

CHAPTER ONE

INTRODUCTION

1.1 HOUSING PROVISION

1.1.1 The provision of adequate housing that is safe, secure, accessible, affordable and sanitary is a fundamental human right, as enshrined in the United Nations Habitat Agenda - the global call on human settlements. Housing has been universally accepted as the second most important human need. It is a basic need for human survival, and an essential component to the advancement of the quality of life of the citizenry. This universally accepted fact has been acknowledged by successive Nigerian Governments, as evident from the pockets of uncoordinated initiatives and programmes in mass housing development over the years. Despite these efforts, housing delivery remains a major challenge.

1.1.2 Effective housing delivery involves many actors and, therefore, requires effective partnership, collaboration and information sharing. The significant shortfall in housing provision has been attributed to the inadequacy of the existing National Housing Policy (1991) to meet current challenges and economic trends and to guide development in the sector. Government has realised that effective housing delivery can only be achieved within the framework of a well articulated National Housing Policy that sets out the broad guidelines, goals, objectives and strategies for Housing in Nigeria, which is home-grown and driven by the people. This underpins the development of a revised National Housing Policy document.

1.2 DEFINITION OF HOUSING

1.2.1 Housing is defined as the process of providing safe, comfortable, attractive, functional, affordable and identifiable shelter in a proper setting within a neighbourhood, 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. In addition, housing includes the sustainability attributes of energy efficiency and resource conservation for improved quality of life. This definition is, however, more applicable and acceptable to piecemeal housing. Indeed, National Housing problems

cannot be solved through piecemeal housing. Nonetheless, this definition remains valid as long as individuals continue to build their own houses.

- 1.2.2 Nations that have attempted to seriously solve their housing problems have adopted the principle of **mass housing**. The Presidential Technical Committee on Urban Development and Housing in its report defines Housing (mass housing) as:

“The process of providing a large number of residential buildings on a permanent basis with adequate physical infrastructure and social services in planned, decent, safe and sanitary neighbourhood to meet the basic and special needs of the population.”

- 1.2.3 The above definition does not, however, sufficiently address the issue of the cost of the houses vis-à-vis affordability with reference to disposal prices, and does not address the nature of supply of such houses and their sustainability. Therefore, a more acceptable definition of housing shall have regard to:

“tenure, security, affordability, adequacy, accessibility, proximity to services, availability of infrastructure and cultural adequacy.”

- 1.2.4 For the purposes of this National Housing Policy, **mass housing** is defined as:

“the process of simultaneous production (building) to target prices of large number of decent, safe, sanitary and affordable residential buildings with secured tenure; on a continuous and permanent basis, with adequate physical infrastructure, amenities and social services in a planned, healthy and liveable environment to meet the basic and special needs of the population, and reflecting their socio-economic status, cultural aspirations and preferences”.

1.3 IMPERATIVES OF HOUSING

- 1.3.1 Housing has been universally accepted as the second most important essential human need. The right to adequate housing is considered a core human right. Housing rights were first universally codified in the Universal Declaration of Human Rights, adopted and proclaimed by the UN General Assembly in 1948. Article 25 of the Declaration states that:

“Everyone has the right to a standard of living adequate for the health and well being for himself and for his family, including food, clothing, housing and medical care, and necessary social services and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control”

- 1.3.2 The 1976 International Covenant on Economic, Social and Cultural Rights which is now binding on more than 149 countries, including Nigeria, has the most significant universal codification provision of the right to adequate housing in its article II(1) which states:

*“The State Parties to the present Covenant recognize the right of everyone to an adequate standard of living of himself and for his family, **including adequate food, clothing and housing**, and to the continuous improvement of living conditions. The State Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent”*

- 1.3.3 The Nigerian State is enjoined by Section 16(1)(d) of the 1999 Constitution under the Fundamental Objectives and Directive Principles of State Policy:

“to provide suitable and adequate shelter for all citizens”.

- 1.3.4 Regrettably, this objective of State Policy is, presently. not actionable in law as no citizen can enforce it as a right. Because housing is a right, this fundamental objective should be part and parcel of a section of the Constitution enforceable by Nigerians. It should therefore be removed from and under the Fundamental Objectives and Directive Principles of State Policy. The Constitutional provision which should be actionable shall be such that all strata of our society - including the less privileged members, the old, the disadvantaged as well as the wandering psychotics who require confinement and rehabilitation - can own or have access to decent, safe and sanitary housing accommodation at affordable disposal price or house occupation with secure tenure.

- 1.3.5 Housing, in all its ramifications, is more than mere shelter, since it embraces all the social services and utilities that go to make a community or neighbourhood a liveable environment. The problems of housing in Nigeria are enormous and complex, exhibiting marked regional

differences. Furthermore, the challenges faced by the rapid rate of uncontrolled and unplanned urban growth are immense. Millions of people live in sub-standard and sub-human environment characterized by slum, squalor and grossly inadequate social amenities.

- 1.3.6 The problem of housing in our urban centres is not only restricted to the quantity of housing stock, but also to the quality of available housing units, infrastructure and the environment. The result is manifested in growing overcrowding in homes, neighbourhoods, communities and increasing pressure on infrastructural facilities such as roads, drainages, power supply, etc and rapidly deteriorating environment. The scenario is slightly different in the rural areas where the problems are primarily, not just that of inadequate quantity of housing units, but also that of inadequate and poor infrastructural facilities, such as roads, drainages, water, power supply and basic social amenities (schools, healthcare facilities, etc). Another important characteristic of both the urban and rural scenes is the absence of the basic needs of the poor and low-income groups. It is established that over ninety per cent (90%) of the country's population are of the poor and low-income groups.

1.4 HOUSING: AN EFFECTIVE DEVELOPMENT TOOL

- 1.4.1 The housing sector is the bedrock of the economy of developed nations. In the more advanced economies like the United States of America, Great Britain and Canada, this sector contributes between 30% and 70% of their Gross Domestic Product (GDP). Investment in housing accounts for 15% to 35% of aggregate investment worldwide. This sector employs approximately 10% of Labour Force worldwide. The housing sector in Nigeria contributes an insignificant 0.38% to its GDP. These countries rose to become the greatest advanced economies on the tide of housing development.
- 1.4.2 Homeownership is a measure of household wealth and GDP. It is generally accepted that the standard of housing in a nation indexes its effective economic development; standard of living and its height of civilization.
- 1.4.3 The housing sector has the potential to generate employment, increase productivity, raise standard of living and alleviate poverty. It also has the capacity to reduce crime rate, insurrections, militancy, and terrorism and substantially address wealth distribution as well as security concerns. It is

able to achieve this because investment in housing affects all facets of our life through its multiplier effect on economic development through forward linkages to the financial markets and backward linkages to land, building materials, tools, furniture and Labour markets. An example is that the construction of a medium sized (2/3 bedrooms) bungalow is capable of directly creating employment for an average of 76 workers. The number goes up significantly when the forward and backward linkages are factored into the process. Therefore, for a 1000 housing units scheme of two bedroom bungalows, up to 76,000 workers will be engaged for a period of between 12-18 months.

1.4.4 Accordingly, if in a year we build a 1000-housing unit estate in each of the 36 States of the Federation and FCT, we would create a workforce of 2,815,000 per annum. This labour force consists of all professionals in the built environment as well as skilled and unskilled labour namely: Bricklayers, Plumbers, Carpenters, Tilers, Iron benders, Painters, Diggers, Excavators, Electricians, Suppliers of materials, Furniture makers, Food vendors, Block moulders, Security men, Drivers, Horticulturists, Gardeners, etc. At the Presidential Job Creation Summit held on 12th April 2011, the National Economic Management Team (NEMT) declared that through the construction of 5,000 housing units in each State of the Federation, including the Federal Capital Territory (FCT), 14,000,000 Jobs will be created in 12 to 18 months.

1.4.5 Therefore, the housing sector of the economy has a tremendous impact on job creation, employment, security, socio-political stability, effective economic growth and development of societies. In recognition of its importance, Governments, the world over have devised various strategies to meet this all important concern. In this regard, our Vision 20:2020 and Financial System Strategy 2020 (FSS2020) have assigned special roles to the housing sector, expecting it to drive the financial system and contribute not less than 20% to the GDP by the year 2020.

1.5 RATIONALE FOR THE POLICY

1.5.1 On the 26th April, 1985, 25 years after Independence, the Federal Government decided to have a **National Housing Policy** and appointed a Committee to draw up same. At the inauguration of the Committee, the Honourable Minister of Works and Housing disclosed that:

“Government plans to take positive steps to ensure that the less privileged members of the society, including the wandering psychotics who require confinement and rehabilitation, have access to dwelling houses.”

- 1.5.2 In February 1991, approximately six years after the inauguration of the Committee, the first National Housing Policy was launched. The document stated that the ultimate goal of the National Housing Policy was to ensure that all Nigerians owned or had access to decent, safe and sanitary housing accommodation at affordable cost by the year 2000.
- 1.5.3 51 years after independence and 20 years after the first National Housing Policy was inaugurated, Nigeria has neither an articulate National Land Policy, nor an up-to-date National Housing Policy. All efforts since 2004 to distil a National Housing Policy from the Report of the Presidential Technical Committee on Urban Development and Housing and the Government White Paper on same, have not been very successful.
- 1.5.4 In order to redress the unacceptable situation, Government decided to review and update the **Draft National Housing Policy** and the **Draft National Urban Development Policy** in September 2011, with all relevant facts affecting the housing sector. This review will result in developing a policy framework for the provision of affordable housing for Nigerians as enshrined in the Constitution of the Federal Republic of Nigeria. The review and update took into account the following:
 - (i) The priorities outlined in Mr. President’s Transformation Agenda for the sector;
 - (ii) The provisions and priorities of National Vision 20:2020 for the sector;
 - (iii) The imperatives of Financial Systems Strategy 2020 (FSS2020); and
 - (iv) All the issues raised by the Federal Executive Council (FEC) at its 30th meeting held on 10th September 2008, when the Housing Policy was presented to it in order to ensure that all the issues raised therein are addressed.
- 1.5.5 The overriding consideration of this Policy is the revitalization of the housing sector to enable it serve as a catalytic instrument for ensuring rapid and effective socio-economic development. Of immediate and crucial need are the creation of job opportunities and the reduction of

poverty. Consequently, some of the key priorities for achieving these objectives are as follows:

- (i) Reduce the national deficit in housing to meet needs and the effective demand for housing;
- (ii) Make housing finance available to all, particularly the no-income, low and medium income earners;
- (iii) Provide the legal and regulatory framework that will attract private sector investors to develop affordable housing products particularly for the No- income, Low-income and Middle-income groups;
- (iv) Rehabilitate and renovate the existing housing units;
- (v) Develop an effective land administration system to make land ownership available, secure, accessible and easily transferrable at affordable rate;
- (vi) Develop and build adequate capacity, including the provision of infrastructure to support the housing sector, on a sustainable basis;
- (vii) Strengthen institutions and overhaul systems and processes for a more virile housing sector;
- (viii) Establish administrative, legal and regulatory framework for a more efficient and effective housing delivery system;
- (ix) Promote the use of alternative building materials and new technologies in housing delivery; and
- (x) Establish and develop title and mortgage insurance systems and institutions.

1.5.6 Arising from the above, the priority areas of this policy which require specific intervention to ensure sustainable housing delivery in Nigeria are as follows:

- (i) Land for housing;
- (ii) Housing finance;
- (iii) Building materials;
- (iv) No-income, low income, co-operative and rural housing;
- (v) Housing supply and demand planning;
- (vi) Appropriate institutional framework;
- (vii) Implementation, coordination, monitoring, evaluation and review;
- (viii) Construction methods;
- (ix) Sustainable construction workforce;
- (x) Maintenance;
- (xi) Construction costs;
- (xii) Infrastructural and estate development financing; and

- (xiii) Data and statistics on housing.
- 1.5.7 Achieving affordable housing will raise home ownership to about 50%, improve Nigeria's Human Development Index (HDI) Ranking, expand the construction sector and the mortgage market, significantly reduce poverty in households, increase the productivity and quality of lives of the citizenry, and make the housing sector contribute over 20% to Nigeria's GDP, as envisioned in Vision 20:2020.

CHAPTER TWO

REVIEW OF PAST POLICIES AND PROGRAMMES

2.1 REVIEW OF PAST POLICIES

2.1.1 The history of the involvement of Governments in the Housing Sector is discussed under the following phases:

(i)	The Colonial Period	Up to 1960	
(ii)	The Post-Independence Period	1960 – 1979	
(iii)	Civilian Administration	1980 – 1983	
(iv)	Military Regime	1984 – May 28th 1999	
(v)	Civilian Administration	29th May, 1999 to 28th May, 2007	
(vi)	Civilian Administration	29th May, 2007 to 5th May, 2010	
(vii)	Civilian Administration		} 6th May, 2010 to date
	(a) Continuation of: 6th May, 2010 – 28th May, 2011		
	(b) Elected Civilian Administration -29th May, 2011 to date		

2.2 THE COLONIAL PERIOD (UP TO 1960)

2.2.1. During the early colonial period, housing activities and policies of Government focused essentially on the provision of quarters for the expatriate staff and for selected indigenous staff in specialized occupations like Railways, Police, Armed Forces, and Marines, etc. No effort was made by Government to build houses either for sale or rent to the general public and nothing was done to encourage the growth of settlements outside the Government Reserved Areas (GRA). Some efforts at housing development that were made arose from critical situations in which the hands of the colonial government were forced to act. These crisis instances are:

- (i) As a result of the bubonic plague which ravaged Lagos in the early 1920, the Lagos Executive Development Board (LEDB) was created in 1928 and charged with the responsibility for the effective planning and development of the Capital City of Lagos. After 1954, the LEDB attempted to solve the problems of public housing in the metropolis by undertaking the following schemes:
 - (a) Workers Housing Estate and Re-housing Estate, Surulere;
 - (b) Akinsemoyin and Eric Moore Housing Estates, Surulere;

- (c) Workers Housing Estate (Phase II), Surulere; and
 - (d) Freehold Housing Schemes and Sites and Services Estate at Surulere, Apapa, South West and South-East Ikoyi, Ilupeju and Isolo.
- (ii) The Railway Strike of 1945 which forced Government to build Workers Estate in Surulere at the outskirts of the then Capital City of Lagos (Gbaja, Randle Avenue and Akerele Extension); and
 - (iii) In preparation for Independence the slum clearance of Central Lagos resulted in the building of additional houses in Surulere adjoining the Workers' Estate. It was the first real attempt at housing and urban renewal.

2.2.2. In 1956, the Nigerian Building Society (NBS) was created. Its mortgage operations achieved limited success because of poor funding and response to the savings schemes of the society. The encouragement of African Civil Servants to home ownership was through the African Staff Housing Scheme introduced in 1956. Prior to Independence, Regional Governments created Housing Corporations to provide housing for its people. It is to the credit of these Housing Corporations that they formed the basis of modern housing estates in Nigeria, through the construction of houses. Also, by operating savings and loans schemes, the housing corporations were therefore, the forerunners of the present day Primary Mortgage Institutions (PMIs) Their efforts at home ownership for the low income group met with qualified success.

2.3 THE POST-INDEPENDENCE PERIOD (1960 – 1979)

2.3.1 In 1964, the Association of Housing Corporations of Nigeria was formed. The Pioneer Members were Lagos Executive Development Board (LEDB), Western Nigeria Housing Corporation, Northern Nigeria Development Corporation and Eastern Nigeria Housing Corporation.

2.3.2 The influx of people to Lagos at Independence and the sudden expansion of Port Harcourt as a result of the emergence of the oil industry, revealed a looming urban housing shortage. Then, the chorus for the need for housing to accommodate workers began to grow louder at meetings. This awoke the Government and led to the establishment of Federal Agencies in housing and urban development that exist up till today. Around that

- time, the Lagos Executive Development Board included in its programme, financial provision which was to come from the Federal Government for the building of a Low Income Housing Estate which today stands along Eric Moore Road in Surulere, Lagos.
- 2.3.3 During the period immediately after Independence, emphasis was placed on the five-yearly Development Plans as the vehicle for economic growth. The housing sector however suffered complete neglect in the first two plans. With the outbreak of the Civil War in 1967, the housing situation fell into complete neglect and deteriorated further. In 1971, the National Council on Housing consisting of all State Commissioners responsible for housing was established. This marked the first significant and direct attempt by the Federal Government to intervene positively in the area of housing. It led in 1972 to the establishment of a National Housing Programme during the second National Development Plan period. Through an enabling Decree, the Federal Government intended to construct fifty-nine thousand (59,000) dwelling units with fifteen thousand (15,000) in Lagos and four thousand (4,000) units in each of the other eleven State Capitals. The Federal Housing Authority was created in 1973 to co-ordinate this nation-wide programme.
- 2.3.4 The Third National Development Plan (1975-1980) contained the most significant statement of the Government in the housing sector. The Federal Government decided to participate directly and actively in the provision of housing, rather than leaving it principally to the private sector. A total of ₦2.6billion was earmarked for the implementation of the various projects. During this period, a total of two hundred and two thousand (202,000) dwelling units were programmed for construction, comprising fifty thousand (50,000) units in Lagos and eight thousand (8,000) units in each of the other nineteen States. It is pertinent to note that by the end of the plan period, less than fifteen per cent (15%) of the houses had been completed.
- 2.3.5 The Federal Ministry of Housing, Urban Development and Environment created in 1975 existed for a brief period. It was charged with the responsibility of initiating and co-ordinating policies in housing related areas. Within this period, the following Panels and Committees were constituted specifically to deal with some of the problems of housing and housing delivery:

- (i) The Committee on Standardization of House Types and Policies was set up in 1975 and this marked the first attempt by Government to recognize the housing problems of the low-income group, who earned less than Three Thousand Naira (~~₦~~3,000) per annum. The recommendations of the Committee resulted in the acceptance of the Low-Income Housing Concepts and Strategies of the World Bank for Reconstruction and Development (IBRD).
- (ii) The Rent Panel (1976) was to review the structure and level of rent in the country. Their recommendations resulted in the establishment of State Rent Tribunals which have proven ineffective in controlling rent.
- (iii) The Land Use Panel (1977) examined the various tenure and land ownership systems in the country and their recommendations led to the promulgation of the Land Use Decree No. 6 of 1978, which was a major step in Land Reform aimed at making land readily available for development.
- (iv) In 1977, the Nigerian Building Society (NBS) was converted to the Federal Mortgage Bank of Nigeria with a capital base of twenty million Naira (~~₦~~20m), which was later increased to One Hundred and Fifty million Naira (~~₦~~150m) in 1979. The impact of the Federal Mortgage Bank of Nigeria during this period was not very significant and most of its loans went principally to select members of the middle-income and high-income groups.

