

THE IMPACT OF REAL ESTATE IN AFFORDABLE HOUSING IN NIGERIA



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CERTIFICATION

I hereby certify that this work was carried out in the Department of Architecture, Faculty of Environmental science, University of Benin, Benin City, Edo State, by DAVID CHINEDU ESINULO

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DEDICATION

I dedicate the work to the Master Architect; the almighty God, who has kept me throughout my four years of study and has brought me to the end of the first stage of my profession.

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I express my profound gratitude to my project supervisor, **Arc. Kunle Oyewole** for his relentless efforts in ensuring that this project was a success.

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ABSTRACT

The purpose of this research is to examine how real estate has influenced the availability of affordable housing in Nigeria. Real estate has the potential to contribute significantly to the growth of affordable housing. Until recently, knowledge about its composition and development was fairly limited. This research work seeks to document the significance of affordable housing as it has been recognized as a key priority by the Nigerian government, given the Real Estate sectors importance in addressing social needs and its role in the local economy. A central part of local capacity building in real estate is the use of local currency to match assets and liabilities and to minimize exposure to foreign exchange risk, thereby providing affordable housing. Furthermore, this study emphasizes the importance of using locally sourced materials in home construction in driving economic development and, as a result, providing affordable housing. It can have extremely beneficial primary and secondary effects in driving economic growth; however, in the design and construction of housing developments, architects, developers, and financiers must consider local habits and cultures. The findings of this study will have an impact on architects, estate managers, and other stakeholders in Nigeria, promoting sustainable urban development and affordable housing.

Keywords: Housing at a low cost, real estate, sustainability, economy, and building materials are all topics covered.

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CHAPTER ONE

1.0 INTRODUCTION

Land and buildings, as well as natural resources such as crops, minerals, or water, are examples of real estate. An interest in this (also) an item of real property, buildings, or housing in general. Real estate also includes property creation, acquisition, and sale.

Real estate is one of the world's most profitable industries and one of the indicators used to gauge economic growth and housing supply. Growth is a comprehensive phrase that incorporates all areas of human life, segments, and disciplines that govern an economy's development. Though there was no clear statistics on the housing scarcity in Nigeria, it was estimated that approximately 17 million people were affected (Ebie, 2005). Various policies implemented by successive governments over the years have attempted to alleviate these shortages, but rather than decreasing, the shortages have increased year after year. Federal housing agencies were statutorily established in each state of the federation to carry out public housing programs for each state of the federation based on the formulated housing and real estate policies, according to (Ajanlekoko, 2001).

Affordable housing is defined as housing that is affordable to those with household incomes at or below the national government's median. There are different approaches for defining and quantifying affordable housing because people's conceptions of what is affordable vary widely from city to city, state to state, and income group to income group. A wide definition of affordable housing is a good way to explain it. Analysts define affordable housing broadly as housing options that are priced and financed in a way that allows low-income households to meet their other basic needs.

Housing is crucial in improving human health, social and economic well-being in society, according to (Nich. I. Obi, Obinna Ubani 2014). Residential housing difficulties appear to be out of control, despite multiple efforts by successive Nigerian administrations and even the private sector to address the country's housing woes. The performance of Nigeria's housing industry is one of the yardsticks used to gauge the country's health. In the majority of developing economies, the housing industry is seen as a crucial source of economic growth. However, access to inexpensive housing has mainly remained an unfulfilled ideal for the great majority of Nigeria's people, particularly the middle and lower classes.

1.1 BACKGROUND TO THE STUDY

Housing is one of the most important predictors of a person's social standing and lifestyle. Housing is one of the three basic human needs, along with food and clothing. Its accessibility and affordability are critical to the well-being of all people.

In Nigeria, the real estate industry has traditionally been regarded as a refuge for every dick and harry looking for a quick buck. Until recently, the practice was very informal, generally unregulated, and included no significant professional training or competence. Estate agency, in its original form, is carried out not just by professionals trained in the property business, but also by people from a variety of backgrounds, including those with little or no formal experience. Estate agents, according to the Oxford Dictionary Companion to law is defined as "those who operate as agents for the sale or leasing of land and houses, using advertisement and other means to find a corporate organization, or someone willing to buy or rent parcels of land or houses."

The primary goal of affordable housing organizations is to help as many low and moderate-income families as possible find suitable, affordable housing. According to Agnew and Spencer, housing units do not exist in a vacuum; they have an impact on the communities in which they are located as well as the lives of their residents (2011)

Estate agency practice in the United Kingdom is governed by the Estate Agents Act 1979, as amended by legislation such as the Consumer, Estate Agents, and Redress Act 2007, from which the majority of the rules governing real estate practice in Nigeria derive. Locally based, small and independent businesses dominated the industry in the 1970s. Because of the industrial framework, estate agency was viewed as a typical entrepreneurial activity. On June 15, 2021, the Private Infrastructure Development Group (PIDG) hosted an Affordable Housing Workshop, which was funded by the governments of Ghana and Nigeria, as well as the Centre for Affordable Housing Finance in Africa, the National Housing and Mortgage Fund - Ghana, CDC, the Ghana Infrastructure Investment Fund, and the World Bank. Significant figures such as Ghana's Honorable Minister for Works and Housing, Honorable Francis Asenso-Boakye, and Honorable Minister of State for the Federal Ministry of Works and Housing, Honorable Francis Asenso-Boakye, attended the event. Tim Streeter, PIDG's Head of Investor Relations, discusses the key findings of the discussions, emphasizing the importance of local currency and capacity building, sustainability, Real Estate, and green finance solutions in the delivery of affordable housing in Ghana and Nigeria.

