

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

#### **2.1 Introduction**

The main focus of this study was an investigation of the diverse forms and elements of transformation in low-income public housing and its impact on the neighbourhood. Therefore, the review of related literature was embarked upon by examining the literature which deals with the principles and concepts of housing transformation as it occurs in some developing countries. This review of related literature is divided into four sections. The first section deals with a broad search around the terms housing, neighbourhood, and transformation, exploring in specifics their lexical and technical meanings as they concern this research.

The second section involves a detailed emphasis on the housing situation and its crisis dictated by the pressure imposed on major cities as a result of the rural-urban drift occasioned by rapid urbanization. This was followed by a third section which discussed housing attributes and the need for an adequate and affordable housing system which is considered on the premise of laid down regulations and systems geared towards ensuring that the people in a particular society are provided with good housing. The meaning of transformation as perceived by people in other parts of the world and how the practice is accommodated was discussed through an exploration of the literature which discussed how housing and economic situation are related to housing transformation.

These issues were considered relevant to the study because housing, including its policy, is intricately connected to the dynamics of housing transformation. Housing policy, which refers to the measures put in place by the appropriate authorities to sufficiently house its citizenry, is considered a vital consideration when it comes to assessing the performance of any Government in the housing sector. The housing delivery process translates policy frame work into something that can be seen and be felt by observers and beneficiaries. The outcome is viewed on the grounds of its adequacy or otherwise and how it affects the social wellbeing of the people.

Finally, the way and manner residents have tampered with their housing and effected diverse measures of transformation within and around the dwelling units, as observed

from the literature are presented. This is to ensure that an all round understanding of the rapidly prevailing practice of transformation in developing countries and even advanced nations albeit at different scales is achieved.

## **2.2 Some Operational Concepts in Housing Transformation**

### **2.2.1 Housing**

Housing is defined as the total residential neighbourhood/environment or micro district including the physical structure, all necessary services, facilities and apparatus for the total health and social well-being of the individual and family (Salau, 1992). It is seen as the physical environment in which the family and society's basic units must develop. Housing structures are enclosures in which people are housed for lodging, living accommodation or even work places.

According to Abram (1964), "housing is not only a shelter but also part of the fabric of the neighbourhood life and of the whole social milieu". It touches upon many facets of economic activity and development. Thus housing provides social contacts, good image, a sense of belonging and an indicator of social status.

Economically, housing represents a major portion of the family budget or that of an establishment, yet in the realm of private and public investment, the built environment represents a man's most tangible material asset (Kinyungu, 2004).

The 1992 National Housing Policy for Nigeria identified shelter as the most essential human need after food. While adequate housing is crucial for effective performance of man, a considerable proportion of Nigerians live in sub-standard and poor housing as well as deplorable unsanitary residential environments (Onibokun, 1985).

To this end, one can deduce that housing is 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 neighbourhoods to meet the basic and social needs of the population and is intended to provide security, comfort and convenience for the users (National Housing Policy, 2004; Osuide, 2004).

The general definition of housing as the continuing activity of providing shelter within a defined geographical area to people who being productive are able and willing to pay for and use a defined quality of shelter, needs to be revisited because housing in its

true sense goes beyond shelter. It includes all the services and community facilities significant to human comfort (Onibokun, 1982). The Nigerian Fourth National Development Plan (1981-1985) believes that with the exception of food, shelter ranks highest among man's basic needs. It is, however, important to note that housing goes beyond simple shelter; it includes services, facilities, utilities within and without, on site and off-site.

According to Onibokun (1982) housing is not only a basic human need; it constitutes a vital component of man's welfare, life sustenance and survival. In the hierarchy of man's needs, housing has been ranked second to food. It has a profound influence on the health, efficiency, social behavior satisfaction and general welfare of the community. Housing is universally acknowledged as one of the most basic human needs, with a profound impact on the life-style, health, happiness as well as productivity of the individual (Dunn, 2000). According to Stafford (1978), the concept of housing is generally defined for statistical purposes as dwelling units (Housing unit occupied separately by households) comprising a great variety of quantities and qualities. Aroni (1982) and Achuen (2002), point out that housing should be a home, a resting place with fundamental purpose of a secured, rewarding, happy or at least a liveable space. In the context of socio-cultural functionality, housing is viewed as 'an area for recreation and identification' (Gallent et al, 2004) and can be regarded as psychological identity, a foundation for security and self respect (Aroni, 1982) societal support (Johnson, 2006), and the setting for the formation of social relationships (Amole, 1997).

