

Publisher: Asian Economic and Social Society

ISSN: 2225-4226

Volume 2 No. 10 October 2012.



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Citation: Ajibola, M. O., Oluwunmi, A. O. and Eguh, O. (2012) “Examining the Factors Contributing to Affordable Housing in Kosofe Local Government Council Area, Laogs, Nigeria”, *Journal of Asian Business Strategy*, Vol. 2, No. 10, pp. 206 - 218.



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Abstract

The term housing affordability has come into popular usage in the last two decades replacing housing need at the centre of debate about the provision of adequate housing for all. The aim of affordability would be defeated if housing cost becomes burdensome to an individual income in relation to his other needs. This is the reason why the researchers examined the factors contributing to affordable housing in Kosofe Local Government Council Area, Lagos, Nigeria. The study was conducted using questionnaires, administered on randomly selected respondents. A total of 174 copies of the questionnaire were retrieved from the selected respondents in the study area. Both frequency tables and relative importance index (RII) were employed in the analysis of the data collected. The study revealed that the major factors contributing to affordable housing are ease of obtaining finance (RII = 4.48), availability of cheap land (RII = 3.91) and stable economy (RII = 3.84). The study further revealed that the major problems confronting provision of affordable housing in the study area are lack of funds (RII = 3.89), high cost of land (RII = 3.83) and high cost of building materials (RII = 3.30). It is recommended that government should interfere in reducing the cost of land by ensuring equitable marginal distribution of land as well as reduction in the cost of obtaining title to land. It is also recommended that domestic production of building materials should be encouraged so as to increase the construction of houses as well as reduce the cost of construction in the study area.

Keywords: Affordability, Building Materials, Housing, Lagos, Rental Values

Introduction

The rate of urbanization in Nigeria has witnessed tremendous increase, especially in Lagos metropolis where the rate of population growth is about 600,000 per annum with a population density of about 4,193 persons per sq. km and in the built-up areas of Metropolitan Lagos, the average density is over 20,000 persons per square km (Lagos State Government official website, 2006). According to Oyinke (2009) Nigeria has a serious problem of inadequate housing resulting from many years of neglect, undeveloped housing finance systems, limited supply of long term funds, low

household income levels, high unemployment, high inflation rate, high interest rate on mortgages, high cost of land and building materials, poor planning and poor implementation of housing policies and programmes, existence of administrative bottlenecks that make the processing and securing of approvals for building plans, certificate of occupancy and other necessary government permits very difficult.

Oyenuga (2006) opines that housing consists of immediate accommodation, environment and facilities like roads, water, electricity etc. that make living comfortable to the dwellers.

Housing is a priority for the attainment of living standard and it is important to both rural and urban dwellers. These attribute make demand for housing to know no bound as population growth and urbanization are increasing very rapidly and the gap between housing need and supply becomes widened.

It is never enough to provide houses; the question is the affordability of such houses to the low-median income earners. Affordable housing is not about what the government or the developer think is needed by the people but the actual need of the people and the affordability of dwelling units. It is concerned with the need of the people in relation to their income. Oyenuga (2006) is of the opinion that affordable housing mean houses developed to the needed taste of the occupiers and provided with all the needed facilities within the building and in the immediate environment of the building for the purpose of making living comfortable for the masses.

In Lagos Metropolis, the problem of affordable housing can be viewed from the demand and supply for dwelling units. Most houses provided by the government and private developers are mostly affordable to high income earners and some middle income earners but are unaffordable to low-income earners. The low income earners are left with no choice but to go for what they can afford in relation to their income, this has resulted in the development of shanties, slum housing and overcrowded houses. The aim of affordability would be defeated if housing cost becomes burdensome to an individual's income in relation to his other needs. This is the reason why this study examined the factors contributing to affordable housing in Kosofe Local Government Council Area, Lagos, Nigeria.

Literature Review

The term housing affordability has come into popular usage in the last two decades replacing housing need at the centre of debate about the provision of adequate housing for all (Ndubueze 2007). Oyinke (2009) is of the opinion that affordable housing is that housing which can be acquired from household income

without sacrificing any of the other essential needs of the household. The author quoting Struyk (2005) says "housing affordability is the ability to purchase a dwelling of the appropriate size and minimum physical and sanitary standards and still have sufficient income to enjoy at least the minimum consumption of other essential goods and services". Hence, housing is not restricted to ability to purchase but includes the physical environment and available infrastructure.