2.4 CIVILIAN ADMINISTRATION (1979 - 1983)

2.4.1 The increasing deficit of urban housing as well as its continuous deterioration in the rural areas dictated the high priority rating given to housing by the defunct Civilian Administration. An elaborate National Housing Programme was embarked upon in 1980 based on the concept of affordability and citizen participation. The target group was the low-income earners whose annual income did not exceed five thousand Naira (~~₦~~5,000) for the One-Bedroom core houses and also the medium-income group with annual income not exceeding eight thousand Naira (~~₦~~8,000) for the three-bedroom house. A total of forty thousand (40,000) units were to be constructed annually nationwide with two thousand (2,000) units to be located in each State and the Federal Capital Territory (FCT).

Out of the States' allocation, 80% was earmarked for the low-income. However, by June 1983, only thirty-two thousand (32,000) units had been completed, while the overall achievement was only 20%. It is pertinent to note that mid-way through the implementation; the second phase of the programme was commenced comprising twenty thousand (20,000) units of two bedroom core houses also for the low-income group. This phase of the programme failed to take off in most States.

2.4.2 Although about ~~₦~~1.9 billion was budgeted for housing by the Federal Government in the Fourth National Development Plan (1980-1985), an estimated sum of six hundred million Naira (~~₦~~600m) was expended on the implementation of the National Low-Cost Housing Programme. In view of this level of investment, the impact of the programme on the overall housing market was negligible. The following factors were responsible for the failure of the direct construction programme:

- (i) The adoption of a single design for the entire country irrespective of the varied cultural and climatic differences;
- (ii) The distribution and choice of sites bore little or no relationship to the effective demand for housing. The sites for the programme numbered over four hundred, and this was clearly beyond the executive capacity in our construction industry;
- (iii) Most States politicised the whole affair and, therefore, offered land to the Federal Government in very remote areas with poor terrain. This singular fact delayed implementation and increased the cost of infrastructural development considerably;
- (iv) The appointment of contractors was based principally on party patronage rather than on capability and experience. The issue of **'Nominated Suppliers'** did not have the desired effect of making building materials readily available and cheap to contractors. The whole concept was bedevilled with fraud and non-performance; and
- (v) Some chairmen of States Allocation Committees were politicians who allocated some of the houses to Party Members who neither had need for them nor could be classified as low-income.

- 2.4.3 In addition to the Federal Government Direct Construction Programme, the Federal Housing Authority (FHA) was mandated to construct houses on commercial basis for the medium-income and high-income groups. About three hundred and fifty (350) units were to be built in each State and the Federal Capital Territory. This also met with limited success.
- 2.4.4 In 1979, the World Bank Assisted Nigerian States Urban Development Programme (NSUDP) was negotiated. The major objective of the scheme was to lay the foundation for a National Low Cost Housing Programme and to set in motion, broader urban renewal schemes. The scheme took off impressively in Bauchi State at an estimated cost of ₦24.6million while the contract for the Imo State project was signed at a cost of ₦63.8million. However, it was found that other States had priorities different from those of the scheme and so the programme was transformed into the Infrastructure Development Fund (IDF) programme.

2.5 MILITARY REGIME (1984 - MAY, 28 1999)

- 2.5.1 Following the termination of the Second Republic in December, 1983, the Military Authorities, in 1984, once again dissolved the Federal Ministry of Housing and Environment and merged it with the then Federal Ministry of Works and Surveys to become Federal Ministry of Works and Housing. Although, the new Ministry continued to perform its function of co-ordinating housing and urban development matters, the sector became submerged and overshadowed by the highways and construction sector of the Ministry.
- 2.5.2 Between 1994 and 1999, the Ministry embarked on a number of programmes and projects purportedly aimed at providing decent and affordable housing to the populace. The Urban Development sector also received considerable attention. Some of the achievements within the period included:
- (i) Evolution of the (1991) National Housing and National Urban Development Policies;
 - (ii) National Housing Programme;
 - (iii) Prototype Housing Programme;
 - (iv) Implementation of the Infrastructure Development Fund (IDF) Project;
 - (v) Implementation of the National Sites and Services Programmes;
 - (vi) Urban Renewal and Slum Upgrading Scheme, and

(vii) Establishment of the Urban Development Bank of Nigeria (UDBN).

2.5.3 During this period, the Federal Housing Authority initiated the Gwarinpa II Housing Scheme in 1996. This was in response to the increased demand for decent accommodation in the Federal Capital Territory (FCT), following the influx of people from Lagos and other parts of the Country to the Capital City Abuja. The entire project covers a total of 1,090 hectares of Land with over 5,000 housing units.

2.5.4 A major drawback in the past attempts at housing and urban development sectors and in the establishment of sustainable housing delivery systems, and efficient urban development and management in Nigeria was the absence of a clear focus in the pursuit of the mandate of the Ministry. The multifaceted and multidisciplinary nature of the Ministry coupled with the roles in regulation of standards, prescription codes and such other measures put the Ministry on collision path with other Federal Government agencies. Also the non-involvement of stakeholders and near exclusion of the private sector investors in housing and service delivery robbed the sector of necessary competition and efficiency needed for stability. The inability of Governments alone to fund the provision of housing and urban development, therefore, left a big vacuum and massive need which could not be met in the sector. It is to be noted that we have had programmes, schemes and so on, in the provision of land and housing without the necessary policies as well as a National Housing Policy. Evidently, after 24 years of Independence, the overall policy framework to drive housing was still lacking.

2.5.5 In an attempt to correct the failures in implementation and inadequacies of past policies, objectives and programmes, Government, by an instrument dated 26th April, 1985, appointed a ten-man committee to draw up a National Housing Policy. The Honourable Minister of Works and Housing, at the inauguration of the Committee on 8th May, 1985 stated that:

“Government plans to take positive steps to ensure that the less privileged members of the society, including the wandering psychotics who require confinement and rehabilitation, have access to dwelling houses”.

2.5.6 In February, 1991, approximately six years after the inauguration of the Committee on 8th May, 1985, the first National Housing Policy was

launched. The Policy stated that the ultimate goal of the National Housing Policy was:

“To ensure that all Nigerians own or have access to decent, safe and sanitary housing accommodation at affordable costs by the year 2000”.

2.5.7 Consequent upon this, it became necessary to restructure institutions and or create the following new structures and promulgate new enabling laws, among others, for the purpose of realising the goal of the policy, viz:

- (i) Employees Housing Scheme (Special Provisions) Act, (Cap.107);
- (ii) Federal Housing Authority Act, 1990;
- (iii) Mortgage Institutions Act, 1989;
- (iv) National Housing Fund Act, 1992;
- (v) Urban Development Bank of Nigeria Act, 1992;
- (vi) Urban and Regional Planning Act, 1992;
- (vii) Nigerian Social Insurance Trust Fund Act, 1993;
- (viii) Federal Mortgage Bank of Nigeria Act, 1993;
- (ix) National Construction Policy, 1991; and
- (x) National Urban Development Policy, 1997

2.5.8 The main strategy of the then New Policy was the establishment of the National Housing Fund Scheme to mobilize loanable funds from workers, which would be disbursed via the newly created Primary Mortgage Institutions with the Federal Mortgage Bank of Nigeria playing the role of apex/supervisory body.

2.5.9 The Mortgage Institutions Act, 1989 ushered in the formation and registration with Corporate Affairs Commission (CAC) on 6th August, 1992 of the Mortgage Banking Association of Nigeria (MBAN). MBAN is therefore an umbrella organization that brings together all Primary Mortgage Institutions (PMIs) for effectively organizing themselves to promote the efficient growth of the mortgage industry in Nigeria. For mass housing production to translate into homeownership through mortgage for majority of Nigerians, there is the need and necessity to establish functionally viable PMIs that will develop a robust mortgage finance system.

2.5.10 Despite all these and more, including mass production of housing through the instrumentality of some Federal Government agencies, such as the

Federal Housing Authority (National Housing Programme), the Federal Ministry of Works effort at setting out to directly construct 121,000 houses under the National Housing Programme and Prototype Housing Scheme in several States of the Federation, the housing scenario in Nigeria remained essentially the same - one of inadequacy in quantity and quality. As at the beginning of 1999, housing development had been so neglected by successive governments, which for years did not regard it as a priority and which on many occasions made no annual budgetary provisions for housing that for all practical purposes, a **'no-housing'** situation existed in Nigeria and about 60% of Nigerians could be said to be 'houseless persons'.

2.6 CIVILIAN ADMINISTRATION (29TH MAY, 1999 – 28TH MAY, 2007)

2.6.1 On May 29th, 1999, a democratically elected civilian government succeeded the Military government. After the inception of the new Civilian Administration, the Federal Government contemplated a new National Housing Programme under which it would build twenty thousand (20,000) housing units throughout the Federation over a four-year period at the rate of five thousand (5,000) units per annum as a demonstration of its commitment to the eradication of homelessness among Nigerians. However, this was not implemented. This less than modest effort was soon abandoned owing to the realities on the ground as to enormity of the problems; the weak infrastructure for housing delivery mechanism as well as the fact that the Federal Ministry of Works "and Housing" continued to be ill-equipped to handle the supply of houses to meet the Nation's needs as it functioned for all practical purposes as the Federal Ministry of Works only. The solutions to the housing needs of the nation eluded the Federal Ministry of Works and Housing.

2.6.2 Other actions taken during the period in an attempt at solving the housing problems are discussed under the following headings:

- (i) Liquidation of Federal Mortgage Finance Limited (FMFL) and the restructuring of Federal Mortgage Bank of Nigeria (FMBN);
- (ii) The Presidential Technical Committee on Urban Development and Housing;
- (iii) Creation of the Federal Ministry of Housing and Urban Development;
- (iv) Private Sector Driven - Housing provision;

- (v) Institutional and legal reforms;
- (vi) Creation of institutional framework for mass housing production by the establishment of:
 - a) Real Estate Developers Association of Nigeria (REDAN); and
 - b) Building Materials and Producers Association of Nigeria (BUMPAN)
- (vii) Secondary Market and Bond Market Transactions;
- (viii) Housing Development in the Coastal States of the Niger Delta;
- (ix) Federal Government Staff Housing;
- (x) Monitoring and Evaluation; and
- (xi) Political Will.

2.6.2.1 **Liquidation of Federal Mortgage Finance Limited (FMFL)**

Consequent upon the decision of the Federal Executive Council, on Thursday, 31st August, 2000, the Federal Ministry of Works and Housing inaugurated a Committee to look into and articulate the process and modalities for the merger of the Federal Mortgage Finance Limited (FMFL) and the Federal Mortgage Bank of Nigeria (FMBN). The Committee submitted its Report on 30th November, 2000. The Government White Paper on the Report of the Committee on the merger was issued in November, 2002. The final result of the recommendations of the Committee and the Federal Government White Paper on same was the **Liquidation of FMFL and the Restructuring of FMBN**.

2.6.2.2 **Presidential Technical Committee on Urban Development and Housing**

- (i) On 4th May, 2001, a 15-member Committee on Urban Development and Housing was constituted. The Committee was inaugurated on 21st May, 2001. The Committee on 26th September, 2001 submitted its report which was considered by the Federal Executive Council at its meeting held on Wednesday, 23rd January, 2002 and the decisions and approvals of Government were contained in a Government White Paper on the Report of the Presidential Committee on Urban Development and Housing. These decisions contained in this White Paper were, and are still, erroneously and popularly referred to as **“National Policy on Housing and Urban Development 2002”**. This however, signposted a new dawn in the housing finance and development sector. As already stated, until recently, the **Federal**

Government had neither a National Land Policy nor an up-to-date National Housing Policy;

- (ii) For effective implementation of the decisions contained in the White Paper on The Report of the Presidential Committee on Urban Development and Housing (assumed and referred to as the National Housing and Urban Development Policy 2002), Government set up an Implementation Committee known as the Presidential Technical Committee on Urban Development and Housing on March 6, 2002. The Committee was to implement the decisions by Government as contained in the White Papers on the Reports of the Committee on the Merger of FMBN and FMFL as well as The Presidential Committee on Urban Development and Housing. The summary of these documents is that it shall be the ultimate goal of Government:

“to ensure that all Nigerians own or have access to decent, safe and sanitary housing accommodation at affordable cost with secured tenure through private sector initiative with government encouragement and involvement”

- (iii) The main thrust of the Federal Government goal was to seek vigorously to make an increasing majority of Nigerian **home-owners on the basis of mortgage finance**. This entailed:
- (a) involving a large number of private sector real estate developers and State Housing Corporations in the development of estates with houses for sale at affordable prices to low and middle income groups in the country;
 - (b) promoting the growth of many small and medium-size industrial enterprises to provide local construction materials of all types and to keep the cost of producing houses within reasonable limits;
 - (c) mobilizing primary mortgage institutions to assist all Nigerians who are desirous of purchasing houses on how to access mortgage finance;
 - (d) restructuring the Federal Mortgage Bank of Nigeria to be able to provide ample and abundant funds besides the *“National Housing Fund”* to meet the secondary mortgage transactions for home-ownership in the country; and
 - (e) setting up a Federal Ministry of Housing and Urban Development to regulate, promote, monitor and supervise all of these changes.

2.6.2.3 Creation of the Federal Ministry of Housing and Urban Development

- (i) The position pre-29th May, 1999 was that in 1975, the Federal Ministry of Housing, Urban Development and Environment was carved out of the Ministry of Works; and the nomenclature of the Ministry was changed in 1978 to The Federal Ministry of Works and Survey. The Civilian Administration which was ushered in on 29th May, 1999 created the much desired Federal Ministry of Housing. By the fourth quarter of 2006, the Federal Ministry of Housing was renamed as **'The Federal Ministry of Housing and Urban Development'**. Early in 2007, the name was further elongated to the **'Federal Ministry of Environment, Housing and Urban Development'**. The frequent changes underscore the lack of importance of providing for housing and low priority accorded it by Government;

- (ii) The Federal Ministry of Housing and Urban Development was charged with the responsibility of ensuring adequate and sustainable housing delivery and maintenance of a conducive living environment that meet the needs and aspirations of Nigerian citizens. To achieve this, the Ministry was given the following specific duties:
 - (a) implement Government Policy on Brigadier Oluwole Rotimi's Report on keeping record of all Government landed properties;

 - (b) implement Government Policy on Housing and Urban Development as contained in the Government White Paper on Urban Development and Housing Policy (2002);

 - (c) provide and sustain an enabling and conducive environment through mortgage financing for home ownership among all segments of the Nigerian population (both urban and rural) through the promotion and regulation of the activities of private sector real estate developers, housing corporations, and housing co-operatives on the basis of mortgage financing;

 - (d) promote the modernization, computerization and human resources development of Lands Registries throughout the country with special attention to the development of a co-coordinated and comprehensive Registry for all Lands belonging to the Federal

Government and all its agencies, and network all Land Registries in the country into a National Depository;

- (e) collaborate with the Federal Ministry of Industries, the Nigerian Building and Roads Research Institute, and the Committee of Bankers in promoting the growth and development of Small and Medium Scale Industries in the building materials sub-sector in all parts of the Federation;
- (f) set standards, regulate, supervise, monitor the development of all categories of building materials and housing types for both rural and urban areas in the country;
- (g) promote and regulate the development of a robust primary and secondary mortgage finance industry in the country through partnership with the private sector;
- (h) set national standards and generally monitor all legislation relating to the efficient operations of towns and cities as well as the socio-economic development and the quality of life of urban settlement;
- (i) promote the development and upgrading of urban management information system in all Nigerian cities by ensuring that all houses are numbered, all streets are named and neighbourhood boundaries clearly identified and demarcated;
- (j) ensure that all Nigerian towns and cities are mapped on appropriate cadastral scale through collaboration with the Federal Ministry of Science and Technology especially National Space Research and Development Agency (NASRDA) to provide satellite images from which the maps are easily made;
- (k) assist State Governments in developing and operating transport and traffic plans for efficiency in mobility and land-use development in Nigerian towns and cities;
- (l) assist State Governments in promoting the establishment of a Consultative Assembly in each town and city, with a view, to initiating and sustaining the culture of participatory budget and

quantitative environmental maintenance in all Nigerian urban centres;

- (m) establish a co-operative mechanism with State Governments, for ensuring Federal Government assistance in dealing with the complex problems of metropolitan centres in Nigeria;
- (n) seek bilateral and multilateral assistance for promoting housing and urban development;
- (o) co-operate with the Presidential Technical Committee on Housing and Urban Development in the process of implementing the Housing and Urban Development Policy (2002); and
- (p) the supervision of the regulatory bodies of the professions in the built environment.