One of the most intractable socio-economic problems facing the Nigeria nation today, is acute shortage of comfortable and affordable housing for the people. The major causes of the problem have been identified and frantic efforts have been made and huge financial resources have been expended, but strangely, enough, it has defied sustainable solution (Adedipe, 2009).

Housing as an investment has a significant role to play in the individual, local and national economy. In most cases, it constitutes the first major capital investment and life ambition of individuals (Bello, 2003). The desire to own a house constitutes one of the strongest incentives for savings and capital formation (Ozo, 1990).

In more complex centers today with a maze of activities sometimes defying geography, housing needs should desire quality and quantity from the quality and quantity of urban activities. It is for this reason that housing is a subsystem of activities whose nature is clearly defined in a proper planning framework which comprises a complex bundle of considerations, including privacy, location, environmental amenities, symbolic characteristic and investment (Milanovich, 1994)

Housing is considered a consumable item by Lawrence (1995), because he believes that when households dwell in a house, they interact even with the surrounding, therefore consumption takes place. When they consume housing, they purchase or rent more than the dwelling units and its characteristics; they are also concerned with such diverse factors as health, security, privacy, neighbourhood and social relations, status, community facilities and services, access to job, and control over the environment. Thus, to be ill-housed, can mean a deprivation along any of these dimensions. Characteristically, housing is unique among consumer goods. It is potentially very durable, with a useful life span of around 70 years.

### **2.2.2 The Meaning of a House and Qualities of a Home**

A house is an evolutionary product of man's civilization and a perfect reflection of the social system that creates it. Succinctly put, it is an externally expressed three dimensional geometric structure, physically projected on the geographic space, internally organized and subdivided into differentiated but highly inter-related and communicating functional space (Ogunshakin, 1988). A house as explained can also be seen as a dwelling place for human habitation whether a crude hut or an elaborate mansion, and whatsoever its degree of intrinsic architectural interest, a house as a matter of fact, provides shelter and acts as a focal point for day-to-day living (Ahsen and Gulcin, 2005). The physical characteristics of a house depend on the climate and terrain available, building materials, technological skills and such cultural determinants as social status and economic resources of the owners or owner.

A house is more than just a dwelling. It is a source of identity and status as well as a demonstrator or both to the outside world. It may become identified with and a place of assembly for a wider family or lineage that occupies it from day to day. It may also be a

location for business which provides the basic necessities of life or for one that augments a main income (Ahsen and Gulcin, 2005).

Housing on the other hand, as explained earlier, is a decisive integral of spatial formation, balanced development and ecological unit. It is one of the most important needs in man's life. In fact, housing which used to be regarded as mere shelter is now much more than that, thus in today's parlance, housing is the totality of the house and the environment in which it is situated and those infrastructural facilities which make living in them convenient and safe (Ajanlekoko, 2001).

It is the universality of the housing problem that made the U.N. to declare the first Monday of October every year as WORLD HABITAT DAY. On this day, it is expected that every one reflects on the housing problems all over the world and ponder over possible ways of solving these problems with the aim of housing the homeless and ensuring healthy and decent housing for those living in sub-standard places.

It has different meanings for different cultures, groups and individuals. Okupe (2002) sees housing as a strategic asset to man, irrespective of his/her socio-economic status, colour or creed and as such there lies a passion and emotional attachment to housing in African traditional setting. Nevertheless, the level of housing production in Nigeria despite the number of housing programmes and policies is still at its lowest ebb.

