

# We are IntechOpen, the world's leading publisher of Open Access books Built by scientists, for scientists

3,800

Open access books available

116,000

International authors and editors

120M

Downloads

Our authors are among the

154

Countries delivered to

TOP 1%

most cited scientists

12.2%

Contributors from top 500 universities



WEB OF SCIENCE™

Selection of our books indexed in the Book Citation Index  
in Web of Science™ Core Collection (BKCI)

Interested in publishing with us?  
Contact [book.department@intechopen.com](mailto:book.department@intechopen.com)

Numbers displayed above are based on latest data collected.  
For more information visit [www.intechopen.com](http://www.intechopen.com)



---

# Urbanization and Meeting the Need for Affordable Housing in Nigeria

---

Temi Oni-Jimoh and Champika Liyanage

Additional information is available at the end of the chapter

<http://dx.doi.org/10.5772/intechopen.78576>

---

## Abstract

Urbanization is an ongoing trend in developed and developing countries. With particular reference to Nigeria, studies have shown that many urban centres have been experiencing rapid and continuous growth over the years, as people tend to migrate from rural areas to urban centres in order to better their living conditions. However, there has been an inadequacy of the necessary infrastructures to meet the needs of the increasing urban populace. Empirical studies have also shown that about 75% of the urban settlers live in slums and improper housing, which is antithetical to human dignity. Therefore, this study aims at exploring the causes, advantages, and disadvantages of urban slum dwelling in Nigeria, and similarly proper possible solutions to the prevailing urbanization challenges in the country. The authors agree that the policy can bring about an effective provision of affordable housing, thereby meeting the needs of housing and helping to solve most of the problems of urbanization in Nigeria. It is recommended that each element of an effective housing policy, as entrenched in the National Housing Policy 2012, should be critically explored towards the delivery of affordable housing, which would in turn go a long way in solving urbanization problems in Nigeria.

**Keywords:** urbanization, housing needs, housing policy, affordable housing, Nigeria

---

## 1. Introduction

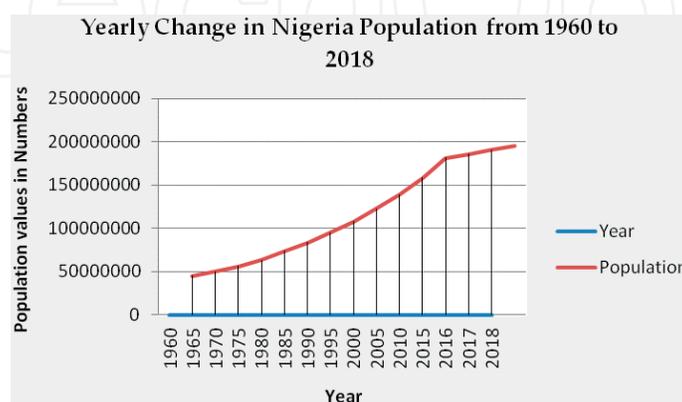
Every country in the world is experiencing urbanization in different dimensions. Urbanization has been defined as the increased concentration of people in cities rather than in rural areas [1]. Demographic Partitions [2] describes urbanization as the “process by which towns and cities are formed and become larger as more people begin living and working in central areas”. It is

the gradual increase in the number of people living in urban areas, with subsequent decrease in those living in rural areas [3].

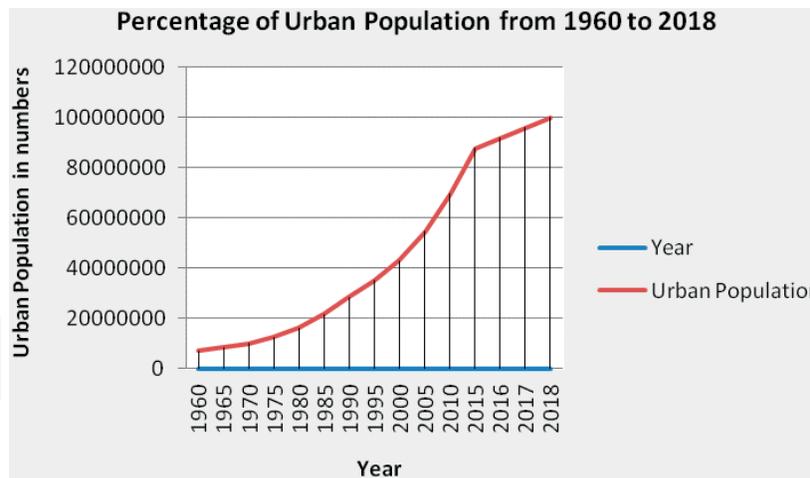
Urbanization is a fundamental phenomenon of multidimensional transformation which rural societies go through in order to evolve into modernized societies from sparsely populated areas to densely concentrated urban cities. Urbanization is an ongoing trend in both developed and developing countries, including Nigeria which is the main focus of this chapter. Nigeria is the largest country in West Africa; classified as a low-middle income country despite the fact that it is the biggest oil exporter in Africa with the largest natural gas reserve in the continent. The Nigeria Gross Domestic Product (GDP) is \$405.10 billion in 2016 [4]. However, the huge revenue derivable from oil and allied products have not positively impacted an average low income earners in the country, as they live below 1 dollar per day. The impoverishment of the citizens has also been largely worsened by the corrupt and wasteful handling of petrol dollars by successive governments in the country. Simply put, the huge money made from oil remains a noticeable paradoxical contradiction when viewed against prevailing endemic infrastructural deficit and abject poverty in the country.

## 2. Urban development in Nigeria

Prior to the colonial era, Nigeria had several cities of different sizes and importance. Examples of such cities are Lagos, Ibadan and Ilorin, in the south western region, Kano and Zaria, in the northern part, and Onitsha and Aba, in the eastern area, as well as Port Harcourt and Calabar in the south. The aforementioned are all with their distinctive socio-cultural identities even as they are locations occupied by the three major ethnic groups in Nigeria, plus the southern sub-ethnic group, respectively. The rate of movements of the people from rural areas to the cities during this era was low, as majority concentrated on agricultural occupation. In the post independence era, starting from 1960, people in Nigeria kept migrating at an increasing rate from the rural areas to the urban centres in pursuit of better living conditions. Like every other nation of the world, the migration has been causing rapid and extensive growth in the urban centres. The urban population in Nigeria has grown from 6.9 million, 15.4% of the total



**Figure 1.** Percentage change in population from 1960 to 2018. Source: adapted from Worldometer.info [5].



**Figure 2.** Percentage growth of urban population from 1960 to 2014. Source: adapted from Worldometer.info [5].

population of 45 million in 1960 to 99.9 million, which is 48.9% of the total population of 195.8 million today [5] (Figures 1 and 2).