2.6.2.4 Private Sector-Driven House Provision

A major policy shift in housing provision from direct construction of houses for sale by Government and its agencies to creating the enabling environment for private sector participation in housing delivery which implies:

- (i) the physical construction and provision of houses and their disposal shall be private sector-driven with Government creating and sustaining the enabling environment. In this connection the Ministry shall be a purely Policy Ministry and shall not take part in physical construction of houses;
- (ii) that in the provision of special low-income and rural-housing in all States of the Federation and Federal Capital Territory, funds shall be provided by the Federal Government and other sources.

2.6.2.5 Institutional, Legal Reforms and Others

- (i) The reforms under reference refer to the restructuring, strengthening and recapitalization of the following Institutions:
 - (a) Federal Housing Authority (FHA);
 - (b) Federal Mortgage Bank of Nigeria (FMBN);

- (c) Federal Mortgage Finance Limited (FMFL);
 - (d) Urban Development Bank of Nigeria (UDBN); and
 - (e) Nigeria Building and Road Research Institute (NBRRRI)
- (ii) The creation of the following new institutions were proposed but were not accomplished:
- (a) The National Housing Trust Fund through the transformation of the National Housing Fund; and
 - (b) The Department of Building Standards in the Standards Organization of Nigeria.
- (iii) The review of the provisions of the following Acts were made and forwarded as Bills to the National Assembly by 2004:
- (a) The Trustee Investments Act, 1962;
 - (b) The Land Use Act, 1978;
 - (c) The Mortgage Institutions Act, 1989;
 - (d) Federal Housing Authority Act, 1990;
 - (e) The National Housing Fund Act, 1992;
 - (f) The Federal Mortgage Bank of Nigeria Act, 1993;
 - (g) The Nigerian Social Insurance Trust Fund Act, 1993;
 - (h) The Investments and Securities Act, 1999; and
 - (i) The Insurance Act, 2002
- (iv) Other Laws and Regulations etc. that were reviewed but were yet to be translated into Bills and forwarded to the National Assembly are:
- (a) Employees Housing Scheme (Special Provisions) Act;
 - (b) Federal Government Staff Housing Board Act;
 - (c) Conveyancing Act 1881;
 - (d) The Federal Lands Registry/Miscellaneous (Provisions) Act;
 - (e) Urban and Regional Planning Act, 1992;
 - (f) National Construction Policy, 1991;
 - (g) National Urban Development Policy, 1997;
 - (h) Stamp Duties and Value Added Tax Act;
 - (i) The Nigerian Stock Exchange Act;
 - (j) Securities and Exchange Commission Act; and
 - (k) The Pensions Act.

- (v) Also reviewed were :
 - (a) The various circulars issued and regulations made which affect the development of mass housing by:
 - The Central Bank of Nigeria (CBN);
 - The Federal Ministry of Environment, Housing and Urban Development
 - (b) The various regulations/circulars issued by the Central Bank of Nigeria for Universal Banking and applicable to mortgage finance institutions; and
 - (c) The listing requirements of the Nigerian Stock Exchange (NSE) for property companies and mortgage-backed securities and secondary market trading activities.

- (vi) The need for new laws/regulations was recognized and among these are:
 - (a) Regulations/circulars of CBN specifically designed for Primary Mortgage Institutions (PMIs), Federal Mortgage Bank of Nigeria (FMBN) and other Development Banks;
 - (b) A National Housing Trust Fund Act for the transformation of the National Housing Fund;
 - (c) A Mortgage (Home) Finance Law;
 - (d) A comprehensive Housing Provision Law on the recognition and inclusion of **'Housing Right'** like Civil Rights as a specific provision in the Constitution of the Federal Republic of Nigeria and not just as a preamble in the General Principles of Fundamental Objective and Directive Principles of State objectives; and
 - (e) A Foreclosure Act to reduce the risk of mortgage transactions.

2.6.2.6 **Creation of Institutional Framework for Mass Housing Production**

(i) **Real Estate Developers Association of Nigeria - REDAN (2002)**

With the emphasis on mass housing production, a new tool for housing development had to be found. Mass Housing is achievable by managing in a collective and co-operative way the entrepreneurial spirit and skill of developers. A developer is not necessarily a contractor and/or someone with qualifications in the professions more commonly associated with the Construction Industry. The estate developer is an entrepreneur and a risk bearer engaged in the business of efficiently investing his resources

in the development and provision of housing, for expected profitable returns on his investments. The organizations which can be said to be analogous to Developers but which are in the Public Sector are the State Housing Corporations. As private developers have not played any significant roles in housing delivery in Nigeria, they had to be mid-wifed in the delivery of housing and thus:

(a) The Presidential Technical Committee on Urban Development and Housing on 9th May, 2002, succeeded in launching the Real Estate Developers Association of Nigeria (REDAN). REDAN is now operational with its executive officers. The mission statement of REDAN is summarized thus: *'the strategic group of real estate developers in Nigeria, committed to leveraging national development through the provision of real properties and services at the lowest cost of acquisition, ownership and use'*.

(b) It also states that 'REDAN will conduct business responsibly to achieve superior financial returns on real estate investments, balanced with long-term growth of the industry, benefiting stakeholders and fulfilling a strong commitment to our nation, communities and the environment'.

(c) REDAN will also encourage investment in all types of properties, such as housing, commercial and industrial estates. However, REDAN

"will pay special attention to home-ownership and properties targeted at meeting critical housing needs of the various segments of our society".

(d) It was expected that the goal of REDAN should be professionalism. Professionalism goes with ethics and best corporate business practice. It involves 'certification' of its members by the Federal Ministry of Housing and Urban Development as its regulatory authority. A regulatory body would eventually be established by an Act of the National Assembly.

(e) To financially mobilize REDAN members, the FMBN opened a financial window for the grant of estate development loans to developers effective from April, 2002. The loan which is for a period

of 24 months is at 10% interest for the production of target priced houses. The developer repays his loan not later than 24 months. The PMI(s) selling the target-priced houses for the developers would also assess funds for and on behalf of the mortgagor/contributors to the Fund at 4% and on-lend same to them at 6% over a maximum period of 30 years. The PMI for and on behalf of the mortgagors, pays off the developer who on completion of the development of the estate, moves to another site. The PMI continues a guaranteed payment to FMBN. The mortgagor/beneficiary repays the PMI on a monthly basis over the amortization period.

(ii) Building Material Producers Association of Nigeria (BUMPAN)

- (a) The Building Materials Producers Association of Nigeria (BUMPAN) was formally established on 24th March, 2004. The objective of forming BUMPAN is to identify, mobilize and sensitize small and medium domestic producers of building materials and components to the challenges and economic potential that the current housing policy offers. Therefore, it is expected that this Association would lay a solid foundation for the development of robust, effective and economically viable small and medium scale industries for the production of building materials. It would also facilitate the production of affordable target priced houses which would be within the reach of contributors to the National Housing Fund.
- (b) Similarly BUMPAN would provide backward and forward linkages in housing production, being the building materials and the associated small and medium scale industries which would offer employment opportunities, create wealth and contribute to economic progress of the country.

2.6.2.7 Secondary Mortgage and Bond Market Transactions

During this period, the FMBN made its first in-road into the Capital Market through:

(a) The Debt Management Office (DMO) Loan Facility

The Bank had successfully sourced in 2006 a loan facility of ₦5billion from the Nigeria Deposit Insurance Corporation (NDIC) for use primarily to finance its secondary mortgage operation. The loan attracted 8% interest with a 3-year tenor. Only interest is payable before the end of the tenor at which point the loan is redeemable. Yet it should be noted that there appears to have been no secondary mortgage operations which FMBN had carried out with the ₦5billion. It did not commence 'rudimentary secondary mortgage transaction' and by not repurchasing from PMI mortgages, it stunted and dwarfed the growth of secondary mortgage transactions which the FMBN has a mandate to grow.

(b) ₦100billion Mortgage-Backed Bond

- (i) The purpose of floating this bond was to use part of its proceeds to finance the sale of the 30,000 units of non-essential houses of the Federal Government and its Agencies in Abuja for the benefit of Civil Servants, under a mortgage arrangement. The first tranche of ₦26billion bond floated was over-subscribed. Funds became available for the purchase of the mortgages created subject to their being perfected.
- (ii) The path leading to this successful first float was a very revealing and interesting learning experience. To kick-start the process, many consolidated banks and PMIs signed up to participate in loan origination under the FMBN-FGN National Homeownership Programme which commenced with the sale of FGN's non-essential housing units in the Federal Capital Territory. To ensure the success of the issuance, the Federal Government guaranteed the bond and approved the following incentives to the bond:
 - (a) guarantee the ₦100billion Bond of FMBN in two tranches of ₦50billion each;
 - (b) the Bond shall be gazetted thereby qualifying for Trustees Investment;
 - (c) the Bond shall be treated for investment purposes as a Government security;
 - (d) investment in the Bond by insurance companies shall be regarded as a permissible investment;
 - (e) interest income on the Bond shall be treated as non-taxable by the Federal Inland Revenue Service;

- (f) no capital gains tax on disposal before or at maturity;
 - (g) registration and Issuing House Fees by Securities and Exchange Commission be reduced to nominal fee not exceeding ₦10million;
 - (h) FMBN be registered as an Issuing House by the Securities and Exchange Commission, subject to the Minister of Finance approving each issue, based on Presidential or Federal Executive Council Authorization. In this initial instance, FMBN should act as a joint issuing house with another reputable approved institution;
 - (i) the Bond shall qualify as an approved investment by Pension Fund Administrators (PFAs);
 - (j) the single obligor limit for banks shall not apply to their investment in the Bond;
 - (k) bank's investment in the Bond shall also be exempted from the 1% general loan loss provision;
 - (i) investment in the Bond by banks shall qualify for investment by SME funds subject to a cap to be advised by the Governor of the Central Bank of Nigeria; and
 - (m) investment by banks in the Bond, being a marketable security, shall also count as part of their liquid assets, subject to a maximum of three (3) year tenor.
- (iii) To provide a legal framework to the incentives etc. they were embodied in 'S.I. 55 of 2006' published as Federal Government Gazette No. 56, Vol. 93 dated 27th October, 2006. Accordingly, the CBN has issued circulars to banks confirming approval and waivers for the FMBN bond to the effect that:
- (a) the single obligor limit for banks shall not apply for their investment in the Bond;
 - (b) banks also be exempted from 1% general loan loss provision in respect of their investment in the Bond;
 - (c) investment in the Bond by banks shall qualify for investment by SME funds subject to a cap to be advised by the Governor of the Central Bank of Nigeria; and
 - (d) investment by banks in the Bond, being a marketable security, shall count as part of their liquid assets, subject to a maximum tenor of three (3) years.

2.6.2.8 Housing Development in the Coastal States of the Niger Delta

- (i) Consequent upon an interactive session in June, 2006 by the Minister of Housing and Urban Development with the Commissioners of Housing and Urban Development in the seven (7) Coastal States of the Niger-Delta - Akwa-Ibom, Bayelsa, Cross River, Delta, Edo, Ondo and Rivers, the National Technical Committee on the Federal Government's Initiative for Housing Development in the Coastal States of the Niger-Delta was set up in July, 2006.
- (ii) The Committee was among other mandates, charged with designing strategies to develop housing and infrastructure solutions for low income households in the coastal areas of the Niger-Delta and to establish the basis for long term sustainable infrastructure, housing and economic development in the region.
- (iii) The Committee submitted its final report on Tuesday, October 10th, 2006 and proposed the following:
 - (a) strategies that would speed up the initiation of housing and infrastructure financing;
 - (b) establish a mechanism for mobilizing additional donor resources for housing and infrastructure development;
 - (c) ensure easy access to mortgage finance for housing development and homeownership;
 - (d) promote public and private collaboration for housing and infrastructure delivery; and
 - (e) facilitate the development and promote the use of house designs and methods for effective housing delivery to the people living in the coastal areas and the mangrove swamps of the Niger-Delta region.
- (iv) The Committee recommended that the funding of the projects should be made through Federal, State and Local Governments and their agencies. FMBN was however, expected to open a **'Special Coastal Housing Window'** for on-lending to developers as well as the beneficiaries under terms and conditions to be spelt out in the final implementation plan.
- (v) The Committee also proposed that the FMBN should be the depository and custodian of funds for on-lending for the provision

of housing and infrastructural services in the Coastal Areas and the said mangrove swamps of the Niger-Delta through the Primary Mortgage Institutions. Approval and implementation of the recommendations of the Committee would probably have reduced the rise of insurrection, militancy and terrorism in the Niger Delta.

2.6.2.9 The Federal Government Staff Housing Loans Board

- (i) The funding for loans, under the Federal Government Staff Housing Loan Board is by releases from the Federal Government and the repayments from existing mortgages. The Federal Government Staff Housing Board is not funded from the National Housing Fund (NHF) contributions. In consideration of the following: the development of a Federal Mortgage System; the sale of Federal Government houses; the fact that the idea of an employer lending to employees to buy homes or own assets is archaic and undermines the emergence and the role of a mortgage finance system; the well established fact that Ministries and Parastatals are not known for prompt and efficient collection of debts, therefore such staff mortgage loans would become bad debts; and the fact that employees will have little or no contact with their staff on disengagement consequent on the Contributory Pension Scheme, **on 9th March, 2006, Government approved that:**
- (a) the activities of the Federal Government Staff Housing Loan Board be wound up;
 - (b) the Board's assets and liabilities be transferred to the Federal Mortgage Bank of Nigeria (FMBN);
 - (c) the Board's funding be transferred to the FMBN to fund Mortgage System Fund to be available to all Nigerians, Civil Servants inclusive; and
 - (d) On 5th January 2007, Federal Government reversed its 9th March 2006 decision, thus the Federal Government Staff Housing Loans Board is to fully discharge its functions as stipulated in the law establishing it.
- (ii) The 'Social-Housing' lending window shall continue to be funded directly by Government as it now does through the Staff Housing Loan Board. One of the differences in this new window is that it will not be restricted to Civil and Public Servants only. The interest on this type of loan will always continue to be subsidized and since

NHF is now on-lent by PMI(s) at 6%; this social housing loan shall be at a rate not exceeding 4%. As FMBN is a secondary mortgage institution, transactions on this Social Housing window shall be conducted through Primary Mortgage Institutions.

2.6.2.10 Implementation, Monitoring and Evaluation Mechanism

- (i) This mechanism encompasses co-ordination, monitoring and performance evaluation strategy. The Federal Government White Paper on the Report of the Presidential Committee on Urban Development and Housing noted that:

“The long-term impact of the strategies outlined in this document will depend on the implementation of the actions outlined. Specific plans of action targeted at the set goals will need to be developed or strengthened, where appropriate and their implementation will need to be monitored and evaluated in close co-operation with the other partners in sustainable urban development. Similarly, progress in implementing the policy needs to be assessed with a view to encouraging and enabling all interest parties to improve their performance”.

- (ii) Consequent upon this observation, the Federal Government accepted the following recommendations as a sign of affirmation in the principle of co-ordination, monitoring and performance evaluation:

“Government shall therefore establish appropriate performance evaluation standards and appoint a Co-ordination and Monitoring Committee at least once in two years to monitor and evaluate the progress made towards, and problems encountered, in achieving the goals and objectives of the National Housing Policy and Urban Development and recommend appropriate measures and alternative actions as deemed necessary to enhance the dynamic nature of the sector. The Committee, which shall be from outside the Government, shall comprise persons knowledgeable in the field and with adequate qualifications and proven cognate experience”.

- (iii) Ten years after this acceptance in principle, it is pertinent to say that Government has done little or nothing about the establishment of *'appropriate performance evaluation standards'*. It is also noted that Government has done nothing about the appointment of *'Co-coordinating and Monitoring Committee at least once in every 2 year'*. By 2009, the third in the series of the Committees, should have completed its assignment and arrangements finalized for the composition of the 4th (2009-2010) in the series.

2.6.2.11 Political Will

- (i) The Report of the Presidential Committee on Urban Development and Housing (2002) observed that:

“the policies and programmes of successive Governments did not satisfy the quest of the average Nigerian for housing principally due to lack of political will. Consequently, emphasis for obtaining better results shall be placed on the strategies for successfully achieving the goal and objectives of this new housing policy by all parties”.

- (a) The Government noted this observation and stated that it would *“Develop and sustain the political will of Government for the provision of housing for all Nigerians”.*

- (b) Is it enough to note these weighty observation and objective as it signifies an absence of political will which is the greatest drawback and obstacle in housing and urban development?. There are also problems of inconsistency in policy formulation and implementation.