Housing, therefore, is a fundamental product of every human effort irrespective of his or her financial standing. Provision of shelter is that passive and primary function of housing while its secondary function is the creation of an environment that is best suited to the way of life of a people - in other words a social unit of space. Housing symbolizes the social status of the family to both the wider community and in the nuclear family setting itself. While the quality and quantity of housing stock is a reliable barometer of measuring the technology, culture and above all, civilization level of any nation. It contributes to the general wellbeing of a people, race or community (Burnette 1986). When we use the word quality in this study, its usage is on a broad base, and encompassing a variety of meanings defined by researchers in almost all fields. The quality of a house determines the reference as home if it performs some fundamental function for the residents. A house with all its necessary physical attributes must have a rich set of evolving cultural, demographic and psychological meanings attached to it to be

called a home. The following attributes (Gracia , Uzzel, Real and Romay, 2005) have been identified as relevant dimensions of a house for it to transform into a home:- order, haven, identity, warmth, connectedness, and physical suitability as further expatiated below.

- i. A home helps to know our place in the world. It is a centre from which we venture and return; it is one way that we order our existence in the world. This ordering is not only spatial but temporal. Home is strongly related to our sense of continuity.
- ii. A home is a haven that surrounds us with privacy, security, refuge, and protection from the slings and arrows of life outside it.
- iii. A home is central to our identity. As social creatures, home includes for us a sense of family or kinship, ethnic belonging and socioeconomic status. Home is thus an important part of who we are. Through self expression and personalization, the home comes to resemble or represent ourselves. We give the physical structure as we transform it from a mere residence into a home.
- iv. There is warmth in a home. It grows out of the preceding qualities, but goes beyond them. The warmth is like that of a hearth but is symbolic and interpersonal.
- v. Home means connectivity because the pattern of spatial and temporal order helps us to feel connected to certain people, to the place, to the past, and to the future. We feel part of a family or group, and part of a culture.
- vi. Home is physically suitable. This means more than the material physical aspects of the house. It means the form and structure of the house matches our social and psychological needs.

The absence of the above components in a house will lead to diverse behavioral responses including transformation through adaptive changes to reach a point of satisfaction with the dwelling.

### **2.2.3 Neighbourhood**

Several convergent definitions have been given to the term Neighbourhood. For example, Kallus (2000) defined it as “a place with physical and symbolic boundaries”

while Morris and Hess (1975) labeled it “a place and people with common sense limit as the area one can easily walk over”. On the other hand, Golag (1982) sees it as “a physical or geographical entity with specific boundaries”. Hallman in his approach, attempted to integrate social and ecological perspectives by defining neighbourhood as “a limited territory within a large urban area, where people inhabit dwellings and interact socially (Hallman, 1984). Warren (1981) defines it as a social organization of a population residing in a geographically proximate locale where there exists a common named boundary, more than one institution identified with area, and more than one tie of shared public space or social network.

All these definitions presume either a certain degree of spatial extent and or social interrelationship within that space but it must be realized that there exists other features of the local residential environment that clearly affect its quality from the perspective of the residents, property owners and other observers as expressed by Schwirian (1993), Hallman (1984) and Temkin and Rohe (1996). In this research, we would like to rely on the definition of neighbourhood as given by Pitkin (2001) which states that “neighbourhood is a multidimensional bundle comprised of spatially based attributes associated with clusters of residences, sometimes in conjunction with other land uses”. Minkler and Wallerstein (1997) contend that neighbourhoods have four basic components:

- i. Physical and human built environment that supports residents’ needs,
- ii. Social dynamics and interactions,
- iii. Group identity and cohesion; and
- iv. Collectives who act together for political change.

A neighbourhood also as defined by Pitkin (2001) is associated with spatially based attributes such as:

- i. Structural characteristics of residential and non-residential buildings: type, scale, materials, design, state of repair, density, landscaping.
- ii. Infrastructural characteristics: roads, sidewalks, streetscaping, utility services, etc.
- iii. Demographic characteristics of the resident population: age distribution, family composition, racial, ethnic, and religious types, etc.

