



NIGHTINGALE PUBLICATIONS AND RESEARCH INTERNATIONAL

ASSESSMENT HOUSING AFFORDABILITY IN PUBLIC HOUSING ESTATES IN MINNA NIGER STATE

SAMUEL JONATHAN

*Department of Estate Management
Technology, Federal University of Technology,
Minna, Nigeria*

Introduction

Rapid population growth in developing countries and cities around the world in the last three to four decades has had serious challenges and consequences particularly on urban housing. UN-Habitat (2003), described this problem as particularly worrying as it constitutes a crucial element that affect the long-term outlook of humanity (UNCHS, 2003). Housing is increasingly becoming a scarce commodity in many cities in the developing world because this rapid population growth concentrates in cities. In 1996, it was estimated that, about 100 million people were homeless in the sense that they lived in insecure or temporary structures or in squatter settlements (UNCHS, 1996b). As population increases in urban agglomerations, land uses intensify and urban activities spill-over into previously rural lands on the fringes. Various land use control mechanisms are

Abstract

This study assesses the housing affordability in public housing in Minna Niger state Nigeria, with a view to meeting the housing needs of low and middle income public servants in the study area. The objectives of this study are to examine socio-economic characteristic with respect to residents of the two housing estates and the housing affordability of the estates to the occupiers.

The research instruments include in-depth fieldwork, observation, questionnaire administration and interview. A total two hundred and eighty five (285) residents of the two selected selected residential estates was randomly selected for the study. And seventeen (17) officials were also selected purposively for the study. The questionnaire were

retrieved and analyzed. Inferential statistics such as Pearson product moment correlation were used to analyze data collected for the study.

The results of the study revealed that majority of the residents in the selected estates were low and medium income earners. The residents of Talba housing estate who are in level 9 and above can comfortably afford two-bedroom apartment thereby spending 30% percent of their monthly income, while the three bedrooms in Talba estate is affordable for public servant in level 14 step 9 and above. At M.I Wushishi housing estate respondents who are in level 7 and above can comfortably afford two-bedroom apartment thereby spending 25% percent of their monthly income and respondents who are on level 9 and above can afford 3-bedroom flat in the same estate thereby spending 30 % percent of their monthly income. Among others the research recommends that government should grant and assist the Corporation in securing low interest finance not exceeding 7%.

Keywords: *Assessment, Affordability, Public, Housing, Estates*

designed to promote effective utilization of urban land, to maintain standards for physical development and to ensure harmonious spatial distribution of human activities in accordance with an approved master plan (Rizwan & Obaidullah, 2006). These mechanisms are designed to ensure that urban activities are organized in space with due consideration for aesthetic, health, safety, convenience, efficiency and energy conservation, environmental quality and social equity (Aribigbola, 2008).

A review of literature shows that between 1950 and 2020, governments in many developing countries Nigeria inclusive have engaged in different housing programmes and delivery strategies. For example, previous studies have shown that successive administrations in Nigeria had launched a minimum of seven public housing programmes in the last few decades in a bid to address increasing housing challenges in the country (Onibokun, 1985; Awotona, 1990; Ogu, 1999; Ogu and Ogbuozobe, 2001; Ajanlekoko, 2002; UN-HABITAT, 2006a; Akinmoladun and Oluwoye, 2007; Ademiluyi and Raji, 2008).

The income of the average Nigerian is usually not adequate to meet his needs to own a house of his choice or rent an apartment of his taste. Some other challenges faced by Nigerians on housing affordability as enumerated by

Onyike, (2007) are cost of land and building materials, high interest rates on mortgages, poorly developed mortgage finance system, administrative bottlenecks that makes the processing and securing of approvals for building plans, certificates of occupancy and other necessary government permits a nightmare, and the unmitigated corruption in the allocation of government land within the framework of Land Use Act, Cap 202 LFW, 1990.

Minna has been experiencing very rapid urbanization. This is largely due to urban growth associated with natural population growth and rural-urban migration driven by rapid socio-economic changes and development, tied to being the state of Niger state. However, this growth has not been matched with simultaneous provision of adequate housing infrastructure for all income groups. Therefore, the need to provide adequate, suitable, equitable and affordable housing for different income earners has remained a major priority of the government.

In Niger State, a total number of 660 housing units were constructed by the Federal Government and Niger State Government constructed 1,381 housing units with 1,500 housing units under construction at Minna, Bida and kotangora as at 2009 through Public Private Partnership. (Niger State Government) while Abdullahi (2015) stated that a total of 3,000 housing units were developed to a population of 3,954,772.