Consequently, many more towns such as Akure, Osogbo, Bauchi and Sokoto have emerged, and they are fast turning into urban centres due to explosion induced by migration, both in numbers and sizes. There are 26 urban centres in the country, with a populations of approx. 500,000 in each urban centre (Table 1) [6]. Lagos, the former capital city, still remains the most urbanized city despite the movement of the country’s capital to Abuja. This may not be unconnected to the fact that Lagos still remains the commercial capital for Nigeria.

	Urban centre	Population		Urban centre	Population
1.	Lagos	13,910,000	14.	Ikorodu	825,000
2.	Onitsha	7,850,000	15.	Owerri	815,000
3.	Kano	3,875,000	16.	Maiduguri	795,000
4.	Ibadan	3,070,000	17.	Warri	770,000
5.	Abuja	2,605,000	18.	Enugu	755,000
6.	Uyo	2,230,000	19.	Zaria	750,000
7.	Port Harcourt	2,060,000	20.	Osogbo	715,000
8.	Nsukka	1,840,000	21.	Akure	630,000
9.	Benin City	1,445,000	22.	Sokoto	620,000
10.	Aba	1,290,000	23.	Lokoja	570,000
11.	Kaduna	1,140,000	24.	Bauchi	560,000
12.	Ilorin	935,000	25.	Abeokuta	540,000
13.	Jos	830,000	26.	Ogbomosho	505,000

**Table 1.** Largest built-up urban centres in Nigeria with population of 500,000 and above (source: adapted from Demographia world urban areas [6]).

### **3. Reasons for or factors that caused urbanization in Nigeria**

#### **3.1. Trade and politics (pre colonial era)**

Trade and politics are the two predominant causes of urbanization in pre-colonial era in Nigeria (before 1900). The existing urban centres serve as trade centres where goods, mainly agricultural produce, and traditional production of crafts commodities, like clothing and household utensils, are brought from their neighboring rural communities to be traded or stored for the purpose of exportation. They also serve as hubs for importation of merchandise from other countries. Consequently, there are massive concentrations of wealth, political power, prestige and the seats of regional governments with its attendant employment opportunities and the need to provide housing for the rich and powerful people; thereby attracting increased number of traders and migrants from their catchment areas and also from other regions and nations.

#### **3.2. Industrialization (colonial and post-independence era)**

At the advent of colonialism in Nigeria (1900–1960), the colonial masters and missionaries developed the urban centres into cities with good infrastructural facilities like electricity, good roads, rail networks, European style housing, educational, religious and recreational facilities for themselves and the Nigerian elites. Furthermore, new urban cities were built by them for the purpose of industry and improved trade centres. Industry, according to Anamgba, is “a collection of individual firms producing similar commodities” [7]. He further describes industry as “any commercial activity that provides goods and services”. Examples of such cities are Jos, with an established Tin mining industry, Enugu, known for coal mining, and Bida, with industries manufacturing glass and brass.

Later, there came a shift from the old agricultural practices to the new mechanized agriculture for larger production outputs and increased employment opportunities. The era also witnessed the provision of social services and infrastructural facilities like electricity, potable water, education, public health care, banking, postal services and modern transportation: namely, rail, road and air. Consequently, an improved standard of living was ushered in, in terms of better housing, transportation, food production and health care. In addition, traditional attires were replaced with new formal white collar dresses, and sophisticated fashion products, which equally involved women enlightenment and empowerment.

#### **3.3. Movement of Nigeria Capital City from Lagos to Abuja**

After the amalgamation in 1914, Lagos was made the capital city, thereby becoming the seat of the national government and a centre of trade, commerce, industry and economic development. All these became pull factors, attracting rural dwellers to Lagos. Afterwards, the capital of Nigeria was moved to Abuja in 1991. Hence, the seat of the Federal government and all Federal government agencies were moved to Abuja. This development made a large number of people

to migrate from Lagos and other parts of Nigeria, including the rural areas, into Abuja, the new Federal capital of Nigeria.

### **3.4. Creation of new states and infrastructure**

The creation of new states in 1989 and 1991, led to the creation of new state capitals and new local government areas in different parts of the country. Consequently, many new Federal and States-owned Universities, Polytechnics and Colleges of Education were also established. All these contributed, in no small measure, to urbanization. They have also encouraged mass expansion of other commercial and industrial establishments such as banking, construction and manufacturing industries, in these newly created states, resulting in the movement of more people into them [8].

## **4. Advantages and disadvantages of urbanization in Nigeria**

The rapid growth of urbanization in Nigeria has affected the society, both positively and negatively. The following are the advantages of urbanization in the country:

Urbanization has induced modernization to a certain level which has enabled the use of the modern methods of construction and equipments in some areas of living and accomplishing day-to-day activities, both at work and at home; hereby enhancing the lives of the urban populace, from the rural to modern. It has also brought about an improved economic development in form of improvement in trades and industry which has in turn contributed to the gross domestic product (GDP) [4].

With the establishment of industries, powered by mechanized equipment, workers required training on the technical mode of operating the equipment. This created learning and training opportunities for workers, which were often provided by the employing companies resulting in subsequent technological advancement, enlightenment and improvements for the workers generally. This also came with attendant growth of the literacy rate of the urban populace with the consequence of improved standards of living for the workers.

Nigeria has experienced tremendous economic growth from independence to date as indicated by the GDP which was US\$4.1 in 1960 and is presently US\$405.10 billion. However, the GDP experienced its highest in 2014 with a GDP of US\$568.49 billion [4], after which it started witnessing a decline. It is yet to regain an upward growth since then. Owing to the presence of industries in the urban centres, many of the dwellers are involved in the processing of staple foods, using agricultural products as raw materials. Commercial activities are in the increase due to urbanization, which encourages the establishment of shopping centres, markets and offices.