- (ii) In Nigeria, we have all it takes (knowledge, finance, manpower, sources of building materials, appropriate technology etc.) if properly harnessed; for a quantum leap in the provision of housing for our people. How can we become one of the leading economies in the global society when we are not paying serious attention to housing delivery with its attendant **'backward and forward linkages'** that would accelerate our economic growth in real terms? The main reason why we have failed in housing our people and still retain our **'No Housing'** status is the inability of our leaders and as well as the followership to develop and sustain the **determined will** to rise to our

responsibilities and challenges in the provision of mass housing for Nigerians. We are unable to consistently and constantly pursue in a determined, sustained and orderly productive manner available solutions for mass housing Nigerians.

2.7 CIVILIAN ADMINISTRATION (29TH MAY 2007-5TH MAY, 2010)

2.7.1 The administration inherited the assets and liabilities of housing from the 3rd Civilian Administration (29th May 1999 to 28th May, 2007). From the various Reports and White Papers inherited from the previous administration; it was obvious that the outstanding work was still herculean. The assignments had to be tackled with urgency if the momentum gained from 29th May, 1999 to 28th May, 2007 in the preparation for giant strides in housing provision is to be maintained for the acquisition of faster movement in the driving of the housing implementation engine. The efforts of this administration would be looked at from the following actions taken:

- (i) The Seven Point Agenda (Land Reform);
- (ii) Setting up of the following Committees:
 - Land Use Act Review Committee (2007);
 - Presidential Committee on the Implementation of Policy on Affordable Housing Delivery (2007); and
 - The Presidential Technical Committee on Land Reform (2009)
- (iii) Federal Ministry of Environment, Housing and Urban Development.

2.7.2 Seven Point Agenda (Land Reforms)

- (i) One of the first assignments of the Administration was the declaration of the **Seven Point Agenda**. Land Reform is the fifth item on this Agenda. In implementing this Agenda, the existing laws were to be reviewed to ensure equitable use of the nation's land assets for socio-economic development. The document stated that

".....with hundreds of billions of Dollars being lost through unused government owned assets, changes in the land laws and the emergence of land reforms will optimize Nigeria's economic growth through the release of lands for commercialized farming and other large scale businesses by the private sector. The final result will be improvements and boosts to the production and wealth creation initiative".

- (ii) It should be observed that the Seven Point Agenda disconnected land reforms from housing which ought not to be. Housing is an essential part of any land reforms if the objectives of land reforms are to be fully achieved.

2.7.3 Land Use Act Review Committee (2007)

- (i) This Committee was set up in 2007 in pursuance of the Land Reform Agenda. The Land Use Act Review Committee was under the Chairmanship of the Minister of Justice and the Attorney General of the Federation. It is probably as a result of the work of this Committee that Government was able on 18th February, 2009 to forward to the National Assembly, a Bill to Amend the Land Use Act CAP. L5 LFN 2004.
- (ii) It is quite obvious that the Bill was not for the total amendment of the Land Use Act as it amended the Act only by restricting the requirement of Governor's consent to assignments. What had been hoped for and argued about since 1978 was a total review of the Land Use Act. What had been submitted as an Executive Bill for the amendment of the Land Use Act was not far reaching. This first amendment ought to have tackled the main identified deficiencies to make the Act serve the purpose for which it was intended. It is imperative that the first thing that should be done is to remove the Act from the Constitution.
- (iii) Over the past three decades, calls for the amendment of the Act have been deafening, and nothing could be done because of what was required, knowing that to amend the Act in its present form means amending the Constitution. There is therefore the need to make the Act more amenable to future amendments. Some erroneously give the impression that removing it from the Constitution could lead to its bastardization, especially by State Governments, such impression is not true. When the Act is removed from the Constitution, it still remains a Federal Act, and no State Legislature can amend it. All a State can do, as they are already doing at present is to make regulations as empowered under the Act. In the proposed Bill, only mortgage and transfer of possession are being removed from the consent requirements.
- (iv) Owners of whatever stocks and share in whatever quantity can sell without seeking the approval of anybody; therefore, the holder of Land should not be required to seek consent especially when the cost of investible money is the same. Therefore, it is not enough to exempt only

mortgages and transfers of possession while still subjecting sales and leases to such consent requirements.

- (v) All transactions in land should be done freely without the need for the owner or holder treading the tortuous path of consent. The other issues not addressed by the Bill and which ought to be considered for amendment are the provisions on 'Acquisition', 'Procedures', 'Compensation' (including disturbance and injurious affection), 'Title', 'Registration of Title' etc. It is however hoped that whatever defects and omissions in the Bill would be remedied by the Presidential Technical Committee on Land Reforms.

2.7.4 Presidential Committee on Implementation of Policy on Affordable Housing Delivery in Nigeria

- (i) On Tuesday, 21st August, 2007, the Federal Government set up a 15-Member Presidential Committee on Implementation of Policy on Affordable Housing Delivery in Nigeria under the chairmanship of the Minister of Environment, Housing and Urban Development.
- (ii) The Committee's terms of Reference include putting in place appropriate strategies for the implementation of the Housing Policy comprising:
 - (a) Necessary review of existing laws and, where required, drafting of appropriate bills for forwarding to the National Assembly;
 - (b) Putting together financial instruments/institutions for ease of affordable housing; and
 - (c) Ensuring necessary insurance backbone towards adequate financing.
- (iii) The Committee which submitted its Report on 10th March, 2008 made far reaching recommendations in the following areas:
 - (a) Legislation;
 - (b) National Housing and National Urban Development Policies;
 - (c) Land Titling and Registration;
 - (d) Finance and Funding;
 - (e) Concessions, Incentives, Insurance and taxes;
 - (f) Housing Infrastructure; and
 - (g) Building Regulations, Materials, Technology and Skilled Labour.
- (iv) On receipt of the Report, the President gave conditional approval to the Report for the implementation of the recommendations and directed:
 - (a) The Ministry of Environment, Housing and Urban Development to prepare the Action Plan and Programmes for affordable housing

including enunciation of strategies for raising the required seed money of 70 billion Naira; and

- (b) Ensure synchronization of the Committee's recommendation on legal issues with the work of the Committee on Land Reforms under the Attorney-General of the Federation.

- (v) An implementation work plan was duly submitted in August, 2008, on how best Government can implement the various projects. A decision is still awaited.

2.7.5 Presidential Technical Committee on Land Reforms

An eight Member Committee was inaugurated on 2nd April, 2009. The Committee was yet to submit its Report as at 5th May 2010 when there was an unexpected change in the Presidency. However, there is need to state that there are views held that the Committee should have been titled '*Land and Housing Reforms*' Committee.

2.7.6 Federal Ministry of Works, Housing and Urban Development/Federal Ministry of Environment, Housing and Urban Development

- (i) The Administration inherited a Federal Ministry of Environment, Housing and Urban Development. The Administration dissolved even this weakened Ministry on 19th January, 2009 and returned the responsibility for housing matters to the Federal Ministry of Works, renaming it Federal Ministry of Works, Housing and Urban Development. The relegation of housing to irrelevance whenever it is merged with another Ministry is illustrated in the budgetary provision for 2009. The Housing Sector had a proposed allocation of ₦3.8billion. Out of this amount, ₦2.5billion was for personnel cost, thus, leaving only ₦1.3billion as capital provision for housing. The fact that it has not been possible for Housing to survive as a full fledged Ministry is an indication of the lack of commitment in dealing with the provision of houses for Nigerians and the low priority accorded same.

2.8 CIVILIAN ADMINISTRATION (6TH MAY, 2010 TO DATE)

- 2.8.1 The administration retained the existing policy on housing and improved on same by correctly re-establishing a Ministry of Housing named - The Federal Ministry of Lands, Housing and Urban Development.

2.8.2 The direction of the administration is signposted in The Transformation Agenda 2011-2015, and that:

- (i) *“.....the Federal Ministry of Housing will provide Site and Services in all parts of the Country in collaboration with States and Local Governments. On their parts, States and Local Governments will provide Low Cost Housing units within the range of 100,000 - 200,000 housing units’ annually in major cities across the country. Local contents such as bricks will be encouraged in the construction of housing while all inputs used in delivering housing will be obtained from the locality to create jobs and add value’.*

- (ii) *“Housing is also part of the critical infrastructure to accelerate economic development and forms a substantial part of the Gross Domestic Product (GDP) of most developed countries. Nigeria with an estimated population of 150 million requires at least additional 720,000 housing units per annum (based on an estimate of 9 dwelling units a year per 1,000 of population) not only to replenish decaying housing stock, but also to meet rising demand and avert a further housing crisis by 2020. Successive efforts to meet this target have failed as housing deficit now stands at over 17 million units in Nigeria. Consequently, at least ~~₦~~60 trillion is required to provide 17 million housing units at ~~₦~~3.5 million per unit”.*

2.8.3 **Vision 20:2020 National Technical Working Group in Housing:**

- (i) The report of the Vision 20:2020 National Technical Group in Housing states that;

“housing would be achieved through a private sector led housing delivery system anchored on mass construction of houses and strong mortgage finance”;

- (ii) Vision 20:2020 Implementation Plan states that:

“.....10 million new houses to the national housing stock should be added by building an average of 1 million new homes every year; and ensure that at least 50 percent of the new homes are built in the urban centres and the remaining in the rural areas; and provide incentives to encourage Public Private Partnership (PPP) in mass housing development”.

2.8.4 Financial Sector Strategy (FSS2020)

- (i) The FSS2020 Vision for Nigeria's housing/mortgage industry by year 2020 is summarised as follows:
 - (a) The creation of a mortgage market that is not only safe and profitable but one that would provide access to housing finance to a minimum of 30% of Nigerians in all social classes in urban centres for the purpose of owning their own houses;
 - (b) A market that has multiple long-term funding sources including full integration with the Nigerian capital market where the value of listed mortgage-backed securities would be at least 20% of the market capitalisation of equities; and
 - (c) A market that would account for at least 15% of the Gross Domestic Product (GDP) of the country, stimulating construction activities with attendant multiplier effect and providing not less than 10% of the population with jobs.
- (ii) This ambitious destination set under the FSS2020 roadmap has very significant change implications. It means that by 2020, the following must occur:
 - (a) Access to housing finance should grow from the present level of 0.5% to 30%;
 - (b) Capital Market products for the finance of the mortgage sector including mortgage-backed securities should grow from the present zero per cent to 20%; and
 - (c) The contribution of mortgage finance to the GDP of Nigeria to grow from the current 0.76% to 15%.

CHAPTER THREE

POLICY THRUSTS, OBJECTIVES AND STRATEGIES

3.1 INTRODUCTION

- 3.1.1. The purpose of this Policy is to ensure that all Nigerians own or have access to decent, safe and sanitary housing in healthy environment with infrastructural services at affordable cost, with secure tenure. This positions the housing sector as one of the prime drivers of socio-economic development, including job creation and employment, as well as accelerated national transformation.
- 3.1.2 In order to realize this policy, Government shall pursue the following, thrusts, objectives and strategies:

3.2. POLICY THRUSTS

- (i) encouragement of the active participation of the three tiers of Government and other stakeholders, in housing delivery;
- (ii) creation of an enabling environment for private sector investment and the injection of offshore funds for housing development;
- (iii) establishment of a National Housing Data Bank, with data generated at three tiers of government, to adequately capture the trends, characteristics and other defining features of the housing sector in order to assist in making informed decisions on housing supply and demand planning;
- (iv) harmonization and standardization of land administration processes nationwide;
- (v) establishment and development of title and mortgage insurance systems;
- (vi) collaboration and partnership with States and Local Governments to produce a unified and integrated infrastructure development policy for housing so as to open new layouts and private sites and services for the private sector to develop affordable and decent mass housing facilitated by Government;
- (vii) collaboration and partnership with the financial sector operators and regulators to develop effective primary and secondary mortgage finance systems and facilitate linkage of that market to the capital market to provide long term affordable and sustainable liquidity for housing development;

- (viii) undertaking land reforms to facilitate private sector investment in housing;
- (ix) promotion of the use of locally made building materials and appropriate production technologies by governments taking the lead;
- (x) promotion of production of appropriate building construction technologies;
- (xi) promotion of job creation through mass housing delivery as a catalyst for rapid and sustained social economic development;
- (xii) promotion of Social Housing, as well as Cooperative Housing, as social responsibilities of Governments for ensuring poverty reduction towards a just and equitable society; and
- (xiii) promotion, encouragement and strengthening of professional excellence in the built environment through capacity building, provision of conducive environment and appropriate remuneration.

3.3 OBJECTIVES

Specifically, the objectives are to:

- (i) develop and sustain the political will of governments for the provision of housing;
- (ii) develop an efficient land administration system to make land ownership available, accessible, secure and easily transferable at affordable price;
- (iii) provide adequate and affordable housing finance to all Nigerians by developing efficient primary and secondary mortgage markets;
- (iv) ensure the use of relevant and Nigerian professionals in the built environment to provide all services for efficient housing delivery;
- (v) ensure that all persons who offer professional services in the built environment are appropriately registered with the relevant professional regulatory body in Nigeria;
- (vi) establish an efficient administrative, legal and regulatory framework to enforce the control and monitoring of housing delivery;
- (vii) develop professional and skilled manpower by building adequate capacity through training and skills acquisition and ensure co-operation and synergy among professionals in the built environment to support the housing sector in the control and monitoring of housing delivery systems.

- (viii) reduce the cost of production of houses by developing and promoting appropriate designs, use of materials and production technologies in the housing sector;
- (ix) add 10 million new homes to the national housing sector stock;
- (x) maximise job creation in the construction and allied sectors;
- (xi) encourage and promote best environmentally friendly practices in housing delivery;
- (xii) improve the quantity and quality of rural housing, cooperative housing and housing for special groups;
- (xiii) improve the quality of rural infrastructure and its environment;
- (xiv) Establish the National Housing and Urban Development Regulatory Commission to provide overall coordination and advancement of the sector; and
- (xv) establish an institutional framework for sustainable maintenance and Facilities Management process.

3.4 STRATEGIES

3.4.1 The strategies for attaining the above-mentioned objectives are to:

- (i) confer secure, registerable, duly insured and marketable title on land through the following:
 - a) establishing an efficient and transparent land title transfer system;
 - b) simplifying existing land procedures for effective title and consent delivery;
 - c) strengthening existing capacity for an efficient National Land Information System and its decentralization to States and Local Governments; and
 - d) establishing a title insurance system.
- (ii) provide site and services to open up new areas;
- (iii) provide funding for a detailed empirical research study for the establishment of an efficient primary market;
- (iv) enforce the National Housing Fund (NHF) contributions for both the public and private sectors;
- (v) re-examine the policy on privatization of FHA with a view to commercialising the Federal Housing Authority to enable it to compete with other players in the industry in the provision of mass housing but provide funding support through budgetary allocation and other incentives in provision of social housing;

- (vi) recapitalize the Federal Mortgage Bank of Nigeria to an appropriate level as prescribed by the Central Bank of Nigeria from time to time so as to provide a linkage between the mortgage market and the capital market;
- (vii) recapitalize the Primary Mortgage Institutions (PMIs) to an appropriate level as prescribed by the Central Bank of Nigeria from time to time;
- (viii) develop tradable instruments to enable National Pension Commission (PENCOM) invest a sizeable part of its funds in the housing sector;
- (ix) establish an intervention fund of sufficient quantum to improve substantially, the liquidity of the mortgage sector for housing development;
- (xi) encourage Ministries, Departments and Agencies (MDAs) to place funds/ deposit with the PMIs;
- (xii) establish an effective administrative, legal and regulatory framework to enforce the control and monitoring of housing delivery by having a National Housing and Urban Development Regulatory Commission that would regulate and control the housing and urban development sectors;
- (xiii) design appropriate platforms and incentives to facilitate home ownership for the no - income, low and middle income groups under social housing as well as cooperative housing schemes by implementing pilot schemes and control projects;
- (xiv) establish a mortgage and title insurance system that will enhance mortgage credit operations;
- (xv) establish an efficient foreclosure system that will give more guarantees to lenders in cases of default;
- (xvi) encourage the States to review their landlord and tenant laws so as to engender harmonious relationship between tenants and landlords and to reduce defaults in rent payments and thereby encourage investments in private rental residential housing;
- (xvii) design and implement measures to encourage investment in affordable rental housing;
- (xviii) excise the Land Use Act from the constitution and review it to ease the process of acquisition and disposal of landed properties;
- (xix) encourage the States and Local Governments to enact laws and make regulations to prevent and control avoidable loses from building collapse and fire incidents;

- (xx) enact laws and make regulations that ensure that all buildings insured in Nigeria are produced or certified by Nigerian professionals in the built environment;
- (xxi) review and update, as and when necessary, the provisions of the following Acts to make them more effective and enforceable, namely the:
 - a) Mortgage Institutions Act;
 - b) Federal Mortgage Bank Nigeria Act;
 - c) Trustee Investment Act;
 - d) Insurance Act;
 - e) National Housing Fund Act;
 - f) Employees Housing Scheme (Special Provisions) Act;
 - g) Federal Government Staff Housing Board Act.
- (xxii) develop institutions and programmes for skills acquisition and transfer, capacity building and upward mobility for both skilled and unskilled labour in the housing sector, including attachments to counterparts and competent institutions in foreign countries with well defined minimum exposure and practical training ;
- (xxiii) rehabilitate all existing technical, vocational training centres and trade schools and build new ones;
- (xxiv) revive the certification and registration of all skilled manpower through trade test;
- (xxv) appoint qualified professionals in the built environment to head housing institutions and related agencies;
- (xxvi) fund and upgrade facilities in relevant faculties and departments of institutions of higher learning, as enumerated in the National Building Code;
- (xxvii) ensure the enforcement, especially by governments, of the provisions of the Regulatory Acts of the professions in the built environment;
- (xxviii) provide adequate funding for Research and Development (R&D) to improve the availability and affordability of building materials and technologies;
- (xxix) enforce the use of only certified local building materials for housing construction;
- (xxx) commercialize the products of Research and Development (R&D) of the Nigerian Building and Roads Research Institute and other allied institutes and promote their utilization through government patronage; and

(xxxi) enact and enforce the provisions of the National Building Code (NBC).

3.4.2 Other strategies shall be to:

- (i) promote the growth and sustainability of the Real Estate Developers Association of Nigeria (REDAN) and other similar institutions through granting of incentives such as tax holidays, concessionary interest rate on construction of mass housing or separate prudential guideline on lending to the real estate sector;
- (ii) promote the growth and sustainability of the Building Material Producers Association of Nigeria (BUMPAN) and other similar institutions through grant of fiscal incentives to small and medium scale local manufacturers of building materials in order to enhance local production as part of medium and long-term plan for minimising dependence on imported building materials;
- (iii) promote appropriate and cost effective design of houses for different parts of the country to satisfy peculiar local consideration and preferences;
- (iv) promote and encourage partnership between research institutions and private organizations, including encouraging private sector organisations and other entities to finance research work related to innovations in design, local materials and their applications, as part of their corporate social responsibility;
- (v) build an average of one million new homes every year to boost the national housing stock;
- (vi) ensure that at least 40 per cent of the new homes are built in the rural areas and the remaining in the urban areas;
- (vii) provide incentives (take-off grants, credit support, supply of land, subsidizing consumption and supply) and the necessary legal and regulatory environment to attract Public-Private Partnership (PPP) and Public - Public Partnership (Pb-Pb-P) in mass housing development;
- (viii) provide new homes through a sustainable housing delivery framework involving direct development, public-private partnership, public-public partnership, social housing, cooperative housing, rental housing, regeneration, new town development and sites and services;
- (ix) convert available government unused lands for the construction of new homes;

- (x) pay all outstanding compensations on land acquisitions and promptly pay adequate compensation for all new acquisitions;
- (xi) complete all on-going and abandoned government housing projects, such as the National Housing Programme and provide the complementary infrastructure;
- (xii) initiate and vigorously enforce a public policy measure of linking housing development with job creation by adding employment criteria as a margin of preference in contract awards;
- (xiii) enact an equivalent of the Petroleum Sector's Local Content Act for the building and construction sector;
- (xiv) design and execute well articulated programmes to reduce the influx of artisans into Nigeria from other countries;
- (xv) undertake school buildings modernization and other public buildings renovation as well as waste management works through labour intensive methods, and encourage the use of local contents such as bricks in their construction;
- (xvi) conduct periodic surveys to provide reliable data on job creation in the housing sector;
- (xvii) rehabilitate and properly utilize all degraded land suitable for housing construction;
- (xviii) implement Federal, States and Local Governments environmental policies, programmes and regulations in the housing sector;
- (xix) ensure that provisions are made for formal parks, gardens, open spaces, greens, trees and general landscaping elements to enhance ecological balance. Where provisions are made, ensure that they are maintained as well as sustained and not converted for other uses;
- (xx) encourage the modernization and upgrading of traditional housing designs and building materials in order to ensure greater safety, comfort, reliability and easy maintenance while retaining the traditional values and relationships within the cohesive household unit;
- (xxi) encourage and promote the effective participation of the private sector and other stakeholders in the provision of rural housing and related infrastructure and utilities (water, electricity, sanitation, etc);
- (xxii) promote the development and adoption of improved sanitation practices; and
- (xxiii) mobilize communities and train artisans at the community level for maintenance of rural infrastructure, including housing.

CHAPTER FOUR

LAND FOR HOUSING

4.1. INTRODUCTION

4.1.1 Land is a basic requirement for sustainable housing delivery. The main problems associated with the acquisition of land for housing are availability, lack of political will on the part of government, accessibility, ownership rights including security of tenure and absence of land use plans. These constitute great obstacles to development in the public and private sectors of the economy.

4.1.2 The Land Use Act was intended to facilitate availability of urban and rural land for development. The Act has, however, been a constraining factor in housing delivery arising from the following:

- (i) the inclusion of the Act in the Constitution makes it inflexible and difficult to effect even minor amendments;
- (ii) vesting of all lands in the States in the Governors as well as Federal Lands in the Presidency;
- (iii) the cumbersome and costly procedures for obtaining Certificates of Occupancy, Consents to Mortgage, Assignments and Leases;
- (iv) restriction, in section 34(8) of the Act, imposed on private developers to acquire a maximum of half an hectare of urban land;
- (v) inadequacy of compensation for land acquired;
- (vi) delay in payment of compensation for acquired land;
- (vii) lack of follow-up action in promulgating supplementary legislation for effective implementation of the Act; and
- (viii) The use of the Act to settle personal and political scores.

4.1.3 Since its enactment in 1978, the objectives of the Land Use Act have not been achieved. It is therefore desirable that this Act be amended. The adverse impact of the Land Use Act goes far beyond the poor delivery of housing. It is arguably the single biggest constrain in Nigeria's desire to transform from a cash-based to a credit economy. Without the relevant amendments to the existing ACT, the expectations of Vision 20:2020 for Nigeria to become one of the world's twenty largest economies would be a mirage.

4.1.4 Land and reform process are by nature both social and economic. They reflect wide and divergent socio-economic interests of individual, families and communities. The ultimate expectation is to ensure sustainable socio-economic growth and development anchored on secure land tenure system and effective land titling. It therefore demands that the process be executed in the best professional and technical manner to guarantee the sustainability of the programme. There is no gainsaying the fact that structured reforms in the land holding pattern in our nation will encourage wealth creation and economic empowerment of Nigerians. Therefore there is need to develop a systems for Land Reform.

4.2 GOAL

The thrust of government's land policy is to make serviced land with secure tenure, easily available, accessible, transferable and at affordable price, for housing development.

4.3 OBJECTIVES

In order to achieve this goal, the appropriate tiers of government shall pursue the following specific objectives:

- (i) amend the Land Use Act and enact supplementary or amend legislations to facilitate the effective and efficient implementation of the Land Use Act;
- (ii) control the use of urban and rural lands through effective physical planning;
- (iii) facilitate availability of serviced lands;
- (iv) ensure security of tenure to land;
- (v) strengthen and coordinate Land Registries at all tiers of government to adopt a robust, dynamic, compatible and geo-referenced land information system for efficient land administration and housing delivery;
- (vi) keep proper records of land transactions by establishment of Land Registries and production of Cadastral and Township Maps;
- (vii) develop and maintain a title insurance system; and
- (viii) establish a National Land Commission.

4.4 Strategies

4.4.1 The following specific strategies will be pursued:

- (i) Develop an effective land administration system involving the following:
 - (a) provide secure, registrable and marketable titles on land;
 - (b) computerise the various land registry systems and develop an efficient National Land Information System;
 - (c) implement reform policies towards the development of a more effective land administration system;
 - (d) establish an efficient and transparent land title transfer system that simplifies existing land procedures for effective title and consent delivery; and
 - (e) encourage the establishment of title insurance systems and its institution.
- (ii) provide funds for detail empirical study for the establishment of an efficient primary mortgage market;
- (iii) excise the Land Use Act from the Constitution of the Federal Republic of Nigeria; and
- (iv) amend the Land Use Act along the following lines:
 - (a) establishment of Land Registries at Local Government Areas to facilitate registration of Customary Rights of Occupancy;
 - (b) issuance of Certificate of Occupancy and consent for mortgage should be completed not more than 30 days of application;
 - (c) regulate charges as well as time limit for grant of Consents on mortgages and assignments on land transactions;
 - (d) review of the composition of the Local Government Land Allocation Advisory Committees to include relevant professionals and other stakeholders;
 - (e) simplification and quickening of the process of payment of compensation not later than six (6) months from the day of acquisition;
 - (f) provision of guidelines for fixing ground rents and other land transaction charges by registered land professionals for compensation payments to reflect present day economic value of land; and
 - (g) provision of a review mechanism of the circumstances under which a certificate of occupancy can be revoked to reduce temptation to arbitrariness.

4.4.2 Make supplementary regulations for effective administration of the Land Use Act that will cover the following areas:

- (i) standardization and improvement of procedure for acquisition of land and for revocation of the title to land;
- (ii) improvement in procedure for speedy issuance of Certificate of Occupancy to make it less cumbersome and less costly; and
- (iii) standardization of procedures for Registration of Title to land at the Federal, State and Local Government levels.

4.4.3 Take the following initiatives among others, in the area of Survey and Cadastral maps:

- (i) regular production of Cadastral and Township Maps on a continuous basis in all relevant development scales in all parts of the country;
- (ii) establishment of Cadastral Control and Township Maps in all relevant development scales;
- (iii) introduction of a National System of compulsory Land Registration by Title to include:
 - a) total land coverage;
 - b) systematic geo-coordinate definition of every parcel of land related to the maps;
 - c) record of each and every interest in every parcel of land in the land registry of each state; and
 - d) standardisation and harmonisation of registration of all States and Local Governments lands in a network to the National Land Depository for coordination purposes. Such a database should be opened and, publicly accessibility for obtaining information.

4.4.4 Establish a National Land Commission whose functions and powers shall be to:

- (i) collaborate and provide technical assistance to States and Local Governments to undertake land cadastral nationwide;
- (ii) establish individual's land 'possessory' rights using best practices and most appropriate technology for processing identification of location and registration of title holdings;
- (iii) ensure that lands cadastral are demarcated in such a way that community, hamlet, village, village area, town, etc boundaries and title holdings will be recognizable;
- (iv) assist and encourage States and Local Governments, to establish an arbitration mechanism for land ownership conflict resolutions;

- (v) establish and maintain National Depository for Land Title Holders and Records in all states of the Federation and the Federal Capital Territory;
- (vi) establish a mechanism for land valuation in both urban and rural areas, in all parts of the Federation;
- (vii) develop a National Land Policy document for Nigeria;
- (viii) formulate appropriate land administration guidelines and integrate land administration processes and procedure nationwide;
- (ix) prescribe the minimum information and other data consent and specifications and form of all Certificates of Occupancy issued by state governors and Local governments under the Land Use Act;
- (x) facilitate the establishment and maintenance of geographic reference centres in such places as shall be determined by the Commission;
- (xi) facilitate the establishment and maintenance of title insurance system;
- (xii) the Commission shall at all times have powers to appoint special technical advisory committee of experts in relevant matters necessary for the effective delivery of its functions under the Act; and
- (xiii) undertake any other activity that will ensure an effective, simplified, sustainable and successful land administration in Nigeria.

CHAPTER FIVE

HOUSING FINANCE

5.1 INTRODUCTION

5.1.1 Housing finance is a critical factor in the housing delivery framework. It is the engine that drives the housing sector and generally refers to the money required for the development of housing units, provision of housing infrastructure and purchase or acquisition of housing units. Accessibility to large pools of long term funds at cheap rates is imperative for mass housing development but it is impossible to mobilize such funds in the absence of a well-developed and efficient housing finance system. Therefore, to ensure the attainment of the noble objectives of this Policy, the existence of an efficient and well-structured housing finance mechanism is imperative.

5.1.2 The Housing Finance mechanism must address the issues of affordability for households, accessibility and viability for financial institutions and developers. In addition, there must be enforceable property rights, effective registration and titling system, adequate foreclosure law, diversified funding including mortgage securities, credit information system, strong prudential regulations, level playing field among lenders, and sound risk management practices. Others are accessible and reliable housing data, existence of professional real estate intermediaries, urban development regulations adapted to economic realities and access to titled land for developers.

5.1.3 Government must show commitment to meeting these criteria in order to attract domestic and international resources for the expansion of the sector. This is the only way to build the confidence of investors in the system and attract the huge sums lying idle under the Pension funds, foreign direct investment and remittances from the Diaspora into the housing sector.

5.2. BACKGROUND

5.2.1. The Nigerian Building Society (NBS) was established in 1956 to mobilise savings from the public for housing loans. The NBS which was given the mandate to mobilize savings from the public for purposes of granting

housing loans transformed into the Federal Mortgage Bank of Nigeria (FMBN) in 1977. Despite the transformation, the housing finance structure remained largely undeveloped and unable to cope with changing conditions and increasing demands.

5.2.2 The National Housing Policy of 1991 created a two-tier housing finance structure with Primary Mortgage Institutions (PMIs) at the first tier and the Federal Mortgage Bank of Nigeria (FMBN), the supervisor and regulator, at the second tier. The Mortgage Institutions Act (No. 53 of 1989) prescribed the regulatory/supervisory framework for the establishment and operation of PMIs. Later, the Banks and other Financial Institutions Act of 1991, "BOFIA", as amended, transferred the licensing, supervision and regulation of PMIs and FMBN to the Central Bank of Nigeria (CBN).

5.2.3 The Primary Mortgage Institutions are to mobilise funds for their lending operations. Some of such loans (mortgages) can be off-loaded to the Federal Mortgage Bank of Nigeria to sustain continuous liquidity in the National Housing Fund (NHF) Scheme. This flow has unfortunately been constrained by the provisions of the Land Use Act, which restricts access to legal title to land.

5.2.4 The second component of the strategy was the National Housing Fund Law (Act No.3 of 1992) which was promulgated to create an alternative and continuous flow of funds from which loans could be granted to contributors on affordable repayment terms. The Law is still applicable and the main features are as follows:

- (i) Compulsory contributions of two and a half percent (2.5%) of basic salary by employees earning N3, 000.00 or above;
- (ii) Contributions attract yearly interest at compound rates, refundable to contributors on attainment of 60 years of age or on retirement from employment after 35 years of service;
- (iii) Contribution for a period of only six months qualifies a participant for the maximum loan;
- (iv) Amount of loan is not determined by the amount of contributions;
- (v) Loan is for building, buying, renovating or expanding a house;
- (vi) Loan attracts a fixed interest rate of not more than 6% and repayment is for a maximum period of 30 years;
- (vii) Building to be financed is the security for the loan;
- (viii) Maximum amount loanable is N15 million;

- (ix) Commercial Banks and insurance companies are required to remit prescribed percentages of their loanable funds and premium incomes respectively into the fund;
- (x) The Federal Government is to make regular contributions to the fund;
- (xi) The Federal Mortgage Bank of Nigeria is mandated to collect, manage and administer the Fund as an agent of government;
- (xii) PMIs are allowed to access the Fund (NHF);
- (xiii) The contribution is not to be seen as tax but as investment.

5.2.5 The Scheme has not been as successful as expected for the following reasons:

- (i) Inconsistencies in government policies as well as the operational modalities of both the Federal Mortgage Bank of Nigeria and the Primary Mortgage Institutions;
- (ii) Refusal by banks and insurance companies to invest in the Fund;
- (iii) Lack of commitment from all tiers of Government and some Government departments who have refused to deduct and remit workers' monthly contributions;
- (iv) Failure by government to contribute its equity and operational support funds on regular basis;
- (v) Cumbersome procedures and high cost of acquisition and transfer of land in most parts of the Federation;
- (vi) Difficulties in accessing loans from the Fund arising from insufficiency of the Fund, low incomes of contributors and their inability to meet loan repayment terms; and,
- (vii) High cost of perfecting mortgages (fees, taxes and stamp duties).

5.3 CHALLENGES FACING THE HOUSING FINANCE SECTOR

5.3.1 The challenges associated with housing finance are:

- (i) Non-availability of long term funds to individuals, financial institutions and estate developers all of who require long term funds;
- (ii) Fund mismatch, that is, the use of short term funds for long term lending;
- (iii) Intermediation in housing finance is extremely sensitive to inflationary environment and results in high cost of borrowing, given its long term nature;

- (iv) Limited ability to mobilize resources effectively for no-income, low income, and medium income housing;
- (v) Difficulties in meeting the housing finance needs of special groups such as the creek and mangrove dwellers of the Niger Delta Region, as well as pastoralist dwellers in the Sahel regions of the country;
- (vi) Absence of a strong secondary mortgage market player for the purpose of taking out mortgages originated in the primary mortgage market;
- (vii) Lack of uniform mortgage under writing standards;
- (viii) Dearth/paucity of conforming mortgage assets;
- (ix) Absence of a mechanism for effectively mobilizing and channelling construction finance; and
- (x) Absence of a National collateral Registry.

5.3.2 Failure of the first attempt at building an effective housing finance system is one of the factors that have given impetus to the need to formulate a new National Housing Policy wherein the foundation for an enduring housing finance mechanism fashioned after models of international best practices can be spelt out.

5.4 GOAL

The goal is to provide easy access to long-term affordable and adequate housing finance on a continuous and sustainable basis, so as to stimulate job and wealth creation, as well as general economic growth and development.

5.5 OBJECTIVES

In view of the above, the objectives shall be:

- (i) to encourage financial innovations that would facilitate the provision of funds for housing development on a financially viable basis;
- (ii) the development of specific programmes that would ensure effective financing of the no-income, low-income and medium-income housing; and
- (iii) use of Government guarantees to support private sector participation in housing finance.

5.6 STRATEGIES

The strategies for achieving the objectives are:

- (i) energizing and reinvigorating the National Housing Fund Scheme by reviewing certain provisions of the Act to strengthen its effectiveness. Such areas for review are to:
 - (a) strengthen the effective and impactful implementation of the National Housing Fund, including the expansion of the contribution base of the Fund;
 - (b) strengthen the Federal Ministry of Lands and Housing to convince other Ministries, Departments and Agencies (MDAs) to deduct the employees contributions to the Fund and promptly remit same to the Federal Mortgage Bank of Nigeria;
 - (c) strengthen the capacity of the Federal Ministry of Lands, Housing and Urban Development to effectively supervise the Federal Mortgage Bank of Nigeria in the collection, management and disbursement of the National Housing Fund;
 - (d) ensure the recapitalization of FMBN by the Federal Government, the Central Bank of Nigeria and the National Insurance Trust Fund to promptly meet their financial contributions to the FMBN; and
 - (e) increase and reinforce the powers of the Federal Mortgage Bank of Nigeria to sanction and enforce deduction and remittance.

5.7 PRIMARY MORTGAGE INSTITUTIONS: STRENGTHENING AND EXPANSION

Measures to strengthen and expand primary mortgage institutions shall include:

- (i) sustaining investors' confidence in the mortgage industry requires a credible operation within the system. This means that standards of underwriting (in the mortgage sector) must be uniform. The discipline of the market place requires a direct comparability between the loan making parameters of different lenders; and
- (ii) ensure that every state and city in the country has the presence of a Primary Mortgage Institution to facilitate the National Housing Fund collection, loan applications, processing and disbursement .

5.8 PRIVATE SECTOR PARTICIPATION

Private investors shall be encouraged to invest in the capital market by:

- (i) purchasing housing bonds and Mortgage Backed Securities (MBS) that are floated by Federal, State and Local Governments, Private Companies, other Corporate Organisations and Housing Institutions such as the Federal Mortgage Bank of Nigeria;
- (ii) establishing Primary Mortgage Institutions, Housing Cooperatives and Housing Associations; and
- (iii) group investments in Estate Development, Trust Fund and Pensions Fund Schemes.

5.9 ESTABLISHMENT OF A SECONDARY MORTGAGE MARKET

5.9.1 Establish a viable secondary Mortgage market to enable Primary Mortgage Institutions, Federal Mortgage Bank of Nigeria institutional (pension funds, insurance companies etc) and other investors to trade mortgage and housing related instruments in the capital market, including to:

- (i) ensure that a securitization law is in place;
- (ii) promote the establishment of the Real Estate Investment Trust Fund (REIT);
- (iii) ensure that transferability of instruments is made easy;
- (iv) establish laws and regulations that would permit mortgage lending institutions to foreclose and dispose of collaterals without the courts;
- (v) establish and develop mortgage and title insurance systems and institutions; and
- (vi) ensure uniform underwriting standards for mortgage origination.

5.9.2 Ensure effective mobilization of housing finance on a continuous basis through voluntary contributions schemes, including:

- (i) substantially increase the capital base of Primary Mortgage Institutions;
- (ii) put fiscal measures in place for capital gains tax, stamp duties, interest and income tax exception for residential mortgages;
- (iii) encourage the opening of a discount window and establishment of a secondary mortgage market with the availability of adequate volume of mortgages to create liquidity for the housing finance system; and
- (iv) promote the stabilization of individual deposits through contractual saving schemes.

5.9.3 Sustain the present mandatory contribution through home-saving schemes, including to:

- (i) ensure all categories of workers earning the national minimum wage and above in both private and public sectors of the national economy, shall contribute two and a half per cent (2.5%) of their income into the Fund;
- (ii) all self-employed persons earning the national minimum wage and above shall be required to contribute 2.5% of their monthly income into the Fund;
- (iii) devise an efficient system to keep accurate records for each contributor by issuance of pass books; and
- (iv) ensure that in the disbursement of the National Housing Fund, reasonable consideration be given to the low-income and rural housing.

5.9.4 NATIONAL HOUSING FUND (INTEREST RATE AND LOAN STRUCTURE)

- (i) Single unit interest rate structure, the loanable ceiling and the maximum loan repayment period, shall be determined by the Honourable Minister of Lands, Housing and Urban Development. The Minister shall through a statutory instrument, approve for the Federal Mortgage Bank of Nigeria the following:
 - (a) the interest rate payable by the Fund to the contributors after consultation with stakeholders;
 - (b) the rate of lending from the Fund to Primary Mortgage Institutions;
 - (c) the interest rate chargeable by the Primary Mortgage Institutions for on-lending to mortgagors;
 - (d) the maximum loan amounts to every individual contributor to the Fund; and
 - (e) the maximum repayment period under the loan.

5.9.5 FINANCIAL INVESTMENT IN HOUSING DEVELOPMENT: OTHER SOURCES

- (i) Mobilize additional funds for investment in housing development from other sources, including:
 - (a) Banks, Insurance Companies, Pension Funds, Nigeria Social Insurance Trust Fund, etc, shall be encouraged, through appropriate incentives, tax breaks, guarantees and fiscal policies to fund housing development by investing in housing

- related capital market instruments such as Federal Mortgage Bank of Nigeria's Bonds and other mortgage related instruments;
 - (b) Government Budgetary Allocation and Financial Transfers;
 - (c) The Federal Government shall make adequate annual financial contribution to the Fund for the purpose of granting long-term loans and advances for housing development in Nigeria, particularly in social housing; and
 - (d) Extension of Micro finance schemes and Rental Housing Options to the young and low-income groups.
- (ii) In respect of Social Housing (including housing for special groups) and because of its subsidy dependence, all tiers of Government shall be encouraged to provide annual financial contributions for the purpose of granting long term loans and advances for such housing development. Also to be encouraged, through various forms of incentives, to invest in social housing are institutional and other investors.

5.9.6 INTERNATIONAL FINANCE

- (i) Government shall make available guarantees in order to enhance participation of the private and public sector, bilateral and multilateral agencies in housing finance;
- (ii) Government shall attract offshore funding for housing development from bilateral and multilateral agencies. Such funds shall be channelled through appropriate vehicles created for financing large-scale residential estates, including other mass housing schemes, and infrastructural development; and
- (iii) Housing Finance systems to be institutionalized under this Policy shall:
 - (a) mobilise funds into housing finance institutions from among others, insurance companies, pension funds and mutual funds;
 - (b) extend the supply of loanable funds among households to include self-employed and low-income earners;
 - (c) provide incentives in the Capital Market for investment in housing development;
 - (d) ensure a balance in the overall allocation of resources between the housing sector and other sectors of the economy;

- e) re-allocate funds from relatively surplus to relatively deficit areas within the housing sector; and
- f) facilitate the flow of domestic and international resources into priority housing areas, such as no-income, low-income and medium- income housing for the people.

CHAPTER SIX

HOUSING MAINTENANCE

6.1 INTRODUCTION

- 6.1.1 Evidence of lack of maintenance (or effective maintenance) of our infrastructural facilities can be seen everywhere in Nigeria. This has led to our large number of dilapidated buildings, rapid aging, persistent equipment break-down, loss of value and costly renovations.
- 6.1.2 The significant shortfall in the available housing stock and the delivering time frame for production of new housing compels a need for incorporation of maintenance (including conversion and modification of existing structures wherever feasible) to sustain and enhance utility of the existing stock.
- 6.1.3 Definition of a Housing Maintenance Policy within the ambit of the National Housing Policy will encourage Developers, Building Construction firms and mortgage Banks to provide services and finance for renewal, upgrading conversation of abandoned office, commercial and industrial building to sustain and boost housing supply.

6.2 GOAL:

To ensure sustainable maintenance of all physical assets and infrastructure.

6.3 OBJECTIVES:

- (i) To develop a standard maintenance manual for all buildings and infrastructures;
- (ii) To put in place a culture and process of ensuring regular maintenance of buildings and infrastructures in order to restore every part of existing facilities and infrastructure to an acceptable standard; and
- (iii) To have a structured manpower development programme for maintenance work.

6.4. STRATEGIES:

In order to achieve the above objectives, the following strategies will be pursued:

- (i) Ensure the preparation of maintenance manual for all building and infrastructure projects;
- (ii) Develop and execute a system of regularly scheduled maintenance actions to prevent premature failure of buildings components;
- (iii) Ensure effective monitoring and coordination of all maintenance works; and
- (iv) Ensure the allocation of 10% of contract sum for maintenance for all buildings and infrastructure projects that are above five years.

CHAPTER SEVEN

BUILDING MATERIALS AND CONSTRUCTION WORKFORCE

7.1 INTRODUCTION

7.1.1 The building materials sub-sector is intricately connected to the process of national industrial development. The improvement of local capabilities is one major way to stem the overdependence on the importation of building materials. Sustainable construction workforce is essential for competitive standards to sustain quality and quantity.

7.1.2 The upward trend in the cost of basic building materials can be attributed to national macro-economic factors. The major causes of high construction and labour cost can be identified as follows:

- (i) increase in import duties on construction plant and machinery;
- (ii) the depreciation of the Naira vis-a vis other currencies;
- (iii) inadequate and inefficient Infrastructural facilities (roads and rail transportation, water, sanitation, power supply etc);
- (iv) the collapse of a formerly thriving building materials sub-sector;
- (v) absence of new building materials factories due to high cost of finance;
- (vi) lack of consistent policy formulation and implementation, which makes long term planning impossible;
- (vii) over-priced contracts;
- (viii) over-priced cost of production (caused by oligopolies - price fixing);
- (ix) shortage of skilled manpower;
- (x) increase in labour (artisans, etc.) cost; and
- (xi) Absence of effective indigenous technology for the production of building materials.

7.2. GOAL

- (i) To hasten the development of appropriate capacities to achieve sufficiency in the production of basic building materials and

- components of acceptable quality from local resources with a view to stimulating effective economic growth and development; and
- (ii) To have a structured manpower development programme for domestic requirement and international engagement.

7.3 OBJECTIVES

- (i) establish and sustain institutions like the Building Materials Producers Association of Nigeria (BUMPAN) that will promote and encourage the production of building materials;
- (ii) facilitate the use of local building materials through research and appropriate design and technology;
- (iii) encourage construction companies to promote research and development of appropriate technology;
- (iv) develop effective manpower training programmes to raise the output of the building industry; and
- (v) develop the means of promoting acceptability and use of local building materials.

7.4 STRATEGIES

In order to enhance building materials production, housing design and construction methods and a construction workforce which will result in the reduction of costs, Government shall pursue vigorously the following strategies:

- (i) adopt functional design standards that will facilitate cost reduction, affordability, acceptability and sustainability which will respond to the cultural and regional peculiarities of potential users;
- (ii) expand and improve the manufacturing base for building materials production from all available local materials and evolve a more efficient distribution system;
- (iii) encourage the expansion of existing industries producing building materials from local sources such as clay, bricks, concrete products, timber, glass, tiles etc;
- (iv) encourage identification of new local materials available for manufacture of required building components;
- (v) collaborate with other developing countries in the development of technical know-how for building materials manufacture;
- (vi) encourage regional spread of building materials industries to stabilize cost and widen distribution;

- (vii) encourage the production and use of locally manufactured building materials by:
 - (a) providing incentives to, and creating the enabling environment for the private sector in order to encourage rapid flow of funds into building materials manufacture through tax relief, accelerated depreciation and generous capital allowances;
 - (b) providing matching grants for investments into research in the use of local materials for building materials manufacturers;
 - (c) providing loans at reduced rate of interest to manufacturers who will in turn supply self-built housing cooperatives and developers of low-income housing with their products at reasonable prices;
 - (d) attracting foreign participation into the building materials industry; and
 - (e) using local building materials for public projects at all tiers of government.
- (viii) enhance the quality of the Standards Organization of Nigeria (SON) to control the quality of building materials and components entering the market;
- (ix) develop effective manpower training programmes to raise the output of the building industry by;
 - a) restructuring the apprenticeship system and expanding vocational training centres for the training of site personnel such as masons, plumbers, carpenters, electricians, welders, brick layers and other artisans in the building industry; and
 - b) upgrading and providing structured training for indigenous contractors and developers through short-term programmes in project management, construction management, building methods, etc.
- (x) encourage the application of research findings for the production of local building materials;
- (xi) encourage corporate bodies to finance the research of building materials as part of Corporate Social Responsibility;
- (xii) develop the required pool of skilled human capital in the building profession to compete globally;
- (xiii) strengthen the administrative, regulatory and institutional framework to ensure certification, registration and control of professional practices;
- (xiv) induce science and technology education curriculum to produce employable graduates and job creators;

- (xv) strengthen the Association of Building Materials Producers Association of Nigeria (BUMPAN) in order to lay a solid foundation for the development of a robust, effective and economically viable small and medium scale industries for the production of building materials;
- (xvi) explore Public-Private synergies for implementation of the programme to mobilize resources for expanding opportunities of employment;
- (xvii) strengthen the regulatory body charged with the responsibility of improving the conditions, safety and health of construction workers;
- (xviii) support an integrated action programme for the organization of the informal building materials marketing sector;
- (xix) restructure and adequately fund the Nigerian Building and Road Research Institute (NBRRI); and
- (xx) encourage the establishment of building materials testing laboratories by the private sector.

CHAPTER EIGHT

SOCIAL HOUSING

8.1 INTRODUCTION

8.1.1 Social housing is the response by government to the housing challenges of 'No and Low' income earners. Even though the production of such housing can be facilitated by market forces, government must use subsidy mechanism for its distribution. It is therefore seen to promote an equitable and benevolent society and to restore the dignity of man. By this discharge of government social responsibility to the vast majority of the population who ordinarily would not have been able to afford them, it stabilizes the society by freeing it from the insecurity challenges occasioned by homelessness.

8.2 NO-INCOME, LOW-INCOME AND LOWER-MEDIUM INCOME GROUPS DEFINED

- (i) The No-income group is here defined as all persons whose income does not exceed the national average of 25% of the National Minimum wage.
- (ii) The low income group is here defined as all persons whose annual income exceeds the 'No Income' level, but does not exceed the National Minimum Wage.
- (iii) The lower-medium income group is here defined as all persons whose annual income exceeds the National Minimum Wage, but does not exceed four times the National Minimum Wage.

8.3 GOAL

The goal of government is to ensure that this segment of the population has access to housing.

8.4 LOW-INCOME AND RURAL HOUSING: REVIEW OF PAST EFFORTS

The strategies adopted in the past for the provision of houses for Low-income earners did not achieve the desired objectives. In addition, the rural housing component was neglected. The reasons for these are:

- (i) Poor programme design;
- (ii) Lack of access to funds by these groups, due to:
 - (a) low earning power;
 - (b) non-commercial viability of low income and rural housing to financial institutions and developers;
 - (c) high interest rates;
 - (d) high rate of inflation and construction costs;
 - (e) non availability of affordable Mortgage;
 - (f) high rate of population growth and rapid urbanization;
 - (g) inadequate infrastructural facilities; and
 - (h) limited access to serviced land and difficulties in obtaining Certificate of Occupancy;
- (iii) elite supplanting of the programme;
- (iv) compromising of the programme for political reason;
- (v) inability of the poor to effectively demand their rights;
- (vi) lack of political will by all tiers of government to solve the problem of the group; and
- (vii) inability to apply the lessons from the experiences of past failures.

8.5 OBJECTIVES OF SOCIAL HOUSING

The objectives of social housing are to:

- (i) significantly improve the well-being of the poor, the needy and other vulnerable groups in the society, such as women, single mothers, the elderly, widows and widowers, the physically challenged, the homeless, and a critical mass of the citizens who fall into this group;
- (ii) provide a sustainable way of reducing the housing deficit in the country, estimated at about 16-17 million units nationwide, as at 2011;
- (iii) provide a window of opportunity for governments at all levels to demonstrate their commitment to the provision of social housing as a social responsibility to the citizenry, thereby institutionalizing an efficient, responsive and sustainable mechanism for housing delivery;
- (iv) facilitate socio-economic development and unlock other complementary benefits to the economy in the realm of wealth

- creation, employment generation, stimulation of investment flows and value-addition arising from the use of alternative building materials and adoption of home-grown technologies;
- (v) promote the delivery of housing with secure tenure and facilitate access to funding of social housing from a variety of sources, including social housing financiers, donors, philanthropists, governments and other interested parties;
 - (vi) facilitate the redevelopment and upgrading of urban slums for sustainable urban renewal and regeneration;
 - (vii) reduce rural-urban migration, and stem the consequential loss of precious rural assets and human capital, such as farmers and the youth, towards optimising the contribution of the rural areas to national development; and
 - (viii) foster peace and stability and promote human dignity, social cohesion and environmental sustainability.

8.6 STRATEGIES

As part of the strategies, consideration shall be given to the following:

- (i) ownership schemes, including cooperative ownership schemes;
- (ii) rental schemes;
- (iii) co-ownership schemes;
- (iv) Encouragement of private sector involvement through public private partnership (PPP)
- (v) Encouragement of Pb-Pb-P public- public partnership
- (vi) home improvement schemes;
- (vii) Use of planning approvals to mandate the private housing developers and Government to set aside a stipulated percentage of their developments for social housing.
- (viii) resettlement schemes;
- (ix) on-site upgrading;
- (x) building in stages or extendable units;
- (xi) slum upgrading; and
- (xii) the incorporation of micro-enterprises (such as agro-allied ventures) in the housing scheme with a view to generating employment opportunities and enhancing the ability of the beneficiaries to repay their loans at reasonable periods with less strain.

