



ECONOMIC CONSTRAINTS TO PUBLIC HOUSING DELIVERY IN BIRNIN KEBBI TOWN

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Abstract

Housing demand is housing delivery in usually propelled by Birnin the will, desire, kebbi town, the aspiration and methodology of Government, individual or household to acquire a house. This research aimed at analysing the Economic constraints to public

Keywords:
Economic constraint, Housing Delivery, Housing Need and Housing Supply

deployed comprised of both primary and

INTRODUCTION

In a developing country like Nigeria, the housing problems basically relates to quantitative and qualitative insufficiencies (Ebie, 2003). On the supply side, various government strategies in the past have been formulated towards overcoming the enormous shortage through several housing reform programmes. Despite these past efforts, housing continues to be a mirage to ordinary Nigerian. Presently, there are various mass housing delivery programmes such as the affordable housing scheme that utilize the public-private partnership effort and numerous private finance initiative models that could only provide for about 3% of the required stock. This

secondary data administered and study area. The study sources, the target retrieved. The recommended that population include the research revealed that government should property Investors, there is fluctuation in formulate a policy that Kebbi state Housing the supply of houses will bring the interest Corporation and kebbi from year to year and rate to single digit so as state property also there is no impact to encourage Investment Company of economic prospective real estate and a total of Nine constraints on the investors. questionnaires were housing delivery in the

Suggests the need for a holistic solution in approaching the problem. While the quality of the existing stock is also under a heavy study in terms of design and desired functions including satisfactory liveable neighbourhood, 87 % of the existing stocks are accumulations which are frameworks that do not meet the minimum quality requirement (Aluko 2012 and Akinyode & Tareef, 2014).

Housing is so important that it impacts on the social, physical and mental wellbeing of individuals irrespective of socio-economic status, color or creed. It represents the most basic human needs and has no doubt impacted on the health, welfare and productivity of the people. In spite of the importance of housing to mankind, there is however a universal shortage of needed dwelling units especially in developing countries including Nigeria, where population and urbanization are rapidly increasing and the gap between housing supply and housing demand is very wide. Perhaps, this informed the Land Use Act 1978 that vested all lands in designated urban centers of Nigeria in the Governors of the respective states. This is to ensure access, equity in the allocation and efficient utilization of land resources. Similarly, the 1999 Constitution of the Federal Republic of Nigeria proclaims housing as a right of all Nigerians irrespective of their economic status, religion or tribe. Unfortunately, this has remained on paper as majority of low-income earners have no access to decent housing accommodation. The existing housing stock is grossly inadequate to cater for the needs of Nigeria's population, primarily as a result of policy misdirection. Furthermore, due to long bureaucratic

procedures and increasing land speculation, access to formal land and housing is gradually becoming out of reach to many. Government allocation of land and housing has been generally in favour of the elites, influential office holders and the middle to high-income groups.

However, Nigeria's housing market comprises two major divides that continue to influence the dynamics of demand and supply as well as affordability. The premium end is oversupplied with few off-takers while the lower end is under-supplied, leading to the growing housing deficit in the country (Nubi, 2002, Omirin, 2002, Jiboye, 2011, Oni & Ajayi, 2011 and Clement, Sanya & Tareef, 2012).

Statement of Problems

The demand for public housing in most cities of the world is associated with the increasing rate of urbanization, which has become a common feature of contemporary societies. It cannot be disputed that during the last century many societies recorded unprecedented industrial and technological development, commercial and economic growth, and improvement in the living conditions of the people. Equally significant is the world population explosion that has been an important trait of the century, which cannot pass unnoticed (Brockerhoff, 2000).

Another concern that was raised is that low cost housing is in limited supply and of poor quality hence highly expensive and thus in the end the middle-and high-income groups benefit by buying what is meant for the target group (Jiboye, 2011, Oni & Ajayi, 2011 and Clement, Sanya & Tareef, 2012). Furthermore, it was noted that the poor still have the challenge of accessing finance because it is unaffordable (Nubi, 2002, Omirin, 2002, Jiboye, 2011, Oni & Ajayi, 2011). The other challenges that were identified in the delivery of low cost housing were unsuitable/poor location which led to failure by governments to clear the housing deficit resulting in the beneficiaries abandoning the houses (Mabogunje, 2004 and Asaju, 2013). However, the economic constraints are not different in Birnin Kebbi, the constraints ranges from high interest rate, low budgetary allocation to housing sector, high inflation rate, incessant increase in the cost of building materials and these have caused great set back to prospective investor in the housing industry.

It is against this backdrop, that this study seeks to examine the economic constraint to housing delivery in Birnin kebbi, Nigeria.

Objectives of the Study

To achieve the above aim, the following objectives shall be considered appropriate:

- i. To identify the number of housing units delivered in the study area
- ii. To examine the economic constraints to housing delivery in the study area
- iii. To examine the relationship between economic constraints and housing delivery in the study area

Literature Review

According to Magbogunje (2004) Housing could be defined as not just a chalet, but part of the fabrics of neighbourhood life and of whole social milieu, it touches upon many facets of industrialization, economic activities and development.

More so, an international ad hoc expert group on social programme of housing in urban area viewed housing as an area where individual become capable of experiencing community and private, social well-being, shelter and protection against hostile physical force and disturbance. While World Health Organization (W.H.O, 2005) follow suit in the same year by further defining housing as the physical structure used for shelter which include all facilities equipment services and devices needed and desired for healthful living.

Onibokun (2005) also contributed by defining housing as a significant component of the physical form and structure of a community while human and the family content of the house is part of every spirit of life and prosperity of the society and shelter. Nubi (2002) was of the opinion that housing is far, more than a mere shelter and went ahead to define it as a residential needed or designed for his physical and mental health as well as the social well-being. He also expatiate that apart from the physical structure used for shelter, housing also embraces all facilities and infrastructures that goes with it to make a conducive living environment.

According to National Housing Policy in Nigeria (2004), which expatiate more on creation of Federal Ministry of Housing and Urban Development (F.M.H.U.D) and also lay more emphasis on public private partnership in

housing for low and medium earners across the country. Mabogunje (2005) opined that public-private partnerships are thus based on involving actors and stake holders who may be divided into the following group four (4) groups:

- The public sector, whose principal role should increasingly be to create competitive pressures for more effective and efficient service delivery and to enable, facilities, regulates and monitors partnership arrangement.
- The formal private sector which, because of its access to financial resources and its potential ability to operate more efficiently can play a role in financing and providing certain infrastructural services and engaging in their construction, operations and maintenance.
- The informal sector, which is actively involved in many aspects of service delivery particularly in low-income areas and whose potential role in partnership should be recognized.
- The community and its representatives who have direct interest as service users, but who can also be involved in awareness-raising, advocacy, decision-making and in actual provision of service including operation and maintenance, and even in construction of facilities.

Public-private partnership can thus take different forms. Private firms can be authorized to build, own and operate an asset or service (B.O.O) , to build operate and transfer such asset (B.O.T) and also Turn Key service can be contracted out by public agency to private company or it can be granted enfranchisement or concession to operate the services, collect charges and possibly found new investment in fixed asset.

Housing Demand/Need in Nigeria

There is a gap between need for housing and the capacity to acquire the desired housing type, resulting in an effective demand crisis for affordable housing in the country. While it is clear there is a housing deficit, it is crucial to recognise that people can only acquire what they can afford. Affordability analysis shows that low income earners can afford housing units at N2 million (\$13,333.33). This is based on assumption that the borrower is on an average monthly income of - N34, 000 (\$226) and should

spend a maximum of 33% of his gross income on housing. For a 30 year NHF mortgage at 6% per annum and a down payment of 10% (N200, 000 = \$1,333) of the cost of the house, the monthly payments will be N10, 792 (\$71.94).

However, since 2006, government intervention has been through PPP programmes. Prior to this, government was directly involved in constructing housing units. Housing demand is higher in the urban areas, which is about 40% of the population (Ebie, 2003).

However, housing demand are usually propelled by the will, desire, aspiration and intention of an individual or household to acquire a house (Onibokun 1985), the first one is what is generally referred to as effective demand which expresses a desire for housing. In other words, the numbers of household with the ability to pay for housing at a predetermined price or rent. The second as referred to as "ineffective demand" and it expressed an equal desire for housing in the case of household who does not have the economic ability to back up such desire.

Housing need on the other referred to the inadequacy of the provision of accommodations when compared with the social acceptable norm (Omole 2001).

More so, official sources indicate that for Nigeria to meet its housing needs, it is imperative that government designs and implements policies and partnerships with the private sector which would provide the legal and regulatory environment that would promote private investment in housing, utilize private partnership opportunities to contribute to housing production, implement reform policies towards the development of a more effective land administration system, work with state and local governments to produce and implement a unified and integrated infrastructural development plan for housing, to open up new layouts and provide site and services for the private sector to develop affordable and decent mass housing, and also expand site and services programmes to encourage medium and high income housing production (Adedeji and Olotuah, 2008, Ademuluyi and Raji, 2008 and Ajoku & Nubi, 2009).

In, Nigeria, Mabogunje (2004) noted that increase in urban population, family formation and income level lead to large shift in demand which frequently outstrip the supply response this brought about market rationing process in which the limited stock of housing is allocated by market forces to the highest bidder.

The market situation in some cases has reached a pint in which high income categories are forced to accept housing which does not meet their expectation. The rapid urban growth in Nigeria has reached or resulted

into shortage of accommodation such that supply could not match demand in some of our urban centers across the country. The housing shortage in turn has resulted to overcrowding; this is a situation whereby large number of people is living together in a room or in an apartment that is insufficient for them. This situation confirmed by Ozo (2004) when he observed that about 50% of household live in a single room in most urban centers.

The 4th national development planning (1980-85) put it that Nigeria need about 300,000, housing units annually to overcome her housing shortage. In author's opinion, the issue of housing shortage also leads to high rent payable on accommodation in our cities for instance. A room now goes for, between N4,166- N5, 000 per months (field survey, 2019) in almost every state capital of the federation. To worsen the situation estate agent and most shylock landlord now capitalized on ever increasing demand on housing to request for two or three (2-3) years rent plus agreement fee and 10% agency fee before they could offer accommodation to prospective tenants. This issue needed to be addressed urgently.

Housing Supply

Housing supply referred to total amount of housing limits that are produced annually by both private and public sector that are ready for consumption. In other words, it is the total number of housing units that the suppliers either public or private are ready to offer at a particular time. (Omole, 2001).

Supply of housing units in Nigeria can be viewed from the formal and the informal sectors. The formal refers to supply from the private sector and the various elements of the public sector.

Fig. 2.1 Housing supply structure



Source: Pison Housing Company 2009

Various authorities have offered strategies for improving housing delivery in Nigeria. Agbola and Jinadu (1997) suggested the co-operative housing model; Oduwaye (1998) advocated a simple land allocation system; and Omole (2001) suggested an affordable financing model.

Public Sector Activities and Efforts

The 1991 Housing Policy estimated that 720,000 housing units would be built each year but current estimates show that Nigeria needs an average of one million housing units a year to replenish decaying housing stock and also meet rising demand. The 1991 policy further indicated that not less than 60% of the new houses would be built in urban centres throughout the country.

A study by (Onibokun, 1982 as reviewed by Agbola, Egunjobi and Olatubara, 2007) showed that 20% of most buildings in the urban areas of Nigeria were more than 25 years old. The same study confirmed that over 65% of houses were in the urban areas and that 90% of rural areas were developed by informal, individual efforts. However, the table below further explain the contribution of national housing programme from 1975 – 1995:

Table 2.1 Assessment of impact of National housing programmes from 1975-1995

Period	Planned	Achieved	% of achievement
1962 – 1968	24,000	500	2.1%
1970 – 1974	54,000	-	0%
1975 – 1980	202,000	28,500	14.1%
1981 – 1985	200,000	47,200	23.6%
1994 – 1995	121,000	1,014	0.8%

Source: Pison Housing Company, 2009

Despite several housing policies and successive administrations, not much impact has been made by the Federal Government in affordable housing supply as shown in Table 2.1 above. At the State level, the housing corporation model has been used by the State governments in an attempt to deliver affordable housing.

Methodology

The target population for the study includes the total number of property Investors, Kebbi state Housing Corporation and kebbi state property Investment Company. The population of property investor is 5; Kebbi state Housing Corporation is 27 while kebbi state property Investment Company stands at 24(according to the staff register at their various offices). Purposive sampling methods was employed for the research in order to ensures that good judgment and an appropriate strategy is deployed to targets a particular group of people because of the desired population for the study is rare or very difficult to locate and recruit for a study, purposive sampling became the only option.

Meanwhile, the sample frame for the study stands at 56, the sample size adopted the population of the property investors is 5, the sample size for Kebbi state Housing Corporation and kebbi state property Investment Company are two(2) each respectively.

Therefore, the sample size for this paper is nine (9), this is the number of questionnaire administered and all were retrieved, representing 100% retrieval.