This study therefore undertook an in-depth assessment of housing affordability of the housing public housing estates in Minna, Niger State of Nigeria. It principally examined socio-economic characteristic with respect to residents of the two housing estates and the affordability of the estates to the occupiers.

The Study Area

Niger state falls in the north central geo-political zone and it stands between longitudes 3° 20'E and 7° 40'E and longitudes 8° 30'N, it has a land area of 76,469.903 square kilometers which is 10% of the total land area of Nigeria and it is the state with the largest landmass. Niger state has a population of 3,905,249 (NPC, 2006) and it is bounded by Kaduna, Kogi, Nassarawa, Kwara, and Kebbi state as well as the federal capital territory (FCT) which creates an increasing demand on housing in Niger state. Two estates are herein being considered and these are. Talba housing Estate Minna, M.I Wushishi Housing Estate Minna as shown in Figure 1.

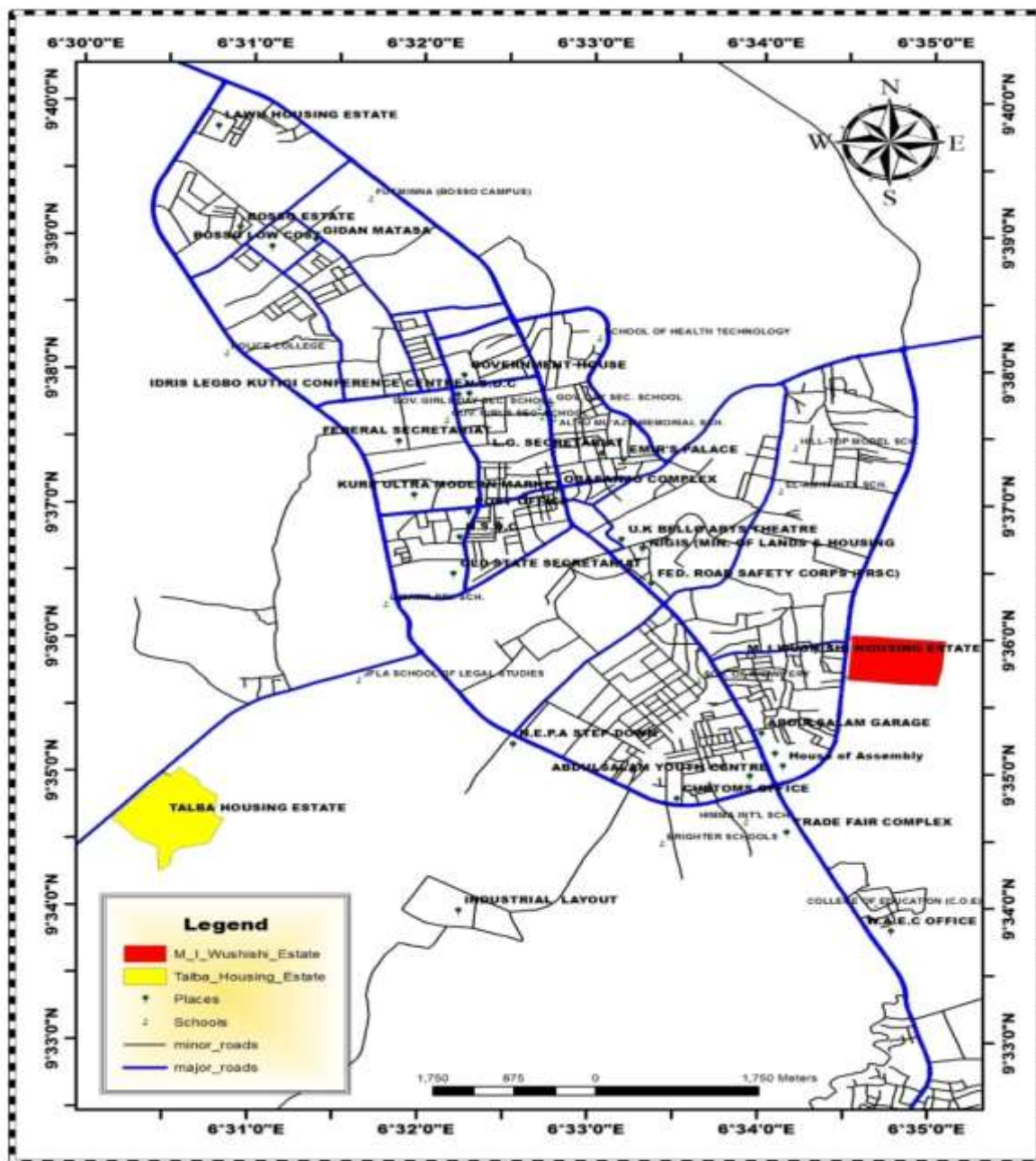


FIGURE 1: Map of The Study Area

Statement of Problem

Niger State Housing Corporation (NSHC) is the agency that is saddled with public housing development, allocation and management and the organization was established by Edict No 5 1979 which became operational on 1st October 1979. Since the establishment of the Corporation 40years ago,