Housing affordability is a tenure-neutral term that denotes the relationship between household income and household expenditure on housing costs (Australian Housing and Urban Research Institute 2007). In buttressing this point Belsky et al. (2005) are of the opinion that housing is considered "affordable" to a household if the rent (including utilities) is not more than 30 percent of its pre-tax income. This implies that households spending more than 30 percent are labelled as cost burdened and those spending more than 50 percent are labelled as severely cost burdened. Aziz et al. (2010) conceptualises affordability in two ways. Firstly, 'housing affordability' which can be understood as an overarching normative goal for spatial policy, i.e. cities and towns should provide a sufficient supply of appropriate housing in desired locations, of a design and cost that is consistent with population needs . Secondly, 'affordable housing' to refer to the specific segment of housing supply that is affordable to people of moderate incomes, this research however focuses on the latter.

Aziz et al. (2010) in defining housing affordability identified various issues to be considered which include distribution of housing prices, distribution of housing quality, distribution of income, ability of households to borrow, public policies affecting housing markets, conditions affecting the supply of new or refurbished housing, and the choice that people make about how much housing to consume relative to other goods. Robinson et al. (2006) view housing affordability from three different perspectives – affordability for renters, affordability for would-be homeowners and affordability for existing homeowners. However, the current research looks at affordable housing from affordability to renters.

Factors Contributing to Affordable Housing

Australian Housing and Urban Research Institute (2007) in a research on housing affordability problems in Australia identify key contributing factors to affordable housing from two sides, demand and supply side. On the demand side, household growth (in turn, affected by natural increase, immigration, household formation); real incomes; real wealth; tax concessions to both owner-occupied and rental housing; concessions to first home buyers; returns on alternative investments; cost and availability of finance for housing; and the institutional structure affecting housing finance provision were identified. On the supply side, factors that affect the cost of provision include availability of land; land development processes and policies; infrastructure costs (including development charges); the cost of construction; and property related taxes were identified.

Three Dragons Strategic Solutions (2007) grouped the factors contributing to affordable housing in Ireland into supply and demand. Determinants of supply included; land available at costs significantly below market value, capital subsidy for land purchase and/or construction, cheaper capital through financial instruments, lower construction costs through volume savings or other efficiencies, and tax exemptions or reductions on procurement and/or purchase while determinants for demand include; social/cultural values associated with the product, location, marketing, types of property, claw back, and moving-on (in terms of first-time buyers purchasing affordable houses).

Income plays an important role as a primary factor determining whether a household is in need of affordable housing; it also affects the price of housing in the market. Demographics play a similar role because housing is a necessity, in that as population increases, so does the demand for housing and as demand for housing increases, housing prices rise. Increased demand will provide the incentive for developers to increase the supply of housing, the more houses constructed to meet the demand of a growing population, the little impact on the price of housing the costs faced by developers will also have a significant impact on whether or not housing is affordable

as land has to be purchased and wages have to be paid to the labour force.

Interest rates are also very important and have effect on both the demand and supply of housing. If the interest rate declines, developers will find it cheaper to finance their business, making development more profitable. At the same time, a drop in the interest rate will increase the amount of money households can affordably spend on housing. Thus the factors contributing to affordable housing are income increase, land and labour cost, population increase, interest rate, and increase in demand (City of Calgary, 2008). There are many factors that contribute to concerns about housing affordability (such as low incomes relative to housing prices, unemployment, social service cutbacks, and a lack of senior government social housing programmes), elements that have a significant impact on housing affordability, including housing choice, density, transportation, vibrant economies, mixed neighbourhoods, design, and “green” standards (Affordable Housing Policy Committee 2005). Oyenuga (2006) in examining affordable housing for the masses in a democratic Nigeria identifies parameters for affordable housing as access to cheap land, cost of building materials, skill or labour, income, institutional factors, government policies and finance.

