Challenges of Housing Delivery in Metropolitan Lagos

Enisan Olugbenga, Ogundiran Adekemi
(EnisanOlugbenga, Department of Urban and Regional Planning, Federal University of Technology, Akure, Ondo State, Nigeria. enisangbenga@yahoo.com)
(OgundiranAdekemi, Department of Urban and Regional Planning, Federal University of Technology, Akure, Ondo State, Nigeria. kemiogundiran2001@yahoo.co.uk)

1 ABSTRACT
The need for adequate and decent housing is now part of the central focus and an integral component in National strategies for growth and poverty reduction. Decent and affordable housing is one of the basic needs of individuals, family and the community at large. As a pre-requisite to the survival of man, housing ranks second only to food. Housing as a unit of the environment has a profound influence on the health, efficient, social behaviour, satisfaction and general welfare of the community at large. It reflects the cultural, social and economic value of the society as it is the best physical and historical evidence of civilization in a country. The importance of housing in every life of human being and in national economy in general is enormous. Housing problem in Africa especially in Nigeria is not only limited to quantities but also qualities of the available housing units environment. It is in view of this that the paper views the challenges of housing delivery in the Lagos Metropolis. This was done by carrying out the inventory of housing delivery mechanism in Metropolitan Lagos in the past. Factors affecting housing delivery were also analyzed. It was discovered that land play a major role in ensuring effective housing delivery. The paper suggests that government need to pay urgent attention to all institutions that is responsible for housing delivery in ensuring that everybody has access to a decent place of abode.

Keywords: Housing Delivery, Housing Sector, Shelter, Urban Land, Urbanization

2 INTRODUCTION
The rate of urbanization in Nigeria has been on the increase in the last two decades. The proportion of the country population living in urban centres has increased phenomenally over the years. While only 7% of Nigerians lived in urban centres in the 1930s, and 10% in 1950s, by 1970, 1980 and 1990, 20%, 27% and 35% lived in the cities respectively (Okupe, 2002). Over 40% of Nigerians now live in urban centers of varying sizes. The incidence of this population in urban centers has created severe housing problems, resulting in overcrowding in inadequate dwellings, and in a situation in which 60% of Nigerians can be said to be “houseless persons” (FGN, 2004). This structure created a lot of pressure on social services and infrastructure such as transportation, electricity, water supply, health services, housing, etc. Housing sector plays a critical role in the development of an economy and it is one of the most important basic needs of man (Mehmet, 2009). It is an obligation for any good government to provide affordable accommodation to its citizens. There is need for the government of the nation to ensure affordable accommodation to citizen irrespective of their location in the country. The statistics of homelessness is the best we deserve; currently many cannot afford a decent home, nearly half of Nigeria's population lives in urban and semi-urban areas, with majority living in slums and substandard accommodation. However, Mabogunje (2002) asserted in government white paper on housing and urban development that government had undertaken some significant steps in meeting the demand for housing. Those efforts from then till now have very limited impact on the housing needs, especially for the low and middle income groups.

Despite the significance of housing, adequate supply has remained a mirage to all carder of the society in Nigeria. The situation is very particular to most developing countries where population grow at exponential rate and rapid urbanization becoming a norm, and discrepancy in housing need and supply is high. Various authorities have proffered strategies for improving housing delivery in Nigeria. Fasakin (1998) suggested the cooperative housing model while Oduwaye (1998) advocate for simple land allocation system and Omole (2001) suggested affordable financing model. Towards this end, it is clear that Nigerian government and other players in the housing delivery are not treading the same path; other countries tread in meeting up the housing needs of their citizenry.
Overview of Housing in Nigeria compared to other nations in the world

