SELF BUILT HOUSING OPTION AS A PANACEA FOR HOUSING SHORTAGE IN NIGERIA

HADIZA ABDULKADIR MUSA

Department of Estate Management, Kaduna Polytechnic, Kaduna State, Nigeria

ABSTACT

This paper examined self built housing as a panacea for housing shortage in Nigeria on this objective: To examine the purpose of Government's policy on housing finance to low income earners with a view to identify the approaches of self built housing. The research was designed on a quantitative technique thus three sample clusters were selected namely: Goni gora, Rigasa and Bayan Dutse. It was deduced that there is no form of Government policy finance available for low income earners housing needs. It was also discovered that the approaches in self built housing requires the full participation of the owner who may hire the services of skilled labour, unskilled labour and semi-skilled labour. The research concludes that self built has the potential to ease the shortage of housing in Nigeria. Government and Non - Governmental organizations need to ensure the formation and development of self built housing cooperatives that are efficient and sustainable .

Keywords: Self Built Housing, Housing Shortage

INTRODUCTION

Provision of housing as a requirement comes next after food. Indeed there is no doubt about the universal acceptability of housing as one of the fundamental needs of human beings which in order of priority comes next after food and before clothing. In developing countries (particularly Nigeria), the problem of housing is more pronounced than in the developed countries. Moreover, the shortage of housing in the urban areas is more pronounced and critical than in the rural areas. The country witnessed barrage of failed attempts at addressing the problem of housing during the period of military rule, which spanned late 1960s and late 1990s. Consequently, the civilian administration which came into being in the late 1990s inherited a serious problem of inadequate housing, resulting from many years of neglect, undeveloped housing finance system, limited supply of long term funds, high interest rate on mortgages, high cost of land and building materials, poor planning and implementation of housing policies and programmes, existence of administrative bottlenecks which make processing and securing of approval of building plans,

certificates of occurring and other necessary government permits very difficult and the unmitigated corruption in the allocation of government lands within the framework of the Land Use Act, cap 202 LFN 1990 (Ogwu, 2006, Akomodede, 2007, and Oniyike, 2007).

The current population of the country is put at over 140million (National Population Census, 2006) and still increasing at an annual growth rate estimated at 3.2% as a result of which the country has a very large and ever increasing housing deficit which stood at approximately 8million housing units in 1991 and between 12 to 14 million housing units in 2007 (Akeju, 2007). While a more recent estimate puts the figure at between 16 to 17million housing units deficit according to Olusegun Adeniji of FMBN cited by Sombo, 2007; Uroko and Akintola, 2008. At an average cost of N2.5million per housing unit, the country would require a whopping sum of N42.5 trillion to fund a housing deficit of 17million housing units.

The housing situation in Nigeria has been extensively dealt with by eminent scholars (Onibokun, 1972, Onokerhoraye, 1976, Jagun, 1983, Wahab, 1990, Olotuah, 1997, Sanusi, 2003, Ogwu, 2006, and Onyike, 2007). These show the degree of housing problem provision in the country and the importance the scholars and academia attached to the subject matter. The concern attached to the problem of housing in the country is an indication of the highly deplorable conditions in which the citizens most especially the low income earners residing in the urban centers of the country live, as manifested in the sanitary housing conditions, and overcrowding in houses.

A recent study based on the salary structure of public servants in Nigeria showed that no public servant in Nigeria below salary grade level 13 in the federal civil service can afford a property worth N4.75million on a 25year mortgage at 6%, if he devotes 50% of his salary per annum to housing Onyike (2007). At 18% mortgage rate, only a federal permanent secretary or his equivalent on grade level 17 can afford the same house. This shows that in the absence of some assistance, adequate housing is unaffordable to most low income earners. Onyike (2007). It is against this backdrop that this study seeks to proffer solution to housing shortage in Nigeria by examining the purpose of Government's policy on housing availability to low income earners and likewise the approaches of self built housing.

LITERATURE REVIEW

Housing Issues in Developing Countries

It has become increasingly glaring that most of the urban population live in   dehumanizing housing environment while those that have access to average housing do so at abnormal cost (Olugbenga, 2001).

