

PROBLEMS AND PROSPECTS OF HOUSING IN NIGERIA: A LEGAL FRAMEWORK

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Abstract

This paper examined the concept of housing in Nigeria and the need for revised policy guidelines regarding the legal framework. The author noted that twenty five years after the National Housing Policy of 1991, Nigeria is still bedeviled by a high rate of housing deficit leading to high occupancy ratio in most urban centres across the country. The causes of this acute shortage of housing were found to include: corruption, bureaucracy, high cost of building materials, inflation, unavailability and high interest rates on housing loans, poor enlightenment, and a protracted withdrawal by government from direct construction of houses in addition to the sale of existing government estates. It was revealed that even though Section 43 of the 1999 Constitution of the Federal Republic of Nigeria provides for the right to property as a Fundamental Right, the issue of housing is however only provided for by Section 16(1)(d) of the same Constitution which is under the Fundamental Objectives and Directive Principles of State Policy and as such unfortunately not justiciable. It was recommended inter alia that the provision regarding housing, being a corollary of the rights to life and dignity should be upgraded to the status of a Fundamental Right capable of enforcement via immediate legislative action just like other provisions in Chapter four of the Nigerian Constitution. It was further recommended that the legislature should review the entire body of laws regarding land acquisition to ensure easier accessibility and transferability of land in line with modern realities, while the Federal government is enjoined to intervene in the housing sector by supporting the Mortgage Banking Sector through increased direct funding, introduction of policies that will reduce the administrative hitches attendant to accessing such loans, provision of incentives to encourage local manufacturers of building materials, and direct participation by way of development of low cost houses for citizens.

Keywords: *Housing, Funding, Legislation, Property.*

Introduction

Housing is one of the basic human needs. This accounts for the value and the attention given to it in all countries of the world. In Nigeria, it is perceived as an integral part of every citizen's dream and as such, high premium is placed on it as a measure of success and economic freedom. The concept of housing is therefore not just about shelter but serves as one of the basic indicators of a person's standard of living, thus the need for policy guidelines for a review of its legal framework. Furthermore, housing is adjudged and actually seen as a long term investment that gives a hedge against high inflation. But the non-availability of public land for housing in order to meet the demand of the ever increasing population of the country is building up tremendous pressure on the built up environment.

Unfortunately, high cost of building materials, inflation induced decrease in purchasing power, insignificant level of government direct participation, and lack of public and corporate finance in the sector can be considered the most significant reasons for lack of adequate housing in Nigeria. Finance is thus the major

hindrance to effective provision or acquisition of affordable housing especially among the low and medium income earners in Nigeria. The problem is exacerbated by the fact that banks and other financial institutions are operationally biased in favour of lending to other sectors where the interest rate is higher. This has led to a crisis situation in urban housing in the country. Thus, over twenty five years after the National Housing Policy of 1991, Nigeria is still bedeviled by a high rate of housing deficit leading to high occupancy ratio in most cities.

By way of definition, Housing has been referred to as the social problem of ensuring that members of society have a home in which to live, whether it is a house, or some other kind of dwelling, lodging, or shelter.¹ It has profound influence on the health, efficiency, social behaviour, satisfaction, and general welfare of citizens. Consequently, many governments have an administrative section that deals with housing, such as the Federal Ministry of Housing and Urban Development in Nigeria, the United States Department of Housing and Urban Development², Housing Development Board of Singapore, and the Housing Authority of Hong Kong.³

Incidentally, the housing sector no doubt plays a critical role in every country's welfare than is always recognized as it directly affects not only the wellbeing of the citizenry, but also the performance of other sectors of the economy. This is the case in Nigeria as the phenomenal rise in our population, number and size of our cities in recent years have manifested in the acute shortage of dwelling units which has led to overcrowding, high rents, poor urban living conditions, low infrastructural services and indeed, high crime rates.