Many of the urban centres are seats of the Federal, States and Local governments, thereby providing administrative and contract jobs for the people. Urbanization also encourages the establishments of educational institutions like universities, polytechnics, secondary and

primary schools; places of worship like churches and mosques; relaxation centres like restaurants and hotels. As a result, these improve the socio-cultural interactions and development among the population. Conversely, urbanization also has some attendant disadvantages as described below:

Overpopulation is a major setback of urbanization, as people keep migrating en masse from the rural areas to the urban centres without a commensurate increase in the existing social infrastructure. Decent accommodation is not always adequate, leading to overcrowding and slum life. Inadequacy of resources and acute shortage of land space as the density per km<sup>2</sup> keep increasing with subsequent overcrowding and overburdening of the existing resources resulting in shortage of the resources.

There is shortage of jobs as more people migrate to the urban centres in search of jobs to sustain their daily living without the government creating new job opportunities. This is more so as a result of some industries that shut down because of the downturn in the economy. There is also a shortage of the required job opportunities to adequately engage majority of the populace in the urban centres. Hence, there are a lot of people, especially the youths, without any jobs who find it difficult to make ends meet on a daily basis. Consequently, the rate of criminal activities within the urban centres is very high. The unending influx of youths and jobless able-bodied people into urban centres is posing a serious threat to the already precarious state of the country's security challenges like kidnapping, robbery, ritual killings and so on.

The cost of living in urban centres is relatively high, hence, making it difficult for the low income groups to maintain a decent standard of living. This can be gleaned from the huge number of people demanding for scarce or inadequate facilities such as houses, transportation facilities, foods, drugs and clothings. Needless to mention that the stiff competition for limited resources and facilities would engender contestatious living among the people.

Another negative characterization of urban life is pollution. Air and water pollution may be caused mainly by either the release of greenhouse gases (GHG) and effluents from the industries into the environment or produced by exhaust emissions from vehicles used for transportation. It can also be caused by poor indoor air quality due to overcrowding and lack of proper waste disposal. Continuous release of these GHG, over time, has resulted in global warming. This is a critical issue which is affecting the world as a whole and every nation including Nigeria still face challenges in terms of finding a long-lasting solution to the predicament.

Migrants who cannot afford the high rent of housing in the urban centres tend to develop make-shift houses in and around the cities where there are vacant and unclaimed parcels of land that are farther away from the core urban centres, thereby resulting in slums. A slum is defined by the UN Habitat as "a heavily populated urban area characterized by substandard housing and squalor" [9]. It further describes it as "the poorest quality housing, and the most unsanitary conditions; a refuge for marginal activities including crime, 'vice' and drug abuse; a likely source for many epidemics that ravaged urban areas; a place apart from all that was decent and wholesome" [9].

These slums and shanties are not built in accordance with building regulations. None of the rules and regulations is considered from land use to permit and approval, to materials used to structural considerations. They are built with any material within the reach of the people, such

as scrap wood, cardboards, bamboo, zinc roofing sheets, rammed earth, tarpaulin, to mention a few. Some are even occupied without basic features such as windows, doors or roofs; most of which are being substituted with used fabrics or polythene materials to protect them, however minimally, from the adverse weather conditions. These areas attract the urban poor, and thereby, they are usually overpopulated, thereby resulting in poor indoor air quality, poor ventilation and day lighting as well as lack of proper waste disposal/management, lack of potable water; without proper furniture leading to indecent and substandard way of living and inaccessibility to good public health care services and so on. All these lead to severe illnesses and sicknesses which could be acute or chronic and might lead to reduced life-span and increased morbidities and mortalities. Most urban centres are not spared from these unlawful settlements. Slum areas in Lagos include: Makoko, Ajegunle, Bariga, Mushin and so on. Likewise slum settlements in Abuja include: Nyanya, Lokogoma, Garki village, Gishiri, Lugbe to mention a few. **Figures 3** and **4** are samples of slums in Lagos.

With increased and ongoing influx of people into the cities, there is a consequent increase in household waste. Most landfills, which are not located within the urban core but in and around the squatter settlements, are completely full and overflowing to the surrounding areas with open decomposition of wastes. This leads to the outbreaks of diseases, festered by insects and rodents like houseflies, rats, and cockroaches, which in turn take a negative toll on the swamp dwellers. In addition, there are inadequate sewage facilities in areas of unchecked rapid growth of slums and squatter settlements which are unlawfully developed by the urban



**Figure 3.** Makoko, a slum with part of its community built on stilts along the Lagos lagoon. Picture credit: CNN [10].



**Figure 4.** A slum in central Lagos. Picture credit: BBC [11].

poor who cannot afford the exorbitant rent within the cities. The result is a huge crisis of untreated sewage, which carelessly drains into the open environment and leaves behind either decomposed or dried-up elements causing eventual water and environmental pollution as it drains into the nearby streams, rivers and oceans.

As evident from above, urbanization in the country results in poor health condition of many urban dwellers. This is a resultant effect of mainly slums and indecent settlements that are usually precipitated by urbanization. Urbanization also brings about environmental degradation. This is any change or disturbance that is harmful to the environment [12]. It is the destruction of the natural habitat or ecosystem through the depletion of natural resources such as air, water and soil. In comparison, Mason, states that urbanization “can, and in some cases does, contribute effectively to overall national economic growth and development”. Examples are China and Korea where urbanization is accompanied by income growth [13]. The UNFPA asserts that “no country in the industrial age has ever achieved significant economic growth without urbanization” [13]. It further argues that the urban centres have the capabilities of finding solutions to the challenges they face, claiming that “the potential benefits of urbanization far outweigh the disadvantages: The challenge is in learning how to exploit its possibilities” [14]. Thereby establishing a fact that urbanization in itself is not really bad, and if properly managed, it will result in socio-economic and environmental development of the nation.

