

Effects of Land Price Inflation in Management of Slums and Housing Provision in Onitsha, Anambra State

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Abstract

Sequel to the need to tackle the problem of inadequacy in housing provision and the accompanying problems of slum growth, this study analyzed the effects of land price inflation in management of slums and housing provision in Onitsha, Anambra State, with a view of coming up with better solution to the challenges of slum creation and housing provision. The study adopted a survey design/method, having as instruments of data collection; field observation, questionnaires and interviews. A total of 300 copies of the questionnaire was administered randomly in three strata each stratum having about 100 persons being sampled as randomly selected. While stratum 1 is the inhabitants of the slum, stratum 2 comprises of the professionals in general environmental sciences (enlisting environmental managers, estate managers, builders, architects, urban and regional planners, etc) gotten from academic institutions of higher learning and secretariats of professional bodies around the study area. To achieve the aim of this study the following hypothesis was formulated and tested using chi-square as a statistical tool; H_0 : the inflation of land Prices does not significantly affect Housing Provision and Slum generation. From the result of the test of hypothesis and field survey, the study concludes that the inflation of land Prices significantly affects Housing Provision and Slum generation therefore needs to be addressed. The study thus recommends that: there should be a reclamation campaign for the slums in Onitsha which will start by education and conscientization of the inhabitants to open their eyes on the benefits of living in a more decent, hygienic and safe environment; the government should make policies which will encourage property owners to develop their properties to standards and rent them out to individuals or cooperate bodies to arrest a situation whereby these undeveloped (uncompleted) structures/buildings serve as hideouts for hoodlums; numerous stringent protocols to land acquisition should be scaled down; creation of gainful employment for the poor masses in the study area and Provision of alternative housing to accommodate or relocation of the inhabitants of these slums.

1.0 INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The effect of inflation on the value of properties cannot be over emphasized. Land has become so highly sought after that with constant increase in population and its fixed availability there is a continuous increase in its price with time and location, which is a product of development. Whenever there is an increase in the prices of commodities in a country, there is a direct and indirect effect on property value. When the cost of building new homes increases, the cost of renting older ones will definitely increase. This will also affect the number of new homes that are erected, thus causing a reduction in supply and more competition to rent or buy both older and newer homes. And because of the several dynamics of the real estate, it often increases beyond the rate of inflation. This is one more reason to invest in real estate; it often absorbs inflation effectively and takes its value beyond its reach (Abiodun, 2013).

Housing has remained independent phenomenon that affects every facets of mankind. It constitute a significance index for man's wealth (Renaud 2004; Emoh and Nwachukwu, 2011). It has become increasingly glaring that most urban population according to Nubi (2000), live in dehumanizing housing environment, while those that have access to average housing do so at abnormal cost. Nigeria's fast-expanding urban population is ill-housed. In major centres such as Lagos, Abuja, Ibadan and Kano housing demand is growing at about 20% per year. Yet Nigeria's housing and construction sector only accounts for only 3.1% of GDP, according to Finance Minister Ngozi Okonjo-Iweala.

Demand outstrips supply even in Nigeria's high-income housing market. The country has limited lots under formal title and even quality housing can often not be mortgaged, so that the formal housing market serves only the minority, according to Centre for Affordable Housing Finance in Africa (CAHF). Housing construction is about 100,000 units per year for a country of over 170 million – the largest population in Africa. According to the World Bank, the country has a housing deficit of about 17 million units and needs about 700,000 additional units each year for the next 20 years.

1.2 STATEMENT OF PROBLEM

Slums are home to the poorest of urban populations in Africa. The houses inhabited by slum dwellers are mostly

decrepit, overcrowded, in neighbourhoods that are prone to flooding and beset with poor sanitation and shortage of potable water. Urbanization refers to specific changes in the structure and distribution of urban population as well as in size and character of a settlement. Slums are easily formed in areas experiencing rapid urbanisation without commensurate increase in the provision and maintenance of housing and infrastructure (George, 1999). Slums have been conceptualized as a group of buildings or an area characterized by overcrowding, deterioration, insanitary conditions, or absence of basic and essential facilities like potable water, drainage system, schools, health facilities, recreational grounds, post office, among others. Slums generate spontaneously and are in some cases, a direct result of the prevalence of poverty experienced by the inhabitants of cities. Slums, which are regarded as an element of urban decay, also result from congestion in overcrowded cities where poor immigrants seek to settle for just any available accommodation irrespective of quality (Olanrewaju, 1990 and 2004).

The increase in the development of slum in Onitsha, a major business urban area in Anambra State, southeastern Nigeria is worrisome. Slum has been proven by literature to be an element of urban decay has many negative health, environmental and economic effects (Anazodo, 2008; Ayodele, Olurotimi and Babatunde, 2012). The occurrence of slum depreciates property values, makes the environment untidy and enhances the spread of diseases. These and many other negative effects of slum affects the availability of standard housing for the masses. The current inflation of land prices is also a factor which affects the availability of lands for housing provision in the study area. While some persons speculate that the high cost of land increases the cost of housing provision and makes housing very lucrative, others say that the high cost of land in the area is the root cause of increase in the occurrence of slum as majority of the poor masses are no longer able to meet up with the cost of renting standard living apartments, thus seek to squat in uncompleted buildings and other dirty environments with little or no rental fees. To address this problem, this study analyzed the effects of land price inflation on housing and slum.

1.3 AIM OF STUDY

The aim of this study is to analyze the effects of land price inflation in management of slums and housing provision in Onitsha, Anambra State, with a view of coming up with better solution to the challenges of slum creation and housing provision.

2.0 LITERATURE REVIEW

The phenomenon slums have been identified in various ways by different authors. According to Bergal (1965) slum can be classified into the following three ways: the original slum, the departure slum and the slums of transition. While in the Original Slum the environment at its early period is marked with very unsuitable buildings, requiring clearance and development; the Departure Slum is occasioned by the mass movement of middle and upper class families to other areas, as a result of lack of maintenance and regular repairs the area became deteriorated, for instance in Onitsha; the Slum of Transition arose from blight which emerges around the central business district. There is evidence of rapid deterioration of the physical and social environment. Most residents of this area are usually transient touts, habitual beggars, alcoholics, criminals, drug addicts and homeless people.

There are four types of slum also recognized by most writers which includes: [i] slum of hope with escalators [ii] slum of despair with escalator classes [iii] slum of despair with non escalator classes [iv] slum of hope with non escalator classes.

According to Okafor and Onuoha (2016b) they traced slum in Onitsha Metropolis to mining. In their review which led to the survey they conducted on the effects of slum on the value of properties, they showed how the area was developed to house miners. Consequently, displaced farmers in the rural area started migrating from the rural area to the city and its environs, this massive increase in population which is unplanned for marked the genesis of slum in Onitsha in general as the incoming population must be housed and there is no planned standard housing provision that is been made.

Although the age and quality of the initial buildings are relevant to the slum formation, they are not the only factors. Two areas of housing built as the same time and of the same quality may show significant difference in their rate of deterioration. The following are the main factors that have governed slum formation in the UK as identified by Martin (1977) cited by Okafor and Onuoha (2016b):

- a. Diseconomies external to the house but internal to the area.
- b. Encroachment of non-housing uses
- c. Diseconomies generated by used external to the area
- d. Intensity of use
- e. Controls on rents and security of tenant
- f. Low income
- g. The problem of depreciating/deteriorating public services in city centers.
- h. Planning blight

Rapid urbanization and industrialization in Onitsha Nigeria from the 1960s through 1989 resulted in two housing related problems. The first was the shortage of low-income housing units, and the second was the increasing price of affordable housing. The affordable housing shortage coupled with the rising cost of available units made it increasingly difficult for low-income households to maintain an acceptable standard of living in Onitsha, thereby pushing them to live in slums where they caused devastations to the environment. The issue turned into an environmental threat to the government because of the pollution generated by the slum dwellers.

In spite of the abhor able negative impact of slum of housing accommodating, human health and the environment, slum plays the following functions which are considered useful in the city: Accommodation for new immigrants; Accommodation for the poor; Sources of unskilled and semi skilled labour; Promotes group association; Refuge or hideouts for criminals; and Sources of income for slum landlord (Bello, 2006 and Okafor and Onuoha (2016b & c).

Slum as a Critical Environmental Problem: The sporadic growth of urban population has been blamed for the poor environment condition in most cities of the developing countries of the world. According to Anazodo (2008), population growth is inimical and a serious threat to healthy living and if not properly checked, it could result to unprecedented increase on slum area food poisoning and shortage, dysentery technical and malnutrition. He further opined that drinking water supplies, sewage disposal, refuse collection, disease prevention measures, and primary health care were minimal as a result of the trend. This was supported by the findings of Ayodele *et al* (2012).