In developing countries, the low moderate income majority build their own homes incrementally over a period of 5 to 15years, largely without the support of formal sectors, private and public institutions (Bruce, 2001). Ferguson (2001), went forward to say that the term housing in developing countries is used as a verb because household must actively perform most of the task to gain access to land and construct adequate shelter during a long time period. The term housing

has become a noun in high income industrialized countries because it is a product delivered mainly by a sophisticated network of private and public institutions.

In developing countries like Nigeria, a home of one's own represents a precious refuge (Bruce, 2011). Thus household in developing countries have home ownership more than household in advance industrialized countries. In fact, in most developing Nations when a family does not have a house they can call their own, that family is regarded as poor.

However acquiring access to a home and to the components that comprises housing and housing policy land and property rights, building materials, basic services, regulations subsidies and credit finance are extraordinary difficult for most households in developing countries (Angel, 2000).

The greatest setback, however, often occurs with accessing credit. Widespread access to long term, competitively priced mortgages has revolutionized housing in high income industrialized countries over the past 60years as against that of the developing countries. An overwhelming share of households in these countries have now acquired homes with market rate mortgages from private sector financial institution (Bruce, 2001).The reality of mortgage finance is the opposite in developing countries. Only a small majority of households typically less than 20 percent of the population obtained a mortgage to finance in developing countries. Much of the blame often is attributed to inflation. This high and explosive inflation destroyed the existing mortgage finance systems of many countries in the 1980s and 1990s, especially in Nigeria, Ghana, and even Kenya.

Housing In Nigeria

The Nigeria Federal Housing Authority has alleged that housing needs are considerable in Nigeria, and the deficit is estimated at 14million units. The National population is estimated to be about 140million according to the 2006 population census with the urban population constituting about 30%. The rapid growth rate of urban population in Nigeria since the early seventies was mainly due to immigrating induced by the concentration of the gains from the oil sector in the urban areas (Ajanlekoko, 2001).

An elaborate National Housing Programme was embarked upon based on the concept of affordability and citizen participation. The target group was the low income earners. A total of 40,000 units were to be constructed annually nationwide with 2,000 units located in each state and the federal capital territory. Out of the states allocation, 80% of the units had been completed while the overall achievement was only 20%. Midway through the implementation, the second phase of the programme failed to take off in most states (Nigeria National Housing Policy, 2006). As at the beginning of 1999, housing development has been so neglected by successive Governments who for years did not regard housing as a priority on many occasions, no annual budgetary provision for housing were made. From all practical purpose, a "no-housing" situation existed in Nigeria. About 60% of Nigerians can be said to be "houseless". In the context of 6 members per household, it thus confirms that Nigeria has a housing backing of 14million

housing units. However, as at March 2009, The Federal House of Representatives committee on Environment and Habitat has asserted that Nigeria is in dare need of a minimum housing demands of its 140million citizens based on the United Nations standard. The House of Representatives committee also estimated that Nigeria currently has about 6.3million houses and to maintain the United Nations standard of 6 persons per house for a population of 140million people, Nigeria actually needs about 23.33million houses in addition to the 6.33million that already exist today. (Akintokunbo, 2008).

Self Built Housing

Self-built housing is often seen as a way in which people obtain their dream homes. It is considered by many to be limited to those who have considerable experience of the building trade or to affluent individuals who simply want to be involved in the process of procuring their own homes (Clapham 1993). It can however be used to provide affordable housing for low income earners. Self built housing, a form of housing provision, requires the participant to be able to undertake the manual work involved in completing the onsite stage of a project and although this slightly reduces the accessibility, self build has the potential to be used by a large number of people (Broom and Richardson, 1991).

Self build is the practice of creating an individual home for oneself through a variety of different methods. The term "self build" is specifically used in the UK and Ireland when an individual obtains a building plot and then builds their own on the plot. The self builders input into this process varies from doing under taking the actual building work to contracting out all the work to an architect or building package company. For the purpose of this study "self building" is the process by which stakeholders are directly involved in the building of their homes, including in the involvement of the design and planning, it has been described in other content as ("self help" housing and 'owner builder' housing.

Throughout the 1980s, it was estimated that self provision in the UK slowly but steadily rose from approximately 9,500 completions in 1984 to nearly 13,000 in 1990 (Broome and Richardson, 1991).This represented about 5% of all house completions. A drop in this figure over 1991 and 1992 to around 8,000 completions can perhaps be blamed on economic uncertainty.