## 5. Solving problems of urbanization

Problems of urbanization can simply be solved, among others, as follows:

1. Provision of sustainable affordable housing i.e. housing that is affordable in a sustainable way, with effective waste management for ensuring environmentally friendly cities. Such steps will also include effective planning of development activities.
2. Provision of essential infrastructural facilities and services for the urban residents such as potable water, constant electricity, access to education and public health services, good transportation and communication network and technology for the urban residents will make life in the urban centres easy for the inhabitants. Investing substantially in infrastructural facilities can help to eliminate urban slum and squatter settlements thereby creating decent living and working environments.
3. Provision of job opportunities, both skilled and unskilled labour, for the urban residents will boost their standard of living, self-reliance and subsequent self-dignity. This can help in reducing the rate of crime in the urban areas.
4. Embarking on an effective land policy will go a long way in reducing slum and squatter settlements. For instance, effective land use plan, zoning regulation and a reduction in land cost will promote easy accessibility to land by the low income urban dwellers.

Out of all the negative impacts of urbanization, lack of adequate housing, which has resulted in discriminate development of slums and squatter settlements affects one of the three fundamental

human rights and basic needs of life; that is, shelter [15]. As mentioned in 1 of 4.3 above, many of the problems relating to urbanization can be solved through effective planning of housing in the country. This is because most of the other disadvantages are relative to the development of slums and squatter settlements. The main aim of this chapter is to show that if this particular need of affordable housing, which is shelter, is met in the urban centres; it would go a long way in addressing most of the other negative impacts of urbanization in Nigeria.

## 6. The need for affordable housing in Nigeria

Housing, also referred to as shelter, is one of the three fundamental human rights, and it forms an essential part of human settlement with great impact on the health, welfare, productivity and quality of life of man [15, 16]. Coker et al. citing Fanning (1967), Macpherson (1979) and Riaz (1987) stated that “researchers have shown that housing can affect mental and physical health, both positively and negatively [17]; hence its provision for the people should be one of the primary concerns of every nation. The provision of adequate affordable housing for Nigerians will initiate a notable growth as it will provide shelter for the people and also, bring about lots of infrastructural development, thereby meeting some of the social needs of the populace. It will also generate an increase in the activities of the housing and building industry, thereby creating more job opportunities for both skilled and unskilled labour through the construction industry, resulting in increased productivity and a subsequent rise in the country’s GDP; thus improving its economic development. A well planned housing system will also promote environmental sustainability because the provision of adequate housing will go hand in hand with the provision of improved indoor air quality, potable water, good sanitary, sewage and waste management, improved and sustainable transportation network and consequent reduction in environmental pollution. This achievement would, overall, be a driver for the nation towards development in a sustainable way; indicating that housing has significant effects on all the three domains of sustainable development.

To a nation such as Nigeria, housing is a very important and critical component in its social and economic framework [18] because it accommodates the smallest unit of its society, referred to as the family. Hence, housing is an indicator of a family’s standard of living or societal class [19]. Consequently, housing also signifies the living standards of a society [20]. However, the difference between the demand for housing and its supply in Nigeria and most developing countries is overly incongruent. With the high cost of building materials as a result of the cost of production and importation as adduced by Fasakin and Ogunseni [21], it may still be a very challenging situation for the government to solve the affordable housing problems, except something is done to cut down on cost [22, 23].

Evidently, there is an increasing rise in the housing deficit which now stands between, 17 and 20 million housing units at a growth rate of 900,000 units per annum, due to the fast population growth and urbanization which will require at least 1000,000 housing units and approximately US\$363 billion to curtail [24]. The Nigerian population is at 195,875,237 of which the urban population is 48.9% [5]. Over 90% of the country’s population are of the

no/low-income groups [25]. The present Gross Domestic Product (GDP) equals US\$405.10 billion presently nonetheless; the Per Capita Income is very low at US\$2457.80 as lastly recorded in 2016 [26] which indicates clearly the fact that there is an unequal distribution of wealth as people's income is not commensurate with the economic growth.

The current cost of renting a standard 3-bedroom apartment is US\$5000 per annum and the average purchase price of US\$100,000 [24]. This simply implies, taking into account the present US\$2457.80 Per Capita Income in Nigeria, that housing is not affordable as affordable housing should cost 30% or less of a household's income [27]. This has left the population struggling with poverty, inequality and indecent form of housing that is not sustainable. The fast rate in population growth and urbanization infer an exponential rate of housing deficit, with 61.7% of the urban population being slum dwellers [24].

### **6.1. Factors influencing the limited supply of housing in Nigeria**

The reasons for the high demand for housing and its limited supply in Nigeria can be traced to the following factors namely: (1) high cost and lack of easy access to land [28, 29]; (2) high cost of building materials [30]; (3) high cost and long processing duration of property registration [28]; (4) inability of earlier policies and programmes to adequately resolve the backlog of housing problems [30–32]; (5) Absence of proper monitoring and evaluation of public housing policies and programs [31, 32]; (6) Absence of proper monitoring and evaluation of public housing policies and programs [31, 32]; (7) Absence of proper monitoring and evaluation of public housing policies and programs [31, 32]; low capacity of public housing agencies [32]; (8) poor government administration, inadequate funding, insufficient infrastructural amenities, as well as inadequate housing finance [33].

Consequently, the need for an urgent solution of adequate and affordable housing supply to the population is imperative, if the problem of shortage of housing it to be solved. Further review of pertinent literature reveals that there had been several attempts made by both the Public and Private Sectors of the country to address the fast increasing housing demands, which have recorded very minimal success [29, 32, 34–38]. There have been, and currently are, government strategies and efforts in form of housing policies and programmes to address the aforementioned problems/challenges. Nonetheless, these have also attained very little success. Housing policy is the act put up by a government for the purpose of managing and controlling homelessness and improving the quality of the housing stock of dwellings within its domain [39]. It could also mean government intervention in the housing provision with respect to the regulation of housing finance markets to influence activity in the national economy or restrictions on the amount paid in subsidy to low income households to encourage available incentives to work. The Housing Policies in Nigeria have evolved from the pre-colonial era to date.

### **6.2. An overview of housing policy in Nigeria**

Before the colonial period in Nigeria (1928–1960), most communities engaged in a communal system of housing delivery. This is a situation whereby peer groups turn out collectively to

assist any member to build his/her house on appointed days and the builder provides sumptuous meals for all in return [40]. This is alternated between all members, thereby enabling housing delivery.

The evolution of housing policies dates as far back as 1928 by the government of Lagos Colony during the Bubonic Plague that lasted till 1929 [32] when the Lagos State Development Board (LEDB) was established. This era is tagged the Colonial Period between 1928 and 1960. It was basically for addressing the problem of housing at a national scale [37] and was targeted on the provision of quarters for expatriates and some selected indigenous civil servants [41] such as: the Armed Forces, Police, Marine and Railway workers in Lagos and other regional headquarters like Enugu, Ibadan and Kaduna. This approach to African Urban Housing by the Colonial Masters aimed at redeveloping 'decaying core areas', renewal of slums or squatter settlements and the construction of rental public housing estates. The Nigeria Building Society (NBS), which is similar to a mortgage institute with the intention of giving both workers in public and private sectors opportunities to have their own houses, was founded after the World War II.

Nigeria was divided into three regions within this era and all the regions established housing corporations in 1964 respectively with a vision of developing housing estates. These are meant to provide mortgage for people so they can build their own houses and pay back over a long duration of time. However, only the capital cities of these regions were impacted by this programme. An example is Bodija Estate developed by the defunct Western Regional government [42]. The Federal Government made a direct effort on the housing sector by establishing the National Council on Housing in 1971. The NBS was renamed by the Federal Government to Federal Mortgage Bank of Nigeria (FMBN) in 1973. This was when it took over its ownership through the indigenous Act with the aim to expand mortgage lending services to all segments of the population. It started with a capital base of 20 million Naira and this was increased in 1979 to one 150 million Naira. FMBN functions as a secondary mortgage market and hence, primary mortgage market was made opened to the private sector giving rise to another problem of how to fund the Primary Mortgage Institutions (PMI). Consequently, every Nigerian earning up to 3000 Naira per month were mandated to contribute 2.5% of monthly salary to the National housing Fund (NHF), [43] with the benefit of borrowing money from the fund through the PMIs after 6 months for the purpose of housing. This also not productive as majority of the workers could neither access the fund to get loans nor recover their saved money.

Before the colonial period in Nigeria (1928–1960), most communities engaged in a communal system of housing delivery. This is a situation whereby peer groups turn out collectively to assist any member to build his/her house on appointed days and the builder provides sumptuous meals for all in return [40]. This is alternated between all members, enabling housing delivery.

The evolution of housing policies dates back as far as 1928 by the government of Lagos Colony during the Bubonic Plague that lasted till 1929 [32] when the Lagos State Development Board (LEDB) was established. This era is tagged the Colonial Period between 1928 and 1960. It was basically for addressing the problem of housing at a national scale [37] and was targeted on the provision of quarters for expatriates and some selected indigenous civil servants [41] such as: the Armed Forces, Police, Marine and Railway workers in Lagos and other regional

headquarters like Enugu, Ibadan and Kaduna. This approach to African Urban Housing by the Colonial Masters aimed at redeveloping 'decaying core areas', renewal of slums or squatter settlements and the construction of rental public housing estates. The Nigeria Building Society (NBS), which is similar to a mortgage institute with the intention of giving both workers in public and private sectors opportunities to have their own houses, was founded after the World War II.

Nigeria was divided into three regions in within this era and all the regions established housing corporations in 1964 respectively with a vision of developing housing estates. These are meant to provide mortgage for people so they can build their own houses and pay back over a long duration of time. However, only the capital cities of these regions were impacted by this programme. An example is Bodija Estate developed by the defunct Western Regional government [42]. The Federal Government made a direct effort on the housing sector by establishing the National Council on Housing in 1971. The NBS was renamed by the Federal Government to Federal Mortgage Bank of Nigeria (FMBN) in 1973. This was when it took over its ownership through the indigenous Act with the aim to expand mortgage lending services to all segments of the population. It started with a capital base of 20 million Naira and this was increased in 1979 to one 150 million Naira. FMBN functions as a secondary mortgage market and hence, primary mortgage market was made opened to the private sector giving rise to another problem of how to fund the Primary Mortgage Institutions (PMI). Consequently, every Nigerian earning up to 3000 Naira per month were mandated to contribute 2.5% of monthly salary to the National housing Fund (NHF), [43] with the benefit of borrowing money from the fund through the PMIs after 6 months for the purpose of housing. This also not productive as majority of the workers could neither access the fund to get loans nor recover their saved money.

The Federal Housing Authority was inaugurated in 1973 through the promulgation of Decree No. 40 of 1973 and begins formal operation in 1976. Its main objectives were: (1) to make proposals to the Federal Government on Housing and ancillary infrastructural services; and (2) to implement those approved by the government. During this period, the first low cost housing estate, Festac Town was developed in preparation for the first all African Festival of Arts and Culture (FESTAC) slated for 1977. Another government housing scheme was the Ipaja Town followed by the Amuwo Odofin Phase 1 estate and more low cost housing estates in 11 state capitals. This era marked the first major Federal Government effort in providing affordable housing to the citizens on long term mortgage repayment arrangement. The FMBN had plans to deliver 202,000 housing units but because it was solely dependent on government, it could not pass the test of time; out of the 202,000 houses planned to be provided, only 28,500 units were realized which amount to just 14.1% [32]. The National Housing Programme was later instituted to provide 350 medium and high income housing units by the FHA during the 1981–1985 post colonial era. This is in addition to the national low income housing programme known as Shagari Low Cost Housing in each of the then 19 states of the federation [44]. In addition, the NHP targeted 200,000 units of which just 47,500 (23.75%) units were constructed [45]. Afterwards, a period known as "A Period of Consolidation" between 1986 and 1993 was ushered in. Emphasis was shifted from founding more new housing schemes to the completion of the many suspended and abandoned housing projects that resulted from the past unsuccessful housing schemes [43].

The military government established a different housing policy tagged “Housing for all by the year 2000”. This was meant to provide decent and affordable housing for all before the end of the year 2000. It estimated 700,000 housing units per year with 60% built in urban areas by providing housing loans to individuals and corporate bodies through the FMBN and other mortgage institutions which collect, manage and administer contributions to the National Housing Fund (NHF). This era marked a huge success in the provision of housing for the population. Although the housing provided cannot be termed affordable as the housing cost more than 30% of their income.