1.2 PROBLEM STATEMENT

With an expansion in the number of property listing businesses and digital landlord-house-seeker middlemen over the years, we have seen pockets of success, but high housing costs and a housing gap persist in Nigeria. Rising population, rapid urban migration, and

fragmented government policy direction are some of the primary causes of rising housing inequality; however, given the magnitude of the shortfall, new investment solutions are urgently needed. The president of Nigeria's government mortgage bank, Ahmed Dangiwa, estimates the country's current housing deficit at 22 million units, with the majority of those in urban areas like Lagos, Port Harcourt, and Abuja. As the urban population grows — almost half of the country's population now lives in cities — annual investment of more than N6 trillion (US\$16 billion) is necessary. We should anticipate significant investor and government investment, which will enable greater real estate innovation. .

Lagos, Ibadan, Warri, Enugu, Owerri, Benin City, Port Harcourt, Jos, and Kaduna account for approximately 32% of Nigeria's population. As previously stated, a high fertility rate of approximately 2.8 percent is one of the factors responsible for population growth. Another factor is rural-urban migration, which has been accelerated as the federation's 36 states have been formed. According to Diogu et al., this trend has resulted in the formation of new growth centers as well as the expansion of existing ones (2010). The urban population has been expanding at a 4.5 percent annual rate (CSD 2008). According to Obinna Ubani and Nicholas I. Obi, the immediate consequences of this urban population expansion are housing shortages and rising housing and food prices (2014)

Architects are only allowed to design what the client can afford. Cost, particularly building cost, is increasingly an important design factor. The cost of land, building materials, and site location is a major contributor to incurred costs. In most situations, the customer spends the majority of his money acquiring the site on which the intended building will be built. It may be more expensive if the site location is not chosen carefully. Leaving a lower budget for construction and paying project specialists, particularly the architect, whose design ideas are

already constrained by the tiny budget. In some circumstances, after the Architect has completed the design, he may need to make significant adjustments to the design due to cost. He can accomplish this by evaluating cost-effective building methodologies, low-cost building materials, and cost-cutting innovations.

Nigeria currently has a national housing deficit of approximately 17 million units, despite a population of over 174 million people. Nigeria had a housing shortage of 7 million in 1991, which grew to 12 million in 2007, 14 million in 2010, and 17 million units today. As a result of this massive housing shortage, tenants in rental apartments pay up to 60% of their typical disposable income, which is significantly higher than the UN's suggested 20-30%. 2015 (Walter Emiedafe) Furthermore, experts believe that only 10% of those who want to own a home in Nigeria can afford it, either through purchase or personal construction.

Some countries' ratings are listed below.

72% in USA,

78% in UK,

60% in China,

54% in Korea

92% in Singapore.

According to a World Bank assessment, the cost of bridging Nigeria's 17 million housing gap is N59.5 trillion, showing the country's enormous and untapped real estate investment potential. Despite the fact that, in a country of over 174 million people, our housing and construction sector contributes only 3.1 percent of our rebased GDP. As a result, we require at least 700,000 additional units every year to close this massive deficit!

Each year, 2.6 million new homes must be created to overcome the 23 million unit supply imbalance by 2020. Only 200,000 apartments are presently created per year, according to optimistic predictions. Real estate investors should be intrigued by this distinction. In Nigeria now, the majority of housing organizations and estates constructed by past governments are only known by their titles, according to (Mailafia, 2005). Employees of housing corporations specializing in real estate development and management, such as architects, estate managers, and real estate developers, have been rendered obsolete in some states, while state ministries have taken over construction and, in some states, have been merged with the ministries.

1.2 AIMS AND OBJECTIVES OF STUDY

The study's purpose is to expose and educate about the impact of real estate on affordable housing in Nigeria, hence supporting sustainable urban development and stimulating economic progress. The study's objectives include the following;

1. To describe and explain the significance of affordable housing in Nigeria.
2. To analyze the impact of real estate in affordable housing in Nigeria.
3. To examine the effect of building materials in the cost of housing in Nigeria.

1.4 SCOPE OF THE STUDY

In terms of influencing elements in the real estate sector, the study focuses on low-cost housing alternatives in Nigeria, as well as factors that characterize end user experiences in using buildings in Nigeria in relation to cost.

1.5 JUSTIFICATION OF THE STUDY

The study's findings will be useful for policymakers and the current government in determining how the real estate sector can contribute to the nation's development and how housing laws can be properly implemented to support affordable housing and economic growth.

This research will also serve as a resource for other academics and researchers interested in conducting future research in this sector, and if implemented, will go so far as to provide new explanations for the topic.

It will also be beneficial to professionals such as architects and real estate developers by providing them with necessary information for creating cost-effective designs and dwellings.

CHAPTER TWO

2.0 LITERATURE REVIEW

Document expositions have recently been published to highlight the importance of housing and the role of real estate in affordable housing in Nigeria. The literature review for this research project was organized using the following categories:

1. The Significance of Affordable housing
2. Impact of Real Estate in Affordable Housing.
3. The effect of building materials in Affordable housing development.