Data Presentation and Analysis

Table 1: Types of Houses delivered in Birnin Kebbi

s/n	Type of property	Type of residential properties
	Residential	One bedroom, Two bedroom, Three bedroom and Four bedroom Flat, detached and Semi- detached Bungalows

Source: field survey, 2021

The above table depicts that the three type of real property development in the study area. Residential property is more visible and closely followed is the commercial property while recreational property is just opening up in the study area

Table 2: Number of Housing units delivered (Average) in Birnin Kebbi

s/no	Option	2015	2016	2017	2018	2019	2020	Average housing delivery
1.	Residential	102	96	107	121	119	67	102

Source: Adopted from kebbi urban development Authority Archive, 2021

The above table depicts that in the year 2015, an average of 102 houses were delivered in the study area, 96 houses were delivered in the year 2016, 107 houses were delivered to Birnin Kebbi in the year 2017 and in the year 2018, an average of 121 houses were delivered while year 2019 and 2020, an average of 119 and 67 were delivered in Birnin kebbi respectively. The number delivered in the year 2020 was reduced due to the impact of covid-19 pandemic across the world.

Table 3: Economic Constraints to housing delivery in Birnin Kebbi

S/n	Economic Constraints	Strongly Agree (5)	Agree (4)	Undecided (3)	Disagree (2)	Strongly Disagree (1)	Total	Mean score	Rank
1.	High interest Rate	5	3	1	0	0	40	4.44	1 st
2.	High cost of Building Material	4	1	1	3	0	33	3.67	4 th
3.	Inflation Rate	2	2	1	3	1	28	3.11	5 th
4.	Budgetary Allocation	3	4	0	1	1	34	3.78	2 nd
5.	Low per capital income	2	1	0	4	2	27	3.00	6 th
6.	Defective Mortgage	3	3	2	0	1	34	3.78	2 nd

Source: Field Survey, 2021

Table 3 above depicts Economic constraints to property development in the study area ranges from high interest rate to defective mortgage. It is obvious that interest rate came first with mean score of 4.44, closely followed are the budgetary allocation and defective mortgage sharing the same mean score of 3.78 each, high cost building material followed with mean score of 3.67 and it came fourth in position while inflation rate and low per capital income followed behind with mean score of 3.11 and 3.00 respectively

Table 5: Impact of Economic Constraints on Housing delivery in Birnin Kebbi

Analysis No.	Variables		Type of Model	Observations					Inferences		
	X	Y		Regression Equation	R/R ²	F _{cal}	F _{tab}	P _{value}	Strength of impact	Remark	Action On Hypothesis
4	Economic constraints	Average houses	Linear (Simple)	$Y = -1936.000 + 144.262x$	0.310/0.960		5.230	0.550	weak	NS	Accept H ₀

		delivered			4.24					
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Researcher's Field Survey (2021)

Key:

NS = Not Significant

It was observed from Table 5 that there exists a strong, positive and non-significant impact of economic constraints to housing delivery in Birnin Kebbi Town. The coefficient of determination (R^2) value observed was 0.096 (9.0%) implying a very weak impact and the correlation coefficient (R) observed was 0.310 (31.0%) indicating weak degree of effect between the variables. The positive impact observed between the variables indicates a tendency that an increase in the one of Economic constraints Status will have little or no impact on the number of houses that will be delivered across Birnin Kebbi and vice versa. The value of F calculated of 4.240 observed was less than the value of F tabulated of 5.230 while the probability (P or sig) value of 0.550 observed was greater than 0.05. This led to the acceptance of the null hypothesis.

By implication, it shows that economic constraints has nothing to do the housing delivery in Birnin kebbi

Recommendation

❖ **Reduction in interest rate**

Government should as part of its banking sector reform devise, bring interest rate down to single digit so as to attract the big spenders in real estate circle to invest more and also to improve both the quality and quantity supply of housing to the teeming population of the town.

❖ **Prospective property developers should invest more in the development of residential**
(Especially in one and two bedroom flat) properties and public-private partnership should be established by government to provide infrastructural facilities so as to diversify the economy.

❖ **Relevant professional bodies should collaborate with the state government in order to create data bank for housing delivery stock especially in most urban dwellings across the state**

❖ **Creation of more primary mortgage institution**

The study revealed that acute shortage of primary mortgage institution in Birnin kebbi and many urban dwellings across the state has hindered a lot of people from benefitting and accessing mortgage fund from National Housing Fund (N.H.F)

❖ **Building Materials**

In order to bring down the price of building materials, the government should encourage the use of local building material by working in collaboration with Nigeria Building and Road Research Institute (N.B.R.R.I) so as to bring about massive production of varieties of locally made building materials and also set the pace by using the local building material in their housing projects in order to make them readily available and acceptable to the masses across the state.

Conclusion

In this research, attempt has been made to examine the economic constraint to housing delivery in Birnin kebbi Town, Nigeria. Findings have been put forward to achieve the objectives earlier stated and corresponding recommendations have also been advanced, if they are strictly adhere to, they will go along way in tackling the menace of housing shortage across the study area

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