- iv. Class status characteristics of resident population: income, occupation and educational composition
- v. Environmental characteristics: degree of land, air, water and noise, population topographical features, views, etc.
- vi. Political characteristics: the degree to which local political networks are mobilized, residents exert influence in local affairs through spatially rooted channels or elected representatives.
- vii. Social interactive characteristics: local friend and kin networks, degree of inter-household familiarity, type and quality of interpersonal associations, residents' perceived commonality, and participation in locally based voluntary associations, strength of socialization and social control forces.

All the attributes above may not be present in a particular neighbourhood but Avery (2006) and Hunter (1974) emphasize that while most of them are, the quantity and composition of constituent attributes typically vary across neighbourhoods within a single metropolitan area. This implies that, depending on the attribute package they embody, neighbourhoods can be distinctly categorized by type and or by quality. These details on the dimension over which neighbourhood can be classified is necessary for one to understand neighbourhood change.

A neighbourhood can be envisioned as a consumable commodity from which four different types of users potentially reap benefits (Galster, 2001). These users are:

- i. Households: Households consume neighbourhoods through the act of occupying a residential unit and using the surrounding private and public spaces, thereby gaining some degree of satisfaction or quality of residential life.
- ii. Businesses: Businesses consume neighbourhood through the act of occupying a non-residential structure (store, office, factory), thereby gaining a certain flow of net revenues or profit associated with that venue.
- iii. Property owners: This group of users consume neighbourhood by extracting rents and/or capital gains from the land and buildings owned in that location.



- iv. **Local Government:** To this group of users, consumption is done by extracting tax revenues, typically from owners and tenants based on assessed values of residential and non-residential properties.

Pitkin (2001) and Galster (2003) noted that neighbourhoods change by the very act of consuming them and this can occur directly or indirectly. Directly, as households consume neighbourhoods by occupying residences in it, they may simultaneously alter demographic and/or social economic status profile of the neighbourhood if the in-moving households differ systematically from longer-term residents. Indirectly, changes in the occupancy and /or ownership profiles of a neighbourhood not only change its current attributes but may trigger longer-term changes in a wider variety of attributes (Temkin and Rohe 1996).

#### **2.2.4 Transformation**

Transformation, according to Longman dictionary of contemporary English is a complete or partial change, usually into something with an improved or disfigured appearance or usefulness. It is synonymous with alteration, adjustment, modification and improvement, as well as change, which is said to be constant in life ( Plate 2.1). At the end of the day, the outcome is as adjudged by the generality of observation and good sense. Housing transformation is a major livelihood strategy among low-income households in urban formal and informal settlements (Tipple, 2004) which is carried out sometimes out of desperation. However, while transformations promote the asset base of owner households and the local economy of the settlements, the lack of statutory development control leads to excessive densification with public health hazards and road blockage. (Sheuya, 2004). Hasan (2006) noted that transformation is a response to the failure of the government of the day to cater for the housing needs of the people specifically the low and medium income groups. He opined that people are more concerned about their personal interest than promoting, maintaining and sustaining a good environment. It is for this reason that illegal erection and general transformation is a manifestation of lack of concern about the quality of their housing. The failure is because government policies on housing and the formal and informal developments are

incompatible with the economic and sociology of the urban poor and constitute only a small fraction of their requirements.

In summary, much seems to be desired in the provision of low- cost housing for the people as it appears that there is a need for the policy makers and implementators of the drawings as well as the field workers to carry out thorough consultation before embarking on any actualization.