Source: Ajanlekokoko, 2011

Housing delivery in Nigeria is provided by either the Government or Private sector, but despite Federal Government access to factors of housing production, the country could at best expect 4.2% of the annual requirement. Substantial contribution is expected from other public and private sectors. It should be acknowledged that private sector developers account for most of urban housing (FOS, 1983). The production of housing in Nigeria is primarily the function of the private market; approximately 90% of urban housing is produced by private developers (Omole, 2001). Housing demand created by rural-urban migration, which account for 65% of urban population growth, the fixed supply of urban land, and inflation of rental and housing ownership cost has increased in the past decade. Unfortunately, the private sector is saddled with numerous problems which make supply always fall far short of demand and lower production quality (Nubi, 2008). The problem of qualitative housing has been a concern for both the government and individuals. Appreciating these problems, both public and private sector developers make efforts through various activities to bridge the gap between housing supply and demand, but the cost of building materials, deficiency of housing finance arrangement, stringent loan conditions from mortgage banks, government policies and most importantly geometric increase in land value are affecting housing delivery significantly in Nigeria (Raji, 2008). A recent study of housing situation in Nigeria put existing housing stock at 23 per 1000 inhabitant. Housing deficit is put at 15 million houses (Mabogunje 2007) while N12 trillion will be required to finance the deficit. This is about 4 times the annual national budget of Nigeria (FHA, 2007). Land Value and rents, on the other hand, have grown ahead of general inflation. Making matters worse, the composition of land for sale and rent on the market has been inexorably shifting towards very expensive home (Nubi, 2008). This is basically due to inadequate funds for housing within the existing spatial structure. This necessitated the need to examine the challenges of housing delivery in Nigeria using the Lagos Metropolitan area as a case study.

3 KEY ENVIRONMENTAL CHALLENGES IN METROPOLITAN LAGOS

Although, the rapid growth witnessed by the State has been a boost to its economy, Lagos has also had to grapple with an array of environmental challenges arising from its growth which could be described as astonishing. The need to ensure that development efforts are carried out with utmost concern for conservation of natural resources in the state in particular for the sustenance of the environment in general therefore becomes opposite. Some of the environmental challenges the state has to grapple with include; overcrowding and unplanned human settlement; sprawl development arising from rapid population growth; poor sanitation in slums/blighted communities and increase in the number of settlements requiring regeneration/renewal, the low lying terrain of Lagos and its implication on storm water management and flooding control; threats to and abuse of wetlands arising from human activities; pollution of surface and underground water bodies; as well as land and the atmosphere pollution arising from domestic, commercial and industrial activities. Ways of ameliorating these problems vary from; attitudinal change and re-orientation among keyplayers/stakeholders to adopt or adapt
sustainable resource utilization strategies; as well as communicating the negative implications of climate change; building strong institutional framework for policy formulation and implementation; funds to sustain the delivery of public utilities / key services like water supply; solid waste management, environmental beautification and so on; increasing poverty among urban and rural dwellers and its implication on resource utilization / consumption vis – a – vis energy, sanitation; paucity of reliable data for effective environmental planning and management

4 INVENTORY OF HOUSING DELIVERY MECHANISM IN METROPOLITAN LAGOS

While the growth of the population in the metropolitan Lagos has assumed a geometrical proportion, the provision of urban infrastructure and housing to meet this demand is, not at commensurate level. This has resulted in acute shortage of housing to the teeming population with Lagos alone accounting for about 5 million deficit representing 31% of the estimated national housing deficit of 18 million (Oshodi, 2010). The extent of the housing shortage in Lagos is enormous. The inadequacies are far-reaching and the deficit is both quantitative and qualitative; even those households with shelter are often subjected to inhaling woefully deficient structures as demonstrated in the multiplication of slums from 42 in 1985 to over 100 as at January 2010. The urban poor, who are dominant in Lagos, are transforming the city to meet their needs, often in conflict with official laws and plans. They reside in the slums and squatter settlements scattered around the city and are predominantly engaged in informal economic activities which encompass a wide range of small-scale, largely self-employment activities. 60% of residents are tenants and have to pay rent as high as 50-70% of their monthly income since most of the existing accommodations are provided by private landlords (Aluko, 2010). The concentration of housing and income levels has stratified the metropolis into various neighborhoods of low-income/high density, medium income/medium density and high income/low density (Lawanson, 2007).