8.7 NO-INCOME AND LOW-INCOME HOUSING ESTATES

Strategies to be pursued shall include:

- (i) efficiently complete, as soon as possible, programmes abandoned by past Governments and their agencies that target those in the Low-income bracket. This will maintain Government's commitment to providing value for money for those who have deposited for those houses but have not got delivery;
- (ii) adopt and sustain the concept of total funding of site and services to facilitate the access of the Low-income group to serviced plots at affordable price;
- (iii) All tiers of Government especially at State and Local Government levels should specifically allocate/donate land for No-income, Low-income housing estates and mobilize recipients for effective housing development;
- (iv) make concerted efforts to eliminate the problems associated with finance;
- (v) encourage sufficiently long-term mortgage repayment period for the No- income and Low-income earners as well as rural dwellers;
- (vi) promote the establishment of micro-enterprises in social housing schemes as in Agro-housing, with pilot schemes as means of enhancing the income and subsequent mortgage repay-ability of the No-income and Low-income groups;
- (vii) encourage Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs) and Faith Based Organizations (FBOs) to build or facilitate the building of social housing estates with possible incentives by Government;
- (viii) encourage the promotion, establishment and sustenance of the concept of co-operatives and housing associations for meeting the housing needs of the Low- income earners through the activities of organized labour groups such as teachers, nurses, clerical staff of public and private sector organizations, civil servants etc,. Here the emphasis is on mobilization and the investment of "SWEAT CAPITAL/EQUITY";
- (ix) encourage Governments to engage the services of all the professionals in the built environment to make available to the low-income group a variety of standard Architectural designs to meet different socio-cultural needs. Such designs shall be accepted as approvable plans, with considerable concession on approval fees and formalities;

- (x) ensure that States and Local Governments implement Social Housing projects that have approved Land-Use and building designs to meet different socio-cultural needs with considerable concessions on approval and other fees;
- (xi) encourage the establishment of Housing Co-operatives and Associations, self-built construction and locally-sourced building materials. Co-operative Societies and Housing Associations shall have access to the funds of the Federal Mortgage Bank of Nigeria through the Primary Mortgage Institutions;
- (xii) support and encourage the inclusion of Community Urban Upgrading Programmes;
- (xiii) ensure the establishment of appropriate institutional machinery in all communities for efficient maintenance of infrastructure; and
- (xiv) encourage and support through Housing Co-operatives and Housing Association in the provision and maintenance of low-income housing in decent, safe and healthy environment.

8.8 STRATEGIES FOR THE DEVELOPMENT OF RURAL HOUSING

In order to alleviate the problems of housing and orderly development of rural areas, Government shall promote measures to:

- (i) conserve rural environment for sustainable development in rural housing provision;
- (ii) ensure that all the strategies earlier formulated with regard to No-income and Low-income housing are vigorously pursued in the rural areas;
- (iii) give particular attention to the housing needs of rural areas located in the marine coastal areas as well as along water-ways;
- (iv) encourage research into rural planning so as to develop and promote appropriate models of rural settlement;
- (v) promote appropriate legislation to facilitate the enforcement of the rights of the rural people when their environment is degraded;
- (vi) encourage and popularise the use of local building materials in all building construction projects;
- (vii) develop and promote improved and cost-effective building technologies;
- (viii) promote the formation of housing cooperatives and housing associations in the rural areas as a means of providing access to credit facilities;

- (ix) provide training opportunities for professionals and artisans in built environment in the rural areas to improve their skills in the application and maintenance of local building materials;
- (x) expand the activities of mortgage banks to cover housing in rural areas and promote the establishment of building societies as sources of credit for housing construction;
- (xi) empower the rural dweller by way of deliberately introducing economic activities in the rural areas;
- (xii) encourage employment generation and promote social housing to address the needs of rural dwellers;
- (xiii) include traditional and innovative responses to meeting the housing needs of rural dwellers; and
- (xiv) invest in programmes geared towards research, development and production of materials and adopt the findings to produce pilot No-income and Low-income housing schemes for adoption and replication by rural dwellers.

8.9 INITIATIVES

The above strategies shall be supported by the following initiatives:

- (i) conversion of unutilized public lands in the country for social housing;
- (ii) provision of land at no, or rock-bottom prices in support of social housing;
- (iii) putting in place an enabling housing finance structure, including strengthening the mortgage finance system through the entrenchment of a sustainable mortgage regime and instituting default prevention mechanisms;
- (iv) implementation of a number of pilot schemes across the country, with a provision of not less than 10% of the targeted one million new housing units to be developed annually to reduce the national deficit;
- (v) securing the buy-in of State Governors, Local Government Chairmen and other strategic partners, through voluntary accession, and introduction of a regime of incentives to foster collaboration and partnership at sub-national levels, as well as among implementing agencies and entities;
- (vi) provision of seed money by the Federal Government, and other interested contributors, for the implementation of the initial and subsequent phases of the scheme;

- (vii) mobilization of other pools of funds through internal and external sources; and
- (viii) development of guidelines for the operationalization of the scheme through a participatory approach, involving all critical stakeholders.

CHAPTER NINE
HOUSING STATISTICS AND INFORMATION
MANAGEMENT SYSTEMS

9.1 INTRODUCTION

- 9.1.1 Statistics and Information Management Systems are essential enabling infrastructure for housing delivery and the creation of viable communities in Nigeria. They are critical for effective policy and plan formulation and the coordination of various housing initiatives. There is therefore need for reliable statistics which facilitates more focused solutions to the housing of different groups, particularly the core needy and vulnerable groups in the society. The lack of reliable comprehensive national statistics on housing and urban development has been an abiding constraint on housing delivery in Nigeria, as it militates against effective planning, budgeting and investment in the sector.
- 9.1.2 The National Policy on Housing envisages a partnership between the three tiers of government and among the public and private sectors and other stakeholders. This implies that a comprehensive data base on housing demand and supply, for effective planning, coordination and sharing of information will be a critical success factor for the policy. It is envisaged that a housing and urban development plan, in the next ten (10) years, and even beyond would be predicated on properly articulated housing forecast that is anchored on reliable comprehensive statistical profile of housing in Nigeria.
- 9.1.3 The major constraints to the development of National Housing Statistics and Information Management Systems include the following:
- (i) limited capacity at the Ministry and Agency Levels, within the three tiers of government for data generation, analysis and storage of facts related to housing;
 - (ii) lack of adequate funding and resource availability for data collection, statistical production, analysis, monitoring and evaluation;

- (iii) inadequate administrative, legal, regulatory and policy framework, that clearly defines the role of the Federal Ministry of Lands, Housing and Urban Development and other stakeholders in statistics development; and
- (iv) poor attitude of Nigerians towards the generation, utilization and application of statistics in policy and plan formulation and implementation of programmes.

9.2 GOAL

To establish a reliable and comprehensive data base for generating statistical information for housing development in Nigeria.

9.3 OBJECTIVES

The main objectives shall include the following:

- (i) to enhance data generation at, and by, all tiers of government for the sector;
- (ii) to improve the availability and quality of housing statistics in Nigeria for real time information dissemination;
- (iii) develop a reliable comprehensive statistical profile for Nigeria;
- (iv) enhance the use and application of Information Communication Technology (ICT) in the housing sector;
- (v) improve the level of awareness of the role of statistics and data generation in addressing challenges of the housing sector;
- (vi) ensure the availability and dissemination of quality statistical data to all stakeholders; and
- (vii) develop and strengthen partnerships and coordination amongst the three tiers of government and other stakeholders.

9.4 STRATEGIES

The strategies shall include to:

- (i) strengthen the capacity of the Federal Ministry of Lands, Housing and Urban Development and corresponding State Ministries to generate statistical data through effective training and deployment of qualified personnel;
- (ii) establish a Housing Data Bank at all tiers of Government and in relevant federal level agencies responsible for housing;

- (iii) encourage States and Local Governments to establish Housing Data Banks and network them to a National Data Bank to be domiciled in the Federal Ministry of Lands, Housing and Urban Development;
- (iv) ensure that all players perform complementary role of data collection;
- (v) develop ICT infrastructure to drive the information management system in the housing sector;
- (vi) strengthen the institutional capacity for effective coordination of housing statistics;
- (vii) establish a consistent and coherent framework for coordination of housing statistics;
- (viii) ensure that the Federal Ministry of Lands, Housing and Urban Development prepares a national housing plan to include among others, land and location within the national grid, infrastructure for housing, quantity material sourcing and production, the housing mix (low, medium and high), execution programme, equipment and human resources, Implementation programme and funding;
- (ix) ensure that the National Housing Data Bank Network is compatible with, in conformity with, and has connectivity with the Spatial Data Infrastructure (SDI) and other global networks; and
- (x) ensure that the Federal Ministry of Lands, Housing and Urban Development in collaboration with the National Bureau of Statistics, National Planning Commission and the National Population Commission develop appropriate forms for collecting the requisite housing information from all Local, State and Federal physical planning offices.

CHAPTER TEN

INSTITUTIONAL FRAMEWORK

10.1 INTRODUCTION

- 10.1.1 Institutional framework forms the structure of the entire housing delivery system and the structure within which housing policy is implemented greatly influences the success of housing delivery. Institutional roles begin at the initial stage of policy development, and continue through to implementation, coordination, monitoring and evaluation and review stages.
- 10.1.2 One of the greatest but avoidable problems facing effective housing delivery and efficient urban management in the country is the instability and capacity gaps caused and created at the Federal level due to the merging and de-merging of the Federal Ministry responsible for Lands, Housing and Urban Development issues. To this end, the institutional framework for effective housing delivery and urban management at all tiers of government needs to be stabilised, empowered and strengthened to effectively discharge their respective functions, as identified in the National Housing Policy. The Vision 20:2020 recommended the setting up of a virile Ministry at the Federal level for the effective coordination, governance and implementation of policies and laws that pertain to land use planning and housing development. The effort of the Federal Government is commendable for re-establishing the Federal Ministry of Lands, Housing and Urban Development in April, 2010 charged with this role. For sustainable effort and achievements, government needs to achieve stability in the institutional set up for implementing this National Housing Policy and related ones.
- 10.1.3 A major factor, on which the fundamental relationship between the various actors in the housing delivery system can be achieved, is the flexibility to adjust to dynamic socio-economic and political changes without causing unnecessary disruptions to the system. To this end, the institutional arrangements for effective housing delivery will be adjusted and realigned from time to time to keep abreast with emerging and future

challenges. Nonetheless, it is desirable to maintain some level of stability in the institutional arrangements at all levels of government to ensure sustainability in order to achieve the envisaged short, medium and long term objectives of revitalizing the housing sector.

10.1.4 Bearing in mind that housing is on the concurrent list in the Constitution, the need for effective collaboration by all tiers of government in housing delivery cannot be overemphasized. Accordingly, the National Council on Lands, Housing and Urban Development will continue to serve as the intergovernmental platform for effective implementation, coordination and evaluation of all housing related policies and programme, and for their impact assessment. An independent body comprising professionals in the industry, eminent citizens and other relevant stakeholders, should also be put in place to monitor and evaluate the performance of the housing sector in order to have a holistic view of the performance of the sector on a regular basis.

10.2 INSTITUTIONS RESPONSIBLE FOR HOUSING DELIVERY

10.2.1 Housing delivery in Nigeria is carried out by the three tiers of government, (Federal, State and Local), the private sector, voluntary organizations and individuals.

10.2.2 The following institutions are responsible at the Federal level:

- (i) Federal Ministry of Lands, Housing and Urban Development;
- (ii) Federal Capital Territory Administration (FCTA)
- (iii) Federal Housing Authority (FHA);
- (iv) Federal Mortgage Bank of Nigeria (FMBN);
- (v) Central Bank of Nigeria (CBN);
- (vi) Securities and Exchange Commission (SEC);
- (vii) Standards Organization of Nigeria (SON);
- (viii) Nigeria Building and Road Research Institute (NBRRI); and
- (ix) Professional Regulatory Bodies in the Built Environment.
- (x) Federal Government Staff Housing Loans Board (FGSHLB)

10.2.3 Others are:

- (i) State Governments;
- (ii) Local Governments;
- (iii) Communities;
- (iv) Private Sector; and

- (vi) Multilateral Agencies.

10.3 ROLE OF THE FEDERAL GOVERNMENT

10.3.1 The Federal Government shall, in partnership with all relevant stakeholders, initiate, define and coordinate the policy options and instruments for achieving the objectives in the housing sector. The actual implementation shall be undertaken by appropriate agencies at Federal, State and Local Government Levels, as well as other community associations and other special groups.

10.3.2 In addition to the roles to be carried out by these special agencies, the following will be undertaken by all tiers of government:

- (i) grant capital allowances on mass/social housing and provide tax exemptions on mortgage loans;
- (ii) exempt investment by Estate Developers on low-income houses for sale from tax for the first five years from date of commencement of construction;
- (iii) exempt investment by employers developing staff housing from tax for the first three years from the date of commencement of construction;
- (iv) ensure that rent control and other measures that inhibit market transactions in rental housing are never introduced as they militate against housing delivery except in subsidized housing;
- (v) streamline the procedure and speed up the issuance of Certificates of Occupancy;
- (vi) encourage non-profit organisations by facilitating access to land for building hostels and accommodation for young school leavers (employed and unemployed), students, the university undergraduates, the aged, the infirm, the motherless and widows;
- (vii) ensure the effective enforcement of the provisions of the Employees Housing Scheme Act of 1979, particularly in the private sector, Government should provide tax incentives for compliance with this Act; and
- (viii) discourage the promulgation of laws that will inhibit transactions in the property market.

10.3.3 Role of the Federal Ministry of Lands, Housing and Urban Development

The Federal Ministry of Lands, Housing and Urban Development shall:

- (i) formulate policy and set standards for the housing sector;
- (ii) formulate, monitor and evaluate Government policies on housing;
- (iii) coordinate the activities of other agencies of Government in the area of housing;
- (iv) supervise the Federal agencies under it, namely the Federal Mortgage Bank of Nigeria and the Federal Housing Authority;
- (v) provide and maintain primary infrastructure for the housing stock of Federal Government;
- (vi) upgrade and maintain institutional housing stock including public buildings of Federal Government;
- (vii) provide and maintain public buildings for Federal Government;
- (viii) establish and enforce building standards and codes for effective housing delivery and safety in collaboration with relevant professional bodies;
- (ix) formulate policies for the provision of access to home ownership for all Nigerians;
- (x) supervise the Regulatory Councils of relevant professional bodies in the built environment;
- (xi) monitor the implementation of the Housing and Urban Development Policies;
- (xii) Assist in sensitizing fellow Ministries of the need for collection from employees and remittance to the National Housing Fund (NHF);
- (xiii) supervise the Federal Mortgage Bank of Nigeria (FMBN) in the collection, management and disbursement of the National Housing Fund;
- (xiv) establish and maintain a National Housing Data Bank for housing needs in the country;
- (xv) prepare and submit to the Federal Government, proposals for National Housing Programmes and Plans, with provisions for regular reviews;
- (xvi) ensure that the National Housing Plans are strictly and conscientiously implemented;
- (xvii) review when necessary existing legislations in the Housing sector with a view to achieving the goal of adequate housing for all Nigerians in conducive and liveable environment; and initiate new ones when required;
- (xvii) forge partnerships with the private sector and promote partnerships with other public sector organizations;

- (xix) actively encourage agencies under its supervision to forge partnerships and promote the formation of Inter-Public Partnerships (IPP);
- (xx) introduce peer-review mechanism for purpose of information and experience exchange and introduction to new methodologies;
- (xxi) have a mandatory duty to produce each year a “National State of Housing Report” to be laid before the National Assembly before the end of the first quarter of each year; and
- (xxii) perform any other functions that may be assigned.

10.3.4 Role of the Federal Housing Authority (FHA)

- (i) Develop and manage real estate on commercial basis in all States of the Federation and the Federal Capital Territory (FCT).
- (ii) Provide sites and services for all income groups with special emphasis on the No-income and Low-income groups. The funds for providing for these two groups shall be provided by the Federal Government and other sources;
- (iii) Provide No-income and Low-income, cooperative, rental and rural housing in all States of the Federation and the Capital Territory from funds provided by Government and other sources;
- (iv) Execute such housing programmes in the public interest as may be approved by the Federal Government; and
- (v) Mobilize off-shore funding for housing development.

10.3.5 Role of the Federal Mortgage Bank of Nigeria (FMBN)

- (i) Mobilise, collect and provide long-term credit facilities to mortgage institutions in Nigeria for housing finance and development;
- (ii) Encourage the emergence and growth of the required number of primary mortgage institutions to serve the need of housing mortgage and delivery at rural, local, state and federal levels;
- (iii) Accredite and discredit Primary Mortgage Institutions in respect of PMIs in their NHF operations;
- (iv) Demonstrate leadership in the establishment, development and growth of viable secondary mortgage market;
- (v) Coordinate, and supervise the operations of Primary Mortgage Institutions in the utilization of the National Housing Fund;

- (vi) Operate in and obtain funds from the capital market for mortgage operations and housing development;
- (vii) Mobilise off-shore funds for mortgage operations and housing development; and
- (ix) Introduce a financial model for harnessing funds from the informal sector (unbanked monies).