1. THE SIGNIFICANCE OF AFFORDABLE HOUSING

Gilbertson et al. (2008) discovered a link between an individual's home conditions and his or her physical and mental wellbeing. People's right to shelter is thus a necessity, and providing appropriate housing to all who need it should be a characteristic of every civilized society, as well as one of the criterion for measuring development. Housing is universally acknowledged as a human right, but Nigeria's low-income households, in particular, struggle to obtain suitable accommodation that does not put them in financial hardship while still allowing them to attend to other living essentials.

According to Spencer Agnew (2011), inexpensive housing in particular may enhance health outcomes for its residents by lowering exposure to dangers in low-quality housing, improving neighborhood conditions, and reducing budgetary constraints that prevent expenditure on health insurance and nutrition. Numerous studies have found that poor housing conditions can lead to bad health outcomes, particularly through exposure to dangers such as lead paint and risk

factors for respiratory illness. Furthermore, research shows that households with high housing costs usually cut back on spending on health care and nutrition.

The physical environment, according to (Evans, Gary W. 2003), can indirectly influence mental health by altering psychosocial processes with known mental health consequences. The built environment has an impact on personal control, socially supportive connections, and recovery from stress and exhaustion.

Affordable housing, also known as social housing or mass housing, is frequently mentioned in debates about housing difficulties, which are also social, mental, and economic issues. Because people's perceptions of what is inexpensive vary greatly across cities, states, and income groups, it can only be described generically as housing solutions that are priced and funded in such a way that low-income residents can also meet their other basic and health needs. Although the scarcity of affordable housing affects all parts of society, low-income earners are disproportionately disadvantaged.

According to (Evans, Gary W. 2003), more prospective, longitudinal studies, and, where practical, randomized experiments are required to investigate the potential influence of the physical environment on mental health. Building underlying models of how the built environment affects mental health is a much more difficult problem. It is also possible that some people are more vulnerable to the built environment's mental health effects. Exposure to poor environmental conditions does not occur at random and tends to cluster among the poor due to their inability to purchase adequate housing.

Affordable housing is widely acknowledged as one of the most basic human needs and a significant economic asset in any country. Experts believe that adequate housing lays the groundwork for strong communities and social inclusion (Oladapo, 2006). The housing sector is

more important to a country's welfare than is commonly recognized, as it has a direct impact not only on its citizens' well-being, but also on the performance of other sectors of the economy. For a variety of reasons, most governments, particularly developing ones, have prioritized adequate housing provision since the early 1970s.

First, it is one of the three most important basic needs of mankind– the others being food and clothing.

Second, affordable housing is a very important durable consumer item, which impacts positively on productivity, as decent housing significantly increases workers' health and well-being, and consequently, growth.

Third, it is one of the indexes used to assess people's standard of life across societies. As a result, governments have established assistance programs in the areas of finance, infrastructure provision, and research to improve the delivery of suitable housing.

In a variety of ways, affordable housing benefits society. It not only reduces overall poverty and homelessness, but it also increases individual productivity. Individual productivity is important to society because more productive people commit fewer crimes. Furthermore, the lower cost of lodging means more money for spending in the neighboring economy. It is also beneficial to economic development. These houses are built by both skilled and unskilled laborers. It also generates revenue for local governments through building-related taxes.

Housing, according to (Spencer Agnew 2011), has the potential to significantly influence educational outcomes for residents and communities. According to study, numerous living factors influence educational outcomes. High levels of residential mobility and poor housing conditions (such as overcrowding and exposure to lead paint hazards) are particularly linked to

significant gaps in educational achievement. Residential mobility (frequency of moves) is a particularly important factor because it affects both mobile and non-mobile students' educational outcomes; research shows that teachers in schools with highly mobile student populations tend to focus less on new material and more on review, resulting in achievement deficits for both mobile and non-mobile students. By addressing housing characteristics associated with poor educational achievement, affordable housing may improve school outcomes.

According to Spencer Agnew (2011), affordable housing may assist low-income families in accumulating wealth by increasing homeownership opportunities, which is the primary source of wealth growth for the vast majority of households. In addition, affordable housing initiatives may benefit low-income households by increasing their income and decreasing their reliance on government services.

II. IMPACT OF REAL ESTATE SECTOR IN AFFORDABLE HOUSING

Real estate has continued to play an important role in human evolution. It is no coincidence that the three basic necessities for human survival, food, shelter, and clothing, all have some connection to land. Food grows from the soil, shelter is built on it, and most of man's clothing is made from what grows on the land. Indeed, whether in ancient times or in today's modern system, land is a vital indicator of man's wealth, and as economic activities have become more sophisticated over time, land has continued to play an important role in their development, according to the report (Lewis, 1994).

It has been observed that the current real estate market environment has resulted in a supply of homes and their associated prices. Housing and real estate are, in fact, two industries that are

inextricably linked. Growth in one area influences growth in another. However, in the joint profit-making process, the affordability component is sometimes overlooked.

Almost no business venture does not require some type of real estate to be supported, from the small firm that requires real estate as offices from which its operations can be organized to the large venture that requires it for its factory. As a result, with some extremely strong and well-thought-out land policies, the real estate sector's Affordable housing concerns can be addressed thoroughly. This is not the case in Nigeria, and as a result, the real estate market is beset by a slew of problems, according to experts (Adewale, 2000).

Real estate investment is intricately tied to affordable housing, economic prosperity, and national well-being, needing some government participation. The degree of such interventions vary depending on the country. Individuals in Nigeria could rarely lay claim to any part of it as owner, and so could not alienate it without the consent of the head. Effective housing, property/real estate investment, and development require financing.

The cost and availability of financing for real estate development can impact project feasibility, which in turn effects home affordability. The extent to which private developers can be expected to bridge the gap between demand for and supply of affordable housing is crucial to their viability. It is vital to investigate the nature of real estate investment in Nigeria in order to identify answers to the associated housing and development issues.

Research on the real estate industry has been focused in recent years because it is the principal provider of homes for humans. Housing has long been seen as the second most important of man's needs, and as a result, affordable housing provision has been a crucial component of many government programs at both the federal and state levels in Nigeria since independence. The consequences of rapid urbanization are most visible in the rapid deterioration of urban housing,

which results in urban housing poverty, particularly because there has been no equivalent increase in housing stock. During Nigeria's 1970s economic boom, there was surplus capital, the economic climate was favorable for real estate development, and the possibilities of profit, as well as the rate of affordable home building, were overestimated.

Real Estate Sector Development is a critical component of affordable housing and the urban environment. Adequate real estate development has a significant positive impact on both the economic and social lives of city dwellers. Its deficiency causes the opposite effect. One of the primary issues confronting urban areas, particularly in emerging countries, is a lack of real estate development. This could be attributable to a lack of funding for actual project development. Real estate development costs a lot of money. Most urban people, particularly those with middle and low incomes, cannot afford it, resulting in a lack of affordable housing. The rate of real estate development constriction is frequently low and is largely determined by financial means.

This financial security problem is exacerbated by banking institutions' aversion to financing for real estate development. Their loan-granting procedure makes it extremely difficult for the middle and lower income groups to benefit from housing and other facilities. The majority of mortgage loans are made to the wealthy.

According to Olatunji (2008), real estate agency is primarily a land-based profession that deals with the acquisition, sale, or leasing of real estate interests, which can be land, buildings, or interests in them. Practitioners of this trade are generally referred to as Estate Agents in our culture. Given the centrality of housing in man's hierarchy of wants and the country's substantial housing scarcity, real estate brokers play an essential part in the socioeconomic life of the country. A real estate agent is someone who can act on behalf of another person in order to establish a contractual relationship between his principal and a third party. The Principal is the person who employs the agent.

In Nigeria, real estate agency practice is now generally unstructured, uncontrolled, and unprofessional. Apart from the Nigerian Institution of Estate Surveyors and Valuers (NIESV), which has established standards for its members' practice as Estate Surveyors and Valuers, the vast majority of those who practice estate agency do so without any basic training, certification or qualification, regulation, and, in many cases, in an unprofessional manner, says (Gambo & Ashen, 2012). Throughout history, unprofessionalism and a lack of proper regulation have contributed to the high cost of housing units.

The ramifications of Nigeria's current real estate situation are numerous. According to the major consequences, the consuming public has been on the receiving end of estate agents in terms of very poor services, high housing costs, fraudulent transactions, and income losses as a result of the activities of dubious practitioners due to a lack of regulation and required competence on the part of practitioners (Hunter, 1997). As a result, the general public has a negative perception of real estate agents. Real estate agents are commonly perceived as people who engage in unethical practices and with whom you must deal with "all eyes" on you. As a result, practitioners are marginalized in society. Due to a lack of respect for practitioners, both vendors and landlords do not see the need to properly compensate them, and a lack of standardization and regulation has resulted in both landlords and vendors acting as agents. In most cases, a large number of agents are chosen, and competition among them is fierce due to the lack of regulated practice processes. Because of the non-standardized practice technique, the average real estate agent performs an extraordinary amount of erroneous work. According to Olatunji (2008), the police, EFCC, and other law enforcement agencies are targeting real estate agents because they believe that a large amount of money laundering occurs through the purchase of homes with illegally obtained income.

To achieve professionalism in the practice of real estate agency in Nigeria, the appropriate approach will be to work towards ensuring that real estate agents are appropriately trained and certified to practice, establishing standardized prequalification and registration protocols for prospective estate agents, maintaining a register of all qualified and certified estate agents, and enforcing compliance to a code of ethics and practice through sanctions, planning, and carrying out oaths. To ensure the protection of members of the public, appropriate professional indemnity insurance programs for members are instituted, remuneration due to agents, whether as single agents or cooperating agents, the practice of estate agency is generally regulated, and the practice of estate agency is developed and projected as a respectable brand that will continuously earn the trust of members of the public through quality service delivery by its members. This permits friendly competition while also lowering housing costs. It will also protect and defend the interests of practitioners.

III. THE EFFECT OF BUILDING MATERIAL IN AFFORDABLE HOUSING DEVELOPMENT

Building materials have always played an important role in the construction industry—they are the materials used to erect or construct structures, and no engineering discipline would be possible without their use, according to experts (Akanni, 2006; Udosen & Akanni, 2010). Building materials, from the materials used in the foundation to the materials used for roofing and finishing, have a significant impact on the quality and cost of housing, and the building materials industry is an important contributor to any nation's national economy because its output governs both the rate and the quality of construction work.

Building materials account for 50 to 60 percent of total construction input, according to building industry researchers. As a result, there is a pressing need to address the high cost of these commodities, which is said to be limiting the growth of Nigeria's building and construction sector. The most expensive single input in housing development is building materials. According to Adedeji (2010), building materials account for around sixty (60) percent of total housing expense. According to Arayela (2005), building materials account for around 65 percent of construction expenditures.