Mayaki (2009) reported that ‘to stem the housing crisis, the Lagos State Government had a documented history of housing provision from the days of Lagos Executive Development Board (LEDB) in 1950’s’. LEDB was able to deliver 4,502 housing units, within 17 years, from 1955 to 1972 when it was dissolved with the population rising from 1.4 million in 1963 to 3.5 million in 1975. In 1972, the functions of LEDB were transferred to Lagos State Development and Property Corporation (LSDPC) as the sole agency responsible for the provision of Housing in Lagos State. Since its inception in 1972, LSDPC has been saddled with the execution of gigantic low-cost housing program of the early eighties which yielded close to 10,000 units. In 1979 under the leadership of Alhaji L. K. Jakande, LSDPC took a dynamic and elaborate turn with emphasis on low cost flats to cater for the needs of the low-income earners. Government realized that only the supply of housing units on a large-scale either through Government or by individuals themselves can reduce the chronic shortages. By 1992, about 17,000 units were built in several locations which included Abesan (4,272 units), Amuwo Odofin (2,068), Iba (1,560), Ijaye (812), Ijeh (62), Isolo (3,632), Ojokoro (534) (Mayaki, 2009).

Thus between 1972 and 1999, LSDPC was able to deliver 20, 120 housing units while 1, 818 housing units were delivered from 2000 to 2010. It is important to note that the population rose from 3.5 million in 1975 to 10.28 million in 1995 and from 13.42 million in 2000 to about 18 million in 2010. The joint venture housing projects yielded 331 units while the ongoing projects at Lekki Scheme 2 and Apapa GRA will yield combined units of 150. The proposed residential projects at Victoria Island and Abijo are expected to increase the stock by 236 units. The total stock from LSDPC excluding the proposed units over the 38 year period is 22, 419 housing units, that is an average of 590 units per annum (LSDPC, 2010). Lagos State Government in 1980 also established the New Towns Development Authority (NTDA)an organ that provides site and service schemes for individual middle-income housing. A very laudable idea but it has not impacted much on the housing delivery in Lagos. Their attempts include Lekki scheme 1 and 2, AmuwoOdofin and Ijeh North (Mayaki, 2009).

Lately, the Ministry of Housing and Lagos Building and Investment Company (LBIC) did commence direct construction of houses in Lagos thus compromising the mandate of LSDPC. The Ministry of Housing till date has constructed 18 No. housing estates with 5 others under construction. The total units of this strategy are less than 5, 000 units while the LBIC intervention will yield less than 1, 500 units (Lagos State Ministry of Housing, 2010). Aside the direct construction approach, the Ministry and other government agencies adopted other options of delivering houses to the citizens, among which are public private partnership in housing delivery, urban renewal and regeneration program, establishment of new towns, provision of site and service scheme. The combined stock of all these strategies is less than 5, 000 units per annum in a state requiring 500,000 units per annum to bridge the deficit of estimated 5 million over the next 10 years. Even, the recently launched Lagos Cooperative Home Ownership Incentive Scheme (Lagos – CHOIS), in collaboration with the private sector, is expected to deliver 10,000 housing units over the next four years at unaffordable rate of N11.6 million for a 2 bedroom apartment (Lagos State Ministry of Housing, 2010).

All the programs embarked upon by the Lagos State government and its different agencies are aimed at regenerating the urban fabric, sustaining environmental quality and increasing housing supply. These efforts are ideal, but they seems not to be proportionally coordinated within the context of increasing accessibility to homes
for the low-income earners and ensuring security of tenure for the same group. While, the houses for the upper income segment of the society has never been in short supply, housing for the poor has remained a vexed issue with various government programs unable to meet the deficit recorded in this segment. The informal private sector, in Lagos comprising people of different income background resorted to self-help housing strategy. This sector has taken the risk of buying untitled land from informal market dominated by cabal popularly referred to as “Omo-Onile”. After the purchase of the land, majority of these people will take it upon themselves to construct their own roads, providing water and extending electricity for kilometers to provide a roof over their head. Over 90% of housing supply in Lagos is from this sector with the resultant effects of lack of standardization and distorted urban planning system.

5 FACTORS AFFECTING HOUSING DELIVERY IN METROPOLITAN LAGOS
At the bottom of housing fiasco in Lagos lies the problem of land accessibility, stunted financial and mortgage system, exorbitant prices of building materials and disproportional capacity building in the sector. Land value has been described as the fulcrum of all types of development in any society, the constrain poses by its inaccessibility in Lagos has reduced the provision of affordable housing for Lagos residents, about 70% of whom live below the poverty line (UNEP, 2008). Many provisions in the 1978 Land Use Act have denied intending housing developers from delivering the products in affordable quantity. The Land Regularization program introduced by the Lagos State Government in 2006 has not demonstrated full capacity to enhance access to land for the poor and low-income groups. It takes more than 217 days and at unaffordable cost to procure land title from the Regularization Directorate as against 45 days mentioned in the program document (Oshodi, 2010). The cost and bureaucracy discouraged the beneficiaries of the program from massive participation. The land title is a pre requisite for building permit; hence, many houses sprang up without planning permissions and are classified as illegal developments by the government.