the organization had embarked on the construction of a total number of 7,485 residential housing units, completed 2,364 housing units (31.58%) through the engagement of direct construction, contractor financing and Public-Private-Partnership (PPP) as development strategies and had 5,086 housing units uncompleted (68.42%). Thus, less than 3,000 housing units were developed by the Housing Corporation in four decades of housing delivery to a population 3,954,772 (Abdullahi, 2015).

The phenomenal rise in population, number and size of cities over the past few years have manifested in the acute shortage of dwelling units which resulted in high rents and other ills such as poor urban living condition, high crime rates, low infrastructure services and so on. On the micro-level, it has been observed that house ownership is one of the first priorities for most households and it represents the largest single investment for most (between 50% and 70% of household income). This observation becomes very significant when it is realized that per capital income in Nigeria has been on the decline (currently N3, 000.00) as well as the real income of the average Nigerian. The rapid up-swing in the prices of building materials in the last five years has further reduced the affordability for most Nigerians. Relating annual requirements for housing with the Gross Domestic product of N82.53 billion in 1988 and 85.82 billion estimates for 1989, and over 88 billion in 1991 as well as per capital income of N3,000.00, financing becomes a major factor of the problem especially long term funding. Except the problem of how to finance the construction of housing for all income groups is effectively addressed, the housing affordability problem is bound to further escalate.

Methodology

Sources of data were based on both primary as well as secondary source of information. These consist of information derived from existing literature was consulted to collect secondary data, while questionnaire was used to collect data from the residents of selected housing estates. An interview was used to gather information from official of Niger State Housing Corporation. In addition, photographs of the estates and the study area were taken including personal observation. A total number of 17 principal officers which includes the General Manager, head of departments of estate, Planning, Works/Maintenance and Building/Architecture and other principal officers

were purposively selected while a total number of 285 residents were randomly selected from the two housing estates.

Discussion of findings

Analysis of the Occupants of M.I Wushishi and Talba Housing Estate

From the table 1 out of a total number of 245 housing unit under survey, 205 housing units were allocated to civil servants which represents 83.67% and this indicates that civil servants are the major beneficiaries of public housing. The reason may be that being a mortgage it is easier for monthly repayment to be deducted from salaries.

Table 1: Analysis of the Occupants of M.I Wushishi and Talba Housing Estate

House type	No of households	Civil servants	Non-civil servants
2 bedroom	158	136	22
3 bedroom	87	69	18
Total	245	205	40

Source: field survey, 2019.

Analysis of Response on Monthly Income

The table 2 shows that none of the occupants earn below 20,000 per month, 6.33% earns between 21,000 to 30,000, 55.72% earns between 31,000 – 40,000, 29.75% earns between 41,000 and 50,000 while 8.22% earns above 50,000 per month.

Table 2: Analysis of Monthly Income of Occupiers of Two Bedrooms

	Frequency	Percentage
10,00 – 20,000	-	-
21,000 – 30,000	16	6.33
31,000 – 40,000	88	55.70
41,000 – 50,00	47	29.75
Above 50,000	13	8.22
Total	158	100.00

Source; Field Survey 2019

Monthly Income of Occupants

The monthly of income of the respondents according to the approved consolidated service salary structure (CONPSS) for states and local government area Niger state approved 2019 budget as shown in table 3 shows that none of the occupants of three-bedroom earns below 30,000 per month, 41.34% earns between 31,000 and 40,000, 41.34% earns between 41,000– 50,000 while 17.32% earns above 50,000 per month.

Table3: Analysis of Monthly Income of Occupiers of 3 Bedroom

	Frequency	Percentage
10,00 – 20,000	-	-
21,000 – 30,000	-	-
31,000 – 40,000	36	41.34
41,000 – 50,00	36	41.34
Above 50,000	15	17.32
Total	87	100.00

Source Field Survey 2019

Monthly Income of Occupants

From the table above 4.08% are between 5-10 years in service, 16.32% are between 11-15 years in service 51.43% are between 16-20 years and service is not yet 15.92% are between 21-25 years in service while 12.20 5% and above 25 years in service. The implication of the above is that with the retirement age of 35 years in service all the occupants will be able to redeem their mortgage within the repayment of 20 years.