Okafor, B. N. and Onuoha, D. C. (2016b) and (2016c) evaluated the Effects of Slum on Property Values in Onitsha Metropolis of Anambra State; and the Effects of Slum on Property Values in Asaba Metropolis of Delta State respectively. In their findings they established the incidence of slums in Onitsha and Asaba respectively. In their discussion, they saw slum as: (1) a product of urban spiral to fringes, the word “sprawl” is a process of urban growth in which a city invades the surrounding hinter lands. In Onitsha Metropolis area the growth of settlement could be referred to what Harvey and Clark (1965) called “frog sprawl”. They constructed that slums developed in the process of uncontrolled urban sprawl, composed of areas of essentially urban character located at the urban fringe or periphery but which are scattered or surrounded by or adjacent to undeveloped pre-exactly agro based village settlement. (2) as a socio-cultural traditionalism and (3) as an institutional characteristics of urban development, according to them in the formation ears of industrialization, slum environment is an inevitable byproduct of the industrial environment like the abdominal distortion that precedes birth and growth.

3.0 METHODOLOGY

This study adopted a survey design/method, having as instruments of data collection; field observation, questionnaires and interviews. The field survey was a visit to some of the slum(s) in the study area to obtain information especially about why the inhabitants chose to stay in such an unkempt place rather than standard houses, their income status and the implications of land price inflation to housing provision and slum generation. The members of the general public and professionals were also sampled on these issues using questionnaire while some of the inhabitants of the slum who could not read or assess the questionnaire were interviewed. A total of 300 copies of the questionnaire was administered randomly in three strata each stratum having about 100 persons being sampled as randomly selected. While stratum 1 is the inhabitants of the slum, stratum 2 comprises of the professionals in general environmental sciences (enlisting environmental managers, estate managers, builders, architects, urban and regional planners, etc) gotten from academic institutions of higher learning and secretariats of professional bodies around the study area.

4.0 DATA PRESENTATION / ANALYSES

Table 4.1: Age of Respondent

Age Responses	Frequency	Percentages
20-25	46	15.3
26-30	98	32.7
31-35	44	14.7
36-40	51	17.0
41 and above	61	20.3
Total	300	100.0

Source: Researcher's field survey (2015)

The responses in table 4.1 above shows that 15.3% of the respondents are age 20-25, 32.7% are (26-30), 14.7% are (31-35)years, 17.0% are (36-40)years and 20% are 41 and above. This shows that majority of the respondents are people of the age between 26-30 years.

Table 4.2: Gender of the Respondents

Sex Responses	Frequency	Percentages
Male	61	61.0
Female	39	39.0
Total	100	100.0

Source: Researcher's field survey (2015)

The responses in table 4.2 above, shows that 61.0% of the respondents who inhabit the slums are males, while 39.0% are female. This shows that most of the respondents who are inhabitants of the slums are male.

Table 4.3: Occupation of the Respondents

Occupation	Total Number	Percentage Responses
Civil Servants	42	14.00
Academicians/ Professionals in Environmental Issues	84	28.00
Businessmen & Artisans	71	23.67
Applicants/Unemployed	55	18.33
Students	35	11.67
Others	13	4.33

Source: Generated from Authors Fieldwork (2015).

The data contained in table 4.3, showcases that a reasonable percentage (28%) of the respondents are academicians and professionals in the area of environmental sciences, this makes their responses to be more reliable. It is also clear that there is a high percentage of unemployed and majority of these unemployed respondents live in these slum environment. This buttresses the fact from literature that poverty is a factor of slum formation. In accordance with this, the responses to the interview question on "why do you stay in this kind of environment when there are standard housing provision being made?" has most of the inhabitants of the slum area stating that they have no money to pay for such standard accommodation thus resort to the slums most of which are deteriorated, dilapidated and some uncompleted buildings.