Housing finance and mortgage system in Lagos cannot be totally ostracized from what is obtainable in Nigeria. Generally, there is no credit or finance structure available to the low-income groups for land, housing and basic services in Nigeria. The only window for all Nigerians to access financial facility for land, housing and basic services is the National Housing Fund (NHF) established in 1992. The finance structure is such that neither the builder nor the consumer can readily obtain finance for housing due to the stringent conditions attached to mortgage loan and high interest rates at the commercial market. Out of the estimated 10.7 million existing housing units in the country, statistics have shown that about 88% are self-built with little or no mortgage attachment. That is why mortgage facilities are of no consequence to the nation’s Gross Domestic Product (GDP) and the whopping N35 trillion require to finance the 18 million housing deficit in Nigeria remains elusive (Oshodi, 2010).

Since 1986, the prices of building materials have been on the upward trend with significant effect on the poor families’ home construction. Between 1986 and 1997, marble price increased by 55% while a ton of mild steel reinforcement increased by 35% over the same period. The rate of price increase between 1997 and 2005 ranged from (N586 to N750) 27.95% for emulsion paint and (N2, 300 to N12, 000) 421.7% for sharp sand. Cement, a basic component of housing construction in Nigeria rose from N23.50 per bag in 1986, N420 in 1997, N1, 150 in 2005 to N1, 800 in 2010, an increment of about 7, 600% over a period of 24 years. During the same period, the purchasing power of average resident in Lagos have declined with non-commensurate income wage and commitment of over 40% of income to housing expenditure against the United Nations recommended 20% (Akinmoladun and Oluwoye, 2007).

The problem of inadequate housing for the citizens in Lagos is further aggravated by the declining budget for housing by the government. In 2000, N667 million representing 4.05% of N16 billion budget was earmarked for housing while N776 million representing 1.42% was budgeted in 2005. Of N224.6 billion total budget for the year 2010, only N6 billion representing 2.7% was earmarked for housing (Lagos State Ministry of Housing, 2010). Housing problems appear intractable to the government.

In the absence of any significant affordable housing strategy by the State government, citizens have continued to explore different approaches to accommodate themselves. In the opinion of the government, these approaches are in gross violation of town planning principles and mega city status of the State; hence the response has been forceful eviction and demolition of self developed homes.

6 LAND VALUE AS A MAJOR DETERMINANT IN HOUSING NEIGHBOURHOOD
Land is a major component of the production of housing, which everyone needs and equally essential as production facilities, which we all depend on for our livelihood. Essentially, urban land is demanded as an asset, factor of production for housing and public services such as roads, ports and parks. Returns on it come in form of housing services or income flow from production of goods. It is also demanded as a pure asset in people’s portfolios. Housing, on the other hand, has been variously defined (Eke, 2004; Agbola; 2005, Knox, 1995, 2000
etc). However, the most important and relevant definition is provided by Harvey (1972). According to Harvey (1972), housing is fixed in geographic space, it changes hands infrequently, it is a commodity which we cannot do without and it is a form of stored wealth which is subject to speculative activities in the market. That is, housing is spatially uneven resources of variable cost or quality often expressed in terms of land or rental values. Most of the past studies on these costs or values of urban land have been based on locations factors such as distance from CBD as the most relevant variable, ignoring non-location factors such as size, time of purchase, site and services etc (Mabogunje, 1968; Sada, 1972; Ayeni, 1979; Alonso, 1964; Ball, 1973; Smith, 1976; Asabere, 1981; Arimah, 1990). However, to some people, it is the size of land available (space), tenureship and time of purchase, zoning policy, site services, interest rate, psychological factors, etc, which tends to be more important for survival than its location (Megbolugbe, 1983; Okewole, 1998; Olayiwola, Olayiwola, Adeleye, Oduwaye, 2006; Ilechukwu, 2008; Evans, 2002). This is because urban communities use land more intensively than their rural counterparts. Hence, Olaore (1991) inferred that where cities emerge or grow, land suddenly becomes much more valuable than it used to be.