According to Ogunsemi (2010), building materials are one of the key issues limiting the supply of housing, accounting for 50-60% of the cost of buildings. Thus, Adedeji (2002) correctly recognized that the expense of housing in Nigeria has been a major impediment to the implementation of effective housing in the country, as evidenced by consecutive government initiatives. He contended that in the early eras of Nigerian history, housing was relatively inexpensive since construction materials could be obtained at little cost from the nearby environment. Technology and simple methods were also widely available. Interaction with the outside world, however, brought about changes in tastes and, as a result, outlook on dwelling designs through interregional and worldwide training of experts in foreign nations. As a result of these changes, undeveloped indigenous building materials became scarce, while the demand for exotic ones increased.

According to Arayela (2002), many completed housing estates remained vacant due to the high rental and selling prices associated with them in comparison to the average Nigerian worker's limited income. He also noted that if the government can develop our industrial base, building materials will become more affordable, allowing many more people to build homes. As a result,

he lobbied the federal government to provide tax benefits to local builders and importers in order to reduce the high cost of living in big cities.

Thermal comfort, strong mechanical capabilities (strength and durability), aesthetic features, and the ability to construct quickly are all financial and sociological aspects that impact building material choices. According to experts, the integration of all environmental, economic, and social components can provide a thorough description of a material, which aids in the cost-decision-making process for construction materials (Abeyundara et al., 2009). Nigerians will continue to pay higher prices for homes in large cities until building supplies are subsidized, most likely through tax cuts. The unpredictability of building supply prices has been ascribed to high taxes, which affect the cost of living in key cities across the country.

2.1 CHALLENGES TO PROVIDING AFFORDABLE HOUSING IN NIGERIA

Shelter is one of the most fundamental human needs. Housing provision via mortgage production is taken for granted in developed countries; however, it remains a significant challenge in developing countries, particularly Sub-Saharan Africa. Housing has been a top priority for all Nigerian governments since independence. Unfortunately, in its nearly 47 years of independence, Nigeria has yet to develop a vibrant mortgage market, and houses are still provided through the time-consuming traditional system of buying land and building over several years, which may be an individual's entire life. In many cases, such structures go unfinished, or homeowners must spend their entire life savings to build a house.

The Shehu Shagari Administration's Policy on Affordable Housing, announced in 1979, was one of the major housing policy initiatives. Although excellent, the approach failed to meet the nation's housing needs since it was predicated on the untenable assumption that the government

would deliver houses (this remains the anomaly that we must resolve). Housing policy reforms were put in place in 2002, which was a good start, but more work was needed.

1. Infrastructure

Another significant barrier to providing cheap housing is a lack of key infrastructure such as roads, water, and power, which accounts for around 30% of housing expenditures. In most situations, developers must provide infrastructure, which always raises the cost of the dwellings they build, making them unaffordable. If we want to fulfill our goal of providing cheap housing, the three tiers of government must not shirk their responsibilities of providing fundamental infrastructure. The infrastructure improvements could be financed by issuing bonds and will also give the government with a future cash stream through municipal fees paid by homeowners.

2. Durability and Safety:

Durability is another barrier to the use of indigenous materials for low-cost mass housing provision. Because some indigenous materials are not long-lasting, maintenance in the form of renovation and replacement will be more frequent than for those with more permanent constructions. Termites frequently attack mud and wooden structures, weakening their structural integrity.

They are vulnerable to robbery and vandalism. They are also vulnerable to fires, and local fire brigades are understaffed. Unseasoned wood has also experienced adverse weather conditions such as blowing rain and excessive dryness due to moisture loss. All of the problems identified in this study have resulted in housing shortages in Nigerian cities, which have gone unaddressed in terms of both quantity and quality. According to

Obinna Ubani and Nick I. Obi (2014), the urban population's low- and middle-income segments are the most affected.

3. Registering Property

According to the World Bank's report "Doing Business in 2007 - How to Reform," Nigeria's reforms reduced the time required to complete the property registration process from 274 to 80 days, but much more work remains to be done because other countries, such as Norway and Singapore, take only one day.

Property registration fees in Nigeria are exorbitant, with certain opaque components. High fees raise the cost of a home, making it out of reach for many people on lower incomes. We must devise methods to reduce fees paid by low-income families, perhaps by exempting such households from paying fees or by instituting a tiered system to make such fees affordable.

4. Knowledge Gap

Some call it a lack of capacity, but I prefer to call it a knowledge gap. The reality is that skilled labor capable of propelling the mortgage industry forward is in short supply. Capacity was not built up over time because there was no mortgage industry and the environment was not conducive to long-term lending, which would have resulted in an asset-liability mismatch. We must increase our capacity in all aspects of the mortgage industry and learn the most recent information. .

Collaboration with existing institutions in rich countries, such as the International Finance Corporation (IFC), the International Housing Finance Program at the University of Pennsylvania's Wharton Business School, and others, can help achieve this.

Furthermore, when President George W. Bush unveiled the African Mortgage Market Initiative in Abuja in 2003, he promised that his country would assist in the establishment of Africa's mortgage markets. In the context of proper market reforms in Nigeria, such assistance will be available from US organizations such as the Overseas Private Investment Corporation (OPIC).