Table 4.4: Respondents Academic qualification

Responses on Academic Qualification	Frequency	Percentages
WASSCE/GCE/SSCE	83	27.7
OND/NCE	55	18.3
HND/B.Sc	91	30.3
PGD/M.Sc	48	16.0
PhD	5	1.7
Others	18	6.0
Total	300	100.0

Source: Researcher's field survey (2015)

From the above responses on academic qualification it is evident that almost all the respondents have at least obtained the secondary school education with an O-Level result/qualification while over 50% are graduates from institutions of higher learning. The implication of this is that majority of the respondents will be able to read the questions easily and understand it better considering their academic status. Having a reasonable percentage of professionals also adds to the reliability and authenticity of the data generated from the questionnaire this strengthens the reliability test done earlier on the questionnaire as a research instrument.

Hypothesis Testing

H_0 : the inflation of land Prices does not significantly affect Housing Provision and Slum generation.

H_1 : the inflation of land Prices significantly affects Housing Provision and Slum generation.

Statistical Test: Considering that we are trying to establish if or not the inflation in prices significantly affects housing provision and slum formation, according to responses from the overall respondents, the chi-square test was adopted for this statistical analysis. The computed value of chi-square is 932.695, while the table value of chi-square at 0.05 level of significance at a degree of freedom (DF) of 16 is 26.296.

Decision: Since the computed chi-square value is greater than the table value, the null hypothesis is rejected and it is therefore concluded that, the inflation of land Prices significantly affects Housing Provision and Slum generation

4.1 SUMMARY OF FINDINGS AND CONCLUSION

From the results in section 4.0 above, the outcome of the field observations and the responses of the inhabitants of the slum during the interview conducted; the research findings are summarized as follows:

The inhabitants of the slum areas of Onitsha under study are very low income earners, most of which are artisans and petty business owners who cannot afford the cost of renting a standard living apartment in town.

There is high incident of unemployment in the area, mainly amongst the inhabitants of the slums, this agrees with the findings of early studies as contained in the literature review that poverty is a major cause of slum formation.

The houses in these slum area are of age but there is no money by the inhabitants to renovate them, so they keep deteriorating. This is very important to note because several literature has it that old age of buildings are factors of slum development, but from the field survey and interview especially responses from the inhabitants of Okpoko slum area during interview, they are ready and willing to have their houses renovated and upgraded to standard, but the resources to carryout such activities is not within their reach.

Both the inhabitants of the slums and those living in standard apartments (tenants and landlords) complained of the high cost of house rent which they blamed on many factors to include high cost of building materials, high cost of labour, government stringent policies on land acquisition and building construction, high/competitive demand for the little available housing being provided due to population increase among others.

Some of the landlords interviewed highlighted that the cost of maintenance of buildings is on the high side therefore they have to increase rent for them to be able to meet up with future maintenance projects. As all these increases the cost of affording a standard living apartment, the poor who cannot afford them resort to the slums.

Another area which needs to be explored more is the reason why some of the inhabitants of these areas do not want any renovations or upgrading of their living standards. Many who were asked dodged answering the question, while only a few answered that if there is any move to upgrade their apartments, there will be commensurate increase in rent which they may not be able to afford. Some of these inhabitants of the uncompleted buildings do not even consider any upgrade as they pray for the owners of the houses to abandon them completely, the reason being that they are not being charged any rent. There are speculations which needs to be buttressed with an empirical study that the reason some of the inhabitants are against rehabilitation activities is that they use such places as hideouts for dirty deals like sell of Indian hemp and robbery activities.

4.1.2 CONCLUSION

From the result of the test of hypothesis and field survey, the study concludes that the inflation of land Prices significantly affects Housing Provision and Slum generation therefore needs to be addressed.

5. RECOMMENDATION

Inline with the summary of findings, discussions and conclusion(s) drawn from this study, the following recommendations are expedient:

1. There should be a reclamation campaign for the slums in Onitsha which will start by education and conscientization of the inhabitants to open their eyes on the benefits of living in a more decent, hygienic and safe environment.
2. The government should make policies which will encourage property owners to develop their properties to standards and rent them out to individuals or cooperate bodies to arrest a situation whereby these undeveloped (uncompleted) structures/buildings serve as hideouts for hoodlums.
3. The numerous stringent protocols to land acquisition should be scaled down to the barest minimum, while those officials of the government who are involved in extortion of property owners be punished so as to sanitize the system as these adds to the overhead cost of housing provision.
4. Creation of gainful employment for the poor masses in the study area will go a long way to encourage them to move into standard living apartments.
5. Provision of alternative housing to accommodate or relocation of the inhabitants of these slums to low cost housing areas will create room for easy rehabilitation of the slums.

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