Importantly, self build has the potential to help combat Britain's housing shortage. It has been estimated that 200,000 people were officially homeless or in temporary accommodation in the mid 1990s. Recent estimates as to the number of additional official homes required in the UK in the first two decades of the new century vary between 4 and 5 million (Holmans 1998). Self build has been used successfully to provide affordable housing for the low income earners (Clapham 1993) and it has even been suggested that it should be included in the Government Housing Policy.

Government policy on Housing Finance

Prior to the colonial era, many methods of housing finance were adopted in Nigeria. Amongst these were village development schemes, social club contributions, loans from traditional money

lenders etc. All these methods were successful in the provision of finance for housing and its delivery in the traditional setting (Nubi 2002).

However, the growing complexity in economic activities faded away those methods and replaced by modern methods. According to Nubi (2002) there are two sources of finance; Formal and Informal. The formal method comprises of institutions operating within the statutory guideline stated by Federal Government, they are: Federal Mortgage Bank of Nigeria (FMBN), Commercial Banks, Specialized Development Banks**.** The informal sector includes, corporate bodies, developers/contractor financed etc. Most informal sector transactions are not taxed nor are they registered in the national income accounts. Some informal sector finance sources are as follows: personal or family savings, individual money lenders and voluntary housing movements. The history of housing finance in Nigeria has however been an appalling one. Nigeria is characterized by lack of savings habit. Amongst inhabitants, many lost their savings to distress and liquidated banks creating a big distortion in the savings culture. The call for both voluntary savings and compulsory savings generated little interest in Nigeria.

Ajanlekoko (2001), opined that housing is typically financed through a number of institutional sources: Budgetary appropriations, Commercial/Merchant Banks, Insurance Companies, State Housing Corporations and the FMBN. He further noted that the impact of informal institutions as thrift and credit societies, and money lenders be properly quantified because they are largely uncoordinated, scattered and varied in scope and operational depth. Emeka (2010) stated that Nigeria requires about 15 trillion naira to solve its housing deficit estimated at 16 million units and noted that relying on the contributions from the National Housing Trust Fund would be counter-productive as there are about 40 million applications with about 2 billion naira monthly proceeds from NHTF. This suggests that the available funds from the NHTF are inadequate to meet up with the subsisting mass housing demand especially for the low income group.

The cost of urban land is a big discouragement to the urban poor. Only marginal land, with no title document and infrastructure at the periphery to the cities is available for the poor to build on. Cost of land and documentation account for about one third of what is required for housing development (source). The absence of large real estate development companies who are willing to deploy relevant technology and financial requirement to develop affordable houses on mass scale for the urban poor is a drawback to the Nigeria housing delivery dream.

The gap between income and shelter cost in Nigeria is very wide. This has eliminated the low income earners from the housing market, rising cost of building materials, inflation rate in the economy, fees of professionals involved in housing finance, excessive profit to contractors etc are other depriving factors (Ajanlekoko 2001). Nigeria Housing Finance stakeholders are looking into extending housing finance to reach all income earners. Stakeholders recently gathered for a mortgage finance roundtable discussion in which they considered new ways to make finance available for the housing sector in Abuja. During these discussions, Nigeria finance minister, Ngozi okonjo- Iweala, stated that a vibrant mortgage finance policy would improve access for affordable housing and help curb corruption. In spite of a growing mortgage market, most

Nigeria home owners depend on personal savings to get a house. Nigeria has one of the lowest mortgages to debt ratios in Africa, below 4% versus 30% in South Africa 29% in Namibia (2012).

METHODOLOGY

Survey design was adopted for the purpose of this study. In other to get feedback from the respondents, structured questionnaire was designed and administered to the home owners within the study area. A total number of two hundred (200) questionnaires were sent out to the peri-urban areas and distributed to the respondents. At the end of the exercise, a total number of one hundred and seventy four (174) was returned out of which four (4) were discarded as it was not useful for the analysis, a total number of one hundred and seventy (170) was dully filled and useful for the data analysis. This represents a response rate of 85%.