Table4: Analysis of Responding on the Length of Service for Two-Bedroom and Three-Bedroom

	Frequency	Percentage
5-10years	10	4.08
11-15years	40	16.32
16-20years	126	57.43
21-25years	39	15.92
Above 25years	30	12.25
Total	245	100.00

Source Field Survey 2019

Mortgage Repayment and House Prices Of M.I Wushishi And Talba Housing Estate

NB

1. The repayment period is for a minimum period of 20 years however the outstanding service years of an allottee is considered
2. The calculation of mortgage repayment is based on repayment period of 20 years while the interest rate is the current mortgage rate from federal mortgage Bank of Nigeria which is 7%

The finding shows that the 2 bedroom occupants at M.I. Wushishi Estate will make are payment of 16,711.98 on monthly bases for a period of 20years while 3-bedroom occupant will make are payment of 18,471.14on monthly bases for a period of 20years. Also 2 bedroom occupants at Talba Housing Estate Estate will make are payment of 29,026.07 on monthly bases for a period of 20years while 3-bedroom occupant will make are payment of 37,821.85on monthly bases for a period of 20years.

Table 5: Mortgage Repayment and House Prices of M.I Wushishi and Talba Housing Estate

MI WUSHISHI ESTATE				TALBA HOUSING ESTATE		
House Type N	Monthly repayment N	Price N	Initial payment at 10% N	Monthly repayment N	Price N	Initial payment at 10% N
2 bedroom	10,000	1.9	190,000	15,000	3.3	330,000
3 bedroom	15,000	2.1	210,000	25,000	4.3	430,000

Source Field Survey 2019

Table6: Calculated Mortgage Repayment

House type	M.I. Wushishi Estate	Talba Housing Estate
2 bedroom	16,711.98	29,026.07
3 bedroom	18,471.14	37,821.85

Source: Field Survey 2019

Affordability Index House of M.I Wushishi and Talba Housing Estate

$$\text{Affordability index (AI)} = \frac{\text{Household budget for housing}}{\text{housing cost}}$$

Table 7 reveals the basic monthly salaries for public servant from level 1-13 who falls between low and medium income earners in the state. The maximum housing expenditure for households as canvassed by the International Labour Organization (ILO) is 1% -30%, which is considered as normal to allow households to meet other obligations for a healthy living. However, at M.I Wushishi housing estate is only respondents who are in level 7 and above that comfortability afford two bedroom apartment thereby spending 25% percent of their monthly income. While only respondents who are in level 9 and above can afford 3 bedroom flat in the same estate thereby spending 30 % percent of their monthly income.

Table7: percentage of housing affordability at M.I Wushishi

Level	Monthly salary	Monthly Repayment		Affordability percentage (30%)	
		2 bedroom	3bedroom	2 bedroom	3 bedroom
1	22,500	10,000	15,000	44%	66%
2	23,655	10,000	15,000	42%	63%
3	23,957	10,000	15,000	41%	62%
4	25,080	10,000	15,000	39%	59%
5	27,123	10,000	15,000	36%	55%
6	29,654	10,000	15,000	33%	50%
7	39029	10,000	15,000	25%	38%
8	44549	10,000	15,000	22%	33%
9	48970	10,000	15,000	20%	30%
10	54088	10,000	15,000	18%	27%
12	60405	10,000	15,000	16%	24%
13	64812	10,000	15,000	15%	23%

Source: Field Survey 2019

Table 8 reveals the basic monthly salaries for public servant from level 1-13 who falls between low and medium income earners in the state. The maximum housing expenditure for households as canvassed by the International Labour Organization (ILO) is 1% -30%, which is considered as normal to allow households to meet other obligations for a healthy living.

However, at Talba housing estate is only respondents who are in level 9 and above that comfortably afford two-bedroom apartment thereby spending 30% percent of their monthly income. While the three bedroom in Talba estate is met for public servant in level 14 step 9 and above .

