administrative system, there are procedures, bureaucracies, a lack of transparency and fair interaction with all citizens, and a high rate of unhealthy competition and bidding in the housing market. This situation has created barriers to land accessibility, resulting in unplanned expenses and unforeseen requirements. Looking at the procedures identified in Sections 7.3 and 7.4, transaction costs represent institutional protocols and delays faced by many people. As a result, people opt to ignore procedures, irrespective of the implications. For instance, the transaction costs in land acquisition seem to be complex, considering the procedures. Because of lengthy and complex procedures in titling, many people often lose their land, resulting in the suspension of the proposed development.

In addition, the issues relating to the Omo-oniles are not limited to the informal system but are also a problem in some cases for formal land owners. Since these obstacles underlie the reason why people, especially the low-middle income groups, suspend or ignore title perfection of their land and other protocols, the institutional hurdles (discussed in Section 7.3 and Table 7.4) explain the nature of the transaction costs found in the system. These include processes or procedures, invisible hands, hidden costs outside budget and dead-weight losses. These findings confirm the relevance of the transaction cost theory in Nigerian housing delivery system as mentioned in Section 3.4.

I also propose that the transaction cost theory explains why informal land ownership is considered a more fruitful and less complex way of acquiring land, especially in southwestern Nigeria. Of course, the choice could not be far from the critique of past conventional practices outlined in the LUA and NHP. Despite the arguments that informal transactions are seemingly not capable of offering sufficient legal protection despite this being rooted in the culture, many urban residents still lobby with local leaders of communities to secure customary rights on land. At the same time, it is clear that the seemingly applauded security offered by customary governance may be weakened through external pressures and may not be extended to new buyers. Not only have formal institutional requirements prevented the urban poor from accessing legal

residential sites, they have led to the haphazard construction of vulnerable houses in many dangerous environments.

Moreover, low-middle income groups are ignorant of vital and hidden information, especially in the procurement of production factors such as finance, as identified in this thesis. In many cases, they do not meet the required criteria to apply for what are theirs by right in the housing system, as identified in Section 7.3, yet they have to live in a house as citizens of the country. In this context, the issues of transaction costs emerge.

In the contexts of housing unit distribution, transaction cost elements are also found in the exchange of the housing outputs in the formal market, particularly government-produced-housing units and PPP outputs. I found situations where low-middle income citizens could not meet the necessary application and eligibility requirements.

In this thesis, my findings establish that issues of hidden costs, unbudgeted costs, institutional delays, bureaucracies, protocols, red tape, Omo-oniles, complex finance requirements, strict planning laws and other institutional processes should be relaxed. In terms of the transaction cost theory, they constitute transaction costs in the Nigerian housing market.

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## § 10.4 **How the situations of housing provision in Nigerian cities today are explained using the socio-cultural/lifestyle theory**

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As discussed in Chapter 3, the socio-cultural concept concerns the ideas of place-making, emanating from social and cultural practices that are prevalent in an environment in terms of people's lifestyles and housing.

### § 10.4.1 **Production and resources; land acquisition, finance security, other resource sourcing and output distribution**

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In this thesis, my findings, with reference to research question 5, relate to the link between traditional governance and production factors. The following factors are expressions of socio-cultural and religious ways of life: the influence of Omo-oniles and traditional rulers; informal groups and associations, such as cooperative societies;

community landlord associations; customs and incremental housing; the desire to become an owner or landlord at any expense; the ban on the sale of family houses; and religious and cultural beliefs of clustering in specific locations. These habits are ruled by the norms, customs, traditions and cultural ways of life of average Nigerians, especially the three prominent ethnic groups: Hausa, Yoruba and Ibo.

This study has found that the traditional methods of land ownership and cultural housing styles are not alien to the system because they have been in operation prior to the adoption of the formal system. For instance, the history of land insecurity in Nigeria is dated prior to independence when the Land Registration Act, 1924 and Registration of Title Act 1935 served as a means to make a portion of land admissible evidence. Later the LUA of 1978 made land accessible to everyone, yet there is the natural inclination that land is attached to customary ownership today in Nigeria. Has the promulgation of the LUA therefore helped to resolve the land crises? Not at all, because reports of land conflict cases were obtained during the qualitative studies. Some of these conflicts are related to the Omo-oniles, as reported earlier. This implies that customary ownership is still strong and it may not be easy to ignore its impact on land today. As an analysis of several existing studies and the qualitative study confirmed, the people's lifestyles and their socio-cultural ways of life are dependent on their satisfaction in terms of housing, which was further evidenced in the different styles of houses built. Based on the findings from the Nigerian housing system, one of the underlying reasons for the informal housing strategies is that the informal sector produces millions of self-customised housing, often adapted and culturally sensitive to the housing situation in their design approaches.

This shows that the social context is linked to particular socio-political and cultural contexts, which is an inherent part of most Nigerians' knowledge and actions. In the same way, it is part of Nigerian culture to do things together as a community. Social groups, such as cooperative societies, business and religious groups have colluded to raise funds for members to build houses. In Lagos, this is referred to as *owo ile egbe*. I can say that most actions are based on the socio-cultural orientation and lifestyle of the people, while the urge to advance is dictated by the economic situation (prices, cost, affordability, income etc.). However, there seems to be little attention given to any possible negative and hidden consequences in the provision of styles that are not healthy to Nigerian society.

## § 10.5 How the situations of housing provision in Nigerian cities today are explained using collective action theory

As explained in Chapter 3, the concept of collective action is the process of networking in a united voice of understanding that a need should be jointly pursued together. It is also a concept of communalism, where people are united to pursue a goal.

### § 10.5.1 Production and resources; land acquisition, finance security, other resource sourcing and output distribution

As presented in Figure 8.8, with reference to research question 3, the increasing housing shortage and gradual withdrawal of government in Nigeria has increased the momentum of cooperative societies and other allied associations collaborating together in order to deliver houses. I also identified the roles played by these groups in helping to mobilise finance (Section 8.3) as well as acquire land (Section 8.2), human and material resources (Section 8.5) and assist in the provision of infrastructure and services in the communities (Figure 8.7), through a collective pursuit of a vision.

These findings also focus on the concept of collective power, especially in the areas of finance and community management. In this study, I found that the traditional or informal system of housing finance can be described as a power of collectivism and group association among Nigerians, across ethnic groups and rooted in mutuality, cordiality, trust, understanding and culminating in a sense of communalism. This is likened to a form of commitment by all role-players towards a common agenda to address a specific complex problem. I found that the communal system, situated in the theoretical concept, is based on getting people to work together in pursuit of a clearly defined common goal. It brings stakeholders together in a spirit of community in a deliberate attempt to ensure improvement. It often appears to be a form of social networking in Nigerian cities.

## § 10.6 How the situations of housing provision in Nigerian cities today are explained using institutional path changes

This is a theoretical concept that suggests that regulatory systems are ‘filtered’ by specific national influencing factors which vary from one country to another over a period of time (see Chapter 3).

### § 10.6.1 Housing delivery: structural context of housing provision and government roles

In this thesis, research questions 1, 2, 3 and 4 address background contexts in terms of delivery shortage, structural contexts of housing provision systems and government roles. The synthesis is culminated with events of changing systems, dynamic government administration, structure, plans and projections, formulation and execution. For example, while I examined the roles of government from provision and policy angles, I noted several discrepancies (Chapter 6) in provision plans over the years, from the colonial administration in the 1920s, the post-colonial eras of military and civilian rules between 1960s until the present administration (Section 6.2). My findings also indicated that the system reveals inconsistencies and a lack of continuity of policy actions in terms of formal housing provision. An analysis of the system consequently confirmed the changing roles of government from a direct provider to an enabler, implying institutional changes and the need for institutional analysis of the contextual characteristics. I agree with the theoretical concept that regulatory systems can influence policy plans and decisions both positively and negatively. This is a situation where institutions, both formal bodies of law and informal regulations, such as norms, customs and values, are changed or transformed as a result of changing external factors, including policies on demographics, socio-economic, technology and other legislations.

## § 10.7 Conclusion

The research questions and the main thrust of this study indicate that the Nigerian urban housing situation is a structural problem and systemic in nature in the context of land, finance, labour and building materials. In this chapter, the analysis and discussion of housing delivery has been presented in the context of the NIE rationale. The application of NIE in the Nigerian structural context of housing provision incorporates all discussions regarding the nature of formal and informal systems in this thesis. The use of analytical models in the context of NIE helps to clearly discuss the role of NIE theories in the delivery of production factors and housing in the Nigerian system. The components of the theory and its analytical models include sequences of events (such as activities from sub-structure to super-structure) and the agencies (role-players) which have been adapted for Nigerian purposes.

Considering the procedures from the start to the completion of a housing project, I have discussed how the transaction cost theory has contributed to an understanding of the situation in Nigeria, especially with regard to obtaining land, finance and other production factors. Thus, the application of the theory confirms and provides direction for the challenges found in the study. Also, the role of government has helped illustrate institutional changes that took place over the years. For example, the role of government is situated within the context of formal institutions. It covers the roles played over the years until the present administrative system in Nigeria. Government's impact is influenced by changes in institutional structures, determined by the government in power, thus resulting in a lack of continuity in the responsibility of housing delivery.

The cultural lifestyle and the communal way of life have placed themselves in the colony of NIE, as it is revealed that the Nigerian cultural lifestyles and communal attitudes in the society are manifested in the incremental and self-customised housing in Nigeria. In summary, this study is situated in the contexts of transactional costs, socio-cultural/lifestyle, collective action and institutional changes. It thus implies that the causes of housing shortages and informal practices extend beyond neo-classical perceptions of pricing, demand and supply modelling and includes these other factors.



# 11 Possible solutions towards addressing the challenges in Nigerian housing provision (Analysis of results and stakeholders' perspectives)

## § 11.1 Introduction

In the previous chapters, it was established that the challenges in Nigerian housing system are providing for the shortages and the influx of informal strategies. In Chapter 10, the context of housing problems in the Nigerian housing system is situated within the theories. Having identified the sequence of events in the housing provision, this chapter answers research question 6 which indicates the way forward to address the identified challenges: In what direction could possible policy recommendations be made towards an improvement in housing delivery in Nigeria? I approach this question from three perspectives: the possible solutions emanating from my analysis, the respondent stakeholders' suggestions and lessons derived from comparable countries. In this chapter, I discuss the possible solutions emanating from my analysis and stakeholders' suggestions. I also consider the necessity of linking the challenges identified in previous chapters with possible solutions. Therefore, in Section 11.2, I highlight the results of my analysis regarding the main challenges. Table 11.1 and Figure 11.2 summarise the main causes of the shortages and how they have resulted in the insufficient provision of informal housing. In Section 11.3 the suggested solutions are discussed (Figure 11.3). Figure 11.1 presents the schema of this chapter.



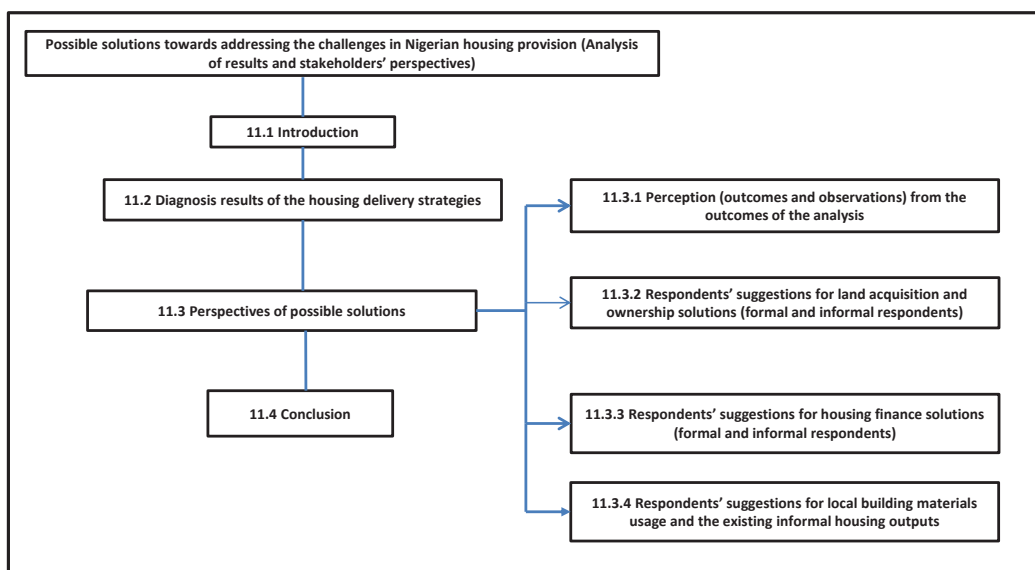


FIGURE 11.1 Schema of Chapter 11  
Source: Author

## § 11.2 Diagnosis results of the housing delivery strategies

In Chapters 7, 8 and 9, I identified and discussed the findings in both the formal and informal systems. Chapter 10 discusses the findings in the context of theories. In this section, a summary of the challenges is presented as follows.

### Land issues and complex titling procedures

Findings reveal that land acquisition and procedures of ownership are the fundamental issues in housing provision. The dimensions were identified in Chapter 6 (Figure 6.2), while the problem in relation to difficulties in securing titles from government ministries due to complex bureaucracies was identified in both the formal and informal markets. Accessibility challenges are also related to the problem of Omo-oniles. The Omo-onile is a strong customary consideration in the Nigerian land market. In many cases, households also procure the titles to their lands after occupation.

## Finance and socio-economic issues

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The second challenge is finance and the procedures regarding accessibility of funds. In the formal finance system, the conditions are considered difficult to afford and the procedures are complex. It was found that informal house providers are unable to meet the stipulations of the conditions in Nigeria. As a consequence, there is a spread of incremental housing styles (Figure 8.15). In addition, cooperative society finance systems and other informal finance systems do not have sufficient financial products and capacities for members to access in order to undertake a housing development and to complete it within the standard duration of the formal market. Other results of the analysis show the use of sub-standard local building materials, unkept communities and a lack of basic amenities, such as portable water, electricity and good road networks, partly because of the huge financial commitment. Wages are low for the employed and non-existent for the unemployed in the system. This has led to the formation of community associations to manage the environment effectively.

## Socio-cultural issues

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The third main issue is the situation of traditional governance, such as the influence of Omo-oniles and traditional rulers in land associations such as cooperative societies, community landlord associations and other identified groups; cultural orientation of personal housing (homeownership; becoming an owner or landlord at any cost); forbidding sales of family houses; religious and cultural beliefs, and religious ways of life. These actions originate from the socio-cultural orientations and lifestyles, while the desire to succeed in owning a house is facilitated by economic factors (prices, cost, affordability, income etc.). In addition, some of the informal housing outputs are often adaptable and sensitive to the Nigerian multi-ethnic society, habits, lifestyles and religions (Sections 9.5 and 9.6, Figure 9.4). In summary, an overview of the findings is presented in Table 11.1.

**TABLE 11.1** Summary of findings from the formal and informal housing systems in Nigeria

ACTIVITIES STATUS	Formal (see Chapter 7)	The main issues from the findings	Informal (see Chapters 8 and 9)	The main issues from the findings
Institutional agents	Government through its ministries/agencies and organised private developers/investors and upper income groups.	They are both regulatory and institutional organs with formal laws, codes and constitutions without consideration for other extra-judicial institutions	Traditional rulers, customary heads, community leaders, low-middle income groups/households, semi-skilled and local builders, developers and private landlords, small scale house providers.	i. They still have their beliefs in customary systems inherited prior to colonial system. ii. They believe in communal systems
Mode of housing delivery	Contract between a private developer and prospective owner (Design and Build), public housing, Public-private partnerships (PPP), Commercial private developers' operations e.g. Lagos, Port Harcourt and Abuja schemes etc., Government Employees' Housing Scheme, Mortgage market etc.	Formal procedures from pre-development to post-development stages	Self-Help/customised housing, long-term incremental housing, employ local developer and manager or self, family/inheritance housing. etc.	Extra-judicial, irregular and unconventional styles such as self-help, incremental styles

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**TABLE 11.1** Summary of findings from the formal and informal housing systems in Nigeria

ACTIVITIES STATUS	Formal (see Chapter 7)	The main issues from the findings	Informal (see Chapters 8 and 9)	The main issues from the findings
Land acquisition	Government ministries, corporation, private owners, corporate organisations and land agents.	<ul style="list-style-type: none"> <li>i. Procedures of land acquisition in the formal system are long, time-consuming and not all-inclusive.</li> <li>ii. Difficulty of the low-middle income groups to acquire the already formalised land in cities</li> <li>iii. Complex process of land titling which discourages the low-middle income</li> <li>iv. Several budgeted and unbudgeted financial and non-financial costs before the applications of low-middle incomes groups are considered</li> <li>v. There is a relatively low wave of violence and threat from descendants of the ancient owners of lands (Omo-oniles) in Nigerian cities</li> </ul>	i. Customary, individual private owner, families and land agents	<ul style="list-style-type: none"> <li>i. Land accessibility (affordability, security of tenure and ease of transaction) due to Omo-oniles.</li> <li>ii. Many houses without title to the land</li> <li>iii. Many housing stocks with titling process in progress after completion.</li> <li>iv. Many housing stocks are in dangerous locations, vulnerable to urban resilience such as flooding.</li> <li>v. There is a high wave of violence and threat from descendants of the ancient owners of lands (Omo-oniles) in Nigerian cities</li> </ul>
Title security and certification	Certificate of Occupancy or Statutory Right of Occupancy through formal procedures with Ministry of Lands, Surveying and Housing, Planning Authority or Land Bureau.	i. Land with official titles are more secured and reliable but the process requires a greater level of transparency.	Reliance on customary owners, traditional rulers with receipts and land agreement copies.	i. Lack of official ownership title undermines the certainty of transaction and security of tenure.
Peculiar housing types	Bungalow, detached housing, semi-detached housing, mansion, terraced bungalow, terraced houses, public housing and flats	i. The outputs are the targets of upper-income groups	Bungalows (2-3 bedroom) for family and rentals, tenement/rooming apartment, self-contained houses, houses developed by local bricks and materials, mud houses, thatched roofed houses, containers/kiosks,	<ul style="list-style-type: none"> <li>i. There are cases of overcrowding due to the numbers of person per room.</li> <li>ii. Many housing stocks are deficient in maintenance</li> <li>iii. Many housing stocks have no maintenance plans</li> <li>iv. There defiant attitudes in complying with lease/tenancy agreement (see Gbadegesin et al. 2016)</li> </ul>

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**TABLE 11.1** Summary of findings from the formal and informal housing systems in Nigeria

ACTIVITIES STATUS	Formal (see Chapter 7)	The main issues from the findings	Informal (see Chapters 8 and 9)	The main issues from the findings
Mode of finance	Usually by formal methods: National Housing Fund (Public Housing), mortgage (Federal/primary mortgage institutions), private developers fund, personal saving/fund from personal businesses, pension, insurance, saving schemes	i. Procedures of finance mobilisation are long, time-consuming and not all-inclusive. ii. Conditions for eligibility are too many to afford. iii. Sufficient to build but not easily and readily accessible to all.	Traditional and other short-cut methods: <i>Esusu</i> , family, <i>ajo</i> , township unions, religious based associations, private lenders and cooperative societies	i. Insufficient to build at once, but easily and readily accessible to all (section 8.3) ii. Many of the finance institutions are not strongly recognised due to lack of adequate legal backing.
Tenure target	Formal owner-occupation and rental housing.	i. Upper and middle-upper income groups are more favoured	Informal owner-occupation and rental housing (build-to-live, build-to-rent and combination)	i. Low-middle income groups are the major players.
Resource Procurement	Formal contract with suppliers, dealers and distributors	i. Upper and middle-upper income groups are more favoured ii. Formal procedures are involved which restraint the low-middle income groups	Informal arrangement with friend retailers, instalment arrangement, family and societies route	i. Communal system at play ii. These are fall-back or alternative routes since the players cannot afford the formal system arrangements.
Production chain	More highly skilled and few semi-highly skilled built environment professionals with adherence to all stages of production (costs are relatively higher).	i. There is usually strict compliance to formal procedures and rules as outlined in section... ii. The outputs are usually of high standard	Semi-highly skilled and mostly unskilled artisans. No adherence to critical procedures of production e.g. no soil test and others	i. There is usually either incomplete, partial or non-compliance to formal procedures and rules as outlined in section 7.2 and chapter 9... ii. The outputs are usually of less standard but in few cases of high standard.
Institutional environment	Formal regulations, laws, codes, constitutional, decrees and acts	i. Regulated by government institutional arms. ii. There are hierarchies, red tape and procedures	Customs, norms, guiding principles, <i>modus operandi</i> and rules (do's and don'ts)	i. Regulated by traditional/customary kingdom ii. Network, social cohesion and no- hierarchies.

Source: Author's findings (2017)

In Table 11.1, I present the main issues from the findings and the relevant sections. Specifically, based on the analysis provided in the previous chapters, I identify three main causes for the housing shortage and growth of the informal housing system in Nigerian cities: transaction on land, finance/socio-economic and socio-cultural issues which are attached to customary institutions. Figure 11.2 presents these findings in a scheme. Other challenges are related to regulations on the use of material and human resources.