10.3.6 Role of the Central Bank of Nigeria (CBN)

- (i) License and supervise Primary Mortgage Institutions and the Federal Mortgage Bank of Nigeria (FMBN);
- (ii) Issue regulations and guidelines for the growth and development of the housing finance sector;
- (iii) Assist in providing adequate capitalization for the Federal Mortgage Bank of Nigeria (FMBN);
- (iv) Encourage banks and other financial institutions in the sector to actively support initiatives in housing finance and development; and
- (v) Provide intervention funds for housing finance and development as well as for infrastructural development.

10.3.7 Role of the Securities and Exchange Commission (SEC)

- (i) Supervise securitization with a view to making it a viable window for housing finance;
- (ii) Licence and supervise Real Estate Investment Trusts (REITs); and
- (iii) Encourage the use of the capital market mechanism for the growth and development of the housing sector.

10.3.8 Role of the Standards Organization of Nigeria (SON)

Collaborate with the Federal Ministry of Lands, Housing and Urban Development, Professional Bodies in the built environment, Research Institutes - (NBBRI and Raw Materials Research and Development Council (RMRDC); National Office for Technology Acquisition and Promotion (NOTAP) and professional regulatory bodies, to carry out the following:

- (i) Set standards, monitor and approve the quality of building materials and construction technology used in the country;
- (ii) Protect the interest of local building materials manufacturers by ensuring that the country does not become a dumping ground for poor quality building materials and other components;

- (iii) Promote the training of skilled manpower for the construction industry; and
- (iv) Provide data on locally produced and imported materials.

10.3.9 Role of the Nigeria Building and Road Research Institute of Nigeria (NBRRRI)

Conduct applied and integrated research and development activities into the varied aspects of the Nigerian construction industry areas to suit local conditions.

10.3.10 Role of other Federal Government Institutions

- (i) Contribute their insights and capabilities to the transformation of the housing sector, in line with the policy enunciation of Government and their respective mandates;
- (ii) Ensure synergy and complementarity of efforts for impactful outcomes in housing delivery; and
- (iii) Share information, knowledge and resources with counterpart institutions to achieve the goals and objectives outlined in this policy.

10.3.11 Role of Professional Regulatory Bodies in the Built Environment

Ensure the enforcement of appropriate laws and regulations affecting the various professions in the built environment.

10.3.12 Role of the Federal Government Staff Housing Loan Board (FGSHLB)

FGSHLB was set up by law to grant loans to Federal public servants for the purpose of:

- (i) building a residential house in Nigeria for use of the applicant or his family; or
- (ii) purchasing a parcel of Land in Nigeria on which such residential house is to be built; or
- (iii) purchasing a residential house in Nigeria for the use of the applicant or his family; or

- (iv) improving or extending a residential house in Nigeria for use by the applicant or his family being a house owned by the applicant.

10.4 ROLE OF STATE GOVERNMENTS

- (i) Formulate its own housing policy and programmes within the overall framework and in the spirit of the National Housing Policy;
- (ii) Establish appropriate agencies and utilize State Housing Corporations to execute, develop and manage housing programmes.
- (iii) Further facilitate housing delivery, by undertaking the following suggested measures:
 - a) promote and facilitate the development of Site and Services Schemes;
 - b) play active role in the identification, production and use of building materials from local resources in order to ensure availability of inexpensive building materials for housing development;
 - c) carry out re-development and upgrading of existing blighted residential areas either alone or in collaboration with Federal, International bodies and the private sector;
 - d) strengthen institutions for housing delivery at state level;
 - e) strengthen and encourage housing co-operatives, or housing associations, thrifts and credit societies in housing development;
 - e) promote the formation of more Primary Mortgage Institutions and Building Societies in collaboration with the private sector;
 - f) promote intergovernmental synergies, linkages and peer review in housing delivery;
 - g) strengthen existing Planning Authorities and establish same in all local government areas where there are none;
 - h) undertake social housing schemes and projects, and encourage all local governments to do so;
 - i) establish, maintain and resuscitate existing skill acquisition centres; and
 - j) provide access to land for housing delivery.
- (iv) Formulate, monitor and evaluate Government policies on housing;
- (v) Co-ordinate the activities of other agencies of Government in the area of housing;

- (vi) Provide and maintain infrastructure for the housing stock of State Ministries;
- (vii) Upgrade and maintain the housing stock of the State Ministries;
- (viii) Develop a Data Bank for housing needs and co-operate by forwarding same to the National Data Bank for purposes of co-ordination;
- (xi) Encourage the adoption of the National Building Code for effective housing delivery and safety in collaboration with relevant professional bodies;
- (x) Review all existing legislations, regulations and ordinances in the housing sector with a view to achieving the goal of adequate housing for all;
- (xi) Support and encourage indigenous construction companies, building materials producers, manufacturers to participate actively in the provision of housing;
- (xii) Develop and sustain the determination and political will to succeed in the provision of houses for its people; and
- (xiii) Actively encourage capacity building and its sustainability for personnel who provide services in the built environment.

10.5 ROLE OF LOCAL GOVERNMENTS

In housing delivery, the role of the Local Governments shall be:

- (i) provide residential site and services layouts;
- (ii) Implement social and rural housing programmes;
- (iii) promote formation of Housing Co-operatives, Housing Associations, Thrifts and Credit Societies;
- (iv) promote the formation of Primary Mortgage Institutions and Building Societies in collaboration with the private sector;
- (v) maintain urban and rural infrastructure and be responsible for environmental sanitation;
- (vi) upgrade infrastructure and existing blighted residential areas;
- (vii) enter into partnership with other Government agencies and private sector companies and others in the delivery of housing either in rural areas, towns and urban areas; and
- (viii) provide access to home ownership for their staff.
- (ix) develop a databank for housing needs and cooperate by networking same with the state databank for purpose of coordination

10.6 ROLE OF COMMUNITIES

- (i) Formation of Consultative Assemblies to identify and articulate community development needs and preferences;
- (ii) Promote the participation of communities in the planning and implementation of housing projects;
- (iii) Monitor and protect community assets and investments in housing and other related infrastructure;
- (iv) Encourage the development of local capacity for the implementation of housing projects; and
- (v) Promote preferences in favour of women, the aged, the disadvantaged and all vulnerable groups in social housing.

10.7 ROLE OF THE PRIVATE SECTOR

10.7.1 The Federal Government White Paper (2002) on the Report of the Presidential Committee on Urban Development and Housing defines the private sector as:

“to comprise those organizations (banking and non-banking financial intermediaries, industrial and commercial organizations) or individuals committing their resources to satisfy housing need of this country with a view to making profit in accordance with laid down policies and regulations”

10.7.2 The private sector is the engine for the development and delivery of **Mass Housing** in a free market economy. The major role of Government is to ensure the creation of an environment in which housing development shall be private sector oriented; private sector dependent; and private sector driven in a free and competitive market economy. Therefore in housing provision, the private sector, which is responsible for 90% of the housing provision, has enormous responsibilities to co-operate fully with the public sector to mobilize its members, build more capacity and become an engine of efficient growth in the housing sector financing.

10.7.3 For the private sector to efficiently discharge its functions, the following constraints militating against the sector have to be eliminated, viz:

- (i) difficulties in land acquisition and transfer caused by the provisions of the Land use Act;
- (ii) difficulties in accessing long-term housing finance;
- (iii) difficulties posed by the non-enforcement of planning laws and regulations;

- (iv) threat posed by rent-control laws and regulations;
- (v) shortage and high cost of building materials;
- (vi) scarcity of skilled manpower in the building industry;
- (vii) lack of sound policies and where they exist, the retrogressive effect of constant changes and inconsistencies; and
- (viii) lack of incentives and inducements.

10.7.4 Assurances of sound policies and incentives to the private sector (Banks, Insurance Companies, Pension Funds, etc) will make it carry out the functions of investing in the capital market by:

- (i) purchasing housing bonds and mortgage-backed securities that are floated by Federal and State Governments, private companies, other corporate organizations and housing institutions like the Federal Mortgage Bank of Nigeria;
- (ii) establishing Primary Mortgage Institutions and Housing Cooperatives;
- (iii) group investments in estate development;
- (iv) establishment of estate development companies;
- (v) establishing primary mortgage institutions or building societies, thrift and credit societies etc; and
- (vi) participating in the development of estates for sale or for rent.

10.7.5 However, and if the private sector is to effectively participate in the provision of mass housing, the Government shall, in addition to creating the enabling environment as already discussed, do the following:

- (i) grant some form of allowances and reliefs on residential buildings and provide tax exemptions on mortgage loans;
- (ii) exempt investment by Estate developers on low-income houses for sale from tax for the first five years from the date of commencement of construction;
- (iii) exempt investment by employers developing staff housing from tax during the construction period from the date of commencement of construction;
- (iv) ensure the rent control measures are **never** again **introduced** as they militate against housing delivery;
- (v) streamline the procedure and speed up the issuance of Certificates of Occupancy;
- (vi) encourage non-profit making organizations to go into housing, by facilitating easy access to land and provide matching grants to building hostels and accommodations for women, the unemployed,

- young school leavers (employed and unemployed), students, the aged, the destitute, the infirm, the motherless and the widows; and
- (vii) upgrade the calibre of staff and strengthen the manpower needs of the Town Planners and other relevant professionals in the built environment to enable them effectively enforce the provisions of Town Planning Laws and Regulations.

10.8 ROLE OF THE NATIONAL HOUSING AND URBAN DEVELOPMENT REGULATORY COMMISSION

To effectively enhance the implementation of the National Housing Policy, there is need for an Institution to effectively coordinate the various efforts of other institutions and regulate the process of providing adequate and affordable housing. In this process, the role of the Commission, in addition to those functions listed in the National Urban Development Policy, shall be to:

- (i) develop guidelines for the regulation of the housing sector;
- (ii) ensure the enforcement of national building code, building materials and construction standards, planning laws and other regulations in the housing sector;
- (iii) support public and private sector institutions, and other relevant partners, in the development of their capacity development initiatives;
- (iv) collect and disseminate data and research findings to stakeholders in the housing sector in support of sustainable housing delivery; and
- (v) render periodic reports on its activities to the Federal Ministry of Lands, Housing and Urban Development and other appropriate authorities.

10.9 ROLE OF MULTILATERAL AGENCIES

It is expected that the country will enter into partnerships with external agencies. The role of bilateral and multilateral agencies in housing delivery shall therefore be to:

- (i) provide technical assistance and best practice models in housing finance and development;
- (ii) provide complementary breath of funds to support housing development;
- (iii) ensure synergies, complementarities and compatibilities between their own initiatives on one hand and similar initiatives on housing development undertaken by other stakeholders on the other; and

- (iv) assist in building institutional capacities for sustainable housing finance and delivery.

CHAPTER ELEVEN

IMPLEMENTATION, COORDINATION, MONITORING, EVALUATION AND IMPACT ASSESSMENT

11.1 INTRODUCTION

11.1.1 Effective policy implementation, coordination, monitoring and evaluation is critical for tracking performance in the housing sector and measuring progress towards the achievement of national objectives, as encapsulated in the National Monitoring and Evaluation (M&E) Frame-work. As an integrated process, housing delivery demands a coordinated and integrated action by several actors in the public and private sectors of the economy. Lack of effective coordination and integration of efforts between the Housing Sector and other relevant Ministries, Departments and Agencies (MDAs), such as Power, Transportation, Education, and Health Services and among the three tiers of Government (Federal, State and Local) and between the Public and Private sectors, has been the bane of housing development in Nigeria. This past uncoordinated approach to housing development has led to dismal performance in achieving Government’s desired objectives in this respect.

11.1.2 Effective inter-sectoral and inter-governmental coordination is therefore imperative for achieving significant progress in the housing sector. Policy coordination ensures that housing delivery is carried out in an integrated and cohesive manner that optimizes synergy among all stakeholders and relevant sectors of the economy in creating viable communities. Monitoring and evaluation of the policy implementation (i.e. inputs, activities and outputs) and results (outcomes, impact), ensures that resources are effectively and efficiently utilized, and a transparent system for data collection and updating is established for effective decision making in responding to housing demand and supply in the sector.

11.1.3 Impact assessment is crucial for determining the long-term effect of the Housing Policy on the quality of living of Nigerians, particularly the core needy and the vulnerable group. It is a clear indicator of the nation’s

progress towards achieving the UN-HABITAT Agenda, endorsed by Nigeria and the Nation's Vision 20:2020 human development aspiration. This requires a participatory approach that involves all stakeholders directly or indirectly in the implementation, coordination, monitoring and evaluation of the National Housing Policy.

11.2. IMPLEMENTATION, COORDINATION, MONITORING, EVALUATION AND IMPACT ASSESSMENT

11.2.1 The mechanism and institutions for implementing, co-ordinating, monitoring, evaluating and impact assessment should be strengthened to ensure progress and track implementation of the National Housing Policy. Accordingly, the following measures shall be pursued:

- (i) ensure that the National Council on Lands, Housing and Urban Development is more active and effective in its advisory and co-ordination roles;
- (ii) reconstitute and strengthen the Housing Policy Council in the Ministry to enable it perform its monitoring role and enhance its capacity to design performance indicators to measure progress towards achievement of objectives in the housing sector;
- (iii) strengthen the human, technical and financial capacity of the Ministry of Lands, Housing and Urban Development to conduct regular market research and housing surveys;
- (iv) encourage the establishment of monitoring and evaluation units at Community levels and all tiers of Government to ensure regular nationwide monitoring of performance in housing delivery;
- (v) constitute a committee of all relevant professionals and stakeholders in the built environment to monitor and evaluate the performance of the housing sector once every two years, for accountability purposes;
- (vi) Strengthening the legislative and administrative framework on monitoring housing delivery;

- (vii) Strengthening institutional framework for monitoring and evaluating performance of the housing sector in order to create an effective and transparent system for collecting data and housing delivery in Nigeria;
- (viii) Ensuring institutional networking and collaboration between the National Planning Commission and other related public sector institutions for an integrated approach to monitoring and evaluation in the housing sector; and
- (ix) Encouraging non-state players e.g. Civil Society, NGOs, CBOs and Faith Based Organizations (FBO) to track implementation of housing policy initiatives.

11.2.2 The overall responsibility for the effective coordination of this Policy, however, rests on the Federal Ministry of Lands, Housing and Urban Development. This is without prejudice to the assigned responsibility of other relevant agencies to coordinate their programmes in the housing sector, in line with their respective mandates. Adequate care will be exercised by all relevant partnering institutions and stakeholders in the housing sector to minimize waste and duplication of efforts in order to have an integrated and mutually reinforcing approach to housing delivery in Nigeria.

11.3 IMPACT ASSESSMENT

Given the relevance of housing provision to positively impact on the life of the citizenry, Government shall ensure the initial and periodic assessments of the impact of the implementation of the National Housing Policy on the people. The impact assessment will be carried out bi-annually and will form the basis for a review of the policy. The report of the impact assessment will be published for public consumption.

11.4 REVIEW

In view of the need to ensure that the National Housing Policy effectively responds to present and future challenges in the housing sector, it is desirable to review the policy every **four years**. This is to ensure that this policy instrument continues to serve as a useful tool and framework for a sustainable, integrated and coordinated approach for improving housing development in Nigeria. Accordingly, the Federal Ministry of Lands,

Housing and Urban Development shall lead the process of this periodic review, and publish not later than the first quarter of the succeeding year, a **National State of Housing Report** on the performance of the housing sector. This Report shall accordingly within the same quarter be laid before the National Assembly.

11.5 NATIONAL HOUSING IMPLEMENTATION STRATEGY

11.5.1 As highlighted throughout this document, effective housing delivery requires different complementary initiatives involving many actors. This, entails that a successful housing delivery mechanism must be underpinned by strong partnership and collaboration among all stakeholders. The underlying approach to the National Housing Policy implementation shall be anchored on harnessing the efforts of the Public and Private sectors in the provision of adequate and affordable housing, which creates economic opportunities for the communities and ensures environmental sustainability. This approach would involve vertical (three tiers of Government) and horizontal (other players) integration of housing plans, strategies and key initiatives, within a generally accepted administrative and regulatory framework.

11.5.2 The implementation strategy reduces the role of Government in direct physical house construction in housing delivery, and promotes private sector led growth in the housing sector, as well as self help efforts. Deepening private sector investments would require Government's avowed commitment to creating the enabling and operating environment necessary for attracting investments and ensuring orderly development in the sector. This underscores the emphasis on institutional reforms, administrative, legal and regulatory development, communication strategy and the deepening of investments on Research and Development (R&D) in housing development related areas.

11.5.3 A fundamental approach to the National Housing Policy implementation will be to focus attention on the removal of binding constraints on housing development in Nigeria, that have been responsible for the confusion in delivery and abysmally low performance in the past housing programmes. The approach would be the classification of the identified binding constraints, such as the Land Use Act, affordability, ease of access to finance, viability of financing institutions, lack of effective regulatory framework and technology, as priority areas to be improved upon and changed. These would be the basis for designing interventions in housing

delivery that will engender economic growth and development. A fundamental tenet of the implementation strategy will be job creation, reduction of poverty and overall effective growth of the economy.