Trend of housing delivery in Nigeria

According to Adeniyi (1996)⁴, serious Federal Government intervention in public housing began in 1971 during the second National Development Plan. Prior to this time, three distinct periods may be identified for our purpose:

- The colonial era during which government transactions in the housing sector was primarily on providing quarters for the expatriate staff and for a few categories of indigenous workers like the police and railways. However, there was also within this period, some municipal and regional administrations' attempts at public housing; notable among which was that of the Lagos Executive Development Board in 1954. A good number of the housing estates in the country today originated from such efforts.
- The era of the first civilian administration (1960-1967). This period saw the beginning of the five-year National Development Plan aimed at providing stable and viable economic growth in the country, but no significant impact was made on housing partly as a result of turbulent party politics.
- The civil war (1967-1969) during which the attention of the Government was on the war. During the second National Development Plan (1970-1974), the National Council on Housing was established and the National Housing Programme was launched in 1971. A total of 59,000 housing units was proposed for the country; 15,000 in Lagos, and 4,000 in each of the eleven state capitals existing then.

1 Wikipedia, <https://en.m.wikipedia.org/wiki/Housing>, accessed, 27th March, 2017.

2 Wright, G., *Building the Dream: A Social History of Housing in America*, MIT Press, 1983.

3 Rita-Yi, M.L., *Law, Economics, and Finance of the Real Estate Market*, Springer, 2014.

4 Adeniyi, O., *Housing in Nigerian Development*, Ibadan, NISER, 1996.

The Federal Housing Authority was later established in 1973 to coordinate the implementation of the housing programmes nationwide.⁵

In the third National Development Plan⁶, the envisaged active and direct involvement of the Federal Government in housing led to the setting aside of the sum of N2.6 billion for various projects associated with housing. A total of 202,000 dwelling units was again programmed for construction: 50,000 units in Lagos and 8,000 units for each of the remaining nineteen states then. This marked the beginning of government's specific attention to the housing problems of the low income group. At the end of the plan period however, only 15% of the targeted number of houses was realized.⁷ Also within this period, the Federal Government constructed the festival town in Lagos comprising a total of about 11,000 housing units. The low income group was to receive 55% of these housing units but whether they actually did remains a mystery till date.

Again the Shagari administration (1979-1983) made the provision of housing for the general public a priority project. An elaborate housing programme based on the concept of affordability and citizen participation was launched. A target of 2,000 units annually in each of the nineteen state capitals then and Abuja, giving a total of 40,000 annually across the country was proposed. The low income earners were the target beneficiaries as usual and were to receive 80% of the houses. By mid 1983 however, only about 20% of the targeted figure – 32,000 out of the proposed 160,000 could be realized while again the low income earners lost out almost completely in the allocation.

In 1987, the Defunct National Council of Works and Housing directed that a National Building Code be evolved for Nigeria.⁸ In so doing, all the stakeholders in the building industry were duly contacted for input. The need to evolve a National Building Code arose from the following existing conditions of our cities and environment: the absence of planning of our towns and other disasters; dearth of referenced design standards for professionals; use of non-professionals and quacks in building construction; use of untested products and materials; and, lack of maintenance culture. This was followed by the National Housing Policy of 1991 which was subsequently reviewed repeatedly over the years the most recent being those of 2012, 2014, and 2016 all designed to propose possible solutions to the housing problems in Nigeria.

A policy is a deliberate system of principles to guide decisions and achieve rational outcomes. It is a statement of intent, and is implemented as a procedure or protocol. Policies are generally adopted by the board of or senior governance body within an organization whereas procedures or protocols would be developed and adopted by senior executive officers. Policies can assist in both subjective and objective decision making. A policy is therefore a guideline provided by the government which is aimed at meeting the people's housing needs through a set of appropriate strategies, which involves fiscal, institutional, legal, and regulatory framework. Housing policy against this background refers to government actions designed to achieve housing objectives.

In view of the above, the National Council on Housing and Urban Development deemed it necessary and initiated the process of evolving a National Building Code to put a stop to the ugly trend in the Building

⁵ Olutuah, A.O., and Aiyetan, A.O., "Sustainable Low-Cost Housing Provision in Nigeria: A Bottom-Up Participatory Approach", in Boyd, D. (eds) *Proceedings of the 22nd Annual ARCOM Conference*, 4-6th September, 2006.

⁶ 1975-1980.

⁷ Federal Ministry of Works Newsletter, 2001.

⁸ Iroegbu, A.N., Obike, S., and Wogu, C.L., 'The Role of Codes and Standards in Quality Assurance Programme: Issues and Insights', *Multidisciplinary Journal of Research Development*, Vol.15, No.4, September 2010.

industry. The present National Building Code was signed into law in 2007 by the civilian regime of Chief Olusegun Obasanjo after a series of buildings collapsed in Nigeria especially in Lagos. The government at the time felt there was need to put a stop to the incessant collapse of buildings and also, to eventually put Nigeria into a better planned status.

While one cannot say with certainty that there is full compliance with or observance of the National Building Code, the fact that there is such a law in our statute books is reassuring as it provides a platform for punishment of individuals or corporate organizations that violate the minimum standard set out therein. This is especially more so because, according to the Nigeria Institute of Building (NIB), 84 buildings have collapsed in Nigeria in 20 years, with most of them occurring between 1999 and 2009, claiming at least 400 lives.

In a study conducted in 2012, Dr. Adedeji Ademiran quoted the NIB as saying that investigations into cases of building collapse had revealed that at least 50 percent of the incidents were due to design fault, 40 percent due to construction fault, and 10 percent due to product failure. Another study according to him also revealed that 37 percent of building collapses can be traced to carelessness and greed on the part of construction professionals.⁹

Right to Property and Housing.

The right to property means a right of ownership¹⁰ and ownership involves a bundle of rights including the right to use, sell, pledge, bequeath, subject to some limitations, and even the right to destroy.¹¹ The concept of ownership could be likened to the Roman doctrine of dominion under which the *dominus* was entitled to the absolute and exclusive right of property in the land.¹² It is therefore of major concern to both individuals and government in Nigeria, thus the provision for it in the Constitutions of most countries of the world including Nigeria. Unfortunately, despite this, Nigeria is still bedeviled by a high rate of housing deficit leading to high occupancy ratio in most major cities such as Lagos, Abuja, Port-Harcourt, Kano, etc.

Primordially, the right to own private property is well recognized and acknowledged throughout the world. Many philosophers, jurists, and commentators have highlighted the primacy of property rights for the orderly development and growth of the state.¹³ According to a commentator¹⁴, the right to private ownership of property is the most honourable of all fundamental rights in point of antiquity as the philosophical and economic theories on the origin and justification of the right are legion. Most religious thinkers, to a varying degree, accept that private ownership of property is essential for the full expression of personality under the conditions of this life and therefore regards it as one of the basic personal rights.¹⁵

⁹ Leadership Newspaper, 'Pass The National Building Code Bill Now', [2014], <https://www.leadership.ng/opinions/386212/pass-national-building-code-bill-now>, accessed, 28th March, 2017.

¹⁰ Bird. R., *Osborn Concise Law Dictionary*.

¹¹ Udombana, N.J., "Weighed in the Balances and Found Wanting: Nigeria's Land Use Act and Human Right" in Smith, I.O., (eds) *Land Use Act: Twenty Five Years After*, 2003.

¹² Cheshire. G., Chesire & Burns *Modern Law of Real Property*, 1982, 26.

¹³ The Primacy of Private Property right is so much appreciated that is believed that without this right the liberty of the citizen meaningless.

¹⁴ Exshaw, E.Y. "The Right to Private Ownership in Fundamental Rights" in Bridge, J.W. (eds) *A volume of Essays*, London: Sweet & Maxwell, 1973, 73.

¹⁵ The Anglican Position is seen in *Article 38* of the Articles of Religion while the modern Roman Catholic doctrine is largely reflected in *Article 43* of the Constitution of Eire based on the teachings of Aquinas.

The right to own private property is recognized and acknowledged under International law, Regional laws and treaties and National laws. The universal Declaration of Human Rights instrument¹⁶ provides that “everyone has the right to own property alone as well as in association with others. No one shall be arbitrarily deprived of his property”.¹⁷ The African charter on Human and People’s Rights¹⁸ also recognized the existence and preservation of private rights to property. By its *Article 14*, it is provided that the right of individuals to property shall be guaranteed and it may not be encroached upon except in the interest of public need or in the general interest of the community and in accordance with the provisions of appropriate laws.

At the national level, the 1999 Constitution of the Federal Republic of Nigeria as amended¹⁹ provides that ‘subject to the provision of this constitution, every citizen of Nigeria shall have the right to acquire and own immovable property anywhere in Nigeria.’²⁰ *Section 44* provides further that no such private property shall be compulsorily acquired by the state except upon payment of prompt compensation and a right of access to the court or tribunal for the determination of his interest in the property and the adequacy of compensation paid.²¹

The right to Housing is a component of the right to property. Indeed, having a secured place to live is one of the fundamental elements for human dignity, physical and mental health, and overall quality of life, enabling one’s development.²² The human right to adequate housing, which is a derivative of the right to an adequate standard of living²³ and human dignity²⁴, is of central importance for the enjoyment of all economic, social, and cultural rights.²⁵ It connotes the right to live somewhere in security, peace and dignity.²⁶ The right is enjoyed without any form of discrimination and assured to all persons irrespective of income or access to means of production.²⁷

This right to adequate housing is equally recognized internationally. *Article 25* of the Universal Declaration on Human Rights declares that ‘every man has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, **housing**²⁸, and medical care and necessary social services.’²⁹

Though this provision on right to adequate housing is not given explicit recognition in the African charter on Human and Peoples Rights, but the African Commission on Human and Peoples' Rights however gave a robust and instructive interpretation to the provision of the charter to include a right to adequate housing.

¹⁶ See the Universal Declaration of Human Rights adopted on 10th December, 1948.

¹⁷ *Ibid.* *Article 17* of the American Declaration of the Rights and Duties of man 1948.

¹⁸ Adopted on 27th June, 1971 and came into force on 21th October, 1986.

¹⁹ Cap C 23 Laws of the Federation of Nigeria, 2004.

²⁰ *Ibid.* *Section 43*.

²¹ Udombana, N.J. *Op. Cit.* N. 10. P. 79

²² Udombana, N.J. *Op. Cit.* N. 10. P. 79

²³ See International Covenant on Economic, Social, and Cultural Rights (ICESCR) adopted on 16th December, 1966.

²⁴ *Section 34*, Constitution of the Federal Republic of Nigeria, 1999.

²⁵ Committee on Economic, Social, and Cultural Rights: “The Right to Housing. (*Article 11 of the Covenant*).

²⁶ *Ibid.*, 23.

²⁷ See ICESCR. *Article 2(2)* providing that state parties must guarantee the rights enacted in the covenant without discrimination of any kind.

²⁸ Emphasis supplied.

²⁹ See also *Principle 7(6)* of Agenda 21, which recognize that access to life, health, and shelter is essential to a person’s psychological and economic wellbeing and should be a fundamental part of the national and international action.

In the *Social and Economic Rights Action Centre and the Centre for Economic and Social Rights Vs Nigeria*³⁰, it was held that:

“Although the right to housing or shelter is not explicitly provided for under the African charter, the corollary of the combination of the provisions protecting the right to enjoy the best attainable state of mental and physical health, cited under *Article 16* above, the right to property, and the protection accorded to the family, forbids the wanton destruction of shelter because when housing is destroyed, property, health, and family life are adversely affected. It is thus noted that the combined effect of *Articles 14, 16, and 18 (I)* reads into the charter a right to shelter or housing ...”

It is worthy of note that the pronouncement in the above case would exert a strong persuasive influence on Nigerian courts, particularly with the preeminent status accorded the African charter within Nigerian law as espoused in the case of *Fawehinmi Vs Abacha*.³¹ However, the extant National law on the subject matter fell short of giving recognition to the right to adequate housing. It is trite that the 1999 constitution of the Federal Republic of Nigeria recognized, within legal limits, the individual private rights to property particularly land and its resources. The constitution did not however extend such right to include a right to adequate housing.

While it is true that the constitution recognized the need to provide houses and shelter for the citizens as it provides that “the state shall direct its policies towards ensuring ... that suitable and adequate shelter, are provided for all citizens”.³² Unfortunately, as laudable as the above provision is, it is not justiciable and so cannot be subject of an enforceable right before the courts.³³ This is the major limitation of the chapter two group of rights in 1999 constitution which are referred to as mere fundamental objectives and directive principles of state policy.

The non-justifiability of this provision therefore poses a serious challenge to the acclaimed right to shelter as provided by the United Nations Universal Declaration of Human Rights 1948 within the Nigerian *corpus juris*. The only positive purpose of this provision lies in its altruistic value as a reminder to the state of the need to provide shelter for the citizens, and perhaps as a measure of performances of government policy in the area of providing shelter for the people.

The right to housing in this sense therefore does not mean and should not be taken to mean that the government must provide houses for every citizen. That will be a near impossibility since a state’s resources are limited relative to social needs.³⁴

Challenges to Housing delivery in Nigeria.

There are several issues and challenges facing housing delivery in Nigeria. The most critical is the clear shortage of properties in the formal sector, partly as a result of the high cost of constructing houses. Consequently, rent and house prices have remained high. One of the lingering challenges to housing development in Nigeria is the unprecedented urbanization caused by high rural-urban migration which has created a large demand for housing accommodation in the urban areas, leading to the emergence and expansion in slum settlements. The housing policy and inadequate regulatory and legal environment affect

³⁰ Reported in 15th Annual Activity Report of the African Commission on Human and People’s Rights 2001-2003.

³¹ (1996) 9 NWLR (Pt. 475) 710 CA.

³² Section 43 1999 Constitution of Nigeria.

³³ Section 16(2) the 1999 Constitution of Nigeria.

³⁴ Section 6(6) the 1999 Constitution of the Federal Republic of Nigeria.

housing development in the country while lack of support and poor incentives structure for housing finance constrain private sector investment.

There is also a lack of effective strategy for housing finance, access to land, residential infrastructure, and building materials and related industry, particularly in the light of the need for the private sector to play a greater role in housing. Other problems that impede housing delivery include: Inefficient mechanism for acquiring or transferring property rights; The dearth of long-term housing finance for home buyers; Absence of clearly defined foreclosure law; Weak enforcement of development control covenants; Lack of adequate capital for mass housing projects; Lack of identifiable model/system of housing delivery that best suits Nigeria; Over reliance on imported building materials as a result of inadequate development of local building materials; Administrative hurdle associated with the issuance of Governor's consent which fuels informal land transactions and development which in turn impact negatively on property value.

Regarding education and enlightenment, it has been established that certain factors which make housing construction possible under conditions which ensure best results call for a serious review of the curricula of most of the key professionals presently engaged in housing industry in the country particularly the Estate Surveyors and Valuers.³⁵ This, it is believed, will keep these professionals abreast with recent developments regarding modern trends that engender efficiency and by extension a marginal reduction in the cost of building. This can be achieved via continuing education and retraining workshops and conferences.

The reality however is that there is no correlation between the cost of housing and the minimum wage earned by workers in both the public and private sectors in Nigeria. While the cost of building materials has been on the increase, the wages of most Nigerian salary earners has remained stagnant thereby creating a significant disconnect between the citizens and their prospects of having access to affordable housing. Even when salaries are reviewed in some instances, the marginal increase is never commensurate with the astronomical increase in the prices of building materials and rents for finished accommodation.

Besides, the National Housing Fund which was introduced by the Nigerian government to enable workers acquire houses has not been able to address the problem of housing in Nigeria due to the stringent conditions attached to the accessibility of the fund. These conditions, particularly the requirement that the applicant pays 25 per cent of the value of the property sought as equity contribution prior to accessing the loan is not just cumbersome, but unattainable by the average Nigerian worker in most instances. The problem has always been that of policy implementation and not just the formulation of housing policies as several of these Housing Policies have been introduced in the past.

Equally noteworthy is the fraudulent activities of government officials who more often than not convert the mass housing initiatives of successive administrations into private sources of enrichment by allotting the properties to themselves and their cronies. In January, 2017 for instance, the Abuja Centenary City Project was found by a House of Representatives Committee to have been used by a former Secretary to the Government of the Federation (SGF) Anyim Pius Anyim and his co-promoters of the project to suit personal and other business interests in the course of which they flouted existing laws guiding the Abuja Land Swap Policy.³⁶

³⁵ Onuoha, R.A., "Housing Problems and Prospects: The need for a legal Framework in Nigeria", in Essien, E. (eds) *Judicial Excellence: Essays in honour of Honourable Justice Idongesit Ntem Isua*, CON, Chief Judge of Akwa Ibom State, 2015.

³⁶ The Nigeria Lawyer, ' \$18.3bn Abuja Centenary City: Reps order prosecution of Anyim, say project illegal', [2017], <https://www.thenigerialawyer.com>, accessed 15th March, 2017.

Legal Framework for housing development in Nigeria

The legal framework for land acquisition and building development in most parts of Nigeria have been major factors militating against better housing opportunities for Nigerians. While the Land Use Act of 1978 has in reality generally made the ownership and transfer of land cumbersome, the vexed issue of Governor's Consent is clearly inimical to easy access to loans due to the complexities attendant to the necessary documentation.

Official sources indicate that for Nigeria to meet its housing needs, it is imperative that government designs and implements policies and partnerships with the private sector which can provide the legal and regulatory environment that would promote private investment in housing. It is also expected that government implement institutes policy reforms geared towards the development of a more effective land administration system while working with states and local governments to produce and implement a unified and integrated infrastructure development plan for housing.

Furthermore, a legislation for a clearly defined non-judicial foreclosure law will is necessary. In addition to this, government needs to popularize the implementation of the National Environmental Sanitation policy. The policy thrust of government is meant to focus on the creation of an enabling environment for private sector investment in housing development; the provision of adequate public building policy for effective service delivery; the establishment of national housing data bank; and legislation on the need for the harmonization and standardization of land administration process nationwide through a national technical development forum.

The first objective of the policy thrust of government should be to develop an efficient land administration system to make land ownership available, accessible, and easily transferable at affordable rate by conferring secure registrable and marketable title on land; establish an efficient and transparent land title transfer system; simplify existing land procedures for effective title and consent delivery; develop an efficient national land information system; and provide infrastructure for site and services to open up new urban layouts.

The objective is to establish an efficient legal and regulatory framework to enforce the control and monitoring of housing delivery by establishing a body that will regulate the housing sector, establish an efficient foreclosure system that will give more guarantees to lenders in cases of default, and review the Land Use Act, of 1978 to ease the process of acquiring and disposing of landed property.

Intermediation of mortgage financing system.

Regarding Housing Finance, while the Nigerian government has gradually withdrawn from housing projects, commercial banks have been reluctant to offer Housing loans which are by their nature usually long term in nature with lower interest rates. This has left the issue of housing mostly in the hands of private investors whose capitalist orientation further exacerbates the problem of availability and accessibility of land to the average citizen.

Consequently, the influence of the financial sector is hardly felt in the building industry in Nigeria. Succinctly put, housing finance through this sector has been negligible. Consequently, Lemo (2007)³⁷ had observed that till the year 2007, from the inception of housing finance system in the country, only a paltry

³⁷ Liberalization of the housing market and fiscal policy for effective mortgage creation and origination. A paper presented at the National Workshop of Association of Housing Corporations of Nigeria, Ota. October, 23-24, 2007.

sum of about Seventy Billion Naira had so far been injected into the system. This only accounted for less than 0.5% of the Gross Domestic Product (GDP). The unsatisfactory performance of the housing finance system and institutions was linked with the twin problems of accessibility occasioned by underdevelopment of land tenure system coupled with inability of financial systems to provide low cost finance that meets the need of low and medium income groups.³⁸

Realizing the imperative for a robust housing finance system, the Federal Government in 2012 approved a revised Policy on Housing and Urban Development for the country to kick-start wide ranging housing sector reforms in Nigeria.³⁹ From all indications, the operations of the National Housing Fund (NHF), under a new management by the Federal Mortgage Bank of Nigeria improved remarkably over the last decade as a result of the restructuring exercise in the Bank and the general reforms in the housing sector implemented by a presidential committee headed by Professor Akin Mabogunje. Thus, the NHF has been geared to offer improved service delivery for home ownership to its contributors. Some important steps taken to review its operations, bring about innovations, and make loans cheaper and more affordable to contributors are, as follows:

- Lowering of interest rate from 9% to 6% for lending to contributors to the fund by Primary Mortgage Institutions, (PMI's).
- Increase of lending limits from N1.5 million to N5 million per fund contributor.
- Extension of amortization/repayment period to 30 years from 25 to lighten the burden of repayment and to enhance affordability.
- Effecting a change in the mortgage equity contribution, which is now FMBN 90% and Mortgagor 10% as against the previous 80% and 20% by FMBN and the Mortgagor respectively.
- Expansion of borrower's income from which no more than one-third is applicable for loan servicing to include rental income, dividend and other income aside from salary.
- Inclusion of house expansion as an acceptable purpose for NHF mortgage loans.
- The Introduction of multiple lending windows to accommodate PMI's, Private Housing Estate Developers, State Housing Corporations and Housing Cooperatives.
- The encouragement of the production of target priced mass houses of between N1 m to N5m by private housing Estate Developers, State Housing Corporations from 15% to 10% for a maximum tenor of 24 months, with 18 months moratorium.
- The removal of the emphasis on 'block of existing mortgages' as the preferred security for assessing loans and the introduction of a plurality of alternative securities acceptable from PMIs from NHF loans including property owned by applicants company, property owned by Director of the