The data was analysed using quantitative method and descriptive techniques. The descriptive techniques allows for presentation of data in an organized and summarized form with generalizations made on the particular group of individuals observed. One method of organizing is to arrange the scores from the highest to the lowest down the column. The frequency of occurrence of each score is tallied resulting in a frequency distribution table.

The analysis was done using the SPSS17.0 software, and a further descriptive explanation was made to further buttress the result from the SPSS.

DATA ANALYSIS AND DISCUSSION
Table 1: GOVERNMENT POLICY

	N	Minimum	Maximum	Mean	Std. Deviation
Government policy on housing finance is accessible to the low income earners	170	1	5	3.69	1.256
There is no form of government policy on housing delivery system to low income earners	170	1	5	3.09	1.327
Valid N (listwise)	170				

Source: Field Survey, 2015.

Government policy on housing finance is accessible to the low income earners with 3.69 as the highest mean score with standard deviation of 1.256. While there is no form of government policy on housing delivery system to low income earners with 3.09 as the lowest mean score with standard deviation of 1.32.

Table 2: APPROACHES TO SELF BUILT HOUSING

	N	Minimum	Maximum	Mean	Std. Deviation
The involvement of experts in housing is most common among low income earners	170	1	5	3.98	1.226
The owner of self built housing engages the services of unskilled labour in building	170	1	5	2.38	1.202
The owner of self built housing engages the services of semi-skilled labour in building	170	1	4	2.15	.861
The full participation of the owner in self built housing is the most common among low income earners in Nigeria	170	1	5	1.85	.917
Valid N (listwise)	170				

Source: Field Survey, 2015.

The involvement of experts in housing is most common among low income earners in Nigeria with 3.98 as the highest mean score with standard deviation of 1.226. While the full participation of the owner in self built housing is the most common among low income earners in Nigeria with1.85 as the lowest mean score with standard deviation of . 917 which shows that the owner can participate fully in self built housing.

CONCLUSION

From the afore presented analysis, self build has the potential to ease shortage of affordable housing in Nigeria if properly embedded to synchronize with local contents as done in Great Britain, Italy, Belgium and France. It principal benefit lies in the financial advantages it affords practitioners.

The approaches of self built housing requires the full participation of the owner who may hire the services of skilled labour, unskilled labour and semi-skilled labour.

Formation of Cooperative societies for self help contribution would be useful as seen in Jolaoso, Odebiyi and Musa (2008) who viewed it as a viable sources of mobilizing substantial capital for financing low income housing delivery been an informal financial mechanism to be integrated into the formal sector under the supervision of mortgage institutions. Government and Non-Governmental organizations need to synergise and ensure the formation and development of self built housing policy.

An increase in the use of self build concept could offer a simple opportunity for the homeless to provide themselves with accommodation and therefore recommended for practice throughout the Federation .

REFERENCES

1. Ajanlekoko, J.S.(2001) Sustainable Housing Development in Nigeria: The Financial and infrastructural implication. Presented paper at the International Conference on Spatial Information for Sustainable Development Nairobi, Kenya.

2. Akeju A.A. (2007) Challenges to providing affordable housing in Nigeria. Paper presented at the 2nd Emerging Urban Africa International Conference on Housing Finance in Nigeria, held at Shehu Yar'adua Centre Abuja, October 17-19, 2007.

3. Angel, Shomo. (2000) Housing Policy Matters. Forthcoming from Oxford University Press,

4. Calpham, D., Kintrea, K., and Mc Adam, G. (1993) Individual Self Provision and the Scottish Housing System Urban Studies Vol. 30. No.8.

5. Ferguson, Bruce. (2001) Process, Policy and Public –Private Partnerships in Housing in Developing countries

6. Nubi, O.T. (2008) Affordable Housing Delivery in Nigeria. The South African Foundation International Conference and Exhibition. Cape Town, October, Pp 1-18

7. Olugbenga, N.T.(2001) Housing Finance in Nigeria- Need for Reengineering. Ideal Habitat Cooperative Housing Initiative.

8. Onyike, J.A. (2007) An Assessment of the Affordability of housing by Public Servants in Owerri, Nigeria, Department of Estate Management, Federal University of Technology, Akure.

9. Onyike, J.A. (2007) Addressing the Urban Housing Problems of Nigeria in the 21st Century.