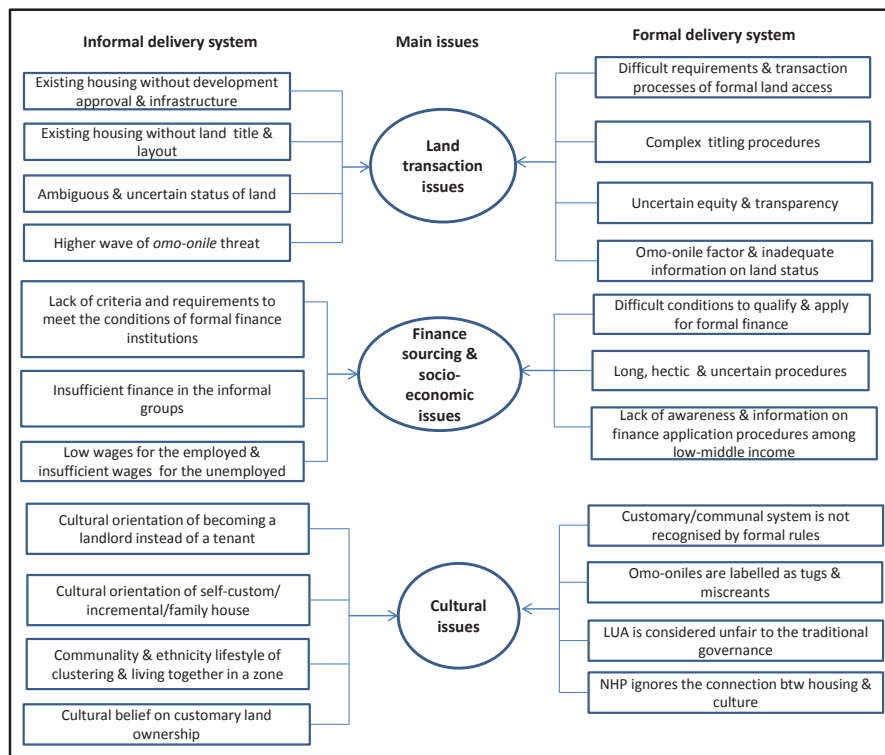


FIGURE 11.2 The main causes of housing provision challenges in both the formal and informal systems  
 Source: Author (2017)

### § 11.3 Perspectives of possible solutions

Having identified and highlighted the main causes of housing delivery challenges in Figure 11.2, this section presents proposed possible solutions. There are four perspectives to possible solutions as indicated in Figure 11.3: (1) inferences from the analysis so far, (2) suggestions from the formal system, (3) suggestions from the informal system in the context of production factors and (4) lessons from the comparative studies. The first three perspectives relate to research questions in this study and are analysed in this section. The fourth perspective is elaborated on in Chapter 12 (cases in South Africa, Brazil and Mexico). Figure 11.3 presents the dimensions.

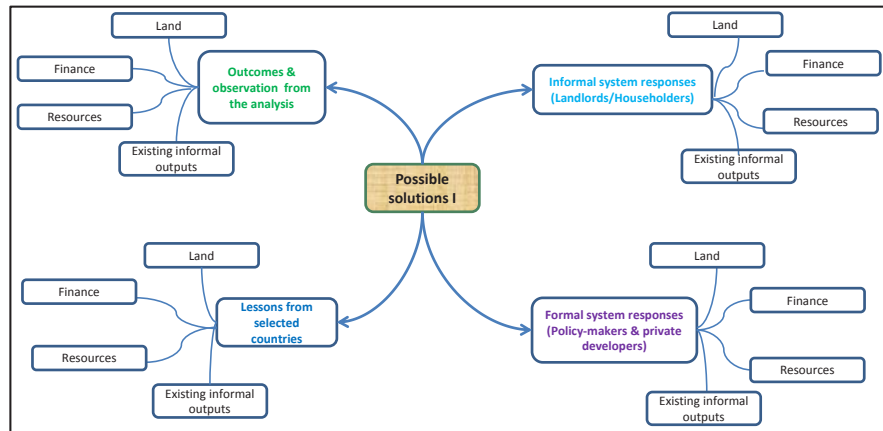


FIGURE 11.3 Perspectives of suggested possible solutions in Nigerian housing provision  
Source: Author (2017)

In Table 11.2, the profiles of the respondents (landlords, householders, policy-makers and developers) on the possible solution are shown.

TABLE 11.2 Respondents' profiles

S/N	RESPONDENTS	SYSTEM STATUS	PROFILES	LOCATION	NO
1	Landlords/householders	Informal interviewees	Owner-occupiers and informal housing providers	Lagos	6
2	Policy-makers	Formal interviewees	1 Senior official at LSDPC 1 Assistant Director at Ministry of Housing 1 Director.	Ilupeju and Alausa, Ikeja, Lagos	3
3	Private developers	Formal interviewees	REDAN (private practitioners)	Lagos Inland	3
	<b>Total</b>				<b>12</b>

Source: Author's fieldwork

The respondents' proposed solutions in the context of production factors i.e. land, finance, materials and the existing informal housing in the country, are discussed in the subsequent sections.

### § 11.3.1 Perception (outcomes and observations) from the outcomes of the analysis

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In this section, I concentrate on the observation from the analysis and discussion of possible solutions suggested by the interviewees. The suggestions for actual solutions are from informal and formal respondents.

With reference to the recurrent themes and findings indicated, in Table 11.1 and Figure 11.2, I observe the following circumstances with my perceived possible solutions: most house providers (landlords and householders) are confronted with the problem of land acquisition. Most existing informal houses do not have titles or these are still being processed. A customary system of land acquisition is prevalent. This implies that failure to pay attention to the structure might constitute a problem for the housing market in Nigeria. I suggest that there should be a reform in the titling process for both virgin land and land with existing housing. These solutions might help to resolve the finance problem in Nigeria. In terms of cooperative finance, the need to strengthen the channels could be useful because the practice is in accordance with the socio-cultural ways of life of the people. Moreover, to address the problems relating to the quality of housing, there is need for an improvement in socio-economic status and wages policy.

### § 11.3.2 Respondents' suggestions for land acquisition and ownership solutions (formal and informal respondents)

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In interviews with landlords/householders, soliciting their opinions on possible land solutions, emphasis was placed on the need for government to recognise the customary system (Omo-onile), the removal of institutional procedures in the process of land titling and the approval of land subsidies for low-middle income groups, as indicated below:

*"Because land is important, the governance and its administration are important. The customary owners, who cause trouble from the grassroots, should be recognised. I also suggest that land titling should be made easier, not complex, for low- and middle-income societies..." (House provider 1).*

*"Government should break the barriers of land titling by making it easier and if possible free for people. This will be of help..." (House provider 2).*



*“Every land with existing building and future land should be registered with a title. Whatever is done will cost the government. Many of us do not have enough ability to do the titling process...” (House provider 3).*

*“I think if government considers Omo-oniles as important by creating a task force to arrange with them without housing providers having to confront them, it might be good. Also government can help the low-middle income groups to subsidise the cost of land.” (House provider 4).*

*“Let there be a separate organisation that involves a system that has to do with government statutory system and customary system to solve land affordability, ease of transaction and security.” (House provider 5).*

According to commercial private developers (REDAN):

*“Oh...simple, address the Omo-onile problem by reviewing the Land Use Act and recognising the actors in the policy.” (REDAN 1).*

*“...What I think is that a new policy direction can be advanced by formulating a policy framework that integrates all role-players, including the lower groups in society and the land institution.” (REDAN 2).*

*“Let government be at the centre of the show. Land and other production factors matters can be resolved if all groups are represented towards new policy directions. I believe so. Through this, housing production will be accessible, affordable and available.” (REDAN 3).*

*“...Let all stakeholders come together to pin down the land matter ...policing Omo-oniles might resolve the land matter. It can even create militancy.” (REDAN 4).*

From policy-makers (Housing Ministry and corporation, Lagos):

*“...definitely, a review of the Land Use Act is necessary, maybe to recognise the input of the customary owner”. (Senior Official, Lagos State Development and Property Corporation).*

*“The Land Use Act should be made more enforceable, though we cannot shy away from knowing that we are in Africa where customary rights should be recognised.” (Assistant Director, Ministry of Housing, Lagos).*

*“Any land that government acquires through compulsory acquisition, adequate compensation should be paid to the original owners.” (Director, Ministry of Housing).*

### § 11.3.3 Respondents' suggestions for housing finance solutions (formal and informal respondents)

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With reference to the recurrent themes on the prevailing cooperative societies' finances as indicated in Chapter 5, (Figure 5.7) by house providers and the progress in the transformation of the informal finance system (Figure 8.3), respondents referred to two suggestions: Firstly, that cooperative societies can be made stronger and formal through government involvement, and secondly, that the complex procedures in the application for formal housing finance institutions be minimised and made flexible. The original extract is presented as follows from the respondent private developers:

*"...create accessible sources of finances that can strengthen cooperative society and other informal sources. Remove complex procedures for applying for bank and other government-controlled institutions and make these accessible."* (REDAN 1).

*"Let government be at the centre of the show ... and capital (finance) matters. Make the formal finance system accessible."* (REDAN 2).

*"Let all stakeholders come together to pin down ... and capital. Micro-finance institutions can work ...the requirements for accessing loans from banks should be minimised."* (REDAN 3).

*"Issues of difficult collateral should be removed to allow access to formal markets."* (REDAN 4).

This achievement can be ascertained through a joint cooperation as indicated. In the suggestions raised by the respondent policy-makers, the following points are raised.

*"Well, government cannot do it all but people also need to cooperate with government in the aspect of housing finance. It is understandable that the population is growing and housing needs are growing as well..."* (Senior official, Lagos State Development and Property Corporation).

*"I think society will come together around government to find solution. We are part of government not only government office holders."* (Assistant Director, Ministry of Housing, Lagos).

*"I hope that government will be willing to weigh into the principles of cooperatives societies. Within legal and institutional frameworks, these groups can bridge the gaps in housing finance."* (Assistant Director, Ministry of Housing).

In the opinion of house providers (landlords/householders):

*“Government, together with other stakeholders, should create more housing finance products such as micro-credit finance institutions for low-cost housing. The housing styles that could serve to upgrade the self-customised housing and preserve both the culture and the people’s choices. Since the majority patronise cooperative groups, why can’t government come into these groups and empower them... as getting collateral security is a big problem?” (House provider 1).*

*“Government can create a sort of micro-credit institution for low-middle income people ...government should also empower us to raise our standards financially. Issues of collateral should be removed to access formal markets.” (House provider 2).*

*“Low-income groups should be included in the national housing programme. Let there be a plan for people at the grassroots level. Also, the involvement of government in the cooperative societies system can be of help to us by injecting more funds into them.” (House provider 3).*

*“Let government come in to all these associations, communal and cooperative systems... because if these cooperatives have enough money, it will solve the housing problem we are facing now. Another thing that I see is that government should remove complex procedures for applying for bank loans and other government-controlled institutions.” (House provider 4).*

*“Wages should be increased and socio-economic status should be boosted by creating more jobs”. (House provider 5).*

### § 11.3.4 Respondents’ suggestions for local building materials usage and the existing informal housing outputs

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The use of local building materials is becoming popular as indicated in Figure 8.5. However, there is also a plethora of informal housing outputs in cities, characterised by deficiencies. All these housing units are included in the stocks of the existing shortage (qualitative shortages). Environments of informal settlements are characterised by a lack of basic amenities. Many of the existing houses are on land without titles, thus, creating barriers for efficient transactions in the market. To address these issues, respondents suggest that government should further engage in urban infrastructure provision in vulnerable locations in cities, and the use of local building materials can

be encouraged but regulated to upgrade self-customised housing that reflects culture. Housing allowances should also be introduced. Details of the opinions are presented below:

*“Government can assist more in providing infrastructure and services in the communities. PPP programmes should include low-middle income. Socio-housing that involves PPPs should be encouraged since public have failed. What I think should be done is that all hands should be on deck. All income groups and classes should be recognised...either public workers or self-employed salary workers or non-salary workers. Poor or rich...if the voices of all actors in the housing matter can be heard...the manner of addressing individual housing challenges could be resolved...” (House provider 1).*

*“The use of local building materials can help. Perfection of land titles where all these buildings stand can help. Housing subsidies will be of help, I think so. Or if government can start operating social housing through PPPs.” (House provider 2).*

*“We need a PPP in this nation. I don’t think the majority should suffer for basic needs such as housing. It will be better if the welfare of the commoners can be taken into the consideration. It cannot work this way. If the low-middle income agenda can be prioritised, the country will do well.” (House provider 3).*

*“The housing styles that serve to upgrade the self-customised housing that can preserve both the culture and the choice.” (House provider 4).*

*“Subsidies for suppliers and an effective PPP that considers lower groups who are majority is all that matters. Local building materials such as mud should be encouraged. We should not look down on our local ideas. Government can encourage the use of these, instead of imported materials.” (House provider 5).*

The opinions of private developers (REDAN) are highlighted as follows:

*“Let government still be at the centre of the show...building materials and...matters can be resolved if all groups are represented towards new policy directions. I believe so. By this, housing production will be accessible, affordable and available.” (REDAN 1).*

*“Subsidise the costs of building material by negotiating with suppliers, reform the existing PPPs to accommodate the majority population (low-middle income groups). All those involved, all identified role-players should be involved in the new policy that can address all these problems.” (REDAN 2).*

“Government must be involved in refurbishing existing informal housing or engaging in refurbishment at a subsidised rate. Social housing should be encouraged. Let there be a choice of using building materials.” (REDAN 3).

“Without resolving factors of production supply, the housing deficit in Nigeria is far from being solved. Let all stakeholders come together to pin down...building materials and...” (REDAN 4).

Figures 11.4 and 11.5 describe the analysis in a structural form from both formal and informal respondents respectively.

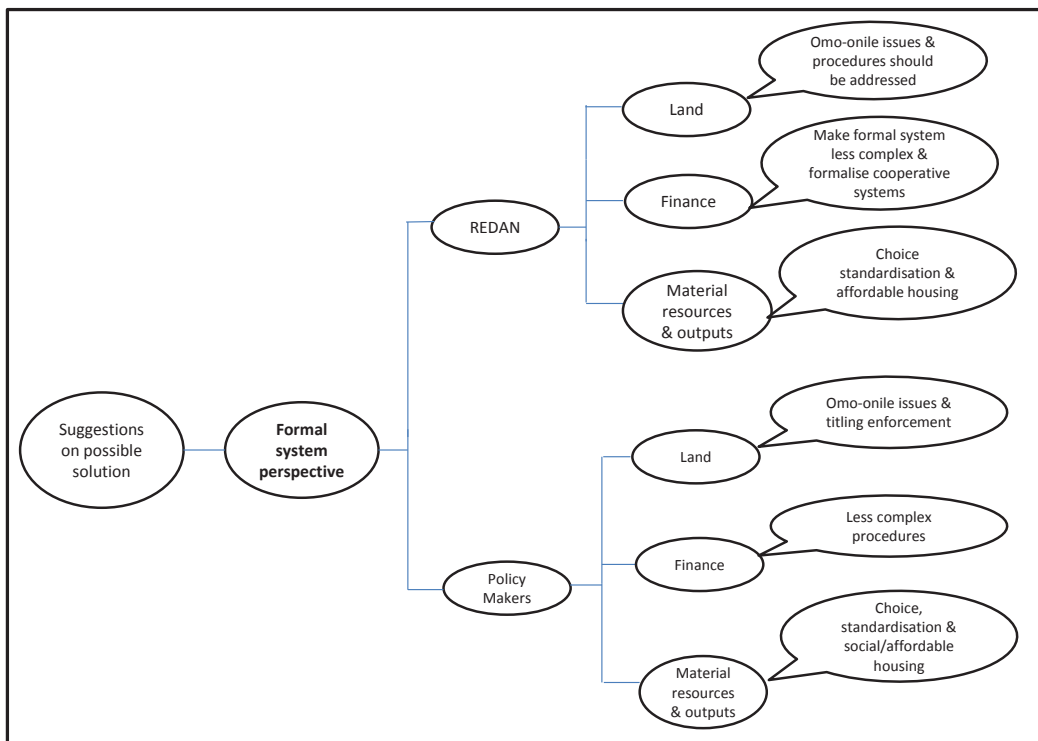


FIGURE 11.4 Suggestions of possible solutions from the formal respondents' perspectives

Source: Author (2017)

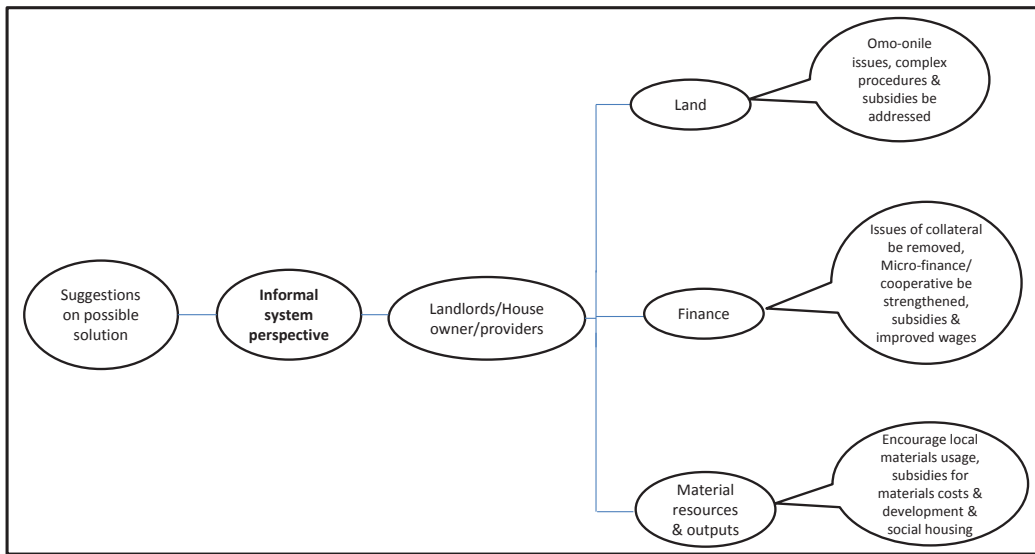


FIGURE 11.5 Suggestions of possible solutions from the informal respondents' perspectives  
 Source: Author (2017)

## § 11.4 Conclusion

In this chapter, suggestions made by the respondents have been analysed. The suggestions are centred on the removal of institutional obstacles in the context of land acquisition and titling, finance application, resources procurement and strengthening of the informal institution. A summary of the respondents' suggestions is presented in Table 11.3.

TABLE 11.3 Summary of respondents' suggestions on possible solutions

RESPONDENTS	LAND	FINANCE	MATERIALS	EXISTING OUTPUTS
<b>Formal system respondents' suggestions</b>				
<b>Commercial private developers (REDAN)</b>	Omo-onile should be addressed by integrating and recognising them in the system. Procedures of titling should be made simple.	Cooperative societies system should be upgraded, formalised and categorised. Complex procedures to access formal finance system should be removed.	It is a matter of choice and preference. Just standardise the use.	Government involvement in refurbishing existing informal housing or engage in refurbishment at a subsidised rate. Social housing via PPP should be encouraged.
<b>Policy-makers (Senior officials at the Ministry of Housing and Corporation)</b>	Enforcement on land registration should be intensified. Criminal acts of Omo-onile should be dealt with.	Complex procedures to access formal finance system should be removed.	No matter what materials are used, they should meet with standard. Government should introduce housing subsidy that caters for building materials cost.	Some housing at the middle stage should be left but all informal housing units below middle stage should be cleared off. Socio-housing should be encouraged via PPP, instead of public housing.
<b>Informal system respondents' suggestions</b>				
<b>House providers (not participated in the main interview)</b>	Barriers to land titling should be removed at zero cost and land cost should be subsidised. Omo-onile challenges should be addressed.	Micro-finance institutions should be encouraged. Issues of collateral should be removed to access formal markets. Wages should increase and socio-economic should be boosted jobs created	Local building materials such as mud are good. Government can encourage that instead of imported materials.	Government assistance to provide infrastructure and services in the communities. PPP program should include low-middle income. Socio-housing should be encouraged via PPP since public have failed.

Source: Fieldwork (2016/17)

# 12 A comparative analysis of policy measures aimed at improving housing provision

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## § 12.1 Introduction

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The central focus of the provision challenges is on the shortages and the growth of informal housing in cities (i.e. quantitative and qualitative shortages, Chapter 2, Section 2.5). Having positioned my inferred solutions and the respondents' suggestions from the analyses in Chapter 11, this chapter continues to address research question 6. In this case, a comparative study of three selected countries with almost identical situations (the differences largely being contextual) has been undertaken in response to the question: *What policy approaches are adopted in similar countries to address housing provision shortages and deficiencies in the informal system?* The aim is to gain insight into the experiences of the three countries. I considered this approach necessary not only to look for similarities in housing challenges but also how the challenges were addressed, with particular attention to land, finance and informal settlements. In this chapter, I conduct a desk-analysis of policy measures, documents and existing studies on housing delivery, especially on informal settlements in the three selected countries; namely South Africa, Brazil and Mexico. I start with the general concepts of housing policy instruments and the two methods of evaluation, ex ante and ex post, in Section 12.1. I have adopted the ex post, method which is based on a review of existing studies and policy documents. Section 12.2 is devoted to the rationale for selecting the three countries for this comparative study. I review the South African context to gain an understanding of the country's background in Section 12.3 while in Section 12.4, I examine its housing policy programmes, instruments and implementation. In Section 12.5, I look at Brazil and examine this country's housing policy programmes, instruments and implementation in Section 12.6. In Section 12.7, I review Mexico while its housing policy programmes, instruments and implementation are the focus of Section 12.8. I conclude with a summary of the lessons learnt in the reviews of the South African, Brazilian and Mexican housing systems in Section 12.9. Figure 12.1 presents a schema of this chapter.



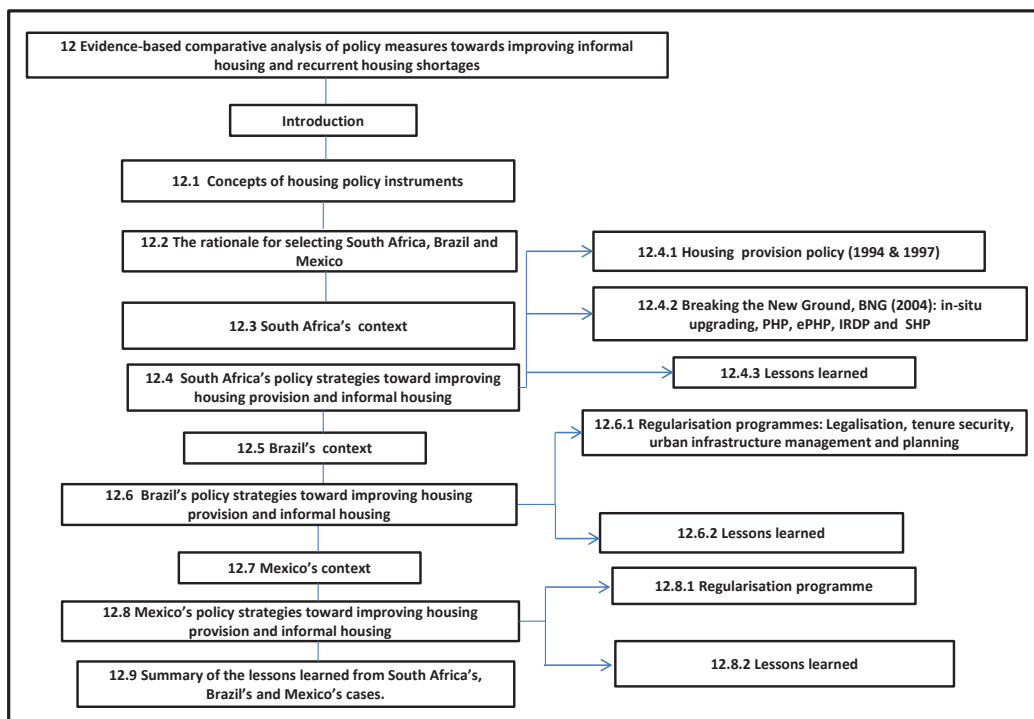


FIGURE 12.1 Overview of Chapter 12

## § 12.2 Concepts of housing policy instruments

Housing policy instruments can be described as policy guides aimed at enhancing housing delivery from the beginning of the development to the end, including post-development activities during the lifespan of the building (Clapham 2017). It is a form of motivation for a prospective homeowner, both for rental or owner-occupied homes (Mayo 1999). According to Lujanen (2004), these instruments can be monetary, managerial or institutional in nature. In practice, circumstances often arise when an approved sum of money is earmarked for support. In such a situation the beneficiaries are paid directly. It can also be in the form of government specifically assisting during construction and allocation by providing important logistic and technical assistance

(Zetter and Hamza 1997, Jenkins and Smith 2001). In some instances, for example in parts of Europe, governments offer housing loan opportunities in order to address people's housing needs and ensure maintenance (Hoek-Smit and Diamond 2003, Lujanen 2004, Slee 2005). In the context of managerial assistance, the aspect of environmental design, maintenance and infrastructure delivery can be handled by government bodies (Olsen 2014). It can also be a type of soft package for a mortgage holder (Fichtner and Feldman 2014). The standing question in this chapter remains: *What policy instruments are adopted in the selected countries compared with Nigeria in addressing housing problems?* Before responding to this question, I examine the justification for selecting the specific countries in the comparative study.

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### § 12.3 The rationale for selecting South Africa, Brazil and Mexico

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I have adopted an ex-post impact approach, using the findings of existing studies (desk-review method) of cases in South Africa, Brazil and Mexico. The rationale for selecting these countries is as follows. Firstly, there are notable, evidence-based and well-researched cases in South Africa, Brazil and Mexico where informal housing has experienced appreciable improvement over the years. The process is still in progress. Secondly, part of South Africa's success story in improving its informal housing situation emanated from the South Africa-India-Brazil diplomatic treaty (Department of Housing (DOH) 2003, Huchzermeyer 2004). This defines the uniqueness of South Africa among other African countries. The various approaches adopted in most other African countries have also not produced clear and commendable results (see Bassett et al. 2003). Thirdly, Brazil and Mexico are two exemplary Latin American and Caribbean countries that keep improving and working on informal settlements (Bouillon et al. 2012, Rodgers et al. 2012). Fourthly, the process of improving informal settlement is still in progress with annual engagements by international organisations and government policy programmes (UN-HABITAT 2005, UN-HABITAT 2009). Every policy measure or programme usually has goals. In most scenarios, a policy instrument has strengths as well as weaknesses. The specific focus of this section is to review the contribution of the housing policy programmes in the identified countries and compare them.

## § 12.4 The South African context

South Africa, officially known as the Republic of South Africa, is located at the southernmost tip of Africa and is a multi-ethnic society, characterised by diverse cultures, languages and religions. The diversity of the culture is an indication that large portions of its population come from SSA. The official population of South African is approximately 55 million. However, the growing number of unregistered residents cannot be ignored. There are nine provinces in South Africa: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West and Western Cape, as well as 52 districts which consist of 8 metropolitan and a further 44 local municipalities, which belong to districts in the nine provinces. The district municipalities are divided into 226 local municipalities. The metropolitan municipalities serve dual roles of district and local municipalities due to their size and location in the nation<sup>10</sup>. According to a World Bank (2011) report, supported by Waugh (2000), the country is categorised as an upper-middle income and industrialised country. However, May (2000) and Govender (1998) indicate that many people are living in poverty and the national wealth is not evenly distributed, which is depicted in the poverty and Gini-indexes. Like other African sub-regions, the labour market constitutes an influx of informal employees. With regard to urban housing, existing studies, authored from South African contexts, indicated that there were an estimated 300 informal housing locations across the country in 1993 (Huchzermeyer 2009). However, two recent conflicting reports have emerged. Based on figures from the Department of Human Settlements, Tomlinson (2015) indicates that informal settlements now number about 2,225, while Cities Alliance ([www.citiesalliance.org](http://www.citiesalliance.org)) staked the figure at 2,600. Nevertheless, the two reports confirm the existence of housing challenges.

Over the past 20 years, housing provision programmes in South Africa have been largely dependent on state and central government while local governments (278 municipalities) do not possess sufficient legitimacy to participate in housing development (Huchzermeyer 2006). Although South Africa's National Housing Act underlines the integrated development plans (IDP) of local government, the provincial and central governments are the major role-players while the private sector serves as contractors (Department of Housing (DOH) 2004). In other words, the Housing Act provides a limited form of legitimacy for municipalities to act decisively in housing provision in South Africa. This system is similar to the Nigerian context before the inauguration of PPP. It is a situation where local government plays a role in the provision of housing for the citizens.

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([en.wikipedia.org/wiki/South Africa](http://en.wikipedia.org/wiki/South_Africa))

## § 12.5 South Africa's policy strategies toward improving housing provision and informal housing

The outcome of this review reveals that the events in housing provision started in the 1990s (post-apartheid South African housing policies) when the government undertook to provide millions of houses and serviced sites to address the housing backlogs (Cities Alliance 2002). Numerous studies have been conducted on housing policy measures, instruments, performance and challenges in South Africa (Cities Alliance 2002, Huchzermeyer 2003, Huchzermeyer 2004, Huchzermeyer et al. 2004, Huchzermeyer 2006, Aigbavboa 2014, Tomlinson 2015). Likewise, there are policy documents in respect of housing delivery (Housing Policy Act, 1994; 1997, Breaking New Ground Policy, BNG, 2004 and National Housing Code, 2009). Using this literature and the documents, I examined the steps taken to address the incidents of informal housing and the pace of the housing backlog over the years in South Africa. In this context, I have not focused on the criticism regarding the policy measures and programmes, but rather the reports of delivery over the years.

### § 12.5.1 Housing provision policies (1994 and 1997)

The discussion on housing provision and improvement is not a new phenomenon. In South Africa, debates on housing policy instruments can be traced back to the 1980s when there were discussions regarding the eradication of informal housing, especially in cities. In taking the decision then, the government adopted strict policies regarding the implementation of urban renewal in the form of clearance, eviction and resettlement. The commitment of the government saw an increase in the allocation of funds for subsidies for relocation and a strict policy against any reoccurrence of informal housing in cities for a specified numbers of years. This decision, however, was criticised for violating human rights, especially at grassroot levels (Huchzermeyer 2003). Adopting a strict legal approach, for example in Johannesburg, is commendable, however, while the zero-tolerance approach is applaudable, there were complaints of oppression from low-income groups. According to Huchzermeyer (2004) the element missing was, to some extent, recognition of the social, economic and cultural practices of the people.

In 1992, there was more debate on housing delivery but government's involvement in housing provision started in 1994 (UN-HABITAT 2003, Huchzermeyer 2006). At the time, through the National Housing Policy (NHP) of 1994, provision was made

for subsidised delivery of turnkey housing. It is indicated in the policy that the main objective was to provide free housing opportunities for all in order to relieve the pain of apartheid, as stated in the Constitution (section 26 of the policy) (Gilbert 2004). Tomlinson (2015) reported that in order to achieve this goal about 3.7 % of the national gross income would need to be allocated to housing expenditure. According to Tomlinson (2015), the South African government provided about three million housing units for poor and low-income households. It is observed that the provision of subsidies and the direct involvement of government contributed to this achievement (Wilkinson 1998).

In 1994, not only did government increase spending/subsidies on housing, there was active participation through the RDP (Reconstruction and Development Programme)<sup>11</sup> (Gilbert 2004). According to the Department of Housing (DOH) (2004), through the RDP, private sector developers provided a number of houses ranging in size between 20 - 34 square metres.

In addition, social housing institutions (SHIs) and social housing projects were also created through the 1997 housing policy but were based purely on the rental housing system, which excluded informal residents. It is observed that the objective of the 1997 NHP was the same as that of the 1994 programme. As a result of the government's effort at the time, in the context of the revised policy (1997 NHP), the delivery of turnkey housing was commendable (UN-HABITAT 2003, UN-HABITAT 2004). The provision and subsidy instrument in the policy served the housing purposes, although it was not free from constraints, as illustrated here:

*"...through the housing subsidy scheme which is one of main policy instruments, the lower 40% of households, for which housing credit is not a viable option, are provided with a housing unit. The upper income bracket of the subsidy scheme, requires end user finance to access a housing product. Thus 30% of the South Africa population are under- or un-served as a result of the conventional banking sector being unable to service them due to: structural incompatibilities, insufficient capacity in the emerging; increasingly successful but inadequately funded specialised lending sector; and insufficient focus by government and the private sector on alternative tenure forms". (Aigbavboa 2014, p.103).*

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Reconstruction and Development Programme (RDP) is simply a "meeting basic needs approach" with the main focus on the provision of basic shelter, public services for the poor and addressing the social inequality nature of the apartheid state (Aigbavboa, 2014; Department of Housing, 2004).

Against this backdrop, as reported by Aigbavboa (2014) the Department of Human Settlements (2009 ) is cited as follows:

*“The national Department of Human Settlement concluded that four mutually comprehensive and supportive approaches should be adopted in order to assist the under-and un-served portion of the population...government initiative aimed at facilitating and encouraging the formal banking sector to increase lending to the lower end of the housing market; proactive steps to foster growth and development of the emerging alternative lending sector, a major initiative to stimulate the provision of housing under a variety of tenure options, and mechanisms to substantially promote and expand the amount of personal saving mobilised in the housing process.”*

The use of subsidies as a policy instrument is attached to all these approaches. The dimensions of the challenges identified are the slow release of land, the inability of the government to focus on the earlier agreement made in the National Housing Forum (NHF) of 1994 on progressive provision; and implementation flaws (Huchzermeyer 2003, Department of Housing (DOH) 2004, Charlton and Kihato 2006). They were all Project Linked Subsidy Programmes, executed through the RDP. Subsequently, there were agitations for more housing as the RDP could not meet the rapidly increasing population and its housing needs, thus leading to the emergence of a new housing programme, namely the Breaking the New Ground Policy (BNG) (Zack and Charlton 2003, Meth and Charlton 2017).

### § 12.5.2 **Breaking the New Ground, BNG (2004): in-situ upgrading, PHP, ePHP, IRDP and SHP**

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The BNG is described “as a Comprehensive Plan for the Development of Sustainable Human Settlements to improve informal housing in South Africa” (Chapter 13 of the National Housing Code, 2004). As stated by the Department of Housing (DOH) (2005) p.4-5):

*“The challenge of informal settlements upgrading must be approached from a pragmatic perspective in the face of changing realities and many uncertainties. Informal settlements should also not be viewed as merely a “housing problem”, requiring a “housing solution” but rather as a manifestation of structural social change, the resolution of which requires [a] multi-sectoral partnership, long-term commitment and political endurance. At the outset therefore, a paradigm shift is necessary to refocus existing policy responses towards informal settlements from one of conflict or neglect, to one of integration and co-operation.”*

The BNG policy emphasises informal housing upgrading, and not necessarily relocating the residents, except where relocation is inevitable; the removal of barriers between the formal and informal section; participation of the residents; and eradication of poverty strategies (Sisulu 2004, Huchzermeyer 2006, Department of Human Settlement 2009, Huchzermeyer 2011). Due to the low performance of the RDP, as discussed in Section 12.4.1, South Africa's National Department of Housing (DOH) (2004) explored Indian and Latin American approaches in dealing with informal housing and capitalised on the cooperation of NGOs and informal settlement residents. The BNG policy focuses on the following specific tasks (Department of Housing (DOH) 2005, Huchzermeyer 2006):

- Increasing the sizes of habitable houses from the 20 - 34 square metres of the RDP subsidy houses to 40 square-metres houses for the BNG houses.
- Integrating subsidised houses with rental and bonded properties by providing a higher level of municipal services, as well as ancillary facilities, such as schools, clinics, community halls and informal trading facilities.
- Providing affordable housing developments for the formal market and provision for informal markets.

In achieving these tasks, the BNG has led to the formation of alliances with South Africa's National Department of Human Settlement (NDHS), NGOs, USAID and the World Bank to ensure a flexible approach to providing housing for the low-income and poor people of South Africa (Tomlinson 2015). The alliance programmes include in-situ upgrading<sup>12</sup> in the context of People's Housing Process (PHP)<sup>13</sup>, enhanced People's Housing Process (ePHP), Integrated Residential Development Programme (IRDP) and the reformed Social Housing Programme (SHP).

The in-situ upgrading is done in the context of PHP. PHP is a programme aimed at assisting low-and middle-income people, who are engaged in informal housing practices, to effectively and judiciously utilise their subsidies in land accessibility, services and technical assistance procurement in such a manner that it creates empowerment (Oldfield 2000, Department of Human Settlement 2009). PHP is targeted towards informal groups at grassroots levels, such as South Africa's Homeless People's Federation (SAHPF). The idea is that the groups work in cooperation with the National Housing Subsidy Scheme (NHSS) through saving plans and housing projects.

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12 In-situ upgrading takes the form of upgrading of Informal Settlement Programme (UISP) and National Upgrading Support Programme (NUSP) in 2008. National Housing Code Part 3, 2009.

13 The approach in which residents have a greater choice over the use of their subsidies and enhance beneficiaries' commitment to housing projects... a sort of sweat equity or getting people to help build their own homes. It also involves capacity building for the beneficiaries in order to meet up.

However, all the above-mentioned policy programmes from 1994 until the era of PHP are project-linked subsidy programmes, which are unable to integrate mixed land uses that incorporate commercial and social services in order to remove accessibility challenges among various uses (Tomlinson 1999). Also, the subsidies are closely linked to owner-occupation (homeownership) (Tomlinson 1999). During the preliminary stage, the PHP yielded appreciable results but public opinions indicated that the PHP imposed a heavy burden on individual residents, thus leading to a reform of the PHP into the enhanced People's Housing Process (ePHP) to make it community-driven, as incorporated in the National Housing Code of 2009 (Aigbavboa 2014).

In the context of BNG, the Integrated Residential Development Programme (IRDP) was created to extend from identifying subsidised housing beneficiaries up front, towards providing for subsidised, finance-linked housing, social, rental housing and other land uses in the localities. This is facilitated through municipalities which play a greater role in providing roadmaps and the sourcing of funds from provinces and NGOs. This was envisaged by recommending the establishment of housing units in various local governments in South Africa with planning, implementation and budget departments.

The BNG also triggered reform in SHIs of 1997 and was approved as the Social Housing Policy of 2005 and incorporated in the new National Housing Code of 2009. The national Department of Housing (DOH) (2005) defines the reformed social housing in the context of BNG as:

*“a rental or co-operative housing option for low-income persons at a level of scale and built form which requires institutionalised management and which is provided by accredited social housing institutions or in accredited social housing projects in designated restructuring zones”.*

In other words, SHIs incorporate cooperative housing, instalment sale options and hybrids. Based on records from South Africa's Department of Housing, Aigbavboa (2014) reported that SHIs have established 60 SHIs and produced about 30,332 housing units in South Africa. Far more are also being produced and are planned to be produced through the use of institutional subsidy loans from the National Housing Finance Corporation (NHFC) and donors (Non-profit Organisations).

The essence of the BNG policy program, according to the Cities Alliance (2002) report, was to facilitate structured in-situ upgrading of informal settlements at a national, provincial and municipality level through the provision of basic infrastructure, services and land tenure for 400,000 informal settlement households by 2014. The implementation was actualised through partnerships between government authorities, the private sector, civil society and residents of informal settlements



through consensus. The alliance also provides assistance in the areas of financial planning, project monitoring and evaluation and was formally and politically upheld by the Presidential Delivery Agreement, as the institutional instrument for accountability and implementation.

BNG policy programmes of in-situ upgrading were implemented across South Africa in Cape Town, Johannesburg (Ruimsig), KwaZulu-Natal, Gauteng and the Western Cape. Specifically, these programmes are: Winnie Mandela Park in Ekurhuleni Metro, Gateway Projects, Duncan Village in Buffalo City Municipality (East London), Soweto on Sea in Nelson Mandela Metropolitan Municipality (Port Elizabeth), Joburg, Emsangweni/Enkanini in Einalahleni Municipality, Ngodwana, Phumulani in Mbombela Municipality (Nelspruit), Thakukhanya Extension 4 and 5 in Mkhondo Municipality, Lerato Park in Sol Plaatje Municipality, Phomolong in Mookgophong Local Municipality, Klerksdorp, Grasslands Area, Mangaung Municipality (Bloemfontein), and Mount Moriah (Department of Housing (DOH) 2004, Department of Housing (DOH) 2005, Huchzermeyer 2006). In promoting the understanding between the state and the poor, it can be inferred from the most recent assertions (Venter et al. 2015) that the BNG is an instrument that possesses attributes of welfare and neoliberal systems in housing delivery in South Africa. The South African Government also embarked on the delivery of low-income housing (Oldfield 2000). All these housing programmes are captured in the National Housing Policy (Wilkinson 1998).

### § 12.5.3 Lessons learned

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The following four lessons are derived from the reviewed South African case. One, subsidy is the main housing instrument adopted, and the dynamic administration of the subsidy is the premise of all changes. The instrument also takes care of all income groups at various levels, degrees and criteria. Two, the participatory approach (government, NGOs, private developers and informal residents) which prioritises the choice and opinion of the residents is treated as of paramount importance, especially in ePHP. Three, government pragmatic participation at the grassroots level (municipalities) through IRDP and the reformed SHIs also serve as the mitigating measure, although shortages and informalities still occur. Four, poverty eradication, vulnerability reduction and inclusion promotion are prioritised as stated in Part B of the BNG. Figure 12.2 illustrates the lessons derived.