³⁸ Mailafia, O., The Place and Prospects of Mortgage Financing in the Economy and Financial System Reforms in Nigeria. A Paper Presented at year 2007 Board / Staff Retreat. Federal Mortgage Bank Nigeria, Jos, March 23-24, 2007.

³⁹ Premium Times, 'FEC to approve Revised National Housing Policy Today', [2012], <https://www.premiumtimesng.com>, accessed, 17th January, 2017.

applicant company, Bank Guarantee acceptable to FMBN, insurance Bond/Guarantee, Debenture, Treasury Bills, and other financial instruments and Tripartite Collaborative Agreements.

- Decentralization of refund processing to shorten the period it takes.

Performance statistics on the NHF show that collections, registered contributors, loans advanced, and refund to contributors have more than doubled since the housing sector reform commenced in 2012. It is noteworthy that before this, the FMBN in realization of its central role in implementing the reforms for robust housing system in Nigeria had made its foray into the capital market with the successful issuance of the first tranche of its N100 Billion mortgage backbone in which the sum of N126 Billion was raised from the capital market to finance the sale of federal government houses in Abuja. This in effect marked the commencement of real secondary mortgage operations in the country, with FMBN being registered as an issuing house by the Securities and Exchange Commission (SEC).

The main objectives of the ongoing reforms in the housing finance sub-sector can be summarized as being to link the housing finance sub-sector to the capital market and to encourage investment in housing by the CBN, Commercial Banks, Insurance Companies, Pension, Mutual and Trust Fund Administrators, and other financial services/intermediation organs.

We need to acknowledge at this juncture that Banks in Nigeria with their newly enhanced capital base after the 2005 recapitalization exercise are now beginning to explore the housing and property, sector more than ever before.

Recommendations for strategic repositioning

The Housing problem in Nigeria can only be solved if the Federal government puts in place considerable measures to address these constitutional, policy, legal, financial, and environment issues which are the bane of housing development in the country. Failure to disclose the actual legislative list to which housing belongs makes it difficult for citizens to know which tier of government to hold responsible for the acute shortage or problem of housing in Nigeria. Unfortunately however, the multi-purpose character of housing as shelter, a commodity, a process, an investment, or as a social good makes it difficult to properly situate the problem for the purpose of forging a solution.

In the light of the above, the following suggestions if adhered to by the Nigerian government would assist both the States and Federal government in addressing the problem of housing in country:

- States and Federal Government should be more involved in the housing sub-sector by ensuring that effective legislation are put in place to enable the Federal Mortgage Bank of Nigeria (FMBN) and other Mortgage institutions discharge their functions as regulators in the housing sub-sector.
- Government at all levels should adopt policies aimed at making housing habitable, affordable and accessible; develop and support institutional framework for facilitating investment in the supply of housing by the private sector in addition to making substantial financial investment in the Mortgage sub-sector.
- Legislation regarding the National Housing Fund (NHF) scheme needs updating and amendment by the Legislature to ensure easier means of fund to property developers. This will entail liberalizing transfer of title particularly regarding the legal requirement of obtaining Governor's consent for land acquisition.

- Effort should be made towards evolving a comprehensive regulatory framework for Asset-Backed Securities (ABS). These will include rules and regulations that will govern security of tenure, foreclosure of property in non-performing loans and the use of non-property assets as loan collateral.
- Government should by legislation deregulate the importation of some building materials especially cement as well as provide an enabling environment via incentives for the production and manufacturing of other building materials in order to forestall inflation.
- The government should sponsor research into most readily available local building materials with a view to improving their quality in terms of durability and aesthetics. This they can do through funding of the National Building and Road Research Institute as well as other professional bodies such as the Estate Surveyors, Valuers, Institute of Builders, Architects, Town Planners, and Quantity Surveyors. In so doing, these Institutes should partner with the National Bureau of Statistics to guide them with accurate data for planning.