Table8: percentage of housing affordability at Talba Estate

Level	Monthly salary	Monthly Repayment		Affordability (30%)	
		2 bedroom	3 bedroom	2 bedroom	3 bedroom
1	22,500	15,000	25,000	66%	100%
2	23,655	15,000	25,000	63%	100%
3	23,957	15,000	25,000	62%	100%
4	25,080	15,000	25,000	59%	99%
5	27,123	15,000	25,000	55%	92%
6	29,654	15,000	25,000	50%	84%
7	39,029	15,000	25,000	38%	64%
8	44,549	15,000	25,000	33%	56%
9	48,970	15,000	25,000	30%	51%
10	54,088	15,000	25,000	27%	46%
12	60,405	15,000	25,000	24%	41%
13	64,812	15,000	25,000	23%	38%

Source: Field Survey 2019

Testing of Hypothesis

HYPOTHESIS ONE

H₀: There is no significant relationship between socio-economic (income) characteristics of the residents and their housing affordability .

HYPOTHESIS ONE

H₀: There is no significant relationship between income of the residents and their housing satisfaction.

H_i: There is.

Pearson product moment correlation (PPMC) was used to test this hypothesis. Variables for this hypothesis were questions on income and

housing affordability in study area . The correlation coefficient in table shows that the $P = 0.020$ (two tailed) < 0.05 the r - value is 0.875 the level of significant is at 0.02. This shows that the H_1 which stated income of the residents and their housing affordability was accepted. It could be deduced that the monthly income of the respondents determine the level of housing affordability.

Recommendations

Housing painstakingly analyzed the data obtained from the field survey from the questionnaires and interviews, the study hereby proffers the following recommendations towards the enhancement of the effectiveness and efficiency of Niger State Housing Corporation in delivering on its mandate and will also assist Niger State government in taking measures that will assist in tackling the challenges of ineffective housing delivery strategy.

1. Preferential pricing should be used in favour of those within the salary grade levels of whose monthly repayment is above 30% of their monthly income.
2. The government should grant and assist the Corporation in securing low interest finance not exceeding 7%
3. The mandate of the Corporation is to produce adequate and affordable housing in enough quantity and with low interest fund, it will become easier for the Corporation to deliver on its mandate.

Conclusion

This study therefore concludes that the public private partnership housing delivery strategy adopted in Niger state government in provision since 2007-2019 as failed to achieve the desire results. Because less than 10% of the planned housing units were achieved and the housing unit provided were not affordable to low-medium income groups in respect of their salary structures. On the other hand, the housing unit to a greater extent satisfied the livability and adequacy of the occupants.

References

- Ademiluyi, I.A. and Raji, B.A. (2008): Public and private developers as agents in Urban Housing Delivery in Sub-saharan Africa: the situation in Lagos State. *Humanities & Social Science Journal* 3(2): 143-150.

- Ajanlekoko, J. S. (2001): Sustainable housing development in Nigeria-the financial and infrastructural implication. International conference on spatial information for sustainable development held between October 2nd and 5th 2001 at Nairobi, Kenya.
- Akinmoladun, O. and Oluwoye, J. (2007). An Assessment of Why the Problems of Housing Shortage Persist in Developing Countries: A Case Study of Lagos Metropolis, Nigeria. *Pakistan Journal of Social Science*. 4(4): 589–598.
- Aribigbola, A. (2008). "Improving urban land use planning and management in Nigeria: The Case of Akure". *Theoretical and Empirical Researches in Urban Management* 3 (9): 1
- Awotona, A. (1990) .Nigerian Government Participation in Housing: 1970- 1980. *Habitat International* 14 (10)17-40
- Ogu, V. I. (1999). Housing Enablement in a Developing World City: The Case Study of Benin 278 City, Nigeria. *Habitat International*, 23 (2) 231-248
- Onibokun, A.G. (1985).Housing in Nigeria, Nigerian Institute for Social and Economic Research (NISER), Ibadan.
- Onyike, J.A (2007). An Assessment of the Affordability of Housing by Public Servants in Owerri, Nigeria. *Journal of Land Use and Development Studies*, 3(1)21-34
- Rizwan, H. and Obaidullah, N. (2006). Challenges of Implementing Urban Master Plans: The Lahore Experience. *World Academy of Science*, 24: 101 – 108
- UNCHS, (1996). An Urbanising World: Global Report on Human Settlements 1996, Oxford University Press,
- UNCHS, (2003). The Challenge of Slum: Global Report on Human Settlement 2003, First published in the UK and USA in 2003 by Earthscan Publications Ltd,, Nairobi, Kenya
- UN-HABITAT (2003). "The Challenges of Slums." *UN-HABITAT's new Global Report on Human Settlements*. <http://www.unhabitat.org/global-report.asp>
- UN-HABITAT (2006a) *Shelter for All: The Potential of Housing Policy in the Implementation of the Habitat Agenda*, Nairobi: UN-HABITAT Information Services , Online [http:// www.unhabitat.org/