As development increases in the urban centres, the rate of urbanization also increases; meaning more people moving in from the rural areas in search of better lives. Subsequently, there is more deficit in housing as the available housing supply could not meet its demands. In 1991, the National Housing Policy was promulgated in order to propose possible solutions to housing problems. A pool of funds was established for this purpose called the NHF in 1992. The NHF was based on realistic standards affordable to the owners to encourage every household to own its own house; through the provision of more credit and fund. Thus, giving priority to housing programmes intended for the low income group [36]. The number of housing units to be delivered by NHF in 1994 was 121,000 but only 5% were achieved. This implies that the NHF was ineffective as it could not meet its target and the success rate was too low. Meanwhile the movement of people from the rural to the urban cities kept increasing, thereby aggravating the problems that come with urbanization.

Between 2000 and 2004 the Federal Government established the Federal Ministry of Housing and Urban Development. During this period, the federal government only concerned itself with the provision of basic infrastructures leaving the provision of affordable housing delivery to the private sector [32] which seems to be the main solution to shortage of housing in the country [45] as most of the government efforts have failed. In 2004, the Federal Government declared its willingness to adequately fund researches that have to do with the use of local materials in the housing sector with a target of 40,000 housing units of at least 1000 houses per state before the year 2007 [32, 46] with the assistance of the Nigeria Building and Road Research Institute, NBRRI. Another version of the National Housing Policy, NHP 2012 was adopted with an improvement on the NHP 1999. The main purpose of the NHP 2012 is to ensure not just the provision of housing units but also ushers in the need for affordability in housing by the year 2020 [25]. The generally acceptable definition of Affordable Housing is ‘housing which cost no more than 30% of the income at each income level’ [27, 47, 48]. It is the capability of households to meet their housing needs and at the same time maintaining the capability of meeting other basic costs of living. Aribigbola 2011 citing MacLennan and Williams 1990 defined housing affordability as the ability to assure some “given or different standards of housing at a price or rent which does not impose an unreasonable burden on household incomes, assessed by the ratio of a chosen definition of household costs to a selected measure of household income in a given period” [48] and usually defined by the income of the population served [49]. Approximately 50% or more of household income spent on housing is described as “severe burdens” [47]. Another good thing that comes with housing provision is the infrastructural development. Such as: good transport communication network, potable water, planned waste management systems, job opportunities especially within the construction and property sector. With all these in place, good health, reduced pollution and environmental degradation will also be achieved.

S/N	Income group	Annual income with respect to NMW*	Actual annual income (N)	Actual annual income (US\$)	30% of annual income for housing (US\$)
1.	No income	Less or equal to 25% of N216,000	0–54,000	Less or = 150	0 – Approx. 45
2.	Low income	More than no-income but not more than NMW	54,001–216,000	150–600	Approx. 45.3 - Approx. 180
3.	Lower-medium	More than NMW but does not exceed 4 × NMW	216,001–864,000	600–2400	Approx. 180 – Approx. 720

\*NMW – Annual National Minimum Wage in Nigeria = 216,000.

**Table 2.** An overview of the take home of the no-income, low-income and medium low-income groups in Nigeria (source: adapted from NHP 2012 [25]).

**Table 2** shows the take home of the no-income, low-income and medium low-income groups in Nigeria. It also illustrates the level of poverty and the severe burdens most households are subjected to in order to meet with its housing needs as well as the reason why there would be a continuous increase in the development of slums and unlawful settlements within the urban areas of the country if nothing is done to improve the delivery of housing. Thus, it is clear that these three income groups are under a ‘severe burden’ and incapable of meeting their housing needs as the cost of renting a 3-bedroom apartment in ranges from US\$5000 per annum and the average purchase price of US\$100,000 [24]. This has resulted in about 68 million i.e. about 36% of the population remaining homeless [50] or living in houses that are not affordable.

However, this policy, so far like the others, has been rendered ineffective. This is because of the persistent increase in the cost of building materials, stringent loan conditions from mortgage banks, deficiency of proper housing finance arrangement, high cost and lack of easy access to land, high cost and long processing duration of property registration amidst other problems [51]. All these imply that the policy has not been properly implemented, and until something is done to ensure the implementation of these policies, as brilliant as they might be, Nigeria will not be able to enjoy the positive impacts of urbanization.

Furthermore in 2014, the Federal Government inaugurated an independent company, Nigeria Mortgage Refinance Company (NMRC), with the intent of finally increasing the opportunities for Nigerians to ‘own homes at affordable prices’ through mass housing [52]. Mass housing is housing that is funded publicly and given out to low-income families. This is the latest programme of the Federal Government on housing towards the provision of affordable housing for the Nigerian population. There is a rapid emergence of housing development by the NMRC but majority are neither affordable nor accessible to the no-income/low-income/lower-medium families because of their exorbitant prices. Nonetheless, the urban rich, who could afford more than needed for their families purchase many of these housing units and in turn sublet them to the lower income group at high cost and those who cannot afford the rent have no other option but to go to the slums or remain homeless. This takes us back to the cycle of the negative impacts of urbanization within the country. It is evidently clear that it would end up like the others if nothing is done to ensure fairness in its implementation. For urbanization to

deliver a socio-economic and environmental development in Nigeria, then the government and all stakeholders must see the provision of affordable housing as a very critical and crucial subject of concern and make it their utmost priority.

## 7. Conclusion

Nigeria, like other developing countries, is faced with increased rate of urbanization, with different urban centres emerging as a result. There are both positive and negative impacts of urbanization on the nation. Apparently, the negative ones outweigh those that are positive, and the former affect the urban populace than the positive variables. Nonetheless, most of them are hinged on the housing deficit which keeps increasing because it is not affordable to majority of the population. Hence, it has been identified that is pertinent to ensure the availability of affordable housing by giving a better commitment and attention to the delivery of housing facilities that are affordable and accessible to Nigerians, especially those within the no-income, low-income and lower medium-income groups. It has also been established that infrastructural development accompanies housing delivery; signifying the resolution of most of the negative impacts of urbanization. The authors believe that Nigeria does not need any new policy because the NHP 2012 is a brilliant instrument, with potentials for achieving success in housing delivery. We agree that the proposed outcomes of this policy are achievable, if effectively and fairly implemented by the successive governments of Nigeria. The chapter proposed that achieving affordable housing will raise home ownership to about 50%, improve the country's Human Development Index (HDI) Ranking and contribute over 20% to its GDP. It will also expand the construction sector and the mortgage market. Furthermore, poverty will be significantly reduced in households; and at the same time as well as increase the productivity and quality of lives of the citizenry. Consequently, there will be a remarkable impact on the society and communities as it stimulates economic growth and job creation. The benefits of urbanization can then be enjoyed, not only by the urban rich but the poor as well. Hence, the NHP 2012 should be critically explored towards the delivery of affordable housing, as it will certainly and subsequently go a long way in solving urbanization issues in Nigeria.

## Conflict of interest

There is no conflict of interest concerning this chapter.

## Author details

Temí Oni-Jimoh and Champika Liyanage\*

\*Address all correspondence to: [cliyanage@uclan.ac.uk](mailto:cliyanage@uclan.ac.uk)

School of Engineering, University of Central Lancashire, UK

## References

- [1] UN-Habitat. State of the World's Cities 2006/2007. The Millennium Development Goals and Urban Sustainability: 30 Years of Shaping the Habitat Agenda. Nairobi: United Nations Human Settlements Programme (UN-HABITAT); 2006. [https://sustainabledevelopment.un.org/content/documents/11292101\\_alt.pdf](https://sustainabledevelopment.un.org/content/documents/11292101_alt.pdf) [Accessed: 2015-07-05]
- [2] Urbanization in 2013. Demographic partitions [Internet]. 2014. Available from <http://demographicpartitions.org/urbanization-2013/> [Accessed: 2018-03-10]
- [3] National Library of Medicine. Urbanization [Internet]. 2018. Available from: <https://meshb.nlm.nih.gov/record/ui?name=Urbanization> [Accessed: 2018-03-10]
- [4] World Bank. World Bank National Accounts Data, and OECD National Accounts Data Files. 2018. Available from: <https://data.worldbank.org/country/Nigeria> [Accessed: 2018-02-2]
- [5] Dover, Delaware, USA. Worldometers.info [Internet]. 2018. Available from: <http://www.worldometers.info/world-population/nigeria-population/> [Accessed: 2018-03-16]
- [6] Demographia. Demographia World Urban Areas: Built-Up Urban Areas or Urban Agglomerations [Internet]. 14th Annual Edition. Available from: <http://www.demographia.com/db-worldua.pdf> [Accessed: 2018-02-27]
- [7] Anamgba A. Urbanization. Scribd. Smashwords. 4th ed. Available from: <https://www.scribd.com/read/345050240/Industrialization#> [Accessed: 2018-02-22]
- [8] Aliyu AA, Amadu L. Urbanization, cities, and health: The challenges to Nigeria—A review. *Annals of African Medicine*. 2017. Available from: <http://www.annalsafmed.org/text.asp?2017/16/4/149/216708> [Accessed: 2018-03-04]
- [9] UN-Habitat. Sustainable urbanization: Local action for urban poverty reduction, emphasis on finance and planning [Internet]. Scribd. 2007. Available from: <https://www.scribd.com/document/79834216/4625-51419-GC-21-What-Are-Slums> [Accessed: 2018-03-11]
- [10] Duthiers V, Kermeliotis T. Lagos of the Future: Megacity's Ambitious Plans. CNN [Internet]. 2012. <https://edition.cnn.com/2012/08/22/business/lagos-urbanization-regeneration-infrastructure/index.html> [Accessed: 2015-07-05]
- [11] Anderson W, Searle G. BBC. Welcome to Lagos [Internet]. 2010. Available from: <https://www.bbc.co.uk/programmes/b00s8jx0> [Accessed: 2018-03-02]
- [12] Johnson DL, Ambrose SH, Bassett TJ, Bowen ML, Crummey DE, Isaacson JS, Johnson DN, Lamb P, Saul M, Winter-Nelson AE. Meanings of environmental terms. *Journal of Environmental Quality*. 1997;**26**:581-589
- [13] Edward LG. A world of cities: The causes and consequences of urbanization in poorer countries. *Journal of the European Economic Association*. 2014;**12**(5):1154-1199
- [14] UNFPA. State of world population: Unleashing the potential of urban growth [internet]. Publication of UNFPA. 2007. Available from: <https://www.unfpa.org/publications/state-world-population-2007> [Accessed: 2015-08-07]

- [15] Nubi G, Afe Y. Redefining Affordable Housing through Sustainable Practices. Nigeria: Faculty of Environmental Sciences, Department of Estate Management, University of Lagos
- [16] Ibem EO, Amole OO. Evaluation of public housing programme in Nigeria: A theoretical and conceptual approach. *The Built Environment Review*. 2010;**3**:88-116
- [17] Coker A, Awokola O, Olomolaiye P, Booth C. Challenges of urban housing quality and its associations with neighbourhood environments: Insights and experiences of Ibadan City, Nigeria. *Journal of Environmental Health Research*;7(1):21-30. ISSN 1476-0932
- [18] Amao FL, Ilesanmi AO. Housing delivery in Nigeria: Repackaging for sustainable development. *International Journal of African and Asian Studies*. Vol. 1 2013. Pg. 80-85.
- [19] Nubi OT. Affordable housing delivery in Nigeria. In: The South African Foundation International Conference and Exhibition; Oct. 2008; Cape Town. 2008. pp. I-I8
- [20] Venkatarama Reddy BV. Sustainable building technologies. *Current Science*. 2004;**87**(7): 899-907
- [21] Fasakin JO, Ogunsemi DR. Modelling the selling prices of residential buildings in Nigeria. *Journal of Financial Management of Property and Construction*. 2003;**8**(2):111-114
- [22] Dosunmu NA. Non-conventional building materials and housing affordability in Nigeria [Master Urban and Regional Planning, Thesis]. Ibadan: Centre for Urban and Regional Planning, University of Ibadan; 2002
- [23] Onibokun AG, editor. Public Housing Delivery System in Nigeria (1979–1983): A Critical Review, *Housing in Nigeria*. Ibadan: Nigerian Institute of Social and Economic Research (NISER); 1985. pp. 429-446
- [24] Centre for Affordable Housing Finance in Africa, CAHF. Housing Finance in Africa: A review of some of Africa's housing finance markets [Internet]. Yearbook. 2017. pp. 207-210. Available from: [http://housingfinanceafrica.org/app/uploads/2017\\_CAHF\\_YEARBOOK\\_14.10-copy.compressed.pdf](http://housingfinanceafrica.org/app/uploads/2017_CAHF_YEARBOOK_14.10-copy.compressed.pdf). [Accessed: 2018-03-09]
- [25] Federal Government of Nigeria, FGN. National Housing Policy for Nigeria. Abuja: Federal Ministry of Works and Housing; 2012
- [26] Trading Economics. Nigeria-Economic Indicators [Internet]. 2018. Available from: <https://tradingeconomics.com/nigeria/gdp> [Accessed: 2018-03-20]
- [27] Schwartz M, Wilson E. Who can afford to live in a home? [Internet]. A look at data from the 2006 American Community Survey. US Census. Bureau. Available from: <http://www.census.gov/hhes/www/housing/special-topics/files/who-can-afford.pdf> [Accessed: 2015-01-23]
- [28] Ajibola MO. Valuation inaccuracy: An examination of causes in Lagos metropolis. Canadian Centre of Science and Education. *Journal of Sustainable Development*. 3-4 December 2010; Canada. 2010. pp. 187-193. ISSN 1913-9063
- [29] Ademiluyi IA, Raji BA. Public and private developers as agents in urban housing delivery in sub-Saharan Africa: The situation in Lagos state. *Humanity & Social Sciences Journal*. 2008;**3**(2):143-150. ISSN 1818-4960

- [30] Adewale PO, Adhuze OO, Siyanbola AB, Adiukwu FO. Housing Vision 20:2020: Issues, Prospects and Challenges. In: Proceedings of the Third Conference of School of Environmental Studies; 8–10 December 2010; Federal Polytechnic Ado-Ekiti Nigeria
- [31] Olofinji L. (May 12, 2015). An Overview of the National Housing Policy [Internet]. Nigeria Real Estate Hub. May2015; Available from: <http://nigeriarealestatehub.com/an-overview-of-the-national-housingpolicy.html/> [Accessed: 2018-02-19]
- [32] Kabir B, Bustani SA. A Review of Housing Delivery Efforts in Nigeria. Zaria-Nigeria: Department of Building, Faculty of Environmental Design, Ahmadu Bello University; 2006
- [33] Ibimilua AF, Ibitoye OA. Housing policy in Nigeria: An overview. American International Journal of Contemporary Research. 2015;5-2; Available at: [http://www.aijcnrnet.com/journals/Vol\\_5\\_No\\_2\\_April\\_2015/8.pdf](http://www.aijcnrnet.com/journals/Vol_5_No_2_April_2015/8.pdf) [Accessed: 2015-06-05]
- [34] Mabogunje AL. The new mass housing and urban development policy: Social and economic impact. Being Text of a Public Service Lecture Delivered to the Top Echelons of the Federal Civil Service; Abuja, Nigeria. September 30, 2003
- [35] Adegunleye JA. Adaptation of local building materials – A key to rapid housing development in Nigeria. Planning Outlook. 1986;29(2):85-86. DOI: 10.1080/00320718608711777
- [36] Anugwom EE, Anugwom KN. The structural adjustment programme and urban poverty in South-Eastern Nigeria: A study of wage earners. Dakar, Senegal: A Research Report Prepared for CODESRIA. 2000
- [37] Omange GY, Udegbe MI. Government Involvement in Housing. Effective Housing in 21st Century Nigeria, Environmental Forum. Nigeria: Federal University of Technology Akure; 2000. pp. 9-14
- [38] Waziri GA, Roosli R. Housing policies and programmes in Nigeria: A review of the concept and implementation. Business Management Dynamics. 2013;3(2):60-68
- [39] Clapham D. The Meaning of Housing: A Pathways Approach. University of Bristol: Policy Press; 2005. DOI: 10.2307/j.ctt9qgmwd
- [40] Nicholas EO, Patrick DD. A review of governmental intervention on sustainable housing provision for urban poor in Nigeria. International Journal of Social Science Studies. 2015; 3(6):40-48
- [41] Oni SB. Managing the Rapid Growth of Cities on Nigeria. Zaria: Oluseyi Boladeji Company, Lagos, Nigeria; 1989. ISBN-13: 978-9781941368
- [42] Federal Government of Nigeria, FGN. National Housing Policy for Nigeria. Abuja: Federal Ministry of Works and Housing; 1991
- [43] Federal Government of Nigeria, FGN. Overview of the Nigeria Mortgage Refinance Company (NMRC). Federal Ministry of Finance; 2013
- [44] Federal Government of Nigeria, FGN. National Housing Policy for Nigeria. Abuja: Federal Ministry of Works and Housing; 2004, 1991

- [45] Jinadu AM. Understanding the Basics of Housing. A Book of Study Notes for Students in Tertiary Institutions. Jos, Plateau State Nigeria: Jos University Press LTD; 2007
- [46] Abdullahi BC. Nigeria's housing policy and public-private partnership (PPP) strategy: Reflection in achieving home ownership for low-income group in Abuja-Nigeria. In: Urban Dynamics and Housing Change 22nd International Housing Research Conference; 4-7 July, 2010; Istanbul. 2010
- [47] Makinde OO. Housing delivery system, need and demand. *Environment, Development and Sustainability*. 2014;**16**:49-69
- [48] Sanusi JO. Mortgage financing in Nigeria: Issues and challenges. Text of a Paper presented at the 9th John Wood Ekpenyong Memorial Lecture, organized by the Nigerian Institution of Estate Surveyors and Valuers, January; Central Bank of Nigeria (CBN). 2003
- [49] Okonjo-Iweala N. Unleashing the housing sector in Nigeria and in Africa. 2014. Keynote speech delivered by Dr. Ngozi Okonjo-Iweala, Minister of Finance Government of Nigeria, at the 6th Global Housing Finance Conference at the World Bank Headquarters, in Washington, DC on May 28, 2014
- [50] Nnochris I. Over 68m Nigerians Homeless, says FMBN [Internet]. 2015. Available from: <https://www.vanguardngr.com/2015/12/over-68m-nigerians-homeless-says-fmbn/> [Accessed: 2018-03-05]
- [51] Andrews ON. Trends in the Supply of Affordable Housing: Meeting America's Housing Needs (MAHD): A Habitat II Follow-up Project; 1998
- [52] Aribigbola. Housing policy formulation in developing countries: Evidence of programme implementation from Akure, Ondo state-Nigeria. *Journal of Human Ecology*. 2008;**23**(2): 125-134