5. High Cost of Building Materials

The ban on cement imports, which accounts for roughly 40% of building materials, if not more, has been a major contributor to Nigeria's high construction costs. Despite the fact that Nigeria does not produce enough cement to meet domestic demand, imports are regulated and subject to quota distribution. As a result, the cost of cement has risen dramatically. However, there are signs of a shift in government policy toward cement imports, such as the reopening of the Ibeto Cement Factory, an importing company, in September. The government should continue to investigate limits on cement and other building supplies importation in order to reduce material costs, stimulate construction, and make homes more affordable to the Nigerian people. In the long run, we may conduct additional research into how we can use local building materials such as clay.

CHAPTER THREE:

3.0. RESEARCH METHODOLOGY

This Chapter investigates the data gathering and analysis strategies employed in this study. Also included are the definition of research, its objective and characteristics, as well as the exact method used to carry out this research study.

3.1. DEFINITION OF RESEARCH

A methodical analysis of a certain subject or situation using scientific processes is referred to as research. It is the systematic investigation of information and sources with the objective of establishing facts and arriving at new findings. It combines deductive and inductive reasoning. Inductive research methods evaluate observed phenomena while deductive research methods confirm them. Inductive approaches are generally connected with qualitative research, whereas deductive methods are commonly associated with quantitative analysis.

3.2. CHARACTERISTICS OF RESEARCH

Keeping in mind that research in any discipline is conducted to give information to facilitate decision-making in its relevant domain, the following desired elements of research are summarized:

1. The research should concentrate on pressing issues.
2. Methodical investigation is required. It emphasizes the significance of following a systematic procedure as a researcher.
3. The investigation should be systematic. Without the ability to manipulate ideas logically, the scientific researcher cannot make much progress in any investigation.

4. The research should be condensed. This means that the findings of one researcher should be made available to other researchers to avoid repeating the same research.
5. The research should be repeatable. This asserts that previous research findings should be confirmed in a new environment and different settings, with a different group of subjects, or at a different time.
6. The research should be useful. In other words, it should seek to solve problems in order to implement its findings.
7. The research must be simple, timely, and time-bound, with a simple design.
8. The research must be as low-cost as possible.
9. The findings of the research should be presented in formats that are most useful to administrators, decision-makers, business managers, or community members.

3.3. PURPOSE OF RESEARCH

1. **Descriptive:** It aims to improve understanding of current situations by collecting data. Descriptive research describes the behavior of a sample population. Only one variable is required to conduct the investigation. Descriptive research has three main goals: to describe, explain, and validate the findings. A study was conducted, for example, to determine whether top-level management executives in the twenty-first century have a moral right to benefit from the organization.
2. **Exploratory:** As the term implies, exploratory studies are conducted by researchers to investigate a set of questions. The responses and analytics may or may not provide a solution to the perceived problem. It is being undertaken to address previously unexplored problem areas. This preliminary phase lays the groundwork for more conclusive data collection and analysis to follow.

3. **Explanatory:** Explanatory research is conducted to determine the impact of changes to existing standard operating procedures. Experimentation is the most common method. Consider a study to determine the effect of rebranding on consumer loyalty.

QUALITATIVE RESEARCH

Qualitative research is the study of the nature of phenomena and is particularly useful for clarifying why something is (or is not) seen, evaluating complex multi-component interventions, and focusing on intervention improvement.

The goal of qualitative research is to obtain insight and understanding into how people perceive events and circumstances. Phenomenological, ethnographic, grounded theory, historical, case study, and action research are the six most prevalent qualitative research genres.

It is based on information gathered by the researcher via direct observation, interviews, questionnaires, focus groups, and participant feedback. There are also observations, recordings made in natural settings, papers, case studies, and artifacts. The data is mostly non-numerical.

What exactly is the distinction between qualitative and quantitative research? The foundation of quantitative research is numerical or measurable data. Qualitative research, on the other hand, is based on personal stories or documentation that elucidates how people think or respond in society.

MATERIALS AND METHODOLOGY APPLIED FOR THIS PROJECT

- 1. Data collection:** This refers to observing, measuring, and recording data or information.
- 2. Data analysis,** on the other hand, refers to arranging and organizing the collected data so that we may be able to find out what their significance is and generalize about them.

In this study, a basic random sample strategy was used. The data for this study were gathered using both primary and secondary data collection methods. The following data collection instruments were used to collect primary data: questionnaires, oral interviews, and direct inspection (field survey). The researchers create the questionnaires, which are then distributed to the respondents.

One hundred and ninety-five questionnaires were distributed, with 115 providing valid information for the study. This data collection method was chosen because it is less time consuming, less expensive, and more practical. Aside from interviews and questionnaires, an inspection of the surroundings and special places in the study areas, such as residential apartments and commercial buildings, was carried out. Because the research topic necessitates some visual observation, this is required.

The secondary data used in this investigation was obtained from publicly available sources. Examples include books, journal articles, conference papers, seminar and workshop papers, internet materials, and so on. Secondary data sources are data obtained from previously published and unpublished works housed in libraries, public spaces, or other locations, depending on the situation.

CHAPTER FOUR

4.0. DATA ANALYSIS AND PRESENTATION/DISCUSSION

4.1 CHARACTERISTICS OF RESPONDENT

Table 4.1 Monthly Income of respondents

Income (₦)	Frequency	Percentage %
15,000 to 50,000	40	34.78
60,000 to 100,000	52	45.22
110,000 to 150,000	16	13.91
160,000 to 250,000	5	4.35
260,000 to 500,000	2	1.74
Total	115	100

Table 4.1 shows that 45.22 percent of respondents have a monthly income of 60,000 to \$100,000, which is higher than the monthly income of other respondents.