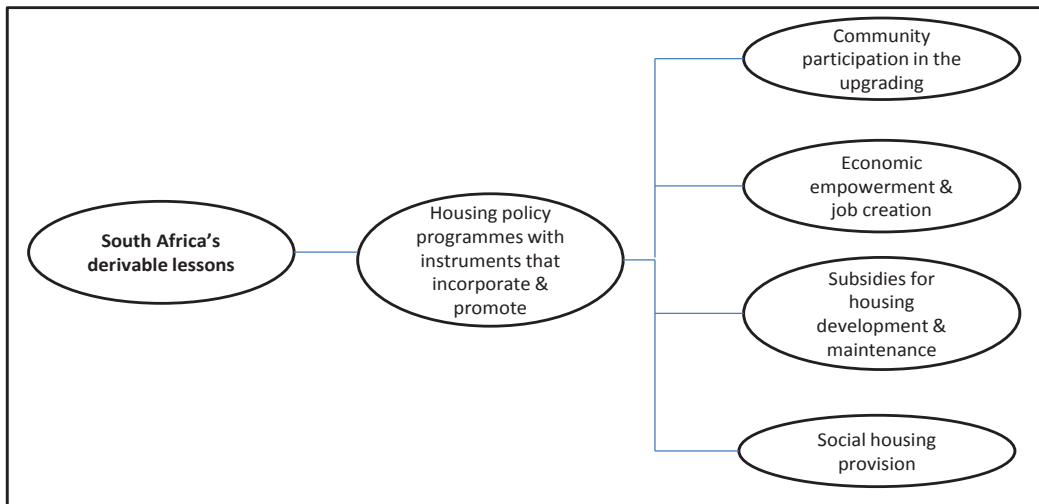


FIGURE 12.2 South Africa's cases and lessons

## § 12.6 The Brazilian context

Brazil has a huge population of about 187 million. About 85% of the population lives in urban centres such as Belem, Fortaleza, Recife, Salvador, Belo Horizonte, Rio, Sao Paulo, Curitiba, Porto Alegre and Brasilia and the country is known for its high rate of informal housing within cities (UN-HABITAT 2005). Dowall (2006) states that the inability of formal urban housing programmes to cater for the people's housing needs at affordable prices led to the growth of informal housing units, estimated at approximately 56%, between 1991 and 2000. Osorio (2007) reports that:

*"Thousands of Brazilians who migrated to urban areas live in cardboard or tin shacks (barracos) in the slums known as favelas or vilas. Many other low-income Brazilians live in cortiços, collective multi-family buildings where the conditions are often unsanitary and the dwellings lack basic infrastructure and are often crumbling and unstable."*

FJP (2005) indicates the trends of informal housing in Brazil's cities (Figure 12.3).

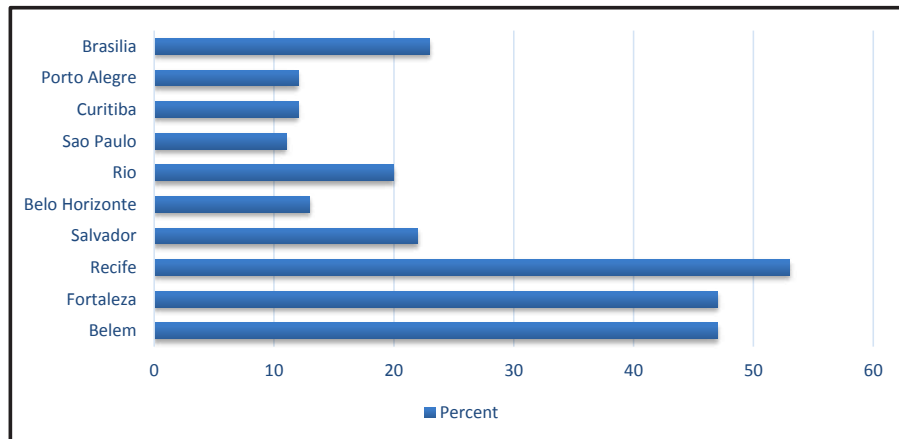


FIGURE 12.3 Level of informality across Brazil cities (2000)  
Source: Fundação João Pinheiro (2005)

The study by Osorio (2007) also indicates the following:

- The shortage in the Brazilian housing deficit has grown at 21.7% within ten years from 5.4 million housing units in 1991 to 6.7 million in 2001 due to land and finance issues.
- Recently, the annual growth rate of deficit has been at the rate of 2.2%, thus resulting in the urban housing deficit being estimated at 5.4 million (81.3% of the total).
- Urban housing deficit in metropolitan areas is estimated at 29.3% of the total. Many people (low income) are therefore engaged in informal housing practices which are characterised by poor quality, illegal occupation of urban land and pirate allotment (land subdivisions that disregard urban or land property laws and regulations) (Hassine and Leckie 2015).
- There have been reports of improvement in the informal housing in Brazil (Fernandes 2001).

The standing question in this section remains: *What policy instruments are adopted in Brazil in addressing informal housing issues?*

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## § 12.7 Brazil's policy strategies toward improving housing provision and informal housing

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Several existing studies (Brakarz et al. 2002, Dowall 2006, Fernandes 2011, Brakarz and Jaitman 2013) and policy documents (1988 Federal Constitution; 2001 City Statute; UN-HABITAT 2003, UN-HABITAT 2005, UN-HABITAT 2006; Concession of the Real Right to Use, CRRU) on Brazil are centred on informal housing and regularisation patterns. Following the increasing levels of housing shortages and the enormous growth of informal housing in Brazil between 1930 and 1970 and the lack of national policy at the time, the commitment to regularise the country's urban system became the main focus of national and international discourse (Fernandes 2001).

### § 12.7.1 Regularisation programmes: Legalisation, tenure security, urban infrastructure management and planning

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The imperative need to cater for the explosive population growth in the context of housing within 1930-1970 necessitated the need for municipalities to engage in urban management that had been known for social exclusion and spatial discrimination in cities (Brakarz et al. 2002). In 1988, the municipalities received a legal boost through the federal constitution. Since then, regularisation in the context of land legalisation, security of tenure and city management thresholds have become topical projects across all municipalities in Brazil.

During the early years, various tenure regularisation policies with attached conditions were adopted, for example the recognition of rights such as leasehold, freehold and others in Belo Horizonte. However, the policies were fraught with contention between individual ownership rights and tenure security. Subsequently, in order to improve conditions of socio-political citizens, which are embedded in the achievement of tenure security, legalisation and upgrading through a legal-political instrument, known as Concession of the Real Right to Use (CRRU)<sup>14</sup>, was adopted, starting from Porto

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CRRU is one of the real and property rights to legalise settlements in public land. It is recognised by Brazil's legal institution over the land which can be revoked against claims from other parties, and not a mere civil obligation to be resolved through the payment of compensation. It is not a simple administrative permit or a precarious certificate of authorisation and as such it cannot be easily revoked. It also allows the conveyance of rights including *inter vivos* transfer and authorisation (Afonso and Liso, 1998; Weigand, 2001; Fernandes, 2001).

Alegre and Recife (Weigand 2001). This legal instrument combines tenure legalisation, broader urban planning legislation and politico-institutional mechanisms for the participation of informal residents and other stakeholders, such as NGOs and private developers. It also creates an opportunity for empowerment, as well as technical, managerial and financial support, thus making regularisation of urban systems progressive and successful in Brazil (Brakarz, Greene et al. 2002, Fernandes 2011).

## § 12.7.2 Lessons learned

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The main lessons from Brazil's regularisation programme are as follows: One, participatory styles that incorporate all stakeholders: informal residents, government, private organisations and NGOs. Two, programmes; including tenure legalisation, upgrading, services provision, infrastructure and land use planning, are not implemented in isolation. Three, residents occupying illegal land are granted secured rights with upgrading and services provision done in the process of urban renewal programmes in the context of legal-institutional and socially-oriented frameworks. Through these actions, land and landed properties can be easily transacted in the market with certainty. Four, the CRRU also provides for poverty eradication and women's empowerment by taking cognisance of financial and economic benefits for people to minimise the negative effects of resettlement or relocation. Figure 12.4 illustrates the lessons derived.

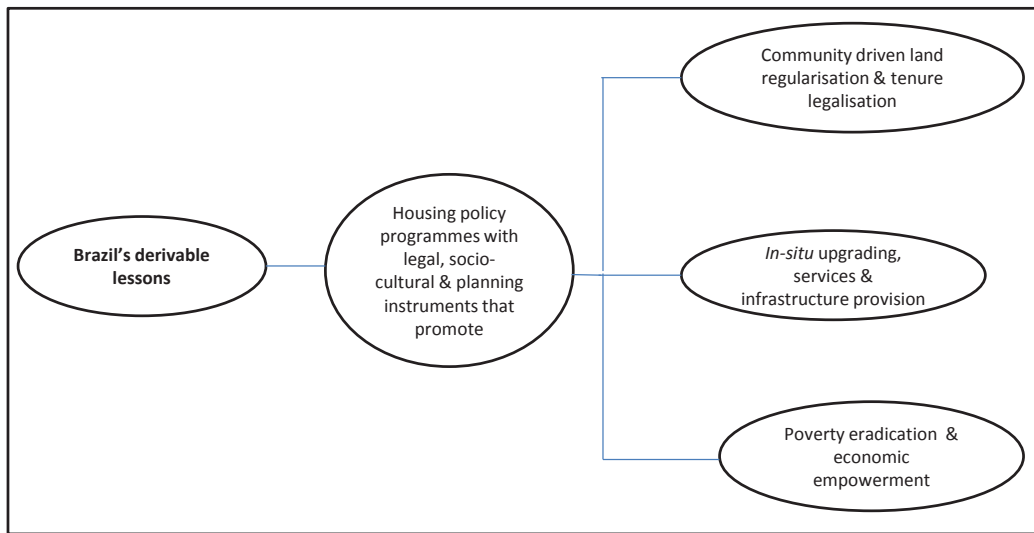


FIGURE 12.4 Brazil's cases and lessons

## § 12.8 The Mexican context

Mexico is one of the countries in the global south of the world, situated between the United States and Latin America. Although, it is more to the north, rather than in central America, it is still one of the Latin American countries (Sadowski-Smith and Fox 2004). Mexico has one of the most rapidly growing populations with more than 114 million people (Sackett 2009). Interestingly, more than 50% of the population reside in informal settlements or in irregular subdivided areas, traditionally referred to as *colonias populares, paracaidistas or colonos* (Peach and Williams 1999, Ward 2010, Benítez et al. 2012). These settlements are characterised by cheaper land, inadequate infrastructure and self-customised housing (Ward 2010, Ward, Huerta et al. 2015). The economic potential of Mexico is enormous considering the GDP. According to Lombard (2014), Mexico has the second largest GDP which is growing faster than Brazil's, however, the country has a high level of income inequality and poverty.

## § 12.9 Mexico's policy strategies towards improving housing provision and informal housing

Over the years, housing provision in Mexico has been largely in the hands of the private sector, resulting in the exclusion of low-income groups (Connolly and Wigle 2017). I would like to describe the system as practising neoliberal concepts. There is a challenge of inequality in wealth distribution, which also extends to land allocation (Lombard 2014, Esen and Gokmenoglu 2016). Housing provision is only achievable through planning and innovative steps, which include group savings, the local production of jobs, mixed technologies and technical assistance (UN-HABITAT 2015, UN-HABITAT 2016). These measures are based on mutual assistance, often referred to as the rotatory system. I observed in the process of review that the agitation to ensure equitable distribution of land prior to 1960s in Mexico led to a revolution between 1915 and 1930. The revolution resulted in three million indigenes and communities (*ejidos*) acquiring more than 50% of land territory in Mexico under article 27 of the Mexican Constitution of 1917 (Monkkonen 2012).

I also discovered that the spread of informal practices on housing provision in cities dates back to as early as the 19<sup>th</sup> century, when the need for more housing arose due to population and urbanisation growth (UNDESA 2012). Against this backdrop, the provision approach adopted to tackle the inadequacy and the spread of informal housing in the past, was therefore centred on the regularisation of informal settlements (Alegria and Ordóñez 2007, Monkkonen 2008, Monkkonen 2012). Emphasis was placed on bringing the informal housing sector into the mainstream of the standard housing system. The first intervention by government was the enactment of the Land Division Law of 1958. A similar law was also re-enacted in 1976, following outrage regarding the communal land crises in cities, such as in Loma Bonita and Moctezuma. However, these legal documents failed to specifically address the housing inadequacy and the growth of informal housing in Mexico. Rather, the law promoted a neo-liberal system where housing provision became market-driven and the privatisation of property rights prevailed.

The trend continued until 1983 when a programme known as the progressive social subdivision of land started in the context of National Urban Planning System (SNPU). The programme aimed to ensure that land purchasers build their houses and infrastructure incrementally. This was done as government supported the self-construction of houses in specified areas where there was proper planning and control. Because of the specificity of the locations, the programme under the SNPU did not incorporate low-income groups, who resided in informal settlements in Mexico (Schteingart 2001).

## § 12.9.1 Regularisation programme

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The process of regularisation entails formal steps in the processes of normalising land ownership by way of perfecting titles; recognising property rights; providing services through which properties are taxed; and the enforcement of standards for new delivery (Brito 2005, Brito and Barreto 2009, Monkkonen 2012, Connolly and Wigle 2017). The process took place in various cities such as Tijuana, Guadalajara and others. Beyond legalisation of the land occupied by low-income groups, the importance of upgrading was embraced, with lessons being learnt from Brazil. Land acquisition, as well as the integration of the low-middle income group into the mainstream economy, particularly by empowering them to have access to formal financial markets, became a topical subject, similar to other prominent Latin American countries.

Various social groups such as tenant associations, housing cooperatives, government institutions and NGOs are presently involved in housing provision. In the regularisation programme, the government promotes the use of communal land, which is the basis of the *ejido* system, to assist the working class who cannot afford the formal mortgage and financial system, through labour and contribution to cooperative funds. The provision system (which incorporates the following: National Fund of Popular Housing (FONHAPO), an institution for funding national low-income housing; SOFOLES, for intermediary financial institutions for the informal sector funded by the Federal Mortgage Society; Cooperative Housing Foundations; NGOs that extend direct payments for materials, labour, or specific house or site improvements; material banks; and on-site production of certain types of materials and bulk purchases made directly from manufacturers and distributors) is in line with the United Nation and International finance agencies' policies (Durand-Lasserve and Clerc 1996, Varley 1999). Various agencies are commissioned through collaboration between government and registered private organisations. These include CORETTE (*Comision de la Regularizacion de la Tenencia de Tierra del Estado*) in 1957 and CORETT (*Comision de la Regularizacion de la Tenencia de la Tierra*) in 1978. In 1999, CORETT collaborated with SEDESOL (*Secretariat for Social Development*) (Monkkonen 2012). INETT (*Inmobiliaria Estatal Tijuana-Tecate*) in 1975, Produsta (*Promotora del Desarrollo Urbano de Tijuana, S.A.*) in 1983 and Fiduzet (*Fideicomiso para el Desarrollo Urbano de la Zona Este de Tijuana*) in 1992 were established (Alegria and Ordóñez 2007). The main instruments for informal settlement reform in Mexico are land titling, property tax (for recalcitrant informal residents who refuse to process the title to the land) and urban planning for infrastructure provision.



## § 12.9.2 Lessons learned

The main lessons from Mexico's regularisation programme are as follows: (1) the extensive land titling programme was vigorously pursued using legal instruments such as regulation, planning and tax; (2) the establishment and enforcement of standards in any new housing delivery; (3) the incorporation of informal housing finance institutions and definition of their jurisdictions; and (4) through the *ejido* system (community-driven land acquisition method), all stakeholders, including informal residents, governments at federal, provincial and municipal levels, NGOs, financial institutions and international communities, were involved. I therefore observed that if subsidies could be incorporated, the improvements could probably be greater. Figure 12.5 illustrates the lessons derived.

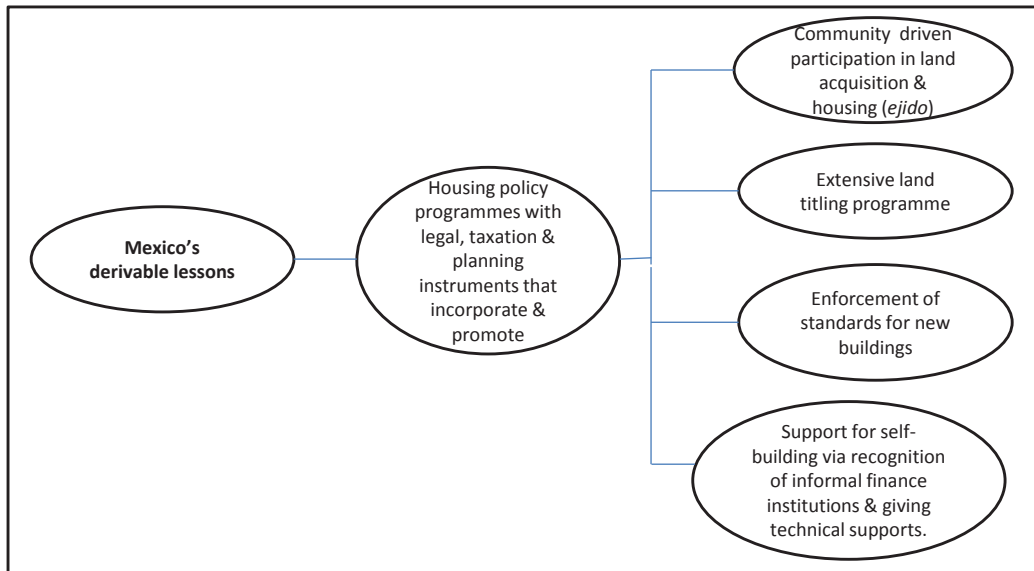


FIGURE 12.5 Mexico's cases and lessons.

## § 12.10 Summary of the lessons learned from South Africa, Brazil and Mexico.

Having analysed various policy measures adopted in South Africa, Brazil and Mexico (Sections 12.4.1, 12.5.1 and 12.6.1) in addressing housing situations, especially informal settlements, which were often caused by delivery shortages, various interlinked, complimentary and supplementary lessons are observed. Table 12.1 presents the summary of the existing housing programmes and the instruments.

TABLE 12.1 Summary of the main lessons on policy programmes, instruments and implementation in South Africa, Brazil and Mexico

COUNTRIES	REGION	POLICY PROGRAMMES	MAIN INSTRUMENTS	IMPLEMENTATION
South Africa	Africa	Housing policy agenda (1994 and 1997), BNG (PHP, ePHP, IRDP and SHP)	Subsidies for provision and social housing, in-situ upgrading.	Participatory, community driven and economic empowerment.
Brazil	Latin America	Land regularisation: Tenure legalisation, in-situ upgrading and infrastructure provision	Legal-institutional, socially-oriented frameworks and planning tools (CRRU).	Participatory and community driven. Combined implementation of tenure legalisation, upgrading, services provision, infrastructure and land use planning. Poverty eradication and economic empowerment
Mexico	Latin America	Land regularisation, titling, upgrading and planning. Support for self-building via recognition of informal finance institutions and technical support.	Constitutions, legal, taxation and planning instruments.	Extensive land titling, enforcement of standards for new building, ejido system (community-driven land acquisition and housing provision via communities, NGOs, agencies, social groups and informal residents)

Source: Author's literature and policies review (2017)

In Table 12.1, five main instruments (subsidies, social housing, legal-institutional; socio-cultural, legal and planning instruments) are indicated and implemented with the integration of all stakeholders, especially the residents of informal settlements. I observed that the weaknesses observed in South Africa were addressed by the provisions made in Brazil, while the challenges and shortfalls encountered in Mexico, were catered for in Brazil. This implies that the integration of the ideas of the three countries, together with the findings in Sections 11.2 and 11.3, could provide a comprehensive possible solution to the Nigerian housing situation as discussed in Chapter 13.



# 13 A proposed framework for a comprehensive overview of possible solutions to address the Nigerian challenges in housing delivery

## § 13.1 Introduction

Chapters 7, 8, 9 and 10 focus on identifying housing provision challenges and the spread of the informal system. Chapter 11 is devoted to possible solutions derived from the outcomes of the analyses and suggestions from respondent stakeholders. Chapter 12 provides insights into the situations in South Africa, Brazil and Mexico. This chapter answers the question regarding the proposed solutions framework: *What are the possible policy frameworks to address housing challenges in Nigeria?* This chapter is devoted to the proposed solution frameworks in the context of the findings. For a clearer connection between the identified challenges in the previous chapters, I restate the highlights of the challenges, before focusing on proposed solutions in this chapter. Section 13.2.1 highlights the challenges of transactions for production factors, namely land, finance and other resources, while Section 13.2.2 describes the solution frameworks emanating from the analysis of the suggested solutions.

In Section 13.2.2, a land solution framework and how land acquisition and title perfection could positively influence finance accessibility in the Nigerian housing market is presented. In Section 13.2.3, a solution framework on finance sourcing from the formal system, linked to the problems identified earlier, is presented. In Section 13.2.4, I describe how the issues of finance, land and building materials can be jointly addressed to improve the provision of housing in the two systems. In Section 13.2.5, a solution framework on informal housing reform, derived from lessons learnt from South Africa, Brazil and Mexico in Chapter 12 is presented. In Section 13.3, the proposed framework for a comprehensive policy solution towards addressing Nigerian housing shortages and the informal practices is presented. A comprehensive solution framework before consulting experts for validation and the resulted framework after validation is analysed and reported in this section. Figure 13.1 presents the schema

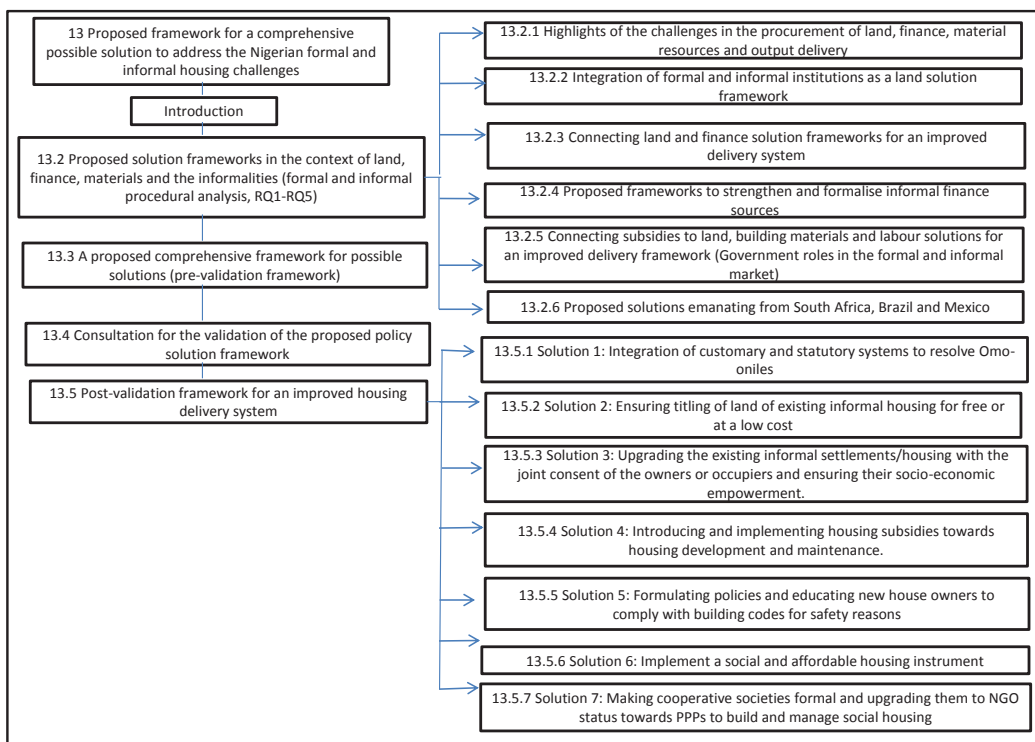


FIGURE 13.1 Schema of Chapter 13  
Source: Author (2017)

## § 13.2 Proposed solution frameworks in the context of land, finance, materials and the informalities (formal and informal procedural analysis, RQ1-RQ5)

Having identified and positioned the housing delivery problems in Nigeria in Table 11.1 and Figure 11.2, this section links the main issues to the proposed solutions in Figure 11.3 (inferred statement of solutions from the analyses and stakeholders' suggestions) and Table 12.1 (derived lessons) to comprehensively address the main question positioned in Chapter 1, Section 1.3. It generates the question: *What are the actual issues identified in connection with the solutions proffered to them?* Section 13.2.1 highlights these issues:

### § 13.2.1 Highlights of the challenges in the procurement of land, finance, material resources and output delivery

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In the previous analyses (summarised in Figure 11.2 and Table 11.1), the highlights of the challenges identified are:

- Formal land is difficult to access, costly for low-middle income groups and often difficult to secure.
- Land titling processes are long and complex and not transparent enough.
- The Omo-onile (customary root) crisis threatens security of land ownership in both formal and informal systems in cities.
- Issues of land without title; resulting in such land not being able to be used as collateral security.
- Processes for the approval of housing developments are unnecessarily complex, thereby encouraging the violation of building codes.
- Accessibility to formal finance sources is complex and elusive.
- Many informal groups, such as cooperative societies, do not have sufficient legal standing.
- Informal groups, such as cooperative societies, are of different classes and do not have a strong financial base.
- There seems to be insufficient clarity in the administration of informal groups.
- Many informal groups procure their building materials on instalment through social relations
- Some informal role-players use locally produced materials, such as bricks and self-made blocks.
- Use of family relations and friends is common in the process of development.
- Role-players complain about both production and transaction costs on resources procurements.
- The housing delivery market is characterised by uncertainty, inadequate information, institutional barriers and a lack of transparency.

In addition to the earlier justification in Section 12.2 regarding the selection of the specific countries for the comparative studies, these challenges appear in similar contexts in South Africa, Brazil and Mexico (Chapter 12), as identified below:

- Land accessibility challenges as government is in far greater control of land
- Spread of informal housing due to lack of capacity to access formal systems
- Many informal housing without titles
- Cultural orientation of the people
- Government and other agencies have played some delivery roles over the years

- Informal finance groups exist in the three countries
- Demographic changes

Therefore, to address the housing issues, a number of solution frameworks are proposed, and are combined as follows:

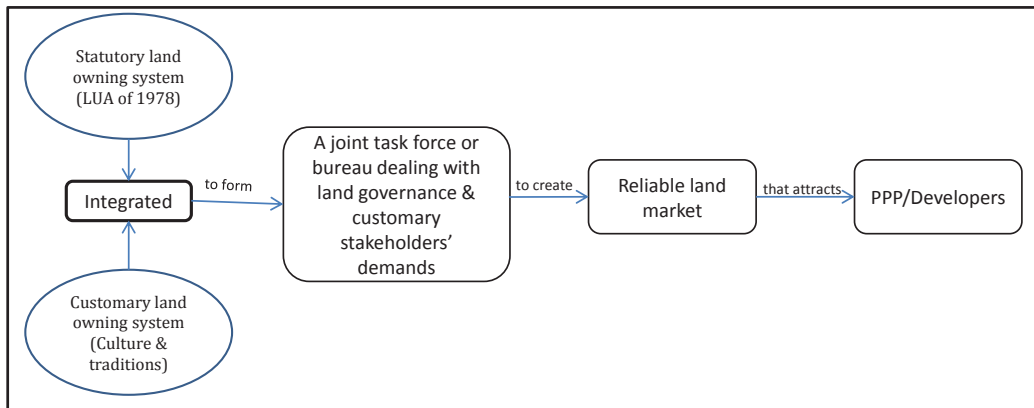
- A proposed framework on the integration of the two institutional systems for land administration in Figure 13.2.
- Land and finance solution framework in Figure 13.0.2 for improved provision.
- The framework in Figure 13.4 for the reform of the informal housing finance system.
- The framework that connects subsidies with finance, land, building materials and labour in Figure 13.5 for the reform of the finance system.
- Proposed solutions to address the challenges of the informal settlement in Section 13.2.6. The solutions are derived from the lessons learnt in Figures 12.2, 12.4, and 12.5 in Table 12.1.

Details are discussed in the subsequent sections.

### § 13.2.2 Integration of formal and informal institutions as a land solution framework

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To address the land-related issues, highlighted in Section 13.2.1, I present a framework that recognises the integration of the customary system with the statutory system in Figure 13.2. The framework is derived from the connection of Figures 11.4, 11.5 and Section 11.3.1 to address land issues.



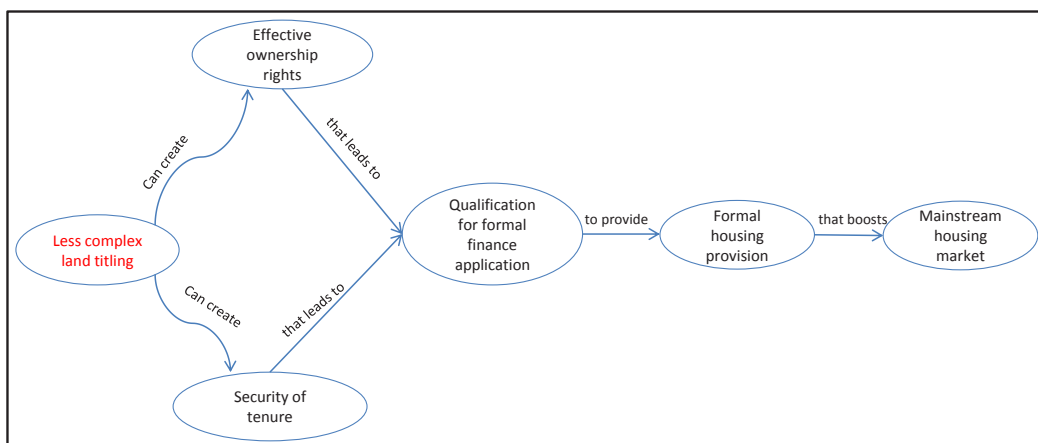
**FIGURE 13.2** Recognition of customary land ownership system (Omo-oniles) and incentives for PPP  
 Source: Author (2017)

It can also be inferred from the previous analysis that the recognition of customary governance in land acquisition could help reduce the prevalent crises and the threat to security. In so doing, the statutory system could be integrated with the inherited customary system of land governance to form a distinct task force or refined bureau, attending to the demands of Omo-oniles. This has the potential to remove the threat on tenure security. Consequently, PPPs and developers can operate with the full assurance that their land assets are safe and secure.

### § 13.2.3 Connecting land and finance solution frameworks for an improved delivery system

To address the land and finance-related issues highlighted in Section 13.2.1, I present a framework that connects land and finance for an improved delivery system in Figure 13.3. The framework is derived from a combined review of suggestions in Figures 11.4, 11.5, Section 11.3.1, Table 11.3 and lessons in Table 12.1. The connection between land and finance is direct and logical when considering the issues of collateral security. Figure 13.3 describes the connection for solution.



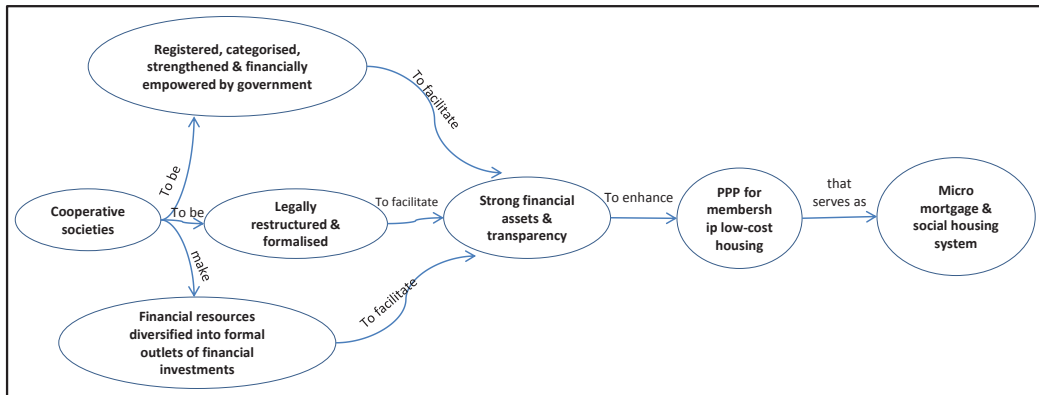


**FIGURE 13.3** Land and finance solution framework for improved provision  
 Source: Author (2017)

The illustration in Figure 13.3 is that smooth and successful land titling is a fundamental determinant of housing delivery. In other words, if the complex procedures in land titling, the Omo-onile crises and ease of transactions are addressed by introducing less complex procedures, effective land ownership and title security could be ascertained. As a result, registered land would become a potential asset to secure funds from formal financial institutions, which will improve urban housing provision in terms of quality and quantity. Consequently, the output becomes a reliable tradeable asset in the housing market.

### § 13.2.4 Proposed frameworks to strengthen and formalise informal finance sources

To address the finance-related issues highlighted in Section 13.2.1, I present a framework that suggests reforms in the informal finance system, such as cooperative societies, in Figures 13.4 and 13.5. The framework is derived from the suggestions in Figures 11.4, 11.5, Section 11.3.1 and lessons in Table 12.1. Figure 13.4 describes the connection for a solution



**FIGURE 13.4** Framework for the reform of the informal housing finance system  
 Source: Author (2017)

In Chapter 9, it is discussed that informal role-players play a prominent role in the financing of housing delivery, especially in the informal system. This is obviously the source of growth in the informal housing market in Nigeria. Based on the outcome of my analysis, there are several calls for the transformation and upgrading of cooperative societies as a means of instigating policy paradigm in Nigeria. In the illustration here, the prevailing cooperative societies' finance system in the informal system could be registered. The variants of such groups should be identified and categorised, based on their membership and financial strength. Government could become involved, through an instrument, by injecting more funds into the groups, making them legally strong. The financial resources pooled together could be reinvested into a formal financial and capital market to accrue further interest. If this formalisation is achieved, the associations or groups could become a versatile financial source, regulated with transparency. I can also infer that regulated cooperative societies could lead to a cooperative public private partnership, a PPP system, which could provide housing for members and low-cost housing, as a type of micro-mortgage or social-housing provider. Figure 13.5 presents a framework on inferred solutions regarding subsidies.

### § 13.2.5 Connecting subsidies to land, building materials and labour solutions for an improved delivery framework (Government roles in the formal and informal market)

To address finance in terms of other related issues highlighted in Section 13.2.1, such as building materials, affordability and labour, I present a framework that suggests reforms in the finance system. The framework is derived from suggestions in Figures 11.4, 11.5, Section 11.3.1 and lessons in Table 12.1. Figure 13.5 describes the connection for these solutions.

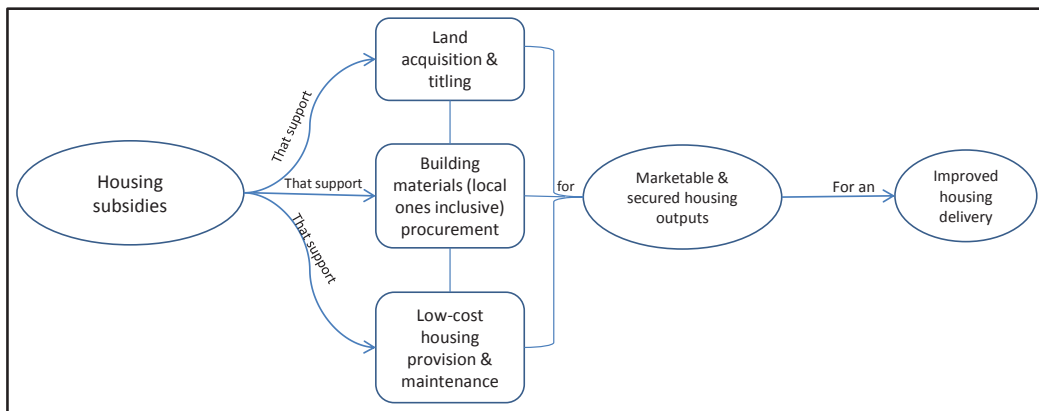


FIGURE 13.5 Connecting subsidies with land, building materials and labours  
Source: Author (2017)

In Figure 13.5, I inferred from the analysis that housing allowances and subsidies could be provided by government to individuals in the context of land acquisition and titling, materials procurement, provision and maintenance. With these tasks, housing outputs produced by role-players can be marketable and reliable, thus improving the housing market.

### § 13.2.6 Proposed solutions emanating from South Africa, Brazil and Mexico.

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To propose a solution framework that addressed the highlighted issues in Section 13.2.1 in the context of the comparative studies, the main lessons in Figures 12.2, 12.4, 12.5 and Table 12.1 are linked as follows:

- South Africa adopted in-situ upgrading, social housing, housing policies, housing provision programmes, using subsidies through participation, community-driven and economic empowerment to improve informal settlements, housing quantity and quality.
- Brazil adopted land regularisation: tenure legalisation, in-situ upgrading and infrastructure provision using legal-institutional, socially-oriented frameworks and planning tools (CRRU), through participatory and community driven projects. Combined implementation of tenure legalisation, upgrading, services provision, infrastructure and land use planning. Poverty eradication and economic empowerment to improve informal settlements, housing quantity and quality.
- Mexico adopted land regularisation, titling, upgrading and planning. Support for self-building via recognition of informal finance institutions and technical supports. Constitutions, legal, taxation and planning instruments. Extensive land titling, enforcement of standards for new building, ejido system through community-driven land acquisition and housing provision via communities, NGOs, agencies, social groups and informal residents.

The above lessons and all frameworks in Section 13.2 are reviewed and linked in the context of the same identified issues in Figure 11.2 and Table 11.1 to provide a comprehensive solution framework in Section 13.3.

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### § 13.3 A proposed comprehensive framework for possible solutions (pre-validation framework)

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In the previous sections and chapters, there are various proposed solutions with tables and figures to address land and customary issues, finance accessibility issues, other resources issues and the growth of informal housing. Following the solution frameworks in Figures 13.2, 13.3, 13.4, 13.5 and Section 13.2.6, how can these outcomes be summarised in a simple practical framework for implementation in Nigeria?

I examine the contexts of the proposed solutions in the context of the production factors (land, labour, capital and output) as emphasised in the analytical framework used. For instance, suggestions are put together in the following contexts: suggestions on land acquisition and Omo-onile crises, finance issues, issues on human (labour) and material resources and issues on the housing outputs. Specifically, suggestions on Omo-onile (children of the ancient traditional land owners), complexities in land titling and land insecurity are centred on recognition of Omo-onile and making of land titling less complex. The review of the comparative studies also suggests that upgrading of existing informal settlement and upgrading of land (ensuring titling process and provision of infrastructure) have contributed to improvement in Latin America and South Africa to some extent. As found and reported in the previous chapter, reforms of informal housing were effective when titling (regularisation) and upgrading were implemented concurrently with the involvement of the occupants or owners. This implies that the two improvement programmes; titling and infrastructure provision can be done simultaneously. If the land issues are resolved, social and / or affordable housing can be achievable. In addition, it is found that there is no subsidies and social housing scheme in Nigeria and the formal and informal respondents suggested that subsidies can be introduced to take care of not only the production but the maintenance of the outputs, since the challenges are both in the quantity and quality of housing provision in the country. Subsidies also could take cognisance of titling costs, since the informal groups are suggesting free or low cost for land titling, subsidised costs of building materials and development. In light of this suggestion, I observe that social housing or affordable housing programmes suggested can be achieved. To achieve these foregoing suggestions, public enlightenment (education and enforcement of regulations) are suggested by respondent built environment researchers and academics on compliance with building codes to tackle issues on housing quality.

It is also suggested in the aspect of finance, that cooperative societies should be strengthened especially now that the cooperative finance system is growing in the Nigerian society and coupled with the fact that formal finance institutions are not easily accessible by the low and middle income groups. Having identified all these possible solutions for housing provision in Nigeria, I then bring all the suggestions together vis-a- vis the problems. This leads to a comprehensive framework that incorporates all solutions and lessons (Figure 13.6).

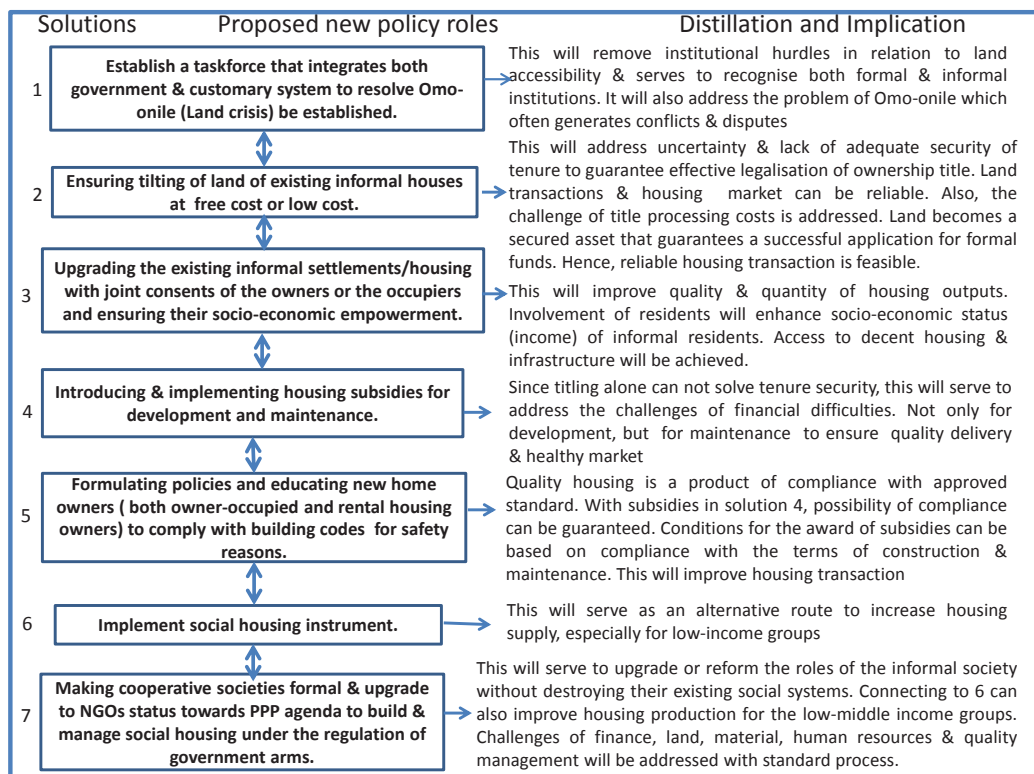


FIGURE 13.6 A comprehensive possible solution framework (pre-validation version)  
Source: Author (2017)

In Figure 13.6, seven solutions are suggested with the expected roles and distillations. In Solution 1, emphasis on the recognition of customary governance is proposed to ensure a participatory and community-driven approach, often referred to as a bottom-up<sup>15</sup> approach. An incentive approach is ensured in Solutions 2, 3 and 4 providing subsidised or free titling, upgrading/infrastructure provision and housing subsidies for development and maintenance. In Solutions 5 and 6, education and enforcement are proposed for effective implementation and compliance which could create room for a social and affordable housing system. Here, the benefits of recognising and formalising existing informal housing finance methods are acknowledged. How feasible, viable, effective and realistic are these policy suggestions? This question led to the need for

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(See Abulnour, A. H. (2014). "The post-disaster temporary dwelling: Fundamentals of provision, design and construction." *HBRC Journal* 10(1): 10-24. p. 12-13); concept of top-down and bottom-up approach.

further consultation for validation. The responses from the consulted experts are discussed in Section 13.4.

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## § 13.4 Consultation for the validation of the proposed policy solution framework

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The opinion of experts is reported in this section. In the light of the significance of validating the solutions framework, further fieldwork to solicit experts' opinions regarding the proposed solutions was conducted. Table 4.3 describes the sampling size and presents details of the consulted experts and their affiliations. In the process of selecting appropriate experts for the validation process, emphasis was placed on respondents' experiences and expertise in the real estate and housing markets as useful tools to ensure constructive comments on the efficiency, usefulness and validity of the solutions framework. The validation document in appendix *xiv* was accompanied with a summary of the research: introduction, problems, findings and recommendations in a structural context. The respondent experts' comments were obtained over a two-month period during, appointments and physical meetings at their designated companies, ministries and offices. In most cases the respondents made similar comments. The results of the validation contained notes of appraisal and additional information. In Section 13.5, I discuss the experts' opinions on the framework layer by layer.

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## § 13.5 Post-validation framework for an improved housing delivery system

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The original seven suggestions have been retained, but additional opinions have been included following the fieldwork. The discussion is as follows.

### § 13.5.1 Solution 1: Integration of customary and statutory systems to resolve Omo-oniles

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Solution 1 was adjusted to allow for implementation nationwide. According to responses:

*“This is in order. The Omo-oniles (those claiming, whether rightfully or wrongfully, that their ancestors owned or occupied the land in the past) have been frustrating land acquisition and development and even, once developed or when land/property changes hands. They act like miscreants, which often leads to killing/death of prospective house owners.” (Property consultant, Lagos Inland).*

*“There was a task force to tackle Omo-oniles, but, I think the organisation has to be strengthened to eliminate the nefarious activities.” (Assistant Land Director and legal practitioner 1).*

*“...the inaugurated commission concerning Omo-oniles could not handle the bulk of the complaints before it due to a lack of personnel and logistics to carry out its duties.” (Senior academic experts, University of Lagos).*

In another related consultation at the Land Bureau, Ikeja, Lagos, the idea of a taskforce was supported however, it was restated that the land policy instrument should be reviewed to accommodate the suggestions:

*...the land policy, which details the rules guiding administration and management of land, needs to be amended to accommodate informal interest, knowing fully that housing matters cannot be left to government alone.” (Assistant Director, Lagos State Land Bureau).*

In other words, additional comments are centred on a review of the Land Use Act, LUA of 1978. According to a land expert:

*“...the existing act is more of a socialist approach to land ownership in Nigeria, whereas Nigeria runs a capitalist economy. It means in documentation government owns land but in the mind of people, they own the land. Thus, it shows a contradiction.” (Assistant Director, Lagos State Land Bureau).*

Therefore, it was further recommended that the LUA should be reviewed to accommodate these suggestions.



### § 13.5.2 Solution 2: Ensuring titling of land of existing informal housing for free or at a low cost

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This solution was applauded by most respondents. However, there were reservations attached. For example, they disagreed on the issue of “free titling” but emphasised that it should be low cost and that the LUA should be reviewed to eliminate bureaucracy as stated earlier:

*“In Lagos state for example, there has been a policy of grace which is known as land regularisation. This policy means effectively that land that falls within informal areas of the state has its titles regularised at a price that is not too exorbitant.” (Assistant Director Lands).*

The above response is made clearer from the opinion of a private property consultant:

*“The proposal is in order save for the suggestion that it be free of charge, instead low cost will be preferred. Also titling should be done promptly. After application and inspection there are always delays. In some cases, the house may have been fully developed therefore, on second inspection, the charges or costs will be increased because the improvements will be accessed together with the land.” (Property consultant, partner at Jide Taiwo and Co, Lagos).*

In summary, most experts, including those in academia, disagreed with the idea of free titling, but emphasised that the long and complex procedures should be removed.

### § 13.5.3 Solution 3: Upgrading the existing informal settlements/ housing with the joint consent of the owners or occupiers and ensuring their socio-economic empowerment.

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This solution is considered valuable because government can exercise its power to improve housing delivery. From the responses, further opinions are given:

*“This is a good idea and Lagos State intends to start something in this direction. For example, in **Isale garigari**, Lagos, where government intends to acquire, demolish and develop new sets of housing units.” (Senior personnel, LSDPC, Lagos).*

*“Government is a continuum, so the government may acquire houses that are not maximised in usage and occupancies, especially in terms of vertical and quality areas, redeveloped by way of quality maximisation, compensate the owners and or re-offer them as in sale and lease back multi-ownership of blocks of flats.” (Property consultant 2, Lagos).*

These opinions are buttressed by other respondent experts that urban uplifting or upgrading should be embraced by all stakeholders. This can only be achieved if upgrading and regularisation are simultaneously done, as indicated in layer 2, especially for housing.

#### § 13.5.4 **Solution 4: Introducing and implementing housing subsidies towards housing development and maintenance.**

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Nigerians are earnestly waiting for the era of subsidy. According to the opinions of consulted experts, subsidies will contribute immensely to the improvement in housing, even in quality, if properly monitored:

*“If this is considered by the state, it will have valuable benefits...” (Assistant Director Lands).*

*“This is a good development and should be encouraged. However, implementation should be properly handled to prevent abuses.” (Quality Control Officer, Jide Taiwo and Co, Lagos).*

*“...It is a good suggestion but subject to government approval, because not much has been done in respect of the approval in the state.” (Director, LSDPC).*

#### § 13.5.5 **Solution 5: Formulating policies and educating new house owners to comply with building codes for safety reasons**

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This solution is embraced by different respondents:

*“Implementation of education on compliance is a key (Assistant Director)...one can say that in Lagos state if this can be properly implemented, it will yield results (A practising Architect)...The era has come when education should be done for people in cities... (Lecturer and Researcher)”*

Owing to the issues of quality and the large number of collapsed houses in cities, this proposed solution has the potential to open the mind of people regarding their safety.

### § 13.5.6 Solution 6: Implement a social and affordable housing instrument

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The term “social housing” has not really been implemented in Nigeria. In addition, it is also reported that introduction and awareness about affordable housing will go a long way towards mitigating housing issues. Social housing awareness is low due to the neoliberal economic system of Nigeria. Although, in Lagos, I was briefed that Lagos state has started what can be called “affordable residential schemes”, with the intention that with private participation, the schemes can turn to social housing instruments where government will sell plots to the public at a reasonable price. However, how reasonable is this price? And at the same time, how many people will have access to this scheme and what are the targeted income groups? On this note, I extracted some opinions on this proposed solution:

*“Social housing is yet to be embraced in Nigeria. This must take care of the old people too. Students and unemployed must be considered under this class and must be seen as beneficiaries...” (Senior official, UAC).*

*“This is in order but it must be economical. In a situation where the rent cannot pay the interest on the loan/subsidy, it will not be worthwhile. And we know that many landlords depend on rent for survival, instead affordable housing will help...” (Property consultant, partner at Jide Taiwo and Co, Lagos).*

However, the implementation of this instrument is based on the willingness of government.

### § 13.5.7 Solution 7: Making cooperative societies formal and upgrading them to NGO status towards PPPs to build and manage social housing

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According to one of the respondents, cooperative societies in Nigeria are subject to their agreement/rules and regulations. An expert commented:

*"The members can then apply for housing mortgages, of course at one-digit interest, secured by the house/land and guaranteed by the cooperative society..." (Credit officer, First Bank of Nigeria, PLC).*

*"...cooperative societies will do a lot for social housing and must be upgraded by government involvement..." (A staff employee, Finance House).*

*"Cooperatives should not be made NGO, but can be strengthened through government involvement..." (Practising estate surveyor and valuer).*

Having critically analysed the comments written of the consulted experts, we present a revised proposed framework that incorporates these opinions (Figure 13.7).

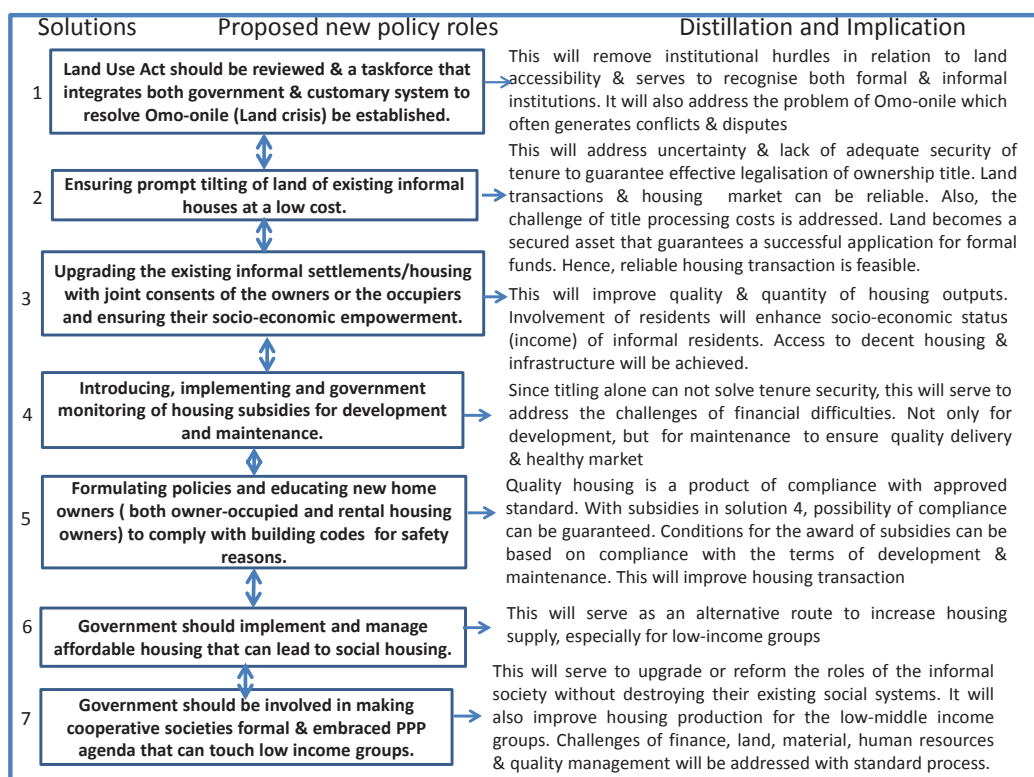


FIGURE 13.7 Post-validation framework  
Source: Authors' validation results (2017)



# 14 Summary of findings, reflection on the theories, conclusion, recommendations and reflection on the study

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## § 14.1 Introduction

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In this concluding chapter, the overall summary of findings, reflection on the theories, conclusion and recommendations are discussed.

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## § 14.2 Summary of findings

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This thesis has examined the challenges in the Nigerian housing system (formal and informal systems) and possible solutions, using theoretical, empirical and comparative approaches. At the beginning of this thesis, it was established that the Nigerian housing provision is confronted with challenges to the extent that the circumstances of the formal and informal institutions conflict within strategies, the interests of role-players, transaction costs, governance, rules and regulations. The debacle in the housing provision system has resulted in alarming shortages. This gives rise to the main research question: *How can the Nigerian housing provision be improved and what are the new roles that policy can play in addressing the housing shortages in Nigerian cities?*

To address the main question, six research questions were raised:

RQ1: What are the contexts of the Nigerian housing situation?

RQ2: Which theoretical and analytical frameworks are relevant to examine the Nigerian housing provision system?

RQ3: What is the structural context of the Nigerian housing provision system?

RQ4: What is the role played by government in Nigerian housing provision?

RQ5: Amidst shortages, how do urban residents provide for their housing needs and why?

RQ6: In what direction could possible policy recommendations be made towards an improvement in housing delivery in Nigeria?

To address the first research question, I examined the influence of politics, population, urbanisation, GDP and GDP per capita on the housing situation in Nigeria in order to identify the nature of the housing shortages. It was found and reported in this thesis that over the years, the housing targets of the national development plans could not be achieved due to a lack of continuity in the government administrative system from colonial to civilian rule, from civilian to military rule and up to the 2015 civilian administration. Nigeria has the largest population in Sub-Saharan Africa (SSA). The bulk of the population is found in urban centres, especially in Lagos. As the urban population has increased, the housing market has been unable to keep up with the growing demand. In relation to the economic situation, it was also found that economic growth in terms of GDP and GDP per capita does not present a realistic representation of the average Nigerian's purchasing power and well-being, owing to a high level of inequality in income distribution in both the formal and informal markets. It thus contributes to the problem of housing delivery. It was also established that housing shortages in Nigerian cities are both quantitative and qualitative in nature.

For research question 2, I examined the role of theories, the appropriate theoretical underpinnings and the resultant analytical frameworks. Having identified the circumstances in Nigeria and the inappropriateness of using orthodox theories in a less developed market, I considered an extension to NIE theoretical concepts. This was necessary in order to examine the structure, institutions, agencies, strategies, interests, factors of production and how these elements are connected to housing delivery. Consequently, I modified and adapted Williamson's and Healey's institutional models. I also examined the various theories within the NIE rationale.

To reveal the reasons behind Nigeria's housing provision problems the structure of provision was examined, based on research question 3. The question examined two issues, i.e. the general overview of the housing system (structure) and the structure from the colonial administration up to the 2015 administration. It was found that the decline in the formal provision resulted in the growth of the informal provision. Having identified that government played a leading role in the structure of the provision over the years, there is a concern regarding government's role. In research question 4, the role of the government in the actual housing provision and in the formulation and implementation of policy instruments towards provision from the pre-colonial era up to 2015 was examined. It was found that government has been involved in both housing provision and the formulation of policy instruments. A number of housing units have been provided by the government over the years, although set targets could not be met. Among the policy instruments formulated are the Land Use Act, the National Housing Fund and others.

In research question 5, the strategies of provision from the formal and informal housing provision systems in Nigeria were examined. It addressed the strategies of procuring factors of production, land, labour, materials, finance and output management, institutional environment, structure, transactions, motivating factors and the existing challenges. In the formal housing system, complex procedures, protocols, inadequate information and unforeseen circumstances during various stages of development were identified and examined. In addition, adequacy of finance and the complexity of securing formal funds are key to decent housing provision by individual formal providers, from the pre-construction to post-construction stage. Not only is finance an availability problem, but also an accessibility problem. Thus, it leads to the adoption of informal housing methods, such as cooperative societies. The main motivation that I observed in the formal practices is that the identified procedures and requirements are aimed at affordability, decency, safety and a reliable housing market, as indicated in various policy documents. There are however, associated challenges in the process of execution and implementation, thus they lead to set-backs in the formal housing provision and the growth of informal housing practices. The threat of Omoniles is also an issue in some formal land transactions, despite institutional efforts. It was observed and discussed that the formal system has elements of benefits as well as challenges. This prompts the empirical investigation of what is currently happening in the informal system.

In the informal strategies, it was found that many pieces of land in the informal sector lack proper titles and the owners are unable to use the land as collateral to secure finance. In the informal finance system, I confirmed the typical approach where each member of a financial association mandatorily saves an agreed amount, within the limit of his/her income capacity, and augments it with personal or family funds. One



of the motivations behind these informal group finance systems is that they serve as saving mechanisms for the people. Other production factors, such as human and material resources, are equally procured in an informal manner either through family members or by friendly arrangements and instalment agreements in order to avoid the complex hurdles identified in the formal system, e.g. transaction hurdles. It was found that the institutional factors (transaction costs) top the list of influencing factors that drive house providers into the informal system, followed by the socio-cultural and socio-economic factors. The main challenges in the informal system are uncertainty, transparency issues, Omo-oniles' pressure, inadequate financing, exclusion from the national policy agenda despite the impact on housing provision, sub-standard housing, land inaccessibility and inability to use their housing as assets to secure finance in the formal market due to a lack of proper title documents, guaranteed security of rights and a number of other unforeseen obstacles.

Having examined the strategies, their motivations and the challenges, the suggestions offered by respondents for solutions were analysed and discussed. This discussion was prompted by research question 6: In what direction could possible policy recommendations be made towards an improvement in housing delivery in Nigeria? The suggestions are centred on the removal of institutional obstacles in the context of land acquisition and titling, finance application, resources procurement and strengthening of the informal institution. It was observed that the respondents emphasised that government still needs to be involved in housing provision, rather than withdrawing completely, in particular in the low- and middle-income groups in the cities. To avoid future risks of neglecting the interests of the low-medium income groups, a reform in policy programmes that incorporates a PPP model, cooperative financing and the involvement of all role-players is mentioned as a participatory approach. In the context of this study in Nigeria, some frameworks to address the land and finance issues and the derived lessons from comparative studies towards addressing the prevailing housing delivery issues were proposed.

To gain insight into other countries with similar housing experiences, a review of the situation in South Africa, Brazil and Mexico was done. In South Africa, existing studies and existing policy documents revealed that various policy approaches were adopted. I found in the review that the perceived improved performance in transforming informal housing is attributed to the joint cooperative, participatory approach and political support through legal instruments. I observed that policy approaches in Brazil are channelled towards addressing informal housing. The review of existing literature and documents revealed that legal instruments have been the intervening tool in the context of the regularisation goals, which includes legalisation, recognition of tenure rights, upgrading and provision of services/amenities (urban management). These exercises could only be executed within the broader, integrated, multi-sectoral

scope of city and land use planning, concurrently implemented and recognition of politico-institutions, i.e. the involvement of a cooperative government, informal residents, NGOs and private developers with substantial technical, managerial and financial support. In Mexico, regularisation projects, through an extensive land titling programme, taxation instruments and planning tools, made it a result-oriented land regularisation programme in the developing world, as indicated by Monkkonen (2012). Mexico's approach is known for its recorded successes, however, it is not without challenges. It was also mentioned that the whole process commenced from the *ejido* system, which indicates an integration of communities and civil societies into the land system. Mexico has also attempted to incorporate informal housing finance institutions on a limited level into mainstream financial institutions (FONHAPO and SOFOLES). The point is that the land titling process, in collaboration with agencies and NGOs in procuring production factors, contributes significantly to progress in some cities. Nevertheless there is still room for improvement.

Lastly, a combination of suggested possible solutions and lessons from the three selected countries resulted in a comprehensive solutions framework, which was validated by consulting experienced experts (architects, planners, estate surveyors and valuers, quantity surveyors, builders at the Ministry of Housing, Corporation, Land Bureau, researchers, bank officials and independent private developers).

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## § 14.3 Reflection on the theories

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In Chapter 2, I established the direction of appropriate theories for this study. In discussing the findings in Chapter 10, the Nigerian housing situations were explained in the context of the identified theories. By reflecting on the NIE in the Nigerian structural context of housing provision, and as indicated in all the analyses and discussions, the current challenges have been placed in terms of policy decision. The use of analytical models, emanating from the theories also helped in the analysis and discussion of production factors' delivery and housing provision in Nigeria. The components of the theories and their analytical models include sequences of events (activities from sub-structure to super-structure), the agencies (role-players), transaction, rules, regulations, governance and motivation.

Considering the procedures from the start to the completion of a housing project, transaction costs theory has contributed to an explanation of the situation in Nigeria, especially in the process of fending for land, finance and other production factors.

Transaction cost is a leading theory that relates to the efficiency of land, finance, labour and materials transactions in the production process. This implies that the transaction costs theory plays dual roles, i.e. it serves to guide in the process of empirical analysis as well as to explain the situation in theory. In essence, elements of transaction cost are found in the analytical (Figure 3.4) and theoretical frameworks (Figure 3.2). Thus, the application of the theory provides confirmation and direction of the challenges found in the study. The roles of government have also helped to highlight the path of institutional changes that took place over the years. For instance, the roles of government are situated within the context of the formal institution. It covers the roles in former years until the present administrative system in Nigeria. Government's impact is influenced by changes in the institutional structure, which are determined by the government in power, thus it causes a lack of continuity in the housing provision roles.