Problems Facing Provision of Affordable Housing

In the opinion of Ademiluyi (2010) problems faced in the provision of affordable housing by the government are problem of plan implementation, lack of adequate data relating to the magnitude of the problem due partly to the absence of the national data bank on housing, inconsistency in government policies and programmes, lack of efficient and sustainable credit delivery to the housing sector, relatively low income in comparison with house market prices, high cost of building materials, the rapid annual growth rate of the Nigerian population, lack of effective coordination among housing agencies, and politicisation of housing issues.

According to Oyenuga (2006) there is no affordable housing without land. The author argues that access to land is beyond location

and transportation but to the degree of ease to which an ordinary citizen can acquire land for private development. The author states that the Land Use Decree which was promulgated to make land available equitably for all Nigerians has succeeded in making it easier for land to be acquired for public use while access to land for private use has become difficult. Windapo and Iyagba (2007) in modelling the determinants of housing construction costs in Nigeria identified land as the main component of the shelter problem because it is the place where housing construction starts, laying emphasis on the cost of acquiring land, other factors identified were cost of building materials, cost of finance, foreign exchange rates, cost of infrastructure and labour cost.

Nubi (2000) is of the opinion that availability and accessibility to land; cost of processing and perfecting land titles; cost of construction and income; acute shortage of skilled personnel of various trades in the construction industry; cost of building materials; saving; and low contribution to the National Housing Fund are the problems confronting affordable housing. Babade (2007) argues that corruption in government allocation, land speculation by private land owners (OmoOnile) and exorbitant prices of land does not favour the urban worker in having access to land for development. Olurin (2007) asserts that land acquisition is difficult and expensive being that the current cost of land in most urban centres of Nigeria are in hundreds of thousands and millions, which is out of the reach of many low- middle income earners. The author further argues that the cost of building materials affect the cost of housing construction significantly in that the higher the cost of building materials, the higher the cost of housing construction and the fewer the number of people who can afford their desired houses. Ilesanmi (2008) identifies a number of significant challenges in the provision of public housing in Lagos as administrative, institutional and management challenge; inadequate funding; physical and land challenge.

Babade (2007) identifies impediments to affordable housing as rise in housing construction cost, land tenure, process of land acquisition, cost of registering land title, town planning regulations and building bye-laws

guiding urban land development, high cost of land survey and building approval processing, ever-increasing cost of building materials, lack of infrastructure, securing loans, and higher cost and slower pace of building houses by the federal and state governments. According to Akeju (2007) the challenges in providing affordable housing for Nigerians include legislation, registering of property, risk sharing, absence of a national credit database, stable macroeconomic environment, knowledge gap, dealing with licenses, taxes, enforcing contracts, high cost of building materials, and infrastructure. Expert Meeting Stockholm (2008) identifies impediments to rapid housing growth in Nigeria as the macro-economic environment, land use act, high cost of building materials, high cost of construction, high cost of land in urban areas, and lack of physical infrastructure.

Aliyu et al. (2011) identify factors affecting housing development in MakamaJahun Area of Bauchi Metropolis. High cost of building materials, non-use of local building materials, low income of the majority of the respondents and poor source of finance amongst others were discovered to be the major constraints to residential property development in the study area. Others were problems of land acquisition and statutory regulation.

Ononugbo et al. (2010) assess the housing need of the low-income people of Enugu Metropolitan Areas. Findings from the study revealed that low-income groups could not afford rent for a house in the city due to their low monthly salary (contributed by their educational background), large family size and strict government rules on land/housing, thereby pushing them to dwell in slums where there are no infrastructural services, no running clean water, no garbage pickups, and sewage services.

Relationship between Income and Rent Paid by Workers

Housing is considered “affordable” to a household if the rent (including utilities) is no more than 30 percent of its pre-tax income. Households spending more than 30 percent are labelled as cost burdened and those spending more than 50 percent are labelled as severely

cost burdened (Belsky, Goodman, and Drew 2005). According to Luffman (2006) affordability has been based on a ratio of housing costs to total household income conventionally, therefore a household paying 30% or more of its pre-tax income for housing is considered to have affordability problems.

Aribigbola (2011) asserts that the 30 percent spent on housing costs leaves very little for all necessities for low income families but is adequate for middle income earners. The author opines that an important determinant of what a consumer refers to as affordable housing is the scope for trade-offs between different forms of expenditure and their relative attraction. It finally affirms that despite these problems the 30 percent threshold is currently the most widely used and widely accepted indicator of housing affordability.

Measuring affordable housing in Canada, Luffman (2006) asserts that renters are most likely to experience affordability problems. Also the author states that shelter costs eat up most of the budget for renters, but less for owners. The differences between renters with moderate (30% to 49%) and severe (50% or more) shelter-to-expenditure ratios was examined and showed that persons in this category earned substantially less and had little left for other needs.

Commenting on housing affordability in the United Kingdom, Whitehead et al. (2009) states that a household can be considered able to afford market renting where the rent payable is up to 25 per cent of their gross household income. The 'Rent Payable' figure is defined as the entire rent due, even if it is partially or entirely met by housing benefit. Other housing-related costs, such as council tax and utility bills should not be included. The authors further identify estimation of annual income necessary to purchase a house, calculation of residual income (income a household has left over after they have paid housing costs), and considering individual and households access to finance for home purchase as measures for affordability.

In the opinion of Pomeroy (2001) a standard based on a ratio of housing expenditures to total household income; a household paying more

than 30 percent of its income for housing is considered in need. If a household is found to be below one or more of these standards, a second test is applied to determine if its income is sufficient to afford a suitable and adequate dwelling in its community within 30 percent of the household's income. This measure uses the median rent of an appropriately sized private rental unit and converts the rent to an annual income required to afford this unit based on spending 30 percent of income for rent. A household with gross income below this level, and living below any of the three housing standards, is defined as being in core housing need. The author mentions the 50 percent benchmark adopted in the United States as an indicator of worst case need, also labelled severely burdened households.

Affordability Index

Jewkes and Delgadillo (2010) in reviewing the weaknesses of housing affordability indices used by practitioners in the United States analyse three affordability indices namely the Department of Housing and Urban Development (HUD) Affordability Index for homeowners and renters; the National Low Income Housing Coalition Affordability Index for renters and the National Association of Realtors Affordability Index for homeowners.

The United States Department of Housing and Urban Development (HUD) uses a simple percentage-of-income measure to define housing affordability. It states that a household spending more than 30% of its gross annual income on total housing costs, including principal and interest payments on the mortgage, property taxes, utilities (which consist of electricity, gas, water, and sewer), and insurance, has a housing cost burden. If a household spends more than 50% of its gross annual income on housing, the household has a severe housing cost burden. It is used by housing counsellors and educators to assess how much first-time homebuyer clients can afford. The ratio is useful to describe what households spend on housing at any given point in time, providing a way to analyse trends that can lead to developing concepts and testing hypotheses. However, the ratio fails to take into consideration a cost of living variable, a variable that would account for the cost differences in food, shelter, transportation, and

other living expenses from one housing market to another.

The National Low Income Housing Coalition (NLIHC) used information from HUD to develop statistics to calculate the fair market rent (FMR) and the needed hourly wage, e.g., housing wage that estimates a worker’s ability to afford the FMR in a given area. It is an advocacy group focused on solving housing affordability problems for low-income households pushing the need for affordable housing within reach of the low-income renters. While the HUD ratio can be adapted to renters, the housing wage is designed for renters since it can only be applicable to renters; it is not helpful in determining the housing affordability situation. Also, it fails to take into consideration a cost of living variable, a variable that would account for the cost differences in food, shelter, transportation, and other living expenses from one housing market to another as well as the exclusion of rental insurance expenses.

The National Association of Realtors (NAR) indicator of housing affordability measures whether or not a typical family could qualify for a mortgage loan on a typical home. In addition, it shows how far over or under-qualified the typical family is for mortgage. The index reports a number signifying what percentage of the needed income a family has in order to qualify for a mortgage on a median-priced

home. Although the NAR measure is simple to compute and often used, it is not a comprehensive measure as it does not take into account total housing costs including property taxes, insurance, and utilities. Also, it cannot show how many and kinds of households can or cannot afford those properties that are for sale and assumes homeownership cannot be used for rental households.

Materials and Methods

Primary data used for this study was gathered through survey methods, especially questionnaire. The questionnaire was administered to elicit information on respondents’ understanding of the factors contributing to affordable housing and problems confronting the provision of affordable housing in the study area. A total of 300 copies of the questionnaire was administered on randomly selected respondents, out of which 174 was retrieved. Secondary data was collected from previous publications such as journal publications, textbooks, internet browsing, etc. In analysing the primary data collected, frequency tables, percentage and relative importance index were adopted. The results of the analysis are contained in Tables 1 to 9 under result and discussion.

Result and Discussion

Table 1: Respondents Response Rate

Questionnaire	Respondents	Percentage
Received	174	58
Not received	126	42
Total distributed	300	100

Source: Field Survey 2012

Table 1 contains the response on questionnaire administered. The table shows that out of the three hundred questionnaires administered 58%

was retrieved while 42% were not. The questionnaire retrieved was considered adequate and was used in the subsequent analysis contained in the study.

Table 2: Respondent’s Occupancy Status

Occupancy Status	Frequency	Percentage
Landlord	19	10.9
Tenant	155	89.1
Total	174	100.0

Source: Field Survey 2012

Table 2 shows that while 10.9% of the respondents are landlord, the remaining 89.1% are tenants. This reveals that majority of the respondents within the study area are tenants. The situation as shown in the Table could arise from the fact that there is few number of owner-

occupied houses in Ogudu. The deduction from the table is that most of the respondents would seriously consider the factors that would help in alleviating the burden of affordability on their income.

Table 3: Respondent’s Annual Net Income

Annual Net Income	Frequency	Percentage
Up to ₦1,200,000	73	42.0
₦1,200,001 – ₦2,400,000	53	30.5
₦2,400,001 – ₦3,600,000	21	12.1
₦3,600,001 – ₦4,800,000	8	4.5
₦4,800,001 – ₦6,000,000	14	8.0
₦6,000,000 and above	5	2.9
Total	174	100.0

Source: Field Survey 2012

Table 3 contains the annual net income of the respondents. The table reveals that 42% earn up to ₦1, 200,000 annually, 30.5% earn net income of between ₦1, 200,001 – ₦2, 400,000, 12.1% are in the income range of ₦2,400,001 and ₦3,600,000, 4.5% receive between ₦3,600,001 – ₦4,800,000 as annual net income. Also 8.0% earn between ₦4, 800,001 –

₦6, 000,000 while 2.9% earn ₦6,000,000 and above. The results show that majority of the respondents (42%) earn below ₦1, 200,000 annually. The lower figure for respondents earning ₦6,000,000 and above may be due to the fact that Ogudu GRA and its neighbourhood are occupied by middle and low income earners.

Table 4 Annual Rent Paid

Annual Rent Paid	Frequency	Percentage
Up to ₦60,000	33	19.0
₦60,001 – ₦120,000	41	23.6
₦120,001 – ₦180,000	26	14.9
₦180,001 – ₦240,000	28	16.1
₦240,001 – ₦300,000	18	10.3
₦300,001 – ₦360,000	28	16.1
Total	174	100.0

Source: Field Survey 2012

Table 4 shows the annual rent paid by respondents. Analysis contained in the table shows that 23.6% of the respondents pays between ₦60, 001 – ₦120, 000 annually, 19% pay up to ₦60, 000 annually. On the other hand, 16.1% of the respondents pay ₦120, 001 – ₦180,000 and ₦300,001 – ₦360,000 respectively.

Others are those that pay between ₦180,001 – ₦240,000 (16.1%) and ₦120,001 – ₦180,000 (14.9%). A comparison of Tables 3 and 4 would suggest that 42% of the respondents earning up to ₦ 1,200,000 per annum pay annual rent of about ₦60,000 and between ₦60,001- ₦120,000(42%).

Table 5 Comparison of Net Annual Income and Annual Rents Paid

Annual Net Income	Frequency	Percentage
Up to ₦1,200,000	73	42.0
₦1,200,001 – ₦2,400,000	53	30.5
₦2,400,001 – ₦3,600,000	21	12.1
₦3,600,001 – ₦4,800,000	8	4.5

₦4,800,001 – ₦6,000,000	14	8.0
₦6,000,000 and above	5	2.9
Total	174	100.0
Annual Rent Paid		
Up to ₦60,000	33	19.0
₦60,001 – ₦120,000	41	23.6
₦120,001 – ₦180,000	26	14.9
₦180,001 – ₦240,000	28	16.1
₦240,001 – ₦300,000	18	10.3
₦300,001 – ₦360,000	28	16.1
Total	174	100.0

Source: Field Survey 2012

Table 5 contains a comparison of respondents' net annual income and the annual rent paid. The table reveals that respondents earning up to ₦1,200,000 pay rent of up to ₦60,000. On the other hand respondents earning between ₦1,200,001 – ₦2,400,000 are paying annual rents ranging from ₦60,001 to ₦120,000. Those with annual net income of between ₦2,400,001 – ₦3,600,000 pay annual rent between ₦120,001 – ₦180,000 per annum, while respondents with annual net income of ₦3,600,001 – ₦4,800,000 are paying between ₦180,001 – ₦240,000 annually. The table further shows that annual rent of ₦240,001 – ₦300,000 is paid by respondents earning between ₦4,800,001 – ₦6,000,000 while respondents earning above ₦6,000,000 pay

annual rent ranging from ₦300,001 to ₦360,000. From Table 5 it could be deduced that respondents earning up to ₦1,200,000 can be classified under the low income earning group, respondents earning between ₦1,200,001 – ₦2,400,000 also fall into this category. Respondents with annual income ranging from ₦2,400,001 to ₦3,600,000 fall into the category of middle income earners likewise respondents with net annual income ranging from ₦3,600,001 to ₦4,800,000. Additionally, respondents receiving net annual income of ₦4,800,001 – ₦6,000,000 can be categorised under high income earners this is also applicable to respondents earning annual income above ₦6,000,000.

Table 6 Factors Contributing to Affordable Housing

Factors	Yes	No
Ease of Finance	151 (86.8%)	23 (13.2%)
Availability of Cheap Land	113 (64.9%)	61 (35.1%)
Housing Policies and Programmes	81 (46.6%)	93 (53.4%)
Low Construction Cost	79 (45.4%)	95 (54.6%)
Low Cost of Building Materials	102 (58.6%)	72 (41.4%)
Availability of Infrastructure	63 (36.2%)	111 (63.8%)
Low Cost of Labour	65 (37.4%)	109 (62.6%)
Easy Access to Mortgage Facilities	74 (42.5%)	100 (57.5%)
Stable Economy	97 (55.7%)	77 (44.3%)

Source: Field Survey 2012

Table 6 contains the respondent's opinion on the factors contributing to affordable housing in the study area. The table shows that the factors contributing to affordable housing are ease of finance (86.8%), availability of cheap land (64.9%), housing policies and programmes

(46.6%), low construction cost (45.4%), low cost of building materials (58.6%), availability of infrastructure (36.2%), low cost of labour (37.4%), easy access to mortgage facilities (42.5%) and stable economy (55.7%). From Table 6 it is evident that all the factors

contributed to affordable housing though at different degree. It could be deduced from the table that ease of finance and availability of cheap land are the prominent factors contributing to affordable housing in the study

area. The two factors are inter-twined because with finance and cheap land the cost of producing housing will be drastically reduced, resulting in the production of affordable housing.

Table 7 Ranking of Factors Contributing to Affordable Housing

Factors	Most Important 5	Very Important 4	Important 3	Least Important 2	Not Important 1	Total	RII	Ranking
Ease of Finance	102 a _i n _i = 510	55 a _i n _i = 220	16 a _i n _i = 48	0 a _i n _i = 0	1 a _i n _i = 1	174 779	4.4 8	1 st
Availability of Cheap Land	40 a _i n _i = 200	92 a _i n _i = 368	33 a _i n _i = 99	5 a _i n _i = 10	4 a _i n _i = 4	174 681	3.9 1	2 nd
Housing Policies and Programmes	24 a _i n _i = 120	34 a _i n _i = 136	77 a _i n _i = 231	21 a _i n _i = 42	18 a _i n _i = 18	174 547	3.1 4	6 th
Lower Construction Cost	13 a _i n _i = 65	46 a _i n _i = 184	79 a _i n _i = 237	26 a _i n _i = 52	10 a _i n _i = 10	174 548	3.1 5	5 th
Lower Cost of Building Materials	24 a _i n _i = 120	58 a _i n _i = 232	69 a _i n _i = 207	8 a _i n _i = 16	15 a _i n _i = 15	174 590	3.3 9	4 th
Availability of Infrastructure	23 a _i n _i = 115	30 a _i n _i = 120	78 a _i n _i = 234	24 a _i n _i = 48	19 a _i n _i = 19	174 536	3.0 8	8 th
Lower Cost of Labour	13 a _i n _i = 65	43 a _i n _i = 172	80 a _i n _i = 240	30 a _i n _i = 60	8 a _i n _i = 8	174 545	3.1 3	7 th
Easy Access to Mortgage Facilities	11 a _i n _i = 55	43 a _i n _i = 172	35 a _i n _i = 105	47 a _i n _i = 94	38 a _i n _i = 38	174 464	2.6 7	9 th
Stable Economy	70 a _i n _i = 350	36 a _i n _i = 144	50 a _i n _i = 150	7 a _i n _i = 14	11 a _i n _i = 11	174 669	3.8 4	3 rd

Source: Field Survey 2012

The Relative Importance Index contained in Table 7 shows that ease of finance was ranked first as the most important factor contributing to affordable housing (RII = 4.48). This result is not unexpected as housing construction requires huge capital outlay and also the fact that there are other responsibilities that respondents have to bear in addition to housing. The second factor is availability of cheap land (RII = 3.91). This again is not unexpected because land is an important factor in housing construction. Access to cheap and affordable land will result in reduction in the cost of construction which will in effect make housing affordable to the masses. The third factor is stable economy (RII

= 3.84). This implies that the respondents believe that a stable economy (socially and politically) will serve as boost for affordable housing, since this will attract investment into the economy resulting in employment opportunities which will enhance people's ability to pay for various accommodations. Other factors were ranked thus; low cost of building materials (RII = 3.39), low construction cost (RII = 3.15), housing policies and programmes (RII = 3.14), low cost of labour (RII = 3.13), availability of infrastructure (RII = 3.08) and accessibility to mortgage facilities (RII = 2.67).

Table 8 Problems Facing Provision of Affordable Housing in Kosofe Local Government Area

Problems	Yes	No
Lack of Funds	128 (73.6%)	46 (26.4%)
Economic Recession Hindering Housing Supply	73 (42.0%)	101 (58.0%)
High Cost of Land	144 (82.8%)	30 (17.2%)
Lack of Mortgage Facilities	71 (40.8%)	103 (59.2%)
High Cost of Building Materials	106 (60.9%)	68 (39.1%)
Administrative Bottlenecks	87 (50.0%)	87 (50.0%)
Poor Planning and Implementation of Housing Policies & Programmes	71 (40.8%)	103 (59.2%)
High Cost of Labour	65 (37.4%)	109 (62.6%)
OmoOnile (local land owners)	117 (67.2%)	57 (32.8%)
Poor Infrastructure	47 (27.0%)	127 (73.0%)

Source: Field Survey 2012

Table 8 contains the analysis of respondent's opinion on problems facing provision of affordable housing in Kosofe Local Government Area. The Table reveals that high cost of land (82.8%) constitutes the major problem. This is followed by lack of funds (73.6%), omoonile (67.2%) and high cost of building materials (60.9%). Other factors include; administrative bottlenecks (50%),

economic recession (42.0%), poor planning and implementation of housing policies and programmes (40.8%), lack of mortgage facilities (40.8%), high cost of labour (37.4%) and poor infrastructure (27%). From Table 8 it is evident that high cost of land (82.8%) is a major problem facing provision of affordable housing in Kosofe Local Government Area.