Table 4.2 Respondent sex

Sex	Frequency	Percentage %
Male	76	66.09
Female	39	33.91
Total	115	100

According to Table 4.2, 66.09 percent of respondents are male, while 33.91 percent of respondents are female. This demonstrates that men outnumber women.

Table 4.3 Respondent Employment status

Status	Frequency	Percentage %
Employed	39	33.91
Self-Employed	20	17.39
Student	56	48.70
Total	115	100

According to Table 4.3, 33.91 percent of respondents are employed, 48.70 percent are students, and 17.39 percent are self-employed. This demonstrates that the students are dominant.

4.2 DATA CONCERNING THE STATED OBJECTIVES

The following data pertain to the stated objectives:

1. To highlight the significance of affordable housing in Nigeria, consider the following:

High housing expenses are a major issue in Nigeria. According to the respondents' responses, affordable housing is vital and cannot be stressed. .

2. According to data gathered, real estate concerns determine the cost of housing in Nigeria. .

3. To investigate the impact of building materials on Nigerian housing costs:

Building materials are materials that are used to erect or construct structures and play an important role in the construction industry. Building materials, according to data collected from respondents, have a significant impact on the quality and cost of housing.

4.3 DATA RELATING TO THE RESEARCH QUESTIONS

Table 4.4 Respondent opinion about lands in specific location

Table 4.4 shows that more than half of the respondents in each location had a similar opinion about the cost of housing in that location on a scale of 1 (very high), 2 (high), 3 (low), and 4 (very low) (Very low)

Location	Frequency	Percentage %	Cost
Ekosodin	35	30.43	3
Ugbowo	28	24.35	3

GRA environs	20	17.39	1
Benin City	20	17.39	2
Port Harcourt	7	6.09	2
Lagos	5	4.35	1
Total	115	100	12

Table 4.5 Respondent opinion about Rents for buildings on the land

Rent (₦)	Frequency	Percentage %
100,000 to 500,000	53	46.09
550,000 to 1million	38	33.04
1.1million to 2 million	18	15.65
2.1million and above	6	5.22

Total	115	100
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According to Table 4.5, 46.09 percent of respondents indicated that the rent level for buildings on the specified land ranges from ₦100,000 to 500,000. While 33.04 percent indicated a rent range of ₦550,000 to \$1 million.

Table 4.6 Respondent opinion about basic amenities in specific location

Table 4.6 demonstrates that on a scale of 1 (very high), 2 (high), 3 (low), and 4 (very low) (Very low), more than half of the respondents in each place had a similar opinion regarding the cost of basic amenities in that location.

Location	Frequency	Percentage %	Power Supply	Utility (e.g. waste bill)	Security (e.g. vigilante)
Ekosodin	35	30.43	3	4	3
Ugbowo	28	24.35	2	3	3
GRA environs	20	17.39	1	3	2
Benin City	20	17.39	2	3	2

Port Harcourt	7	6.09	2	3	2
Lagos	5	4.35	2	3	2
Total	115	100	12	19	14

Table 4.7 Using a Likert scale, respondents' opinions on the effect of building materials on the cost of housing in Nigeria.

Step 1: For each question on SECTION B PART 3, I calculated the total number of responses for each sentiment level (Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree).

Multiplying the numerical value of each sentiment level by the amount of respondents

Step 2: Adding the totals, and dividing by the total number of respondents:

QUESTION 1

Sentiment Level	Numerical Value	Responses	Total
Strongly Disagree	1	0	0
Disagree	2	0	0

Neutral	3	0	0
Agree	4	15	60
Strongly Agree	5	100	500

$60+500=560/115 = 4.87 \approx 5$ as the numerical value for the “Strongly Agree” sentiment level is 5, this means that generally, the respondents strongly agrees with question 1

QUESTION 2

Sentiment Level	Numerical Value	Responses	Total
Strongly Disagree	1	0	0
Disagree	2	0	0
Neutral	3	7	21
Agree	4	26	104
Strongly Agree	5	82	410

$$21 + 104 + 410 = 535$$

$535/115 = 4.65 \approx 5$ as the numerical value for the “Strongly Agree” sentiment level is 5. This shows that the majority of respondents strongly agree with question 2.

QUESTION 3

Sentiment Level	Numerical Value	Responses	Total
Strongly Disagree	1	0	0
Disagree	2	6	18
Neutral	3	15	45
Agree	4	56	224
Strongly Agree	5	38	190

$$18 + 45 + 224 + 190 = 477$$

$477/115 = 4.15 \approx 4$ as the numerical value for “Agree” sentiment level is 4, this shows that the majority of respondents agree with question 3.

QUESTION 4

Sentiment Level	Numerical Value	Responses	Total
Strongly Disagree	1	0	0
Disagree	2	0	0
Neutral	3	19	57
Agree	4	76	304
Strongly Agree	5	20	100

$$57 + 304 + 100 = 461$$

$461/115 = 4$ as the numerical value for “Agree” sentiment level is 4, this shows that the majority of respondents agree with question 4.

QUESTION 5

Sentiment Level	Numerical Value	Responses	Total
Strongly Disagree	1	0	0

Disagree	2	0	0
Neutral	3	3	9
Agree	4	36	144
Strongly Agree	5	76	380

$$144 + 380 = 524$$

$524/115 = 4.56 \approx 5$ as the numerical value for the “Strongly Agree” sentiment level is 5. This shows that the majority of respondents strongly agree with question 5.