The cultural lifestyle and the communal ways of life have placed themselves in the realm of the NIE, as it is revealed that Nigerian cultural lifestyles and communal attitudes in society have resulted in the incremental and self-customised housing. In summary, this study is situated in the contexts of transaction costs and other theories, such as socio-cultural/lifestyle, collective action and institutional changes. It therefore implies that the causes of housing shortages and informal practices extend beyond neo-classical perceptions of pricing, demand and supply modelling and includes other factors.

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## § 14.4 Conclusion

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The summary of findings has revealed the situation regarding the formal and informal housing systems in Nigeria, particularly the motivation (incentives) and the issues (challenges) it faces. These are achieved in the context of provision strategies and the institutional environment. The institutional environment includes laws, regulations and policy instruments. It also includes the steps and stages of the development processes. The procedures of development from sub-structure to super-structure are examined. Outcomes of the foregoing analyses and discussions resulted in the proposed policy framework. The combination of suggested solutions and outcomes of the comparative studies resulted in a comprehensive solution framework. After soliciting experts' opinions, I proposed a validated solution framework. In the solution framework, most respondents suggested that a proposed task force should be allowed to work freely within the appropriate legal processes without politicising it. Most

respondents also suggested that this could be achieved if the Land Use Act is reviewed to incorporate both the statutory (formal) and customary systems (informal) effectively. It is also suggested that titling charges should not be free but rather at a lower cost and varied in the case of virgin or vacant land and land with existing buildings. The respondent experts commended the benefits of upgrading, especially if it is done concurrently with regularisation (titling). However, there is a recurrent concern for some cost implications for low-income groups to fully meet the requirements.

There are positive opinions regarding the introduction of subsidies, but the respondent experts emphasised proper monitoring and accountability on the part of government in ensuring that low-income groups are reached. They also suggested that rent can be subsidised, not only for owner-occupied housing. All the respondent experts (academics, practitioners, policy-makers and financiers) embraced Solution 5 without hesitation. The essence is that education for public awareness will go a long way towards enlightening people regarding the safety of their lives and properties. This indicates a hint of readiness for housing improvement. Responding to the solution framework, the respondents called for subsidised affordable housing programmes from the beginning and this could possibly be extended to social housing if cooperative societies are strengthened legally and financially, even to the point of accessing formal mortgages for members. With this outlook, private housing schemes or PPPs for low-cost housing could become a functional policy programme.

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## § 14.5 Recommendations

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The diagnosis of the housing provision challenges in Nigeria and the proposition of policy indicating the way forward through theoretical, empirical and comparative contexts have been examined in this thesis. At the beginning of this study, I identified four proposed way forwards in the debate discussed in extant studies as follows; (1) providing more formal housing units to avoid informal practices; (2) allowing the observed informal housing within the urban settlements, but initiating an agenda towards improvement in the provision; (3) clearing the informal settlements in the hope that residents will be discouraged and driven away by the loss of their houses; and (4), allowing government involvement in reform plans by subsidising production factors (land, labour and capital) in cities. At the end of this study, a framework for a comprehensive possible solution is proposed. Against this backdrop, the following recommendations are made: firstly, the application of the solution frameworks and secondly, suggestions for further studies.

In the context of application, the issues pertaining to land as found and reported in this thesis should be considered by policy-makers (legislative, executive and judiciary arms) of the Federal Republic of Nigeria as fundamental problems that stand in the way of effective housing provision. These issues include institutional (transactional) hurdles, long procedures and protocols. The aspect of Omo-oniles should be addressed if the Nigerian housing provision in cities is to experience a new dawn. If the suggestions regarding a task-force committee are considered by policy makers, it could go a long way towards making the land market in cities healthy, transparent and reliable. Committee members of a proposed task force should constitute both customary and statutory role-players to address land accessibility problems. As found and reported in this thesis, the requirements of the formal finance institutions need to be relaxed and the informal finance system should be upgraded. This upgrading can be assured with the involvement of government. However, government involvement should take into consideration the participation and cultural desires of the people. In other words, it should be democratic in nature and consider the voices and opinions of the people (be community-driven). The essence, as identified in this study, is for easier and more convenient accessibility to affordable and decent housing for all. All income groups must be taken into consideration. As a result, the framework proposed in this thesis should be considered by the policy arms of government for implementation.

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## § 14.6 Reflection on the study

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The process of validating the opinions of some selected respondents in respect of strategies for tackling the existing problems may not adequately reflect the feasibility of the suggestions. This aspect would be better if carried out as another study by further examining the end-users' needs and other stakeholders' interest involved.

In relation to further studies, I recommend that research should be extended in the following areas: the feasibility of the proposed solutions; inauguration and effectiveness of a task-force committee on Omo-oniles; modalities for compliance and safety education for landlords and rental housing owners; perceptions on the effectiveness of affordable housing schemes; social housing prospects and the prospect of formalising cooperative societies. Lastly, a study should be extended into the application of the proposed solutions framework and how it can be translated into housing policies of the Federal Republic of Nigeria.

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# Appendix I Interviews

## Interview I: Autonomous Self-Help Housing Provider (Owner-Occupiers, Landlords/ Private Rental Housing Owners)

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### THE SEMI-STRUCTURED INTERVIEW QUESTIONS (GUIDE)

*Autonomous Self-Help House Owners (for owner-Occupation & Rental Housing).  
Target: Landlords/ Private Rental Housing Owners Associations in Lagos ( Mainland,  
Inland & Periphery).*

- 1 Brief Introduction: (expected responses or follow-up questions include academic and professional qualifications, specific job role and title, years of experience, the years of experience in the Lagos (the largest city in Africa) etc.
- 2 What are the strategies adopted now in cities for housing provision aside from *the autonomous self-help (Owner-Occupation & Rental) and Local Private Arrangements (Build to sell & Let)*.
- 3 Which of the strategies you adopt to build your house(s)?
- 4 Are the strateg(ies) adopted in building for both your self-occupation and rental houses?
- 5 Can you please explain why you chose to adopt this strategy(ies) to provide housing **(motivations)**.
- 6 Please describe how you go about the land acquisition for the building on the strateg(ies)
- 7 What are the specific stages in the acquisition?
- 8 How did/do you design your building plans?
- 9 How long does it take to move through the different stages in the acquisition?
- 10 Please describe the land titling processes and procedures?
- 11 How long did or does it take you to complete land title?
- 12 What are the costs associated with each stage of the acquisition?
- 13 How do you mobilise labour to build houses in this city?
- 14 Who is always or has been the project manager?
- 15 Is the cost of the labour (workmanship) appropriate compared with formal system in term of skills and cost?
- 16 What are your experiences in the use of building materials?
- 17 Would you prefer local building materials or imported materials?
- 18 What reason can you give on that?
- 19 How did you secure finance and why?

- 20 How do you manage your rental housing units via this strategy.
- 21 What are the challenges so far in the management of the housing units?
- 22 What are the causes of housing shortage in city like Lagos?
- 23 What are the challenges generally in providing housing in a city like this.
- 24 What do you think can be done to proffer solution to housing shortage in cities like Lagos?
- 25 In what ways does the government regulate or influence the operation of the private provision?
- 26 what do you expect government and other stakeholders to do to extend housing provision?

Thank you very much for your time

## Interview II: Local Real Estate Developers/Consultants

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### THE SEMI-STRUCTURED INTERVIEW QUESTIONS (GUIDE)

*Target: Local Real Estate Developers/ Consultants(Build for Sales & Rental).*

- 1 Brief Introduction: (expected responses or follow-up questions include academic and professional qualifications, specific job role and title, years of experience, the years of experience in the Lagos (the largest city in Africa) etc.
- 2 What are the strategies adopted now in cities for housing provision aside from *the autonomous self-help (Owner-Occupation & Rental) and Local Private Arrangements (Build to sell & Let)*.
- 3 Which of the strategies you adopt to build your house(s) in the market?
- 4 Can you please explain why you chose to adopt this strategy(ies) to provide housing **(motivations)**.
- 5 Please describe how you go about the land acquisition for the building on the strateg(ies)
- 6 What are the specific stages in the acquisition?
- 7 How long does it take to move through the different stages in the acquisition?
- 8 Please describe the land titling processes and procedures?
- 9 How long did or does it take you to complete land title?
- 10 What are the costs associated with each stage of the acquisition?
- 11 How do you design your building plans?
- 12 How do you mobilise labour to build houses in this city?
- 13 Is the cost of the labour (workmanship) appropriate compared with other formal system in term of skills and cost?
- 14 What are your experiences in the use of building materials?

- 15 Would you prefer local building materials or imported materials?
- 16 What reason can you give on that?
- 17 How do you secure finance and why?
- 18 How do you manage your rental housing units via this strategy.
- 19 What are the challenges so far in the management of the housing units?
- 20 What are the causes of housing shortage in city like Lagos?
- 21 What are the challenges generally in providing housing in a city like this.
- 22 What do you think can be done to proffer solution to housing shortage in cities like Lagos?
- 23 In what ways does the government regulate or influence the operation of the private provision?
- 24 What do you expect government and other stakeholders to do to extend housing provision?

Thank you very much for your time.

### Interview III: Urban Housing Core Policy Stakeholders (Formal Sector Respondents).

#### THE SEMI-STRUCTURED INTERVIEW QUESTIONS (GUIDE)

*Federal Ministry of Urban Development and Housing, Ministry of Works & Housing, & Housing Corporations*

- 1 Brief introduction: (expected responses or follow-up questions including position, academic and professional qualifications, specific job role and title, years of experience in the ministry, the years of experience in the Lagos (the largest city in Africa).
- 2 What do you think the causes of housing shortage in city like Lagos?
- 3 Why is it that various past public housing programmes (i.e. mass housing programmes, PPP, slum clearance, upgrading, site & services schemes) have not been able to cater for urban housing need?
- 4 Do you notice challenges or deficiencies in government public housing policy plans?
- 5 How can these challenges be fixed?
- 6 What are the strategies you know that people adopt now in cities for housing provision aside from the autonomous self-help (self-Occupation & Rental) and Local Private Developers Arrangement (for Build & Sale/Letting)?
- 7 What can you say about these strategies?
- 8 Can you please explain why people chose to adopt these strategy(ies) to provide housing (**Influencing factors**).
- 9 What roles do your organisation actually plays in moderating private informal strategies of housing production in Lagos?

- 10 Does the cost of planning permits, land title security, labour cost and finance influence the input of strategies providers?
- 11 As a stakeholder, please can you explain other factors affecting the expected success of these strategies in terms of:
  - Land and Tenure related:
  - Finance & Cost:
  - Building Planning & Design related:
  - Materials & Equipment related:
  - Labour related:
  - Project Supervision & Management related:
  - Other related:
- 12 In what ways does the government regulate or influence the operation of the private provision?
- 13 What do you think government and other stakeholders should do to extend housing provision?
- 14 What are the possible solution to improve housing provision considering the fact that informal private is the largest providers?

Thank you very much for your time.

## Appendix II Demographic profiles of the respondents

PARTICIPANTS DEMOGRAPHICS AND PROFILES																							
Group	Size	Gender		Marital Status		Family Size				Age				Years of Working Experience			Year in Lagos			Housing Provision Modes			
		Male	Female	Married	Single	1-5	6-10	10 above	Not stated	30-40	41-50	51 above	Not stated	5-10	11-15	16 above	Not stated	5-10	11-15	16 above	BLL	BTO	BTL & BTO
LH	25	19	6	24	1	14	5	2	4	5	7	3	10	3	5	10	7	2	4	7	12	3	20
ILD	5	5	Nil	5	Nil	5	Nil	Nil	Nil	2	3	Nil	Nil	Nil	1	1	3	Nil	Nil	4	Nil	NA	NA
SGO	4	4	Nil	4	Nil	4	Nil	Nil	Nil	Nil	3	1	Nil	Nil	Nil	3	1	Nil	Nil	2	2	NA	NA
<b>Total</b>	<b>34</b>	<b>28</b>	<b>6</b>	<b>33</b>	<b>3</b>	<b>23</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>7</b>	<b>13</b>	<b>4</b>	<b>10</b>	<b>3</b>	<b>6</b>	<b>14</b>	<b>11</b>	<b>2</b>	<b>4</b>	<b>13</b>	<b>14</b>	<b>3</b>	<b>20</b>

Source: Author's Fieldwork, 2016

Keys: LH – Landlords/Householders, ILD – Independent Private Professional Developer (REDAN Members), SGO – Senior Government Official (Ministry of Housing & LSDPC), BLL – Borne and live in Lagos, BTO – Built-to-live housing, BTL – Built-to-let

PARTICIPANT LANDLORDS/HOUSEHOLDERS' LOCATION IN LAGOS			
Participant Landlords/ Householders Size	Income Status	Senatorial Districts	Local Government (LG)
8 LHs	Low-Middle Income	Lagos Central	Surulere & Eti-Osa
8 LHs	Low	Lagos West	Ikorodu & Agege
9 LHs	Low	Lagos East	Alimosho-Ipaja & Badagry
<b>Total</b>		<b>3 Districts</b>	<b>6 LGs</b>

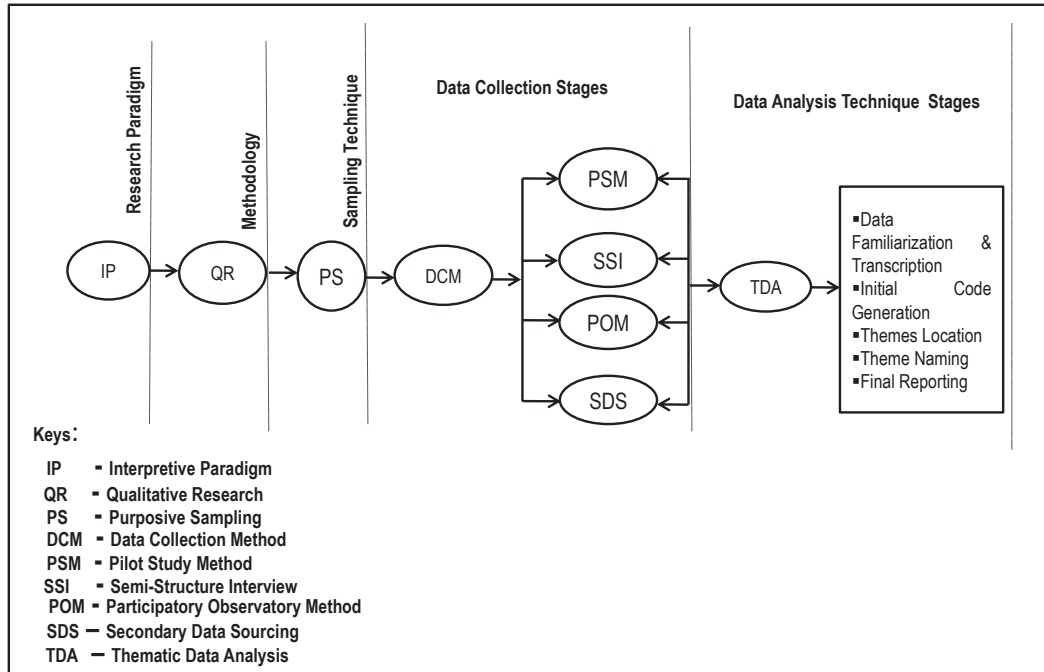
Source: Author's Fieldwork, 2016.



FIELDWORK TIMETABLE AND REPORTING		
S/N	Activity	Date
1.	Travel to Lagos, Nigeria	March 12th, 2016
2.	Preliminary Contact, reconnaissance survey to Locations, Presentation of Introduction Letter from TU DELFT & Making an appointment.	March 14 <sup>th</sup> & 15 <sup>th</sup>
<b>Phase I: Interview of House providers (Landlords/Householders)</b>		
3.	Interview 1, 2,3 & 4: Landlords/Householders in <b>Surulere</b> LGA	March 16 <sup>th</sup> , 17 <sup>th</sup> & 18 <sup>th</sup>
	Cross checking, Listening to recorded voice & Clarification by calls	March 21 <sup>st</sup>
4.	Interview 5, 6, 7 and 8: Landlords/Householders in <b>Alimosho</b> LGA.	March 22 <sup>nd</sup> & 23 <sup>rd</sup>
	Sites visitation, Observation & Participation	March 23 <sup>rd</sup> & 24 <sup>th</sup>
5.	Interview 9- 10, 11 & 12 Landlords/Householders in <b>Badagry</b> LGA	March 28 <sup>th</sup> & 29 <sup>th</sup>
	Sites visitation, Observation & Participation	March 30 <sup>th</sup> & 31 <sup>st</sup>
	<b>General Overview &amp; Short Reporting to Daily Supervisor/ Promotor via e-mail</b>	April 1 <sup>st</sup>
6.	Interview 13- 14, 15 & 16: Landlords/Householders in <b>Agege</b> LGA.	April 1 <sup>st</sup> & 2 <sup>nd</sup>
	Cross checking, Listening to recorded voice & Clarification by calls	April 4 <sup>th</sup>
7.	Interview 17- 18, 19 & 20: Landlords/Householders in <b>Ikorodu</b> LGA	April 5 <sup>th</sup> , 6 <sup>th</sup> & 7 <sup>th</sup>
	Sites visitation, Observation & Participation	April 7 <sup>th</sup> & 9 <sup>th</sup>
8.	Interview 17- 18, 19 & 20: Landlords/Householders in <b>Eti-Osa</b> LGA	April 15 <sup>th</sup> & 16 <sup>th</sup>
	Cross checking, Listening to recorded voice & Clarification by calls	April 18 <sup>th</sup> & 19 <sup>th</sup>
	<b>General Overview &amp; Short Reporting to Daily Supervisor/ Promotor via e-mail</b>	April 20 <sup>th</sup>
<b>Phase II: Interview of Policy Makers and Real Estate Developers/Consultants</b>		
9.	Interview 1-2 & 3: Senior Officials at Ministry of Housing	April 20 <sup>th</sup> -27 <sup>th</sup>
	Interview 4 & 5: Senior Officials at LSDPC	April 28 <sup>th</sup>
	Interview 6-7 & 7: Real Estate Developers & Consultants	May 2 <sup>nd</sup> – 10 <sup>th</sup>
	Cross checking, Listening to recorded voice & Clarification by calls	May 11 <sup>th</sup>
	Secondary Data Collection & Library Archival resources	May 15 <sup>th</sup> – June 2 <sup>nd</sup>
10*.	Modification of Survey Questionnaires Distribution & Collection ( <b>Fieldwork Assistants</b> )	May 16 <sup>th</sup> – June 5 <sup>th</sup>
11.	Return to Netherlands	June 10 <sup>th</sup>

Source: Author, 2016.

## SUMMARY OF QUALITATIVE STUDY APPROACH



Keys: IP - Interpretive Paradigm, QR - Qualitative Research, PS - Purposive Sampling, DCM - Data Collection Method, PSM - Pilot Study Method, SSI - Semi-Structure Interview, POM - Participatory Observatory Method, SDS - Secondary Data Sourcing, TDA - Thematic Data Analysis

STEPS OF THEMATIC DATA ANALYSIS IN QUALITATIVE APPROACH			
Phase	Task	Process	Result and Analytical Memo
1	<b>Familiarization</b>	Becoming used to the data through the repeated process of reading, noting and transcription to clearly pin down the occurrence of pattern(s) or ideas from the responses.	Note taking of “start” codes with tips on patterns occurrences
2	<b>Initial Code Generation</b>	Categorization and coding the striking, interesting and similar features systematically across the entire data set. This done by locating similar patterns and collapsing them under a tag labels to create categories for more efficient analysis. At this point, issue of data complication is addressed and inferences are made about what the codes mean.	Comprehensive codes of how data answers research questions are aimed.
3	<b>Searching for themes</b>	Compiling codes toward deriving potential and overarching themes that accurately express the data.	Listing candidate themes for further analysis with constant reflection on their constructions.
4	<b>Themes Review</b>	In this stage, the researcher confirms if the themes are appropriate and accurate in relation to coding and the whole data set. The-matic map or schematics can be generated.	Coherent recognition of how themes are patterned to tell an accurate story about the data
5	<b>Assigning names to themes</b>	Specific names for the generated themes are driven in the process of describing and narrating the emanating story of events by the researcher.	Here researcher should describe themes in a captured sentence. Follow by providing evaluation of the themes on how it contributes to understanding the data
6	<b>Reporting / Interpretation</b>	Here the researcher decides on themes that make meaningful contributions to understanding what is going on within the data in the reporting. At this point, references will be made often to literature and the research question in order to produce a good reporting.	Justifying the basis for selecting theme (s) and make an in-depth story telling or description the results.

Source: Braun and Clarke (2006).