Table 9 Ranking of Problems Facing Provision of Affordable Housing

Factors	Most Important 5	Very Important 4	Important 3	Least Important 2	Not Important 1	Total	RII	Ranking
Lack of Funds	71 a _i n _i = 355	39 a _i n _i = 156	46 a _i n _i = 138	9 a _i n _i = 18	9 a _i n _i = 9	174 676	3.8 9	1 st
Economic Recession Hindering Housing Supply	18 a _i n _i = 90	53 a _i n _i = 212	61 a _i n _i = 183	17 a _i n _i = 34	25 a _i n _i = 25	174 544	3.1 3	4 th
High Cost of Land	52 a _i n _i = 260	61 a _i n _i = 244	46 a _i n _i = 138	10 a _i n _i = 20	5 a _i n _i = 5	174 667	3.8 3	2 nd
Lack of Mortgage Facilities	13 a _i n _i = 65	34 a _i n _i = 136	59 a _i n _i = 177	44 a _i n _i = 88	24 a _i n _i = 24	174 490	2.8 2	9 th
High Cost of Building Materials	24 a _i n _i = 120	45 a _i n _i = 180	77 a _i n _i = 231	16 a _i n _i = 32	12 a _i n _i = 12	174 575	3.3 0	3 rd
Administrative Bottlenecks	14 a _i n _i = 70	27 a _i n _i = 108	75 a _i n _i = 225	33 a _i n _i = 66	25 a _i n _i = 35	174 494	2.8 4	8 th
Poor Planning and Implementation of Housing Policies and Programmes	14 a _i n _i = 70	44 a _i n _i = 176	60 a _i n _i = 180	38 a _i n _i = 76	18 a _i n _i = 18	174 520	2.9 8	7 th
High Cost of Labour	15 a _i n _i = 75	34 a _i n _i = 136	77 a _i n _i = 231	31 a _i n _i = 62	17 a _i n _i = 17	174 521	2.9 9	6 th

OmoOnile (local land owners)	27 a _i n _i = 135	48 a _i n _i = 92	44 a _i n _i = 132	29 a _i n _i = 58	26 a _i n _i = 26	174 543	3.1 2	5 th
Poor Infrastructure	13 a _i n _i = 65	32 a _i n _i = 128	62 a _i n _i = 186	30 a _i n _i = 60	37 a _i n _i = 37	174 476	2.7 4	10 th

Source: Field Survey 2012

The Relative Importance Index contained in Table 9 shows that lack of funds (RII = 3.89) ranked as the major problem faced in the provision of affordable housing in the study area. This result is not unexpected because real estate development requires huge capital outlay which in most cases goes beyond the capacity of individuals and also the fact that there are other responsibilities the respondents have to bear. The second factor is high cost of land (RII = 3.83). This again is not unexpected because land is a major factor in housing construction and also exorbitant land values in the area which is beyond the reach of the masses. The third factor high cost of building materials (RII = 3.30). It can be deduced that high cost of building materials affects the cost of housing construction and the higher the cost of housing construction the fewer the number of people who can afford their desired houses. Economic recession (RII = 3.13) hinders housing supply, omoonile (RII = 3.12), poor planning and implementation of housing policies (RII = 2.98), high cost of labour (RII = 2.99). Administrative bottlenecks (RII = 2.84), lack of mortgage facilities (RII = 2.82) and poor infrastructure (RII = 2.74).

Conclusion and Recommendations

The study revealed that the major factors contributing to affordable housing are ease of obtaining finance whose need cannot be overemphasized as housing construction requires huge capital outlay, availability of cheap land as access to cheap and affordable land will result in lower cost of construction which will in effect make housing affordable to the masses, and a stable economy which will serve as a boost for affordable housing, and attract investment into the economy resulting in employment opportunities which will enhance people's ability to pay for various accommodations. The study also revealed the major problems confronting provision of affordable housing in the study area as lack of

funds as real estate development requires huge capital outlay which in most cases goes beyond the capacity of the individuals who are also burdened with other responsibilities. High cost of land is another problem as it is a pertinent factor of production in housing construction and also exorbitant land values in the area which is beyond the reach of the masses, and high cost of building materials which affects the cost of housing construction and the higher the cost of housing construction the fewer the number of people who can afford their desired houses. It is recommended that government should interfere in the high cost of land by ensuring equitable marginal distribution of land as well as reduction in the cost of obtaining title to land. It is also recommended that domestic production of building materials should be encouraged so as to increase the construction of houses as well as reduce the cost of construction in the study area.

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