STEP 3

I computed the average of the five questions to get a sentiment score for the entire questionnaire in SECTION B PART 3

$$\begin{aligned} & \text{Question 1 (4.87) + Question 2 (4.65) + Question 3 (4.15) + Question 4 (4) + Question 5 (4.56)} \\ & = 22.23 \quad 22.23 / 5 \text{ questions} = 4.446 \approx 4 \end{aligned}$$

Respondents to this inquiry appear to agree that building materials affect the cost of housing in Nigeria, rounding down/up to four.

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, RECOMMENDATION AND CONCLUSION

5.1 SUMMARY FINDINGS

The following are the main findings of this study.

1. The lack of basic infrastructure (roads, water, and power) is a substantial impediment to providing affordable homes.
2. The cost of building materials is a major challenge to both the construction industry and consumers who want to own a home.
3. Adequate real estate development has a significant positive impact on both the economic and social lives of city dwellers.
4. Housing affordability is more important to a country's welfare than is commonly recognized, as it directly affects not just the well-being of its citizens, but also the performance of other areas of the economy.
5. The major challenges of the current state of real estate in Nigeria are that the consuming public has been on the receiving end of estate agents in terms of very poor services, high cost of housing, fraudulent transactions, and income losses due to the activities of dubious practitioners due to a lack of regulation and requisite competence on the part of the practitioners.

5.2 RECOMMENDATION

Realtors should be trained and retrained by real estate organizations to combat the threat of a lack of regulations and required competency on the part of real estate practitioners. The government should also enact rules that favorably regulate estate agent activity.

One of the most important aspects of construction cost and sustainability is material efficiency. Building materials can be selected correctly by considering their entire life cycle and selecting products with the least environmental impact, as well as those that are easy to transport and store.

To reduce housing costs, the government should make vast amounts of land freely available for real estate and construction enterprises to collaborate and carry out massive quality real estate development.

Because a lack of basic infrastructure (roads, water, power, etc.) is a major barrier to delivering affordable housing, the government should prioritize these areas. It will significantly reduce home costs.

Building construction industry architects, engineers, and researchers should embrace innovation and implement new tried-and-true construction methods. This will significantly reduce housing costs.

5.3 CONCLUSION

Finally, in order to be dependable and productive in tackling Nigeria's housing affordability issues, architects should have a fundamental understanding of real estate. This will also allow the architect to stay current on land-related opportunities and provide dependable consultation to clients looking for a suitable location for a building project. Architects should be open to new ideas, methodologies, and so on in order to embrace innovation in the building construction business.

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Appendix

COMPARATIVE ANALYSIS OF THE IMPACT OF REAL ESTATE IN AFFORDABLE HOUSING IN NIGERIA

BY

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QUESTIONNAIRE

SECTION A: BACKGROUND INFORMATION (Please tick in the appropriate box that correspond to your response). Please tick [] correctly or fill____, where necessary.

Gender: Male [] Female [] Marital status: Single [] Married []

Employment Status: Employed [] Self-employed [] Student []

Monthly Income: a. ₦15,000 to ₦50,000 [] b. ₦60,000 to ₦100,000 []

c. ₦110,000 to ₦150,000 [] d. ₦160,000 to ₦250,000 []

e. ₦260,000 to ₦500,000 [] f. ₦600,000 to ₦1million [] g. ₦1.1million & above []

SECTION B:

PART 1

COST OF HOUSING INFLUENCED BY REAL ESTATE FACTORS:

LAND LOCATION. To be answered by residents in any location in Nigeria.

1. Location of any land in your area. _____.
2. Size of the land. _____.
3. Is a tarred road close to the Land?: Yes [] No []
4. Nearness of the land to tarred road: a. Along the road [] b. Off the road [] c. Far from the road []
5. Condition of the road. a. Good [] b. fairly good[] c. Bad []
6. Cost of the land._____. Type of land cost? a. for sale [] b. for lease []
7. If for lease, how many years lease? _____.
8. Is there a building on the land? Yes [] No []
9. If yes, what type of Housing: a. Duplex/semi-Detached [] b. Storey building [] c. Bungalow [] d. others []
10. What is the Rent: a. ₦100,000 to ₦500,000 [] b. ₦550,000 to ₦1million [] c. ₦1.1million to 2 million [] d. ₦2.1million and above []

PART 2

BASIC AMENITIES To be answered by residents in the area of study specified in PART 1

1. What is the light situation in your area? Stable [] unstable [] Very unstable []
2. How many hours light do you get in a day? a. 5hrs – 10hrs light []
b. 11hrs – 15hrs light [] c. 16hrs – 20hrs light [] d. 21hrs – 24hrs light [] 3.
Did you spend money to get an alternative means of power supply? Yes [] No []
4. If yes, how much did it cost?_____.
5. Did you pay extra money for utility service like waste and security (vigilante)? A.
Yes [] b. No []

PART 3

COST OF HOUSING INFLUENCED BY BUILDING MATERIALS. Public opinion about the effect of building materials in the cost of housing in Nigeria using a Likert scale.

Instructions: Please indicate your level of agreement to the underlined Statements and tick accordingly

S/N	Statements	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
1.	Buying building materials in bulk saves cost					
2.	Nearness of construction site to source of building material minimizes cost of housing					
3.	Poor Storage/maintenance of building materials will increase cost of housing in the long run					
4.	Locally sourced building materials are more affordable					
5.	Scarcity of building materials Increases cost of housing					