GOVERNMENT HOUSING PROGRAMMES, INSTRUMENT, PROJECTION AND ACHIEVEMENT						
SN	Housing Programme Eras	Instruments	Projection (Units)	Location & Distribution	Achievement (Units)	Percentage (%)
1	Colonial: 1928-1959	Executive Order	GRAs & Staff Quarters	Lagos & other States	No Record	No Record
2	1962-1968 (NHDP 1)	NHP I		Lagos & other States	No Record	No record
3	1970-1974 (NHDP 2)	NHP II	59,000	Lagos & other States	7,080	12 %
4	1975-1980 (NHDP 3)	NHP III	202,000	50,000 in Lagos, 8,000 in each of the 19 remaining States	28,500	14.1%
5	1981-1985 (NHDP 4)	NHP IV	200,000	Abuja & other States	47,200	23.6%
6	1994-1995 (NHP 1991)	NHP 1991	121,000	Abuja & other States	1,014	0.84%
7	1999-2007	NHP 1991	20,000	Abuja & other States	0	0%
8	2008-2011	NHP 1991	No Projection but #1.3billion budget ear-marked	Not specified	0	0%
9	2012- 2015	NHP 2012	10,271 units (PPP), Presidential Mandate Housing Scheme, of 40,000 units	Abuja & other States	2000 PPP serviced plot in Ikorodu, 4,440 housing units in Port Harcourt, Akure & Abeokuta 100 units in Ogun State. No record for the pilot project	No Record (see Table..)
10	2015-till date	NHP of 2012	Promise to address the Deficit	Abuja, Lagos & other cities	No Plan	None

Source: Author's Fieldwork and Literature Search (2017)

HOUSING UNITS COMPLETED BY (LSDPC) (1981--1989)						
N	Location	Housing Type	Low Cost/Income	Medium	High	Total
1	Abesan	Not specified	4272			4272
	Abulenla	Not specified	90			
	Agarawu	Not specified	18			
	Akerele	Not specified	18			
	Amuwo-Odofin	Not specified	2068			
		Not specified		36		
		Duplexes			114	
		Duplexes			142	
	Anikantamo	Not specified	714			
	Alapere	Not specified		140		
	Alaka	Not specified		16		
	Badagry	Not specified	6			
	Bank olemoh	Not specified	36			
	Dairy Farm	Not specified	708			
	Dolphin I & II	Duplexes			656	
	Epe	Not specified	30			
	Ebute Metta	Not specified		528		
	Iba	Not specified	1560			
	Ijeh	Not specified	62			
	Ijaiye	Not specified		796		
	Ikorodu	Not specified	78			
	Iponri	Not specified	1002			
	Isolo	Not specified	3632			
	Itire	Not specified	42			
	Lawanson	Not specified	30			
	Oko-Oba	Not specified	48			
	Ojokoro	Not specified	534			
	Opebi I	Not specified		120		
	Ogba Phase II	Not specified		28		
	Ogudu I & II	Duplexes			126	
	Omole	Not specified		100		
	Opebi II	Not specified		20		
	Surulere	Not specified	24			
	<b>Total</b>					

Source: LSDPC (2016).

HOUSING UNITS COMPLETED BY (LSDPC) (1990--1998)						
N	Location	Housing Type	Low Cost/Income	Medium	High	Total
	Alapere	<b>L.S.D.P.C. Medium Income Estate Phase I</b>				
		4 Bedroom Flats		32		
	Amuwo-Odofin	<b>Raji Rasaki Estate</b>				
		4 Bedroom Duplexes			142	
	Ikorodu	<b>T.O. Shobowale Benson Estate</b>				
		2 Bedroom Terrace Bungalows			229	
		3 Bedroom Terrace Bungalows			58	
	Ikeja	<b>M.K.O Abiola Garden</b>				
		3 Bedroom Flats			72	
		4 Bedroom Flats			72	
		4 Bedroom Terrace Houses			80	
		4 Bedroom Duplexes			126	
	Ikoyi	<b>Dolphin Estate Phase II</b>				
		2 Bedroom Flats			136	
		3 Bedroom Flats			440	
		4 Bedroom Flats			236	
	Isolo	<b>L.S.D.P.C Low Cost Estate</b>				
		3 Bedroom Semi Detached Bungalows	614			
		3 Bedroom Flats	54			
	Ogba-Ijaiye	<b>Medium Income Estate Phase IV</b>				
		4 Bedroom Semi-Detached Bungalow		12		
		4 Bedroom Flats		44		
		4 Bedroom Flats		56		
	Ojokoro	<b>L.S.D.P.C Low Cost Estate</b>				
		3 Bedroom Flats	90			
		2 Bedroom Flats	6			
	Oko-Oba	<b>Palm View Estate I</b>				
		3 Bedroom Semi-detached Bungalows			44	
		4 Bedroom Flats			12	
	Surulere	<b>L.S.D.P.C Games Village</b>				
		3 Bedroom Flats			12	
	<b>Total</b>					

Source: L.S.D.P.C. (2016)

HOUSING UNITS COMPLETED BY (LSDPC) (1999--2003)						
N	Location	Housing Type	Low Cost/Income	Medium (Units)	High (Units)	Total (Units)
Agege		<b>Bola Ahmed Tinubu Estate</b>				
		2 Bedroom Flat	54			
		3 Bedroom Flat		108		
Alapere		<b>L.S.D.P.C Medium Income Estate Phase III</b>				
		4 Bedroom Flats		15		
		3 Bedroom Semi Detached Bungalow		4		
Amuwo-Odofin		3 Bedroom Terrace House			38	
		Amuwo Odofin Research Centre			24	
Apapa		3 Bedroom Luxury Flats with Maids' Quarter			60	
Iba		<b>Iba Low Cost Estate</b>				
		Iba Phase I,II & III 3 Bedroom Flats (18 block)	108			
Ijaiye		<b>Ijaiye Medium Estate I &amp; II</b>				
		4 Bedroom Flats		16		
Ikorodu		<b>Affordable Housing Estate</b>				
		1 Bedroom Flat	52			
		2 Bedroom Flat	216			
		3 Bedroom Flat		312		
		3 Bedroom Bungalow		40		
Isheri North		<b>Riverview Estate</b>				
		2 Bedroom Flat	60			
		3 Bedroom Terrace Type C		56		
		3 Bedroom Terrace Type B		48		
		3 Bedroom Terrace Type A		45		
		4 Bedroom Duplexes			22	
Isolo		<b>L.S.D.P.C. Low Income Estate</b>				
		3 Bedroom Flat	18			
		3 Bedroom Flats Site II & III	42			





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HOUSING UNITS COMPLETED BY (LSDPC) (1999--2003)							
N	Location	Housing Type	Low Cost/Income	Medium (Units)	High (Units)	Total (Units)	
Lekki		<b>Femi Okunnu Estate I &amp; II</b>					
		4 Bedroom Semi-Detached Duplex			106		
		4 Bedroom Terrace Houses				127	
		<b>Femi Okunnu Estate III</b>					
		3 Bedroom Luxury Flats				126	
		<b>Goshen Beach Estate</b>					
		5 Bedroom Detached House				17	
		4 Bedroom Detached House				57	
		<b>Femi Okunnu Estate IV</b>					
3 Bedroom Luxury Flats with maids' Quarter				60			
Oko-Oba		<b>Affordable Housing Estate</b>					
		2 Bedroom Flat		180			
		<b>Palmview Estate II</b>					
		Oko-Oba II 3 Bedroom Terraces		34			
Surulere		Oko-Oba III 3 Bedroom Flats		144			
		<b>Joseph Shyngle Terrace Houses</b>					
		3 Bedroom Terrace		12			
		<b>Alaka Estate</b>	4				
Total		4 Bedroom Flats					

Source: LSDPC (2016)



TABLE APP.II.1 appendix ix Samples of housing units completed by Lagos HOMS

HOUSING UNIT	TYPE	LOCATION	PRICE
	1 Bedroom Type 3	Mushin	8,280,000
	2 Bedroom Type 1	Ikorodu	7,910,000
	3 Bedroom Flats	Oko-Oba Scheme, Oko-Oba Agege	17,000,000
	Room / Parlor	Epe	4,340,000
	2 Bedroom Flats	Chois gardens, Abijo-Lekki: Ibeju	9,750,000.00
	3 Bedroom Flats	Hon.Olaitan Mustapha Scheme Ojokoro: Ifako Ijaiye	11,020,000

OVERALL PICTURE OF HOUSING UNITS COMPLETED BY LAGOS STATE MINISTRY OF HOUSING (1998-2005)						
N	Programme/Scheme	Years	Low Cost/Income	Medium	High	Total
A	<b>Jubilee Housing Scheme</b>	<b>(1999-2001)</b>				
1	First	1999	120	-	-	120
2	Second	2000	1507	-	-	1507
3	Third	2001	-	1,008	-	1,008
B	<b>Alliance Housing Scheme</b>	<b>(2002-2005)</b>				
1	First	2002	454	-	-	454
2	Second	2003	-	-	-	
3	Third	2004	138	1,830	-	1968
4	Fourth	2005	-	120	64	321
C	<b>Total</b>		<b>2219</b>	<b>2958</b>	<b>64</b>	<b>5,378</b>

Source: Ministry of Housing Alausa, Lagos (Akinmoladun & Olumoye, 2007).

OVERALL PICTURE OF LAGOS STATE POLICY PROGRAMMES INTERVENTION IN HOUSING PROVISION			
N	Year	Policy programmes	purpose
1	1972	Change in planning administration & establishment of LSDPC	Government involvement in urban housing provision
2	1980	Metropolitan Master Plan Project	Urban land resources mapping & management
3	1981	Establishment of New Towns Development Authority	Enabling environment for private developers in housing
4	1995	Lagos State Urban & Regional Planning Laws	Land Management Efficiencies
5	1997	Rent Control & Recovery of Residential Premises Edict in 1997	Regulation of private rental market
6	2004	Lagos State Metropolitan Infrastructure Upgrading Project	Slum Clearance
7	2005	Model City Development Authorities	Befitting urban environment
8	2006	Mega City Planning with Federal Government	Urban Renewal
9	2007	Urban Regeneration	Urban Renewal
10	2008	Recovery of Right of Way, road development, approval of private layout & estate developers schemes	Urban development
11	2010	Urban & Regional Planning & Development Law 2010	Correction of urban decay
12	2010	Lagos State Homeownership Mortgage Scheme (Lagos HOMS)	Individual Homeownership Mortgage & Rent to Own agenda
13	2012	Lagos State Housing Policy	For more flexible opportunities in housing provision

Source: Desk Analysis of Policy Documents from Ministry of Physical Planning & Urban Development, Ministry of Housing, LS.D.P.C (2016)

PPP HOUSING PROJECTS - FEDERAL HOUSING AUTHORITY AND PRIVATE COMPANIES			
S/N	Name of Partnership	Location	Output Units
1	FHA/CITEC International	Gwarinpa, Abuja	300
2	FHA/ADKAN Services	Gwarinpa, Abuja	351
3	FHA/BAUHAUS Int. Ltd	Isheri-Olofin, Lagos	554
4	FHA/BAUHAUS Int.Ltd	Trans-Amadi, Port-Harcourt	288
5	FHA/PRINCE & PRINCESS Properties Limited	Lugbe, Abuja	70
6	FHA/ OHMS Limited	Gwarinpa, Abuja	20
7	FHA TANGENT	Irette, Owerri	140
8	FHA/Tangent Partnership	Irette, Owerri	201
9	FHA/ Bauhaus Partnership	Irette, Owerri	150
10	FHA/Zincspace Partnership	Lugbe, Abuja	54
11	FHA/Good Homes Ltd	Egan, Lagos	349
12	FHA/ENL Partnership	Apo, Abuja	923
13	FHA/ Bauhaus Partnership	Apo, Abuja	523
	<b>Total</b>		<b>3,923</b>

Source: ICRC (2013) and Dominic et.al (2015).

PPP CONTRACTOR – FINANCED INITIATIVE PROGRAMMES						
S/N	State	No of developers	Size of land (hectares)	No of houses realizable	Type of building technology	Completion period
1.	Adamawa	2	13	260	traditional	20 months
2.	Cross River	18	250	5,000	advanced bamboo product/nibrri bricks/traditional	"
3.	Delta	11	25	500	plasswall/traditional	"
4.	Edo	5	184	3,680	plasswall/insulated concrete forms/traditional	"
5.	Enugu	4	30	600	nibrri bricks/traditional	"
6.	Katsina	1	5	100	traditional	"
7.	Kogi	4	21.15	423	american building system/traditional	"
8.	Lagos	1	1.04	24	traditional	24 months
9.	Nassarawa	28	109	2,180	hydraform/nibrri bricks/western form tech/traditional	20 months
10.	Ogun	15	224	4,500	american building system/insulated concrete form/traditional	20 months
	<b>Total</b>	<b>89</b>	<b>889.54 hectares</b>	<b>17,267</b>		

Source: Pepple (2012), Federal Ministry of Land, Housing & Urban Development (FMLHUD)

## Appendix III Validation

Dear Sir/Madam,

We write to intimate you that the bearer; **Job Taiwo Gbadegesin** has been conducting his PhD research on Nigerian housing market at Delft University of Technology, Delft, The Netherlands. Through a qualitative approach, he has been able to get sufficient information from landlords/ house providers, tenants, private practitioners and from ministries.

Having analysed the challenges of housing delivery (qualitative & quantitative shortages) and motivation for the growth of informal housing provision today in Nigerian cities, he then came up with a holistic possible solution framework in the context of land, finance, resources, output management and compliance issues. The suggested solutions emanated from the outcomes of the thematic analysis, combined with the lessons learned from the selected countries; *Brazil, South Africa and Mexico*.

While selecting the appropriate experts for this validation, we emphasised the respondents' profiles and wealth of experiences in the Nigerian real estate and housing market. Therefore, we consider your experiences and expertise as useful tools in making constructive comments on the efficiency, usefulness and validity of these recommendations towards an improved housing delivery. There are *seven-point* recommendations in the proposed framework here. We kindly request that you write your comments on the attached black sheet within 2-3 weeks and the researcher will arrange for the collection. In case, you need further clarification or have any questions, please, you are free to call the researcher's telephone line indicated on the blank sheet.

Thank you.

The PhD Researcher:  
Job Taiwo GBADEGESIN

Daily Supervisor:  
Dr. Harry Van Der Heijden

The Promotor:  
Prof.dr. Peter Boelhouwer

Title:  
Towards a new policy direction for an improved housing delivery system  
in Nigerian cities

### Introduction, problem & the research question in brief

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Urban housing shortage in Nigeria grows at an alarming rate, thus it triggers informal provision practices. At present, informal system provides about 80% of housing. Formal system is unable to provide for the entire population. Shortages are in quantity & quality. **Hence, how can the Nigerian housing provision be improved and what new roles can policy play to address the housing shortages in Nigerian urban centres?**

### Investigation of the housing provision system (Diagnosis) to identify challenges

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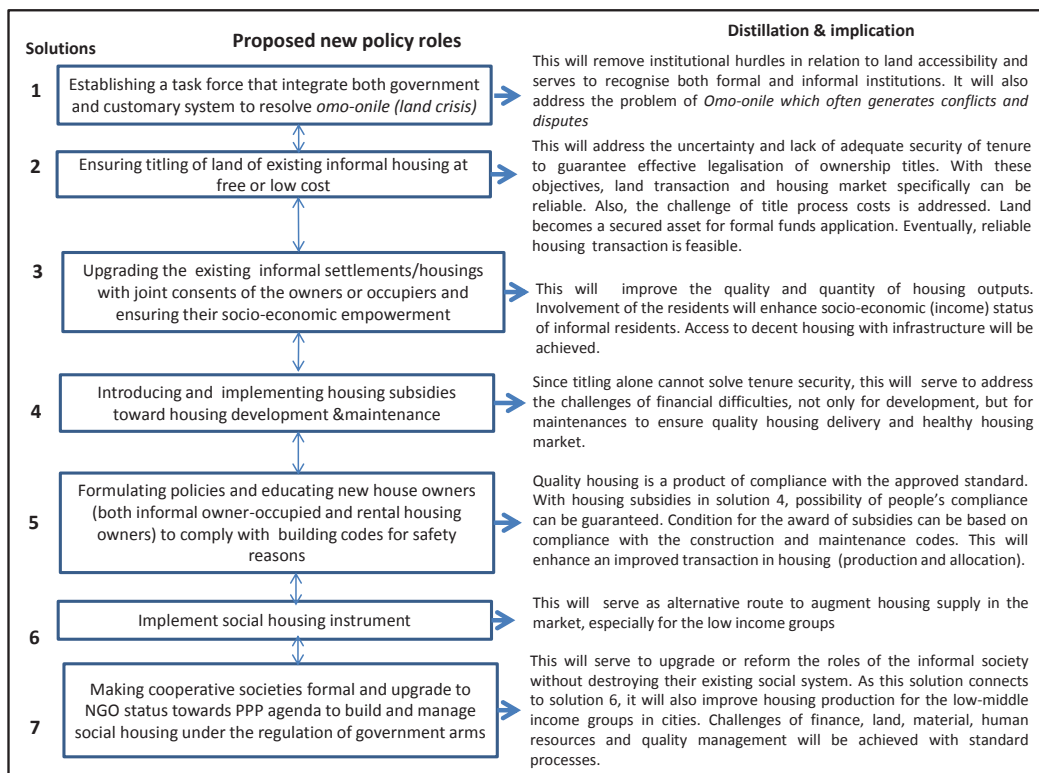
The stated question above led to the diagnosis of housing provision problems in the context of production factors; *land, labour, capital & the management* in both the Nigerian formal and the informal systems, using institutional theoretical concept for both quantitative & qualitative approaches (Healey, 1997; Williamson, 2001). The results of the diagnosis summarily revealed that *land, finance and inherent communal/ socio-cultural system* are the major issues, as elaborated in table 1.

TABLE APP.III.1 Summary of main findings from the diagnosis

ISSUES	IN THE FORMAL SYSTEM	IN THE INFORMAL SYSTEM
Land	<ul style="list-style-type: none"> <li>i. Procedures of land acquisition in the formal system do not take into consideration financial ability of the low-middle income groups.</li> <li>ii. Difficulty of the low-middle income groups to acquire the already formalised land in cities</li> <li>iii. <b>Omo-onile</b> is still a big problem that threatens land accessibility.</li> <li>iv. Titling process is still long, complex &amp; requires more nodes of transparency.</li> </ul>	<ul style="list-style-type: none"> <li>i. Hectic &amp; complex process of land titling still discourages low-middle income despite improvement</li> <li>ii. <b>Omo-onile</b> is still a big problem that threatens land accessibility.</li> <li>iii. Many housing are without title to the land &amp; many still in process after completion.</li> <li>iv. Many housing stocks are in dangerous locations, vulnerable to urban resilience such as flooding.</li> <li>v. Lack of official ownership title undermines the certainty of transaction &amp; security of tenure.</li> </ul>
Finance	<ul style="list-style-type: none"> <li>i. Lengthy, hectic &amp; cumbersome procedures of formal finance applications.</li> <li>ii. Costly collateral security &amp; other requirements for low &amp; middle income groups</li> </ul>	<ul style="list-style-type: none"> <li>i. Main sources of finance are informal such as professional or career or family affiliated cooperative association.</li> <li>ii. Finance is not sufficient to complete housing, thus leads to incremental styles.</li> </ul>
Community driven approach & communal practices	<ul style="list-style-type: none"> <li>i. Actors are both regulatory and institutional organs with formal laws, codes &amp; constitutions without consideration for other extra-judicial institutions</li> </ul>	<ul style="list-style-type: none"> <li>i. Actors still have their belief on customary system inherited prior to colonial system, thus triggered <b>omo-onile</b></li> <li>ii. Actors operate in communal system context, flexibility, economic &amp; cost saving, self-freedom of choice in design, satisfaction with less complexities.</li> <li>iii. Actors intend to avoid the complex procedures in the formal system</li> </ul>

### Suggested possible solution for improvement in housing delivery

Having summarised the findings in table 1, the study also solicited possible solutions from respondents (Personnel in housing ministries/ corporations, private practitioners & landlords/ householder/tenants, personnel in financial institutions). Using thematic analytical approach, We also investigated the cases in Latin America & South Africa in prescribing possible solution frameworks. Below is the holistic solution framework suggested in figure 1.



Holistic possible policy solution frameworks

Researcher telephone line:

Your telephone line:

Write your comments here:

# Curriculum Vitae

Job Taiwo Gbadegesin had been engaged in teaching and research in the Faculty of Environmental Design and Management of Obafemi Awolowo University, Ile-Ife, Nigeria before his PhD pursuit at TU Delft. He has about seven years of experience in teaching and research in property valuation, property development, property management, land economics and housing. His singular and collaborative research experience are more in developing countries. He finished as the best student in his barchelor degree programme (BS.c). His Bachelor dissertation was on property valuation in a global context and Master degree research was on Public Private Partnership (PPP) for infrastructure and housing development. He has published in scholarly journals including Built Environment and Asset Management (BEPAM, Emerald Group Ltd), Property Management (Emerald Group Ltd), Journal of Facilities Management (Emerald Group Ltd), Journal of Construction Project Management and Innovation (South Africa), Real Estate Finance (US) and International Journal of Housing and Market Analysis (Emerald Group Ltd), in the areas of residential property (Housing) management, PPP, Landlords/Tenants attitude in rental housing, facilities management, rental default, ethnicity in tenant selection, housing market and others. He has also delivered papers in conferences. In addition, Mr. Job Taiwo is an Associate (chartered member) of the Nigerian Institution of Estate Surveyors and Valuers (ANIVS) and a corporate member of the Nigerian Estate Surveyors and Valuers Registration Board of Nigeria (RSV-ESVARBON) with years of professional experiences.