Urban settlements in Nigeria have experienced dramatic growth in their administrative, industrial, commercial, religious and social roles in the last few decades as a result of urbanisation and industrial development. The need for adequate and decent housing provision is now part of the central focus and an integral component in National strategies for growth and urban regeneration. Decent and affordable housing is one of the basic needs of individuals, the family and the community at large. Accordingly to Maslow’s hierarchy of needs, housing ranks second only to food. Housing as a unit of the environment has a profound influence on the health, efficient, social behaviour, satisfaction and general welfare of the community at large.

8 ATTAINMENT OF SUSTAINABLE HOUSING DELIVERY IN METROPOLITAN LAGOS: THE CONCLUSION

The main component of housing delivery is availability of land resources. Urbanization in Nigeria has resulted in limited accessibility to land and thus compound the problems of housing provision that urban and regional planning is aiming to solve. The continuity and dynamism of land value make its classification as a process inappropriate. Land value thus arises when comparatively increasing number of people jostles for land in urban centres as against the rural areas.

Cities are the main focus of land problems and the threshold population for their classification varies from one country to another and over time, even within the same country. More critical than population is the function metropolitan area performs. One of the distinguishing characteristics of a metropolitan area is that its work is largely divorced from soil, that is, its people are dominantly not primary food producers. Furthermore, it is unrealistic in Nigeria to classify all Nigeria States as metropolitan areas because of their peculiar functions. However, their roles as development advances in most instances result in increase in land value and thus reflected in housing delivery. According to Bid Rent Model (Alonso, 1964), land value increases as one moves towards the city centre; and tend to be lower towards the urban fringe. But this theory does not apply in most part of Metropolitan Lagos. Land in some urban fringe increase in value as a resulted of several factors. One of these is to avoid the congestion and noise effects of the urban centre.

Rising land prices and charges appear exorbitant and much above the official income capacity of many Nigerian professionals. Available data indicate that the housing demand-supply gap for Nigeria is about 16 million units. In Lagos where most residents live in rented and sub-standard accommodation, market opportunities exist for more than 10.5 million quality homes. If Lagos State were to develop efficient strategies to encourage the private sector to develop just 1 million quality housing units in quality housing estates at market prices of about N16.5 Million each and then adopt good property tax models as in the developed countries, then a unified property tax rate of 2.5% per annum for the new housing units will yield N412.50 Billion per annum to the State/Local Governments. That is more than the entire Lagos State 2009 budget of N405 Billion, including the state’s share from the federation account.

The government need to promote policies that will enhance reduction in the cost of building material and place much emphasis on accessibility to land. This could be achieved by promoting laws that will enhance easy accessibility to land for mass housing production. There is need to also strengthen the mortgage institutions and expand the resource base of the Federal Mortgage Bank of Nigeria (FMBN) and initiate programmes that will encourage individuals to show interest in this sector. Housing provision in a city, such as Lagos provide greater challenge to any government just like what is being experience in most urban city of the world like Tokyo in Japan, New York in US, Bombay in India, Sao Paolo in Brazil, Beijing in China, Cairo in Egypt and most urbanized nations of the world. This therefore calls for more emphasis on housing sector since it plays great role in the nation development.
REFERENCES


Garba S. B (1998): Public Land Ownership and Urban Land Management Effectiveness in Metropolitan Kano, Nigeria, Department of Architecture, Ahmadu Bello University, Zaria, Nigeria


Mabogunje A. L. (2007) Developing Mega Cities in Developing Countries, being text of a lecture delivered at a Colloquium organized by the 2007 Graduating Class, Department of Geography, University of Lagos on Wednesday, 12 September, 2007.


This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE’s homepage: http://www.iiste.org

CALL FOR JOURNAL PAPERS

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. There’s no deadline for submission. Prospective authors of IISTE journals can find the submission instruction on the following page: http://www.iiste.org/journals/ The IISTE editorial team promises to the review and publish all the qualified submissions in a fast manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: http://www.iiste.org/book/

Recent conferences: http://www.iiste.org/conference/

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar