

**CRITICAL PATH TO  
ACTUALISING RENEWED  
HOPE FOR AFFORDABLE  
HOUSING IN NIGERIA**



**NAHFIS EXPO 2023**

Opening Thoughts  
Housing Crisis , Poverty, etc



Housing Delivery Crisis

❖ Issues and Challenges



Lessons from Other Jurisdictions



Our Affordable Housing Journey  
Reality Check ...Deficit or Not



Pulling the Right Levers...  
Charting the Roadmap



## The National Housing Policy, United Nations ....

### ❖ National Housing Policy

- ❖ The process of providing **safe, comfortable, attractive, functional, affordable and identifiable shelter** in a proper setting within a neighborhood, supported by continuous maintenance of the built environment for the daily living activities of individuals/families within the community, while reflecting their socio-economic, cultural aspirations and preferences'

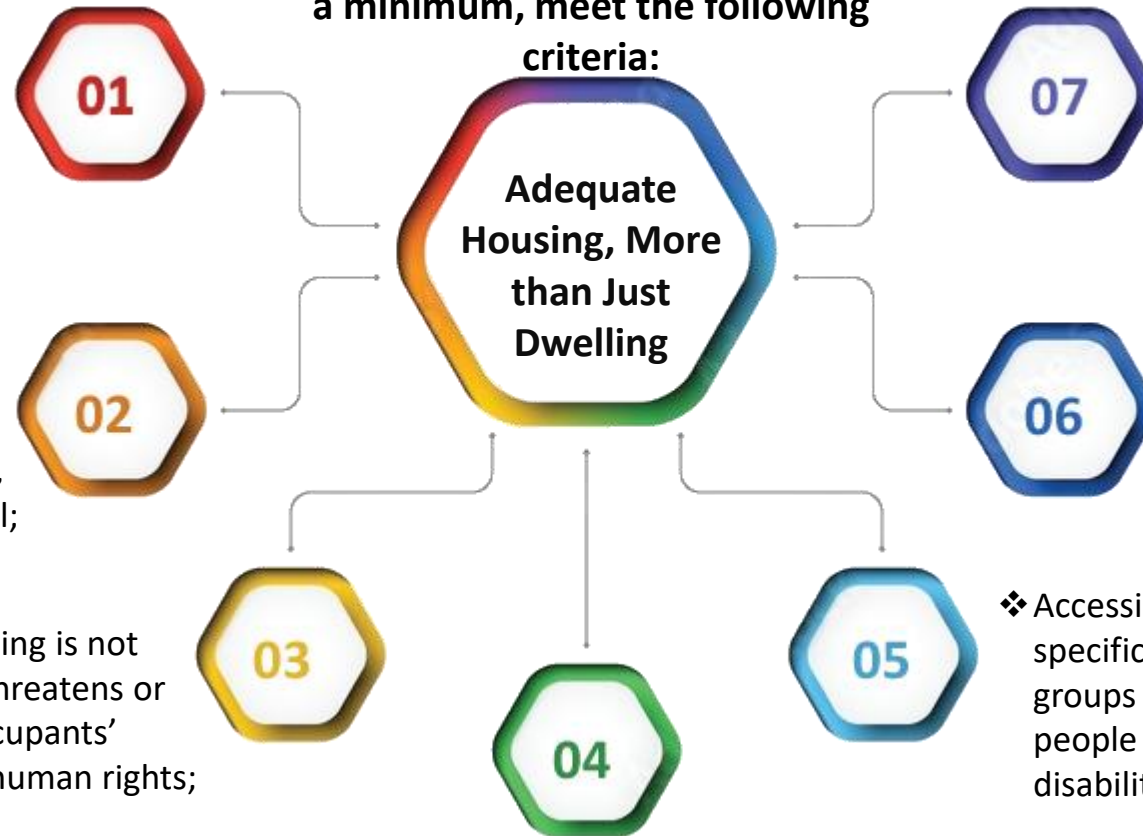
- ❖ Housing is an essential ingredient for human survival and a prerequisite for an improved life.

- ❖ Article 25 of the Universal Declaration of Human Rights includes **housing as one of the components of the right to adequate standards of living for all.**

- ❖ The United Nations Committee on Economic, Social and Cultural Rights' general comments No.4 (1991) on the right to adequate housing and No.7 (1997) on forced evictions **underlines that the right to adequate housing should be seen as the right to live somewhere in security, peace and dignity.**

# Adequate Housing, More than Just Dwelling

For housing to be adequate, according to the United Nations, it must provide more than four walls and a roof, and at a minimum, meet the following criteria:



❖ Legal security of tenure, which guarantees legal protection against forced evictions, harassment and other threats;

❖ Availability of services, materials, facilities and infrastructure, including safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or refuse disposal;

❖ Affordability, as housing is not adequate if its cost threatens or compromises the occupants' enjoyment of other human rights;

❖ Habitability, as housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards;

❖ Accessibility, as housing is not adequate if the specific needs of disadvantaged and marginalized groups are not taken into account (such as the poor, people facing discrimination; persons with disabilities, victims of natural disasters);

❖ Cultural adequacy, as housing is not adequate if it does not respect and take into account the expression of cultural identity and ways of life

❖ Location, as housing is not adequate if it is cut off from employment opportunities, health-care services, schools, childcare centers and other social facilities, or if located in dangerous or polluted sites or in immediate proximity to pollution sources;

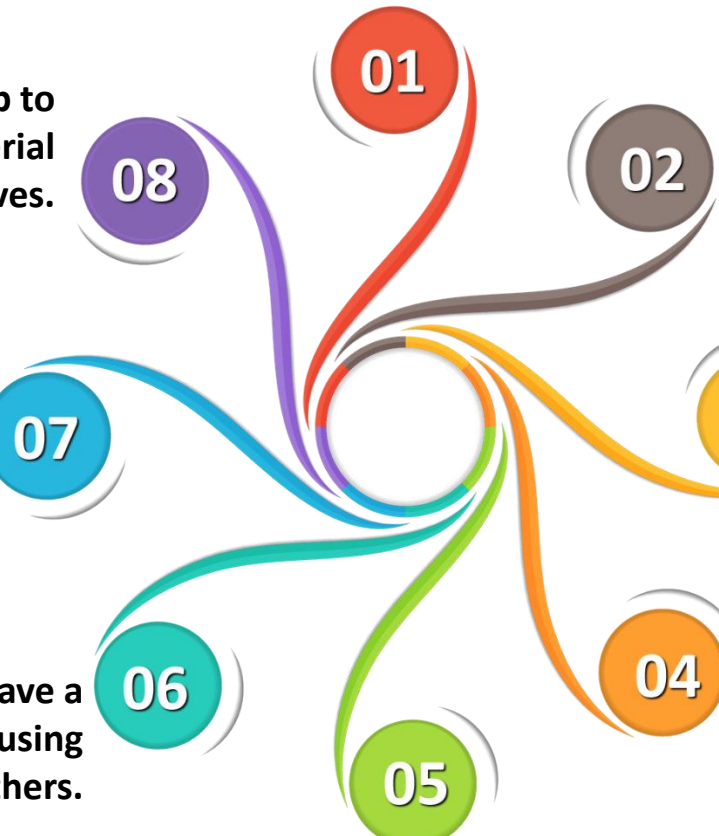
In Abraham Maslow's Theory of needs, the lowest categorization is 'Psychological' which includes shelter.

Access to decent, low cost housing can help to increase disposable incomes, prevent material deprivation and maintain work incentives.

Housing is a social determinant of health and well being.

- ❖ Housing quality has major implications on people's health.
- ❖ Overcrowded, substandard and poor housing conditions may trigger the spread of all manner of infectious diseases – tuberculosis, hepatitis, pneumonia, cholera and malaria (World Health Organization)

People living in poverty have a higher risk of worse housing conditions than others.



Housing can mitigate or exacerbate the experience of poverty – in two dimensions

- ❖ Impact of housing costs on poverty.
- ❖ Impact of poverty on housing conditions.

Housing can be both a charge on income (rents, mortgage payments) and a source of income.

People living in poverty generally have worse and less desirable housing than those with higher incomes.

High housing costs can create poverty and material deprivation and increase – cost for the society as a whole - housing cost – induced poverty.



## Maslow's hierarchy of needs

■ BASIC NEEDS   ■ PSYCHOLOGICAL NEEDS   ■ SELF-FULFILLMENT NEEDS



# Housing and Poverty – The Nexus

**Home ownership is a tested medium for wealth creation and accumulation**

- ❖ Building homes creates jobs and stimulate the economy

**The housing sector has a tremendous multiplier effect on the broader economy. Housing contributes to GDP through two main channels, namely:**

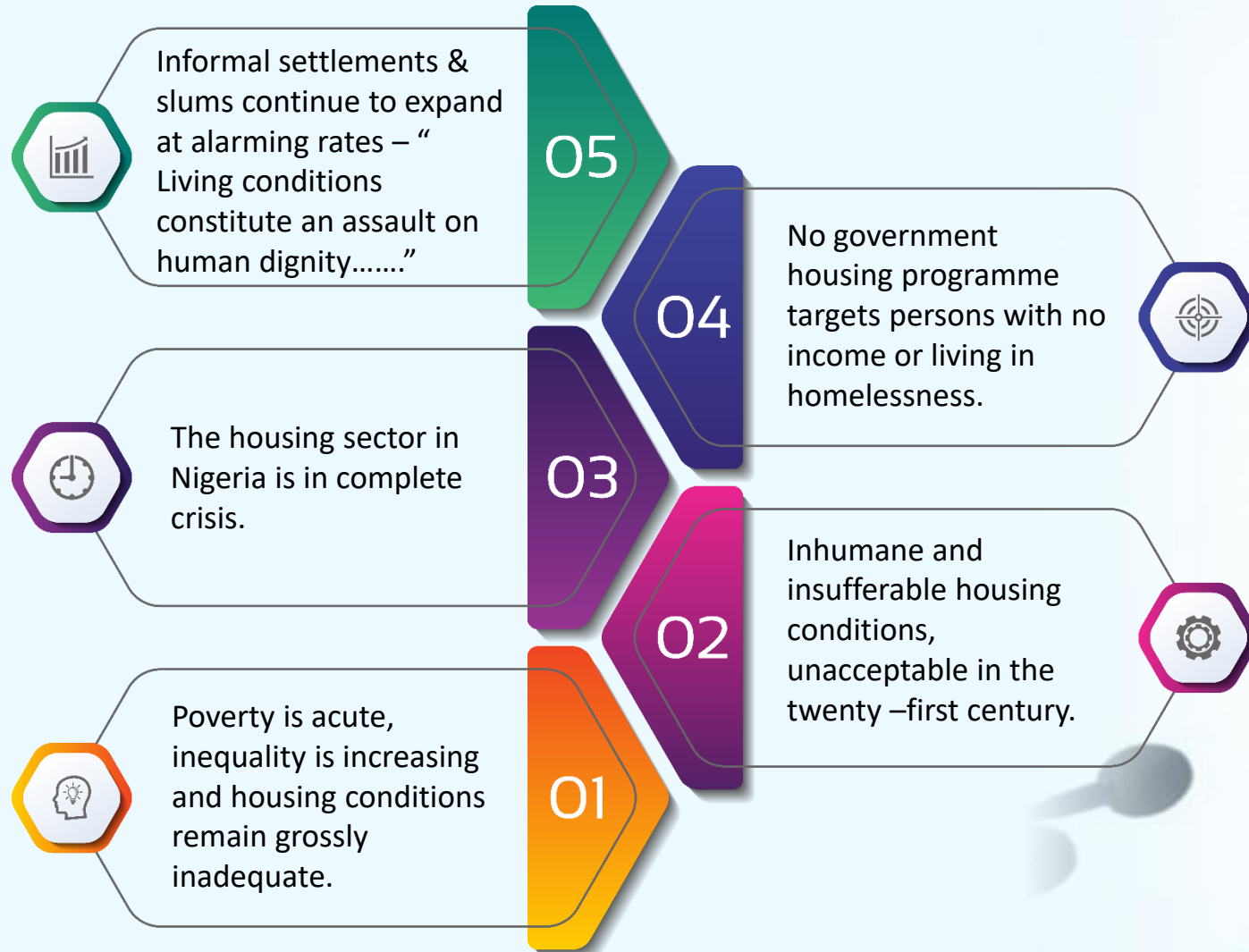
- ❖ Private residential investments (such as, construction of new homes);
- ❖ Consumption spending on housing services.
- ❖ In USA, for example, the private residential investments contribute about 5% of GDP, while housing services contribute another 13% of GDP, summing up to a total housing sector contribution of 18% of GDP.

**The job creation potential for the housing sector is enormous in Africa and other developing countries. In India, each new housing unit generates 1.5 direct and 8 indirect jobs. In South Africa, each housing unit creates 5.62 direct jobs and 2.5 indirect jobs.**

**Housing development portends employment opportunities and the government can help stimulate the economy via this medium.**

Source Dr. Ngozi Okonjo-Iweala Co-ordinating Minister for the Economy and Hon. Minister of Finance. Keynote Address at the 6th Global Housing Finance Conference World Bank Headquarters, Washington, DC Wednesday, 28th May, 2014

# Housing in Crisis... in Context



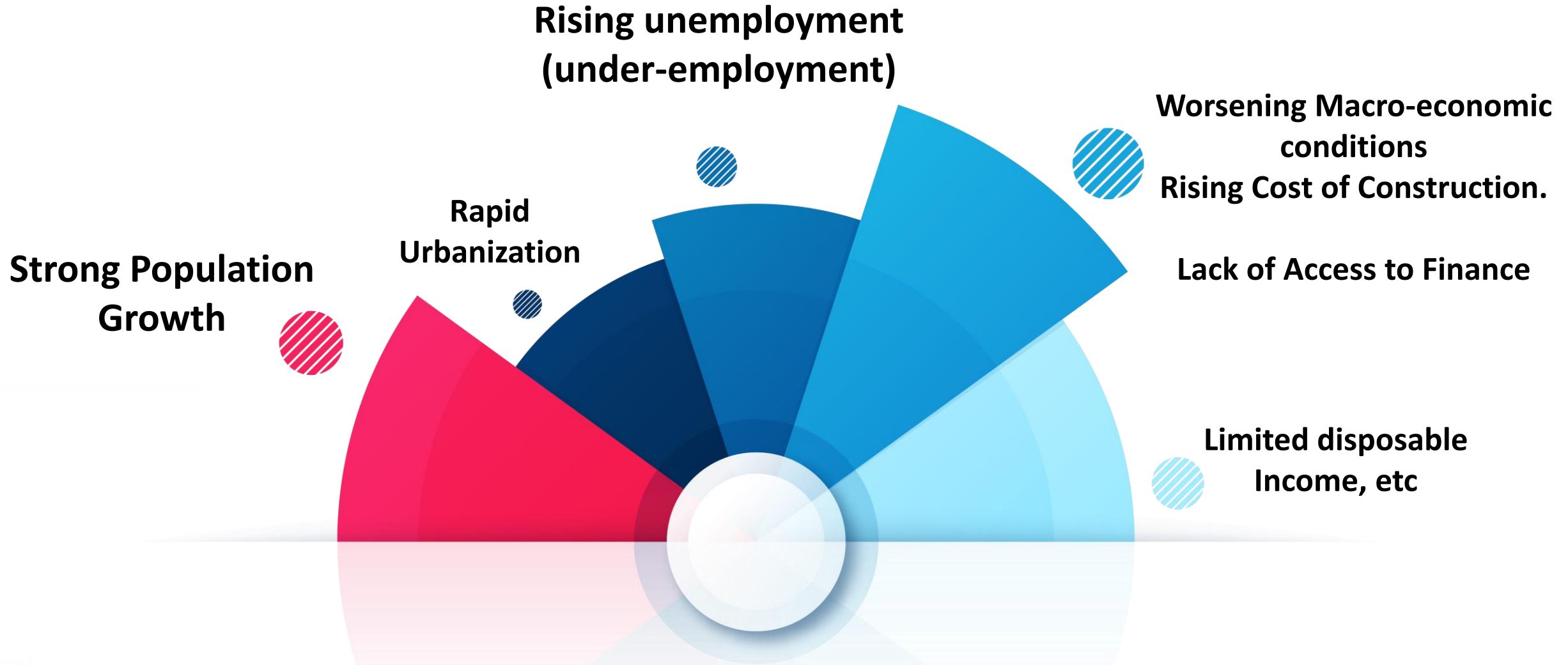
RC: 914499

*Report of the UN Special Rapporteur -*

*<https://www.ohchr.org/en/documents/country-reports/ahrc> - Leilani Fahra*



# Why the Housing Crisis?



# Our Affordable Housing Journey

## ❖ The Fourth National Development Plan(1981-1985)

- ❖ Based on affordability and citizens’ participation
- ❖ Target of 160,000 units – 1979-1983
- ❖ 2000 houses annually for the 19 states and Abuja

## ❖ Third National Development plan (1975-1980)

- Rhetoric of housing as social responsibility emerged
- Direct intervention by the Federal Government
- Target of 202,000 units.
  - 50,000 Lagos, 8000 units in the other 19 states
- Less than 15% achieved at the end of the period.

## ❖ Second national Development Plan(1970-1974)

- National Council Of Housing established in 1971
- Target of 59,000 units nationwide
  - Lagos(15,000) Other State Capitals(4000, each)
- No major success recorded

## ❖ First Second National Development Plan(1962-1968)

- Housing provision about principally focused on Lagos.
- Target of 61,000 units.
- 500 units(less than 1%) achieved by the Federal Government.

## ❖ Financial Sector Strategy (FSS2020)

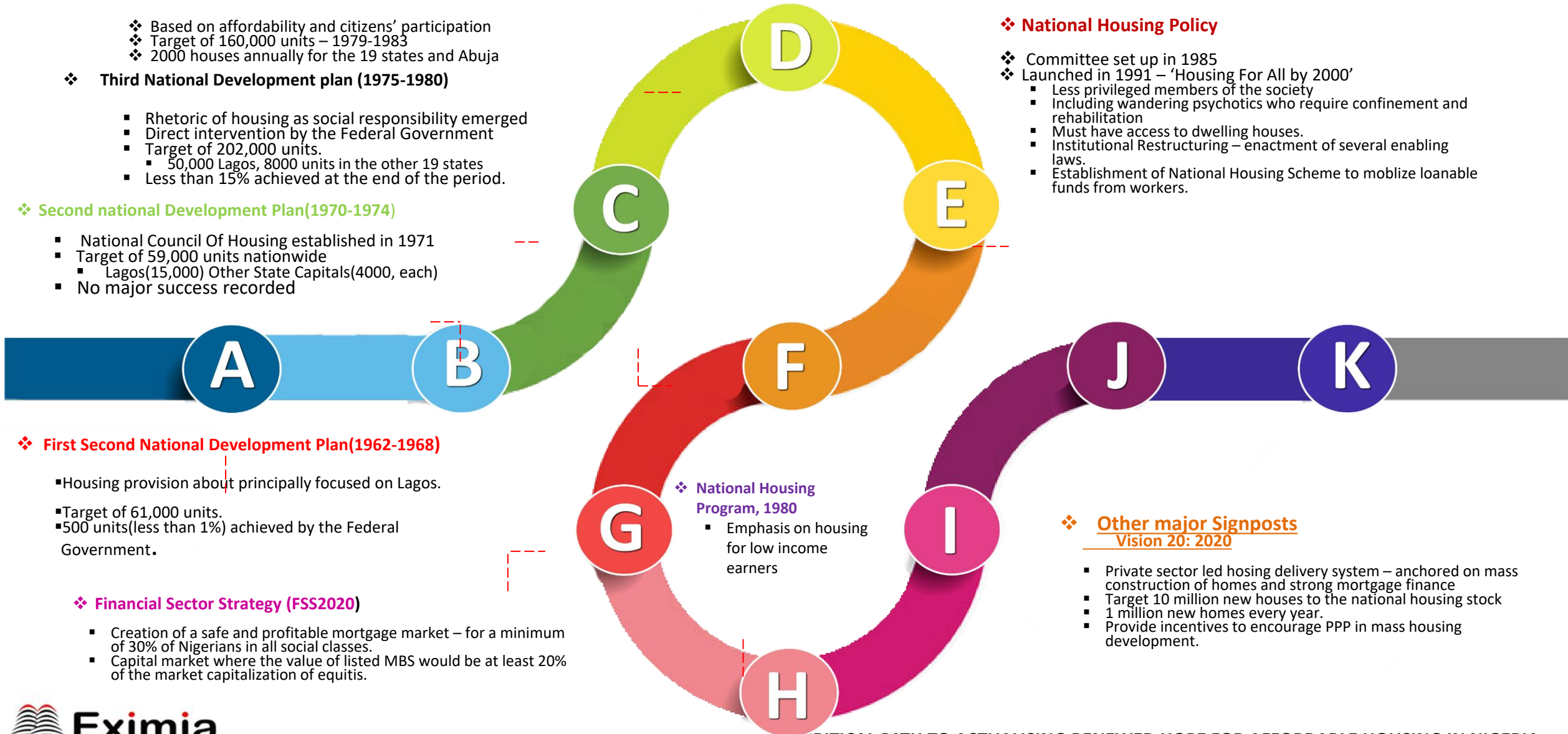
- Creation of a safe and profitable mortgage market – for a minimum of 30% of Nigerians in all social classes.
- Capital market where the value of listed MBS would be at least 20% of the market capitalization of equities.

## ❖ National Housing Policy

- ❖ Committee set up in 1985
- ❖ Launched in 1991 – ‘Housing For All by 2000’
  - Less privileged members of the society
  - Including wandering psychotics who require confinement and rehabilitation
  - Must have access to dwelling houses.
  - Institutional Restructuring – enactment of several enabling laws.
  - Establishment of National Housing Scheme to mobilize loanable funds from workers.

## ❖ Other major Signposts Vision 20: 2020

- Private sector led housing delivery system – anchored on mass construction of homes and strong mortgage finance
- Target 10 million new houses to the national housing stock
- 1 million new homes every year.
- Provide incentives to encourage PPP in mass housing development.



## ❖ National Housing Program, 1980

- Emphasis on housing for low income earners



## ❖ Other Broad Housing Policies/Initiatives

### National Housing 2012

- Aimed at ensuring that all Nigerians own or have access to decent, safe and sanitary housing in a healthy environment.
- 1 million houses annually to augment the national housing stock.

### National Integrated Infrastructure Master Plan – 2014-2043

- Estimated that \$350M was required over 30 years to tackle the housing deficit.
- Raise housing stock from 11Million to 41 million units by 2043.

## ❖ National Housing Strategy, 2023.

- Vision Underpinned by 5 strategic Pillars

Affordable, Standard, Accessible, Fit For Population, Sustainable

## ❖ Key Enablers

- Harmonized regulatory environment
- Stable macro-economic environment.
- Stakeholders Congruence
- State driven implementation
- Improved Planning System



# Housing Crisis - Deficit OR NOT ... Reality Check!

**NEWS**  
**FAKE DEVELOPER DUPES OVER 100 TENANTS OVER 500MILLION NAIRA IN LAGOS**

1 year ago Abuja Reporters No Comments



**Unbelievable!!! Lagos developer, agents defraud 279 house-seekers of N65m (Photos)**

ugochukwu 3 years ago 0 0

**Lagos developers on the run, defraud 100 tenants of N50m**

Vanguard METRO February 6, 2014

**Developer Defrauds 200 Accommodation Seekers In Lagos, Arrested By Police**



June 27, 2019  
Sahara Reporters, New York NEWS  
REALITY CLUB

**Police arraign 2 property developers over alleged N800m fraud in Lagos**

by Segun Kasali April 18, 2023



**House Agent allegedly swindles over 100 prospective tenants N51 million**

*A total of 113 victims were listed to have been defrauded by the developer. The victims paid varying sums between N200,000 and N700,000, with a cumulative total of N51,750, 000.*

By Ifeoluwa Adediran December 16, 2021



Metro

**Two Lagos developers defraud 70 prospective tenants**

By WuzupNigeria

Published: 28th Jun, 2022 at 4:25 PM

**SUPER SCAM: Lagos estate agent dupes prospective tenants of N40 million**

12th October 2017

04.08.2021 FEATURED

**Only 12 Apartments Were Available. But Lagos Builder, 'Landlord' Collected Money from 142 House Seekers**

**Lagos developer defrauds 200 house seekers, victims blame police**

12th October 2022

Metro

By Olamide Famuwagun





## Land Supply

Non – availability of “affordable and suitable” good titled land – major obstacle to affordable housing delivery

Complex land tenure system – incompatible with mass housing development.

Uncertainty of title; acquisition and perfection of title, consent, revocation, re-certification issues, etc.

Land cost – Unduly high and exacerbated by transfer and perfection costs.

# Issues and Challenges...

**The Guardian** Home Nigeria World Politics Sport Opinion Property

Property

## Lagos government wades into Agidingbi land dispute

By **Betram Nwannekanma**  
06 May 2019 | 3:19 am

Residents affected by the Supreme court judgment granting the Akinole Oshun family ownership of the 398 acres of land at Agidingbi, Ikeja and its environ have sought for intervention of the Lagos government on their over 2,000 buildings.

**THIS DAY**

HOME BUSINESS POLITICS NIGERIA HEALTH & WELLBEING EDUCATION LIFE & STYLE SPORT EDITORIAL BACKPAGE

Home > Latest > Supreme Court Judgment on Agidingbi Unsettles Lagos Residents

Supreme Court Judgment on Agidingbi Unsettles Lagos Residents

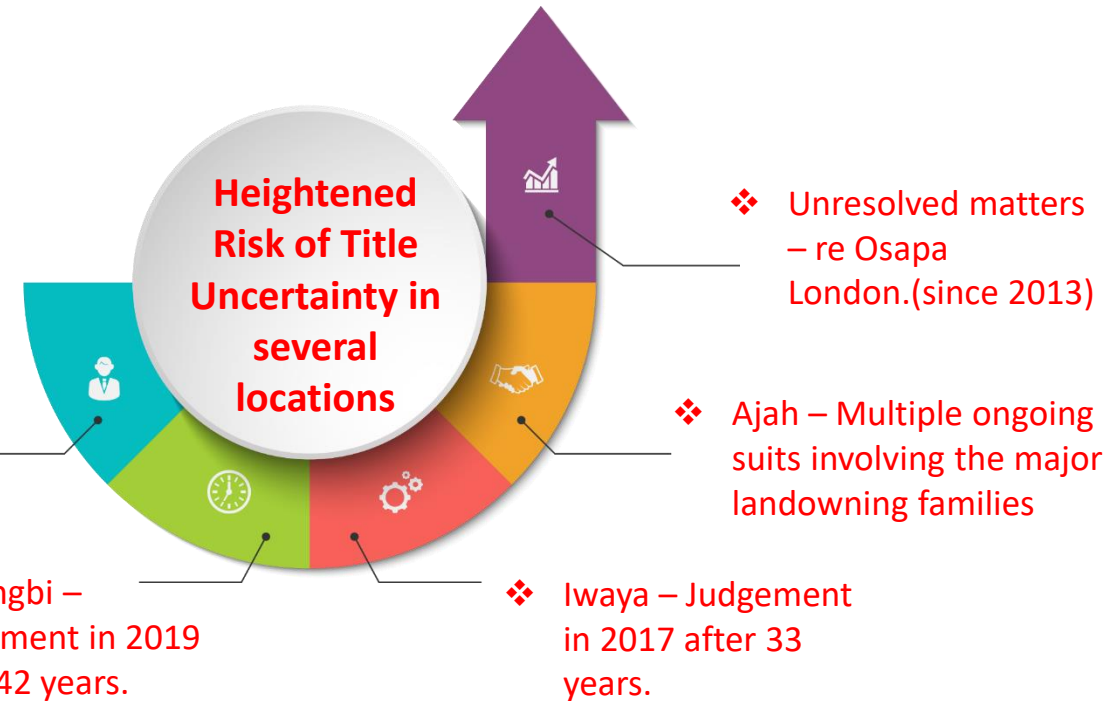
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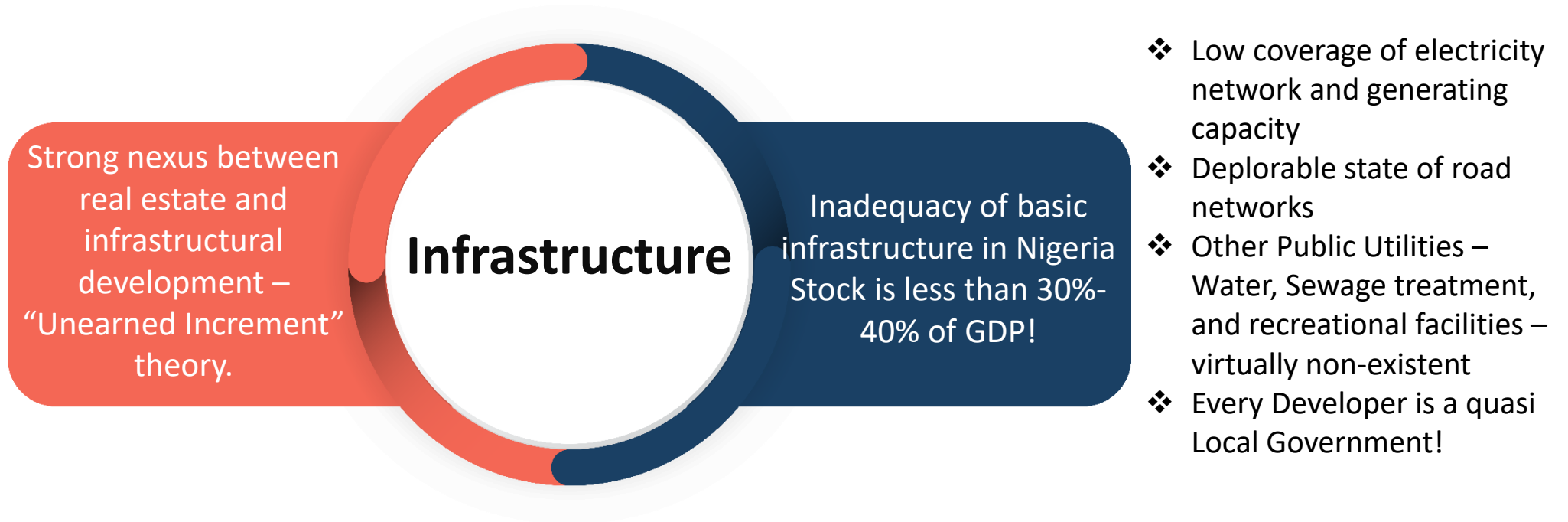
**The Guardian** Home Nigeria World Politics Sport Opinion

Metro

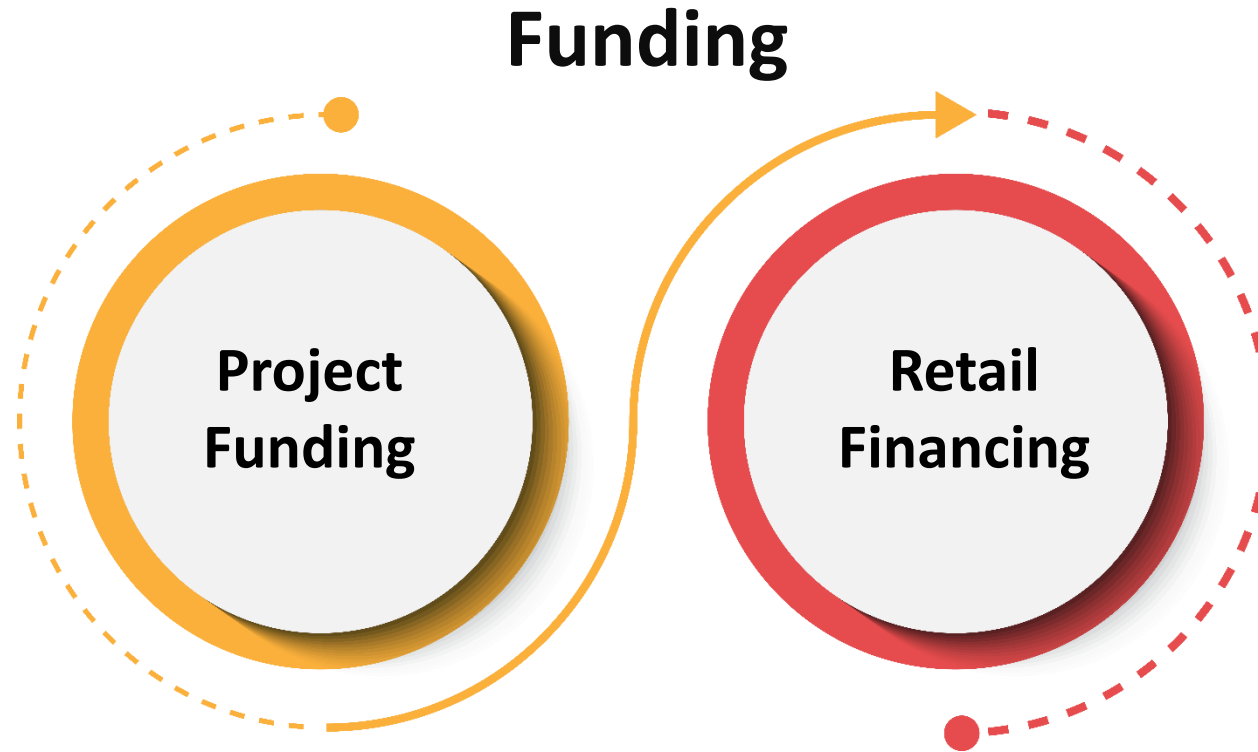
## Anglican Church loses 33 years legal battle to Iwaya community

By **Igho Akeregha (Abuja Bureau Chief) and Bertram Nwannekanma**  
27 June 2017 | 4:17 am



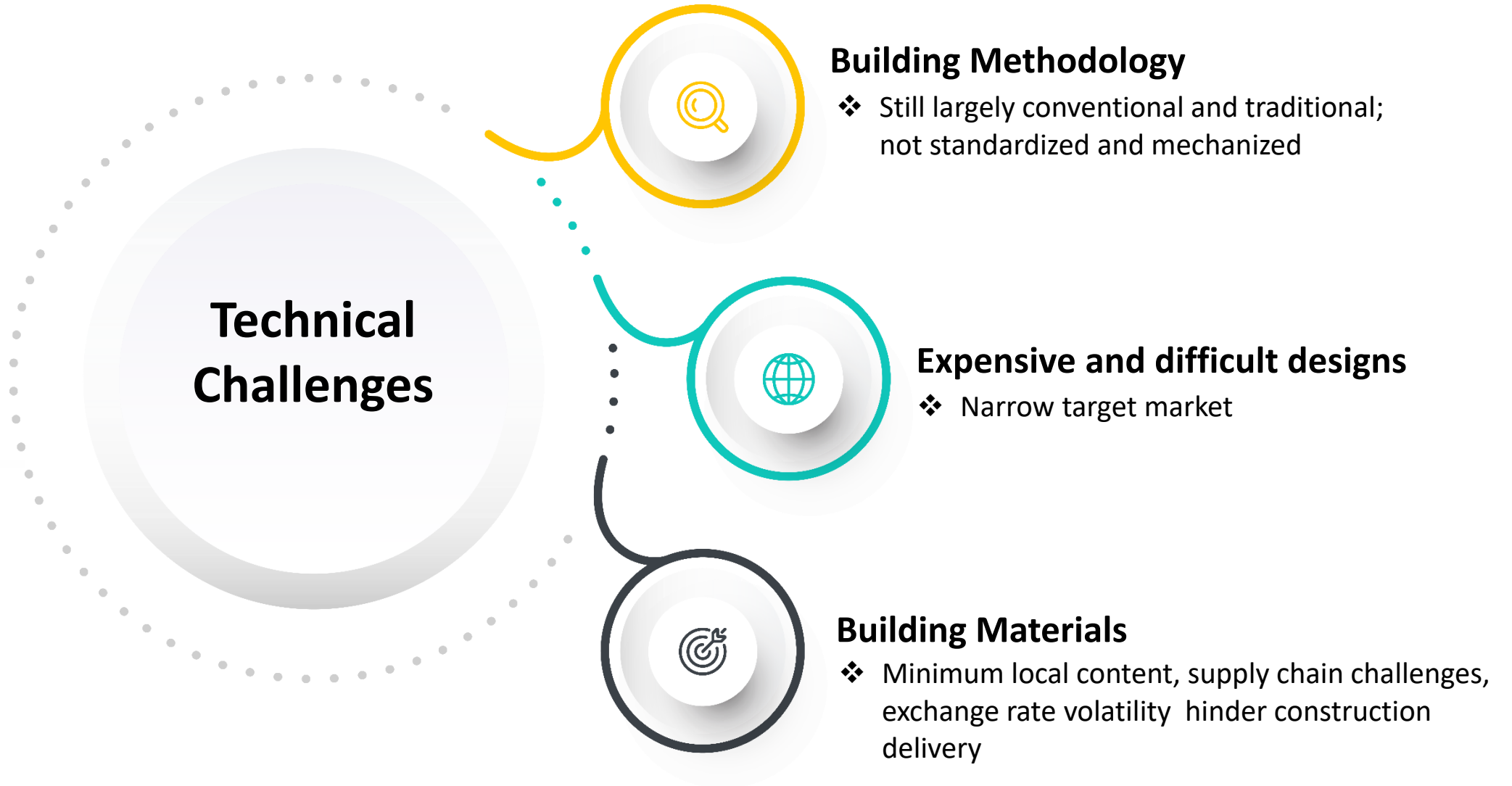


- ❖ Suitable long term funding hardly available.
- ❖ Short term borrowing is incompatible with the nature of real estate projects.
- ❖ High cost of borrowing – may be higher than 20% of the overall capital cost of projects.
- ❖ High dependence on financing DFIs – associated risks; still insufficient to address the funding gaps.



- ❖ Limited and unaffordable financing for end users.
- ❖ Short tenures, high interest rates.





## Legal/Regulatory

**Multiplicity of Regulatory Authorities with oversight functions**

**Approval and Permitting**

- ❖ Cumbersome, Complex and Hostile.
- ❖ Anti-Business – Prohibitive, Time consuming
- ❖ Ambiguous, Uncertain – “Shifting Goal Post”

**Needlessly painful processes**

**Nigeria – Legislative bottlenecks**

- ❖ Land Use Act, 1978 – consent provisions, etc

**Thorny Legal Problems**

- ❖ Re-Certification of Title, Searches, etc.
- ❖ Registration of Documents
- ❖ Perfection of Title – Stamp Duties, Assessment of income tax, etc

- National Housing Strategy, 2023.
- Rests on 5 Pillars:
  - Affordable
  - Standard
  - Accessible
  - Fit for population
  - Sustainable

Underpinning  
Philosophy – Legal  
Imprimatur?

Housing as a RIGHT  
or Privilege  
Any Legal  
Imprimatur?  
Section 16(2)(d) of  
the 1999 Constitution  
is Non-Justiceable :  
Section 6(6)(d)

Shortage of land, high borrowing cost

01

High cost of building materials

- ❖ Astronomical increases in the price of key inputs – steel, cement, MEP Fittings, etc.

02

**Rising Cost of Housing Delivery**

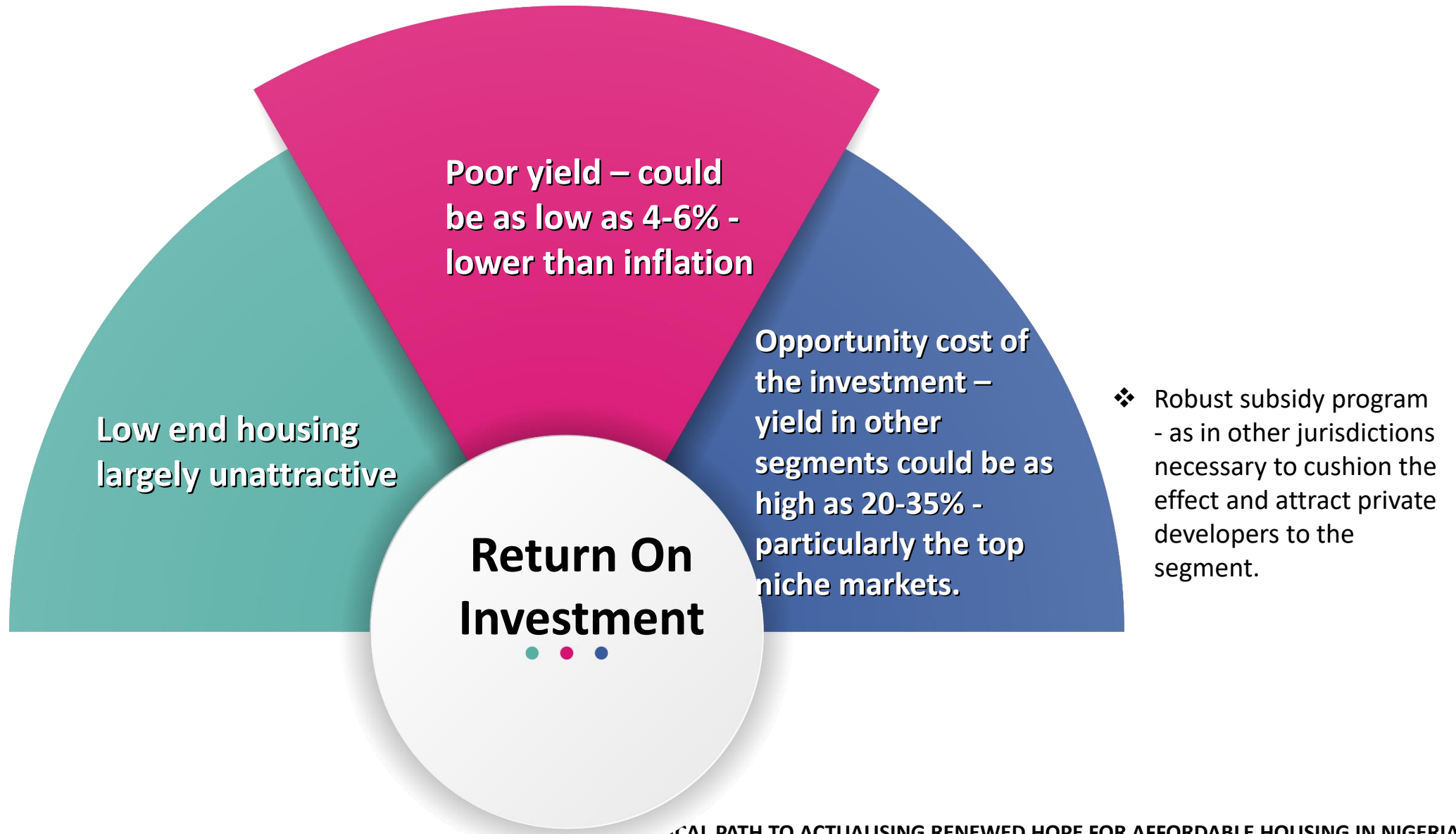
03

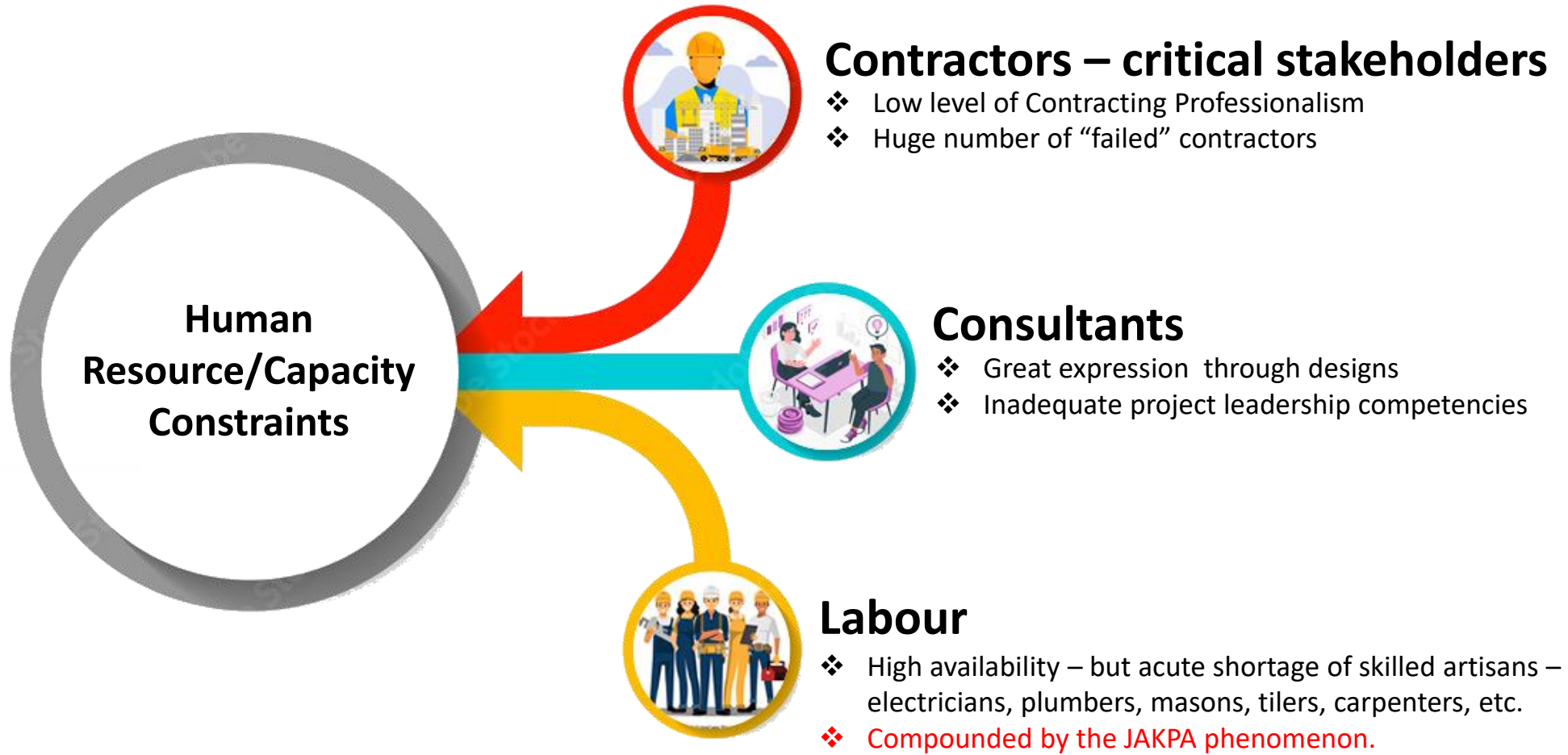
Supply Chain Challenges – Odds and ends of Covid 19, Russia/Ukraine war. Exchange Rate Volatility.

04

Delivery and Market Constraints – Absorption Capacity, etc.







# Some Recent Policy/Reform Initiatives

## National Housing Finance Program

- ❖ Establishment of the Family Homes Funds

1

## Mortgage Sector Reform

- ❖ Uniform Mortgage underwriting standards.
- ❖ Model Mortgage Foreclosure Law.
- ❖ Mortgage Guarantee Co. Ltd.

2

## RSA Funding

5

## Financing

- ❖ Finance Act, 2019 – Tax Reform on REITS
- ❖ Crowd Funding

4

6

## Land Administration – Digitization

7

## Taxation/Real Estate Vehicles

- ❖ New Guidelines For Pioneer status.
- ❖ REIS
- ❖ ABS
- ❖ Review of Consent Fees/Charges

3

## Property Protection

- ❖ Lagos State Property protection Law, 2016
- ❖ LASETRAD .
- ❖ Prohibition of land grabbing, etc.



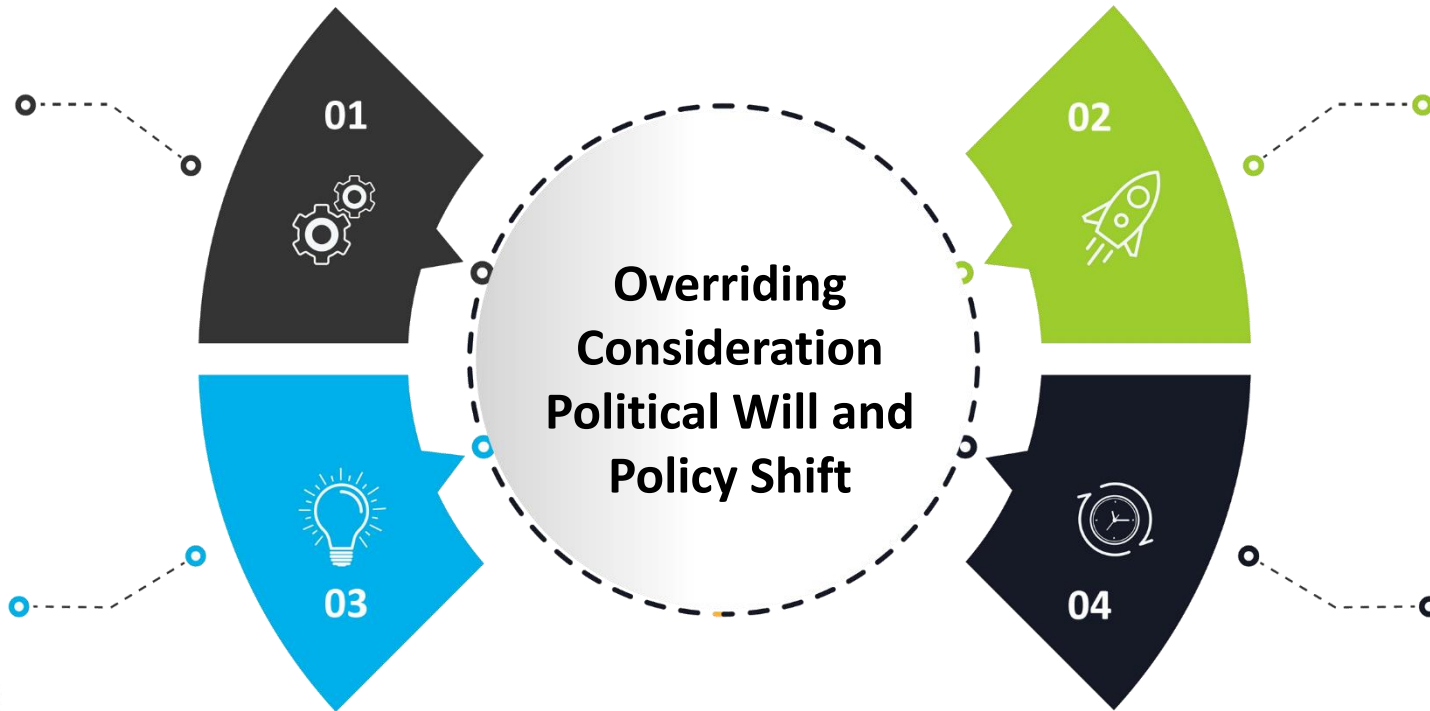
# Charting The New Path ....

**PULLING THE RIGHT LEVERS....**

# Charting the New Path: Pulling the Right Levers

❖ Rethink the underpinning philosophy of housing – as a right (not a privilege) as ‘social good’ not ‘economic good’

❖ Underscore the distinction between ‘affordable’ housing and ‘social’ housing.



❖ Define what is “affordable housing” and ‘social housing’ within the context of the median income in every country.

❖ Move Beyond Rhetoric – Be Deliberate and Intentional – Housing as Poverty Bridging Tool.



## Recent Initiatives.

- ❖ Family Homes Fund
- ❖ National Housing Fund
- ❖ HOMS – Home Ownership Mortgage Schemes
- ❖ Rent to Own Schemes
- ❖ Data Efficacy ....?

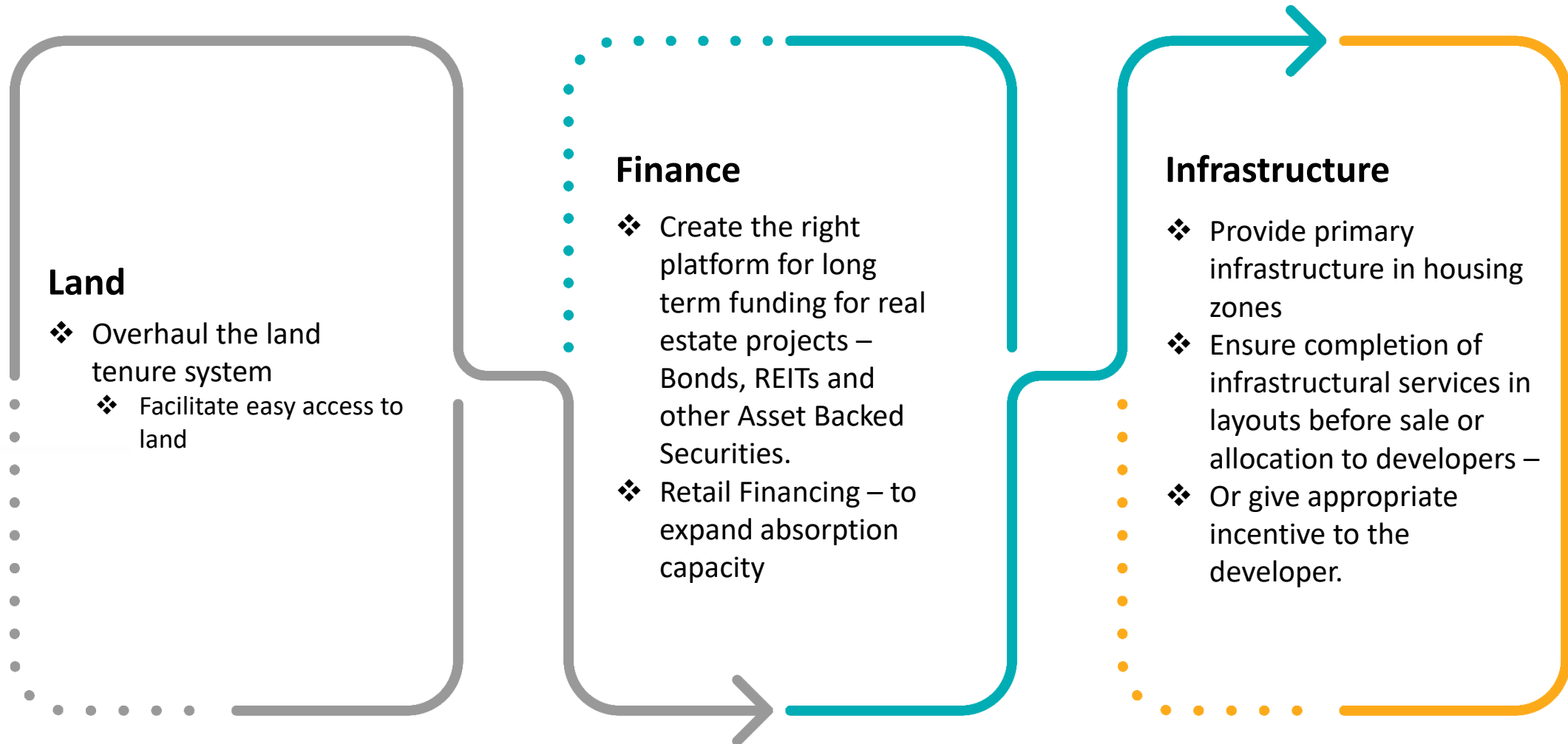


## Direct Government Intervention

## Building a coalition of critical participants in the housing value-chain

- ❖ Government, Land owners. Financiers, Developers, Off-takers, etc PPP..
- ❖ Creates a solution that straddles the demand and supply side of the housing ecosystem
- ❖ Streamlining and Strengthening the Housing Delivery Institutions.

# Charting the New Path: Pulling the Right Levers



## Recent Initiatives.

- ❖ Family Homes Fund
- ❖ National Housing Fund
- ❖ HOMS – Home Ownership Mortgage Schemes
- ❖ Rent to Own Schemes



## Building a coalition of critical participants in the housing value-chain

- ❖ Government, Land owners. Financiers, Developers, Off-takers, etc
- ❖ Creates a solution that straddles the demand and supply side of the housing ecosystem

## Tax/Incentives

- ❖ Tax reforms and credits, or inclusionary housing models that use public lands and other incentives.
- ❖ Encourage re-investment of profits in real estate to increase housing stock
- ❖ Allow for tax holiday for investors in the sector
- ❖ Introduction betterment levy for improvement made in neighbourhood to engender ownership of schemes

## Investment Vehicles for the Social Housing Sector

- ❖ Mortgage refinancing, Real Estate Investment Trusts (REITs), or emerging social finance instruments.

## Incentives to Maintain Private Rental Supply

- ❖ Improved rent dispute processes, expedited property tax equalization, or enhanced financing for repairs and retrofits.

## Creating the Conditions for Private Participation

- ❖ Ensuring fair and consistent market conditions, and by building on the success of public-private partnership (P3) models.

## Successful Models usually involve a holistic approach

- ❖ Clear, Consistent Policy Direction.
- ❖ Integrated, Comprehensive Framework Between Government, Financiers, Developers, Specialized Institutions, NGOs, etc,



## Lessons From Other Jurisdictions

## Critical drivers of successful models are

- ❖ Finance
- ❖ Land
- ❖ Materials
- ❖ Regulatory Framework
- ❖ Macro-economic stability
- ❖ Government Commitment – Policy framework, Tax incentives, subsidies, etc



- ❖ Financial assistance for homeowners through the mortgage interest tax deduction and for lower income households through housing subsidy programs
- ❖ Generous tax reductions – up to \$120B per year since 2005 representing nearly 80 % of Federal Govt's assistance.
- ❖ Three broad categories
  - ❖ Tenant – based subsidies to individual families
  - ❖ Project based subsidies to the owners of housing units that must be rented to lower income households at affordable rates.
  - ❖ Public housing, which is usually owned and managed by Government.



The United Kingdom has a long tradition of promoting affordable social rented housing - owned by local councils or housing associations.

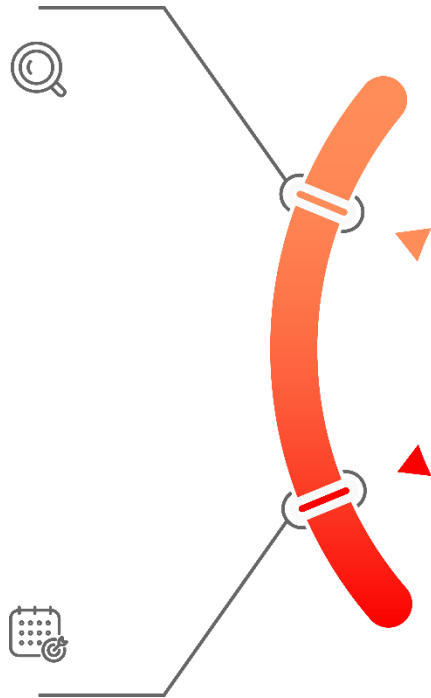


A wide range of affordable home ownership options,

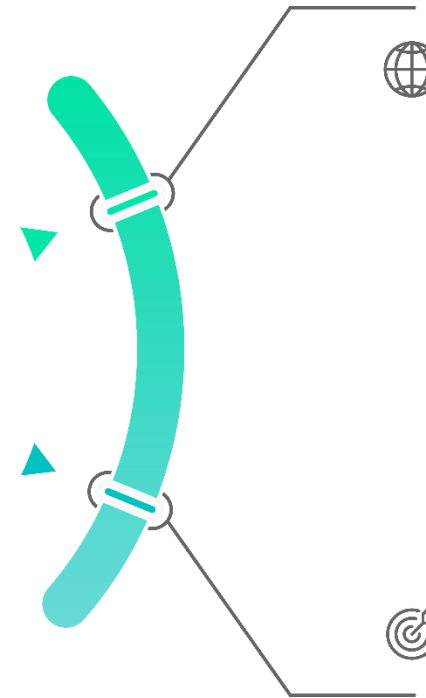
- ❖ Shared ownership (where a tenant rents part share in the property from a social landlord, and owns the remainder).
- ❖ Inclusionary Zoning - using the land-use planning system to require that housing developers provide a proportion of lower cost housing within new developments.
- ❖ Council Houses – Right to Buy – council tenants offered opportunity to purchase their houses at 60-70% discount.

- ❖ Created in 2002 to provide group services for social housing providers – public, non-profit and co-op housing.

- ❖ Specialized services – dedicated insurance programs, bulk gas purchasing, innovative energy efficiency, training and education



## Social Housing Services Corporation's Model



- ❖ A non profit organisation formed to provide Ontario housing providers and managers with bulk purchasing, insurance, investment and information services that add significant value to their operations.

- ❖ SHBC now provides investment advice to housing providers on capital reserves valued at more than \$390 million.

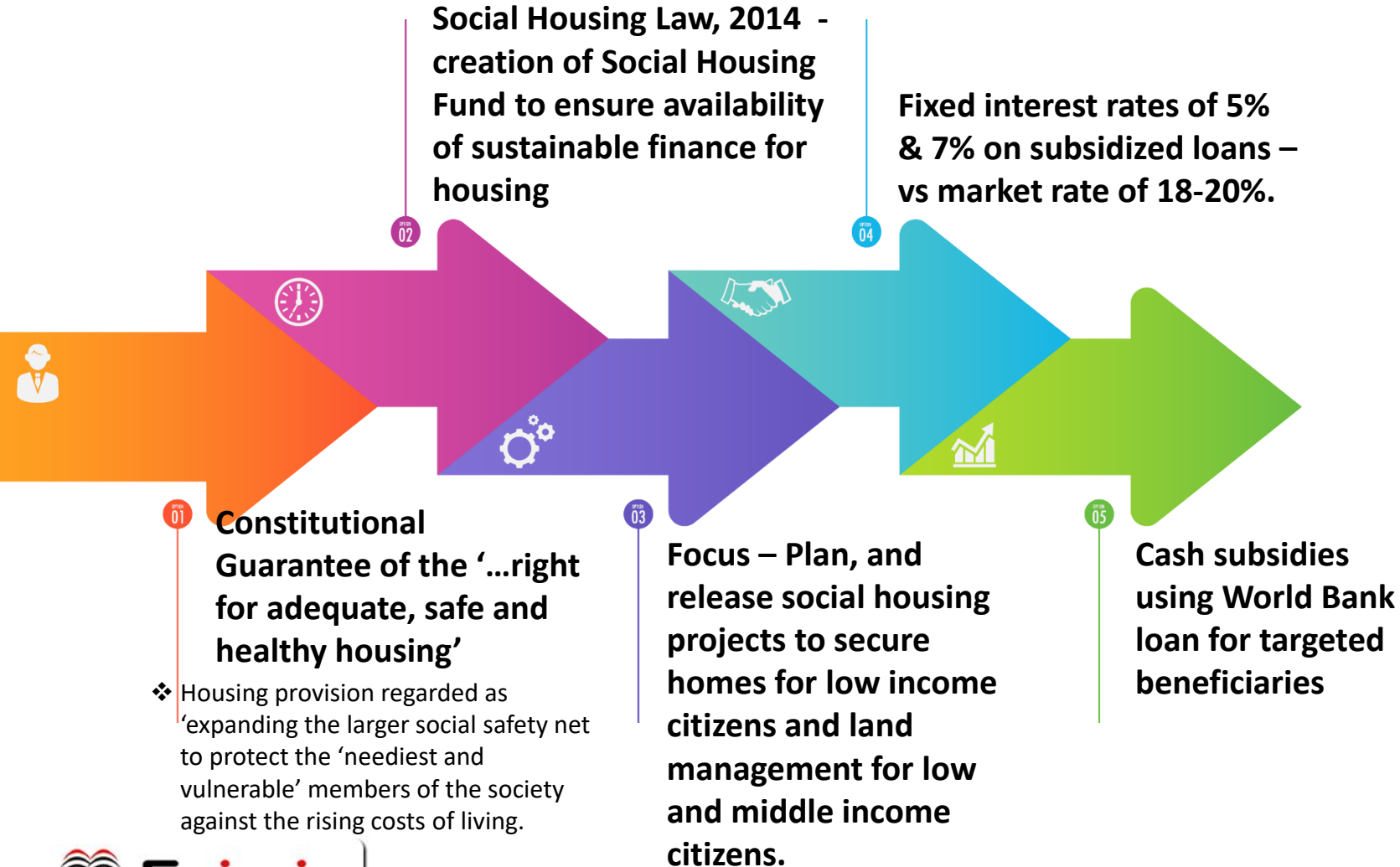
## Latin America

### World Economic Forum on Latin America, Columbia, 2010

#### CEMEX, SAB's Model

- ❖ Model based on rent schemes as a viable alternative to home-ownership.
- ❖ Notion that lower income individuals are capable of generating savings to pay for their own house.
- ❖ Public policies be reformed to balance the interests of landlords and tenants, promoting ownership patterns based on association and allow opportunity for lease-to own options.
- ❖ Build houses faster at lower costs through innovative solutions – involving an alliance of governments, developers, financial entities and communities,

# Lessons From Other Jurisdictions - Egypt





# Lessons From Other Jurisdictions - Egypt

## Providing finance to execute the SHP strategy

- ❖ In collaboration with the Private sector
- ❖ Providing units in new cities and old cities – through urban regeneration.
- ❖ Relocation of slum dwellers
- ❖ Carefully planned, furnished with amenities and services requested by those who will live there



## Incredible results on housing delivery

- ❖ 383,000 units: 2005-2015
- ❖ 1.5 Million units: 2014 -2021

**Compliant with SDG goals – 5(Gender Equality), 6(Clean Water and Sanitation); and 11(Sustainable Cities and Communities)**



Thank  
you