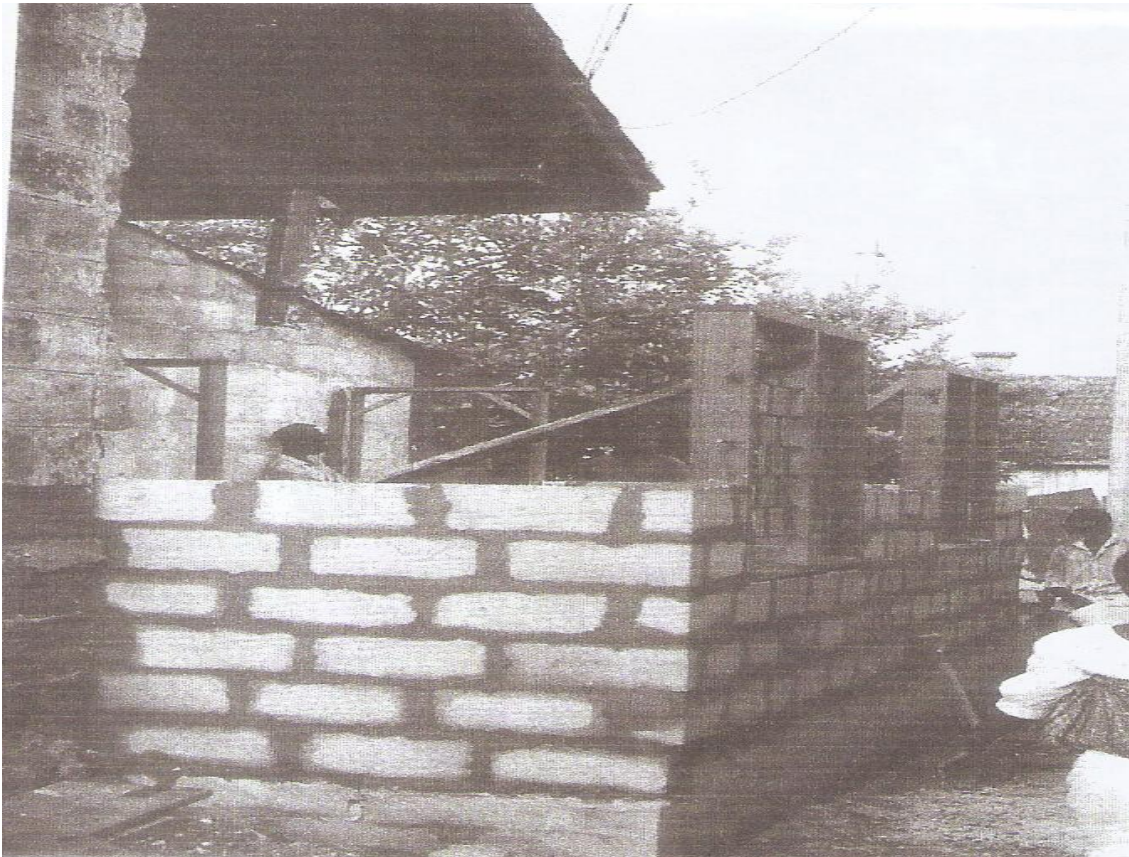


Plate 2.1. Addition of Extra One- bedroom to the Building ( Tipple 2000)

### **2.2.5 Housing Transformation**

Transformation in housing can be related to the urge by one to create a personalized environment and also to share that of others or to follow a fashion. “The need to give one’s personal stamp is as important as the inclination to be obstructive” Avi (2002). It all has to do with the need for a personal environment where one can do as one likes, indeed it concerns one of the strongest urges of mankind: "the desire for

possession, to possess something one has to take possession. We have to make it part of ourselves, put our stamp on it. Something becomes our possession because we make a sign on it...because it shows traces of our existence" (Habraken, 1975). It is argued that one cannot really identify with an area unless one has made some contribution in the way of construction or alteration and that a sense of belonging can only really be achieved through leaving physical traces.

Housing, as a physical manifestation of society's culture, is dynamic. Housing transformation is an inevitable response to changing needs occasioned by socio-economics of survival. As universally observed, families require satisfactory dwelling environment throughout their respective life cycles. Housing transformation, whether by moving, improving or a combination of both, seeks to obtain satisfactory habitat.

Transformations, on the other hand, occur close to existing dwellings and often on the private land attached to them. The informal 'settlement' takes place within the interstices of the formal settlement on land that is already serviced, integrated within the city fabric, equipped with social and other infrastructure and suitable for residential occupation. While interstitial development has many of the inconvenient features of the conventional informal settlement, it does not tend to obstruct major future developments as many informal settlements do. Instead the development which may be prejudiced, is more local and likely to affect only the close neighbours. It may even be fairly serious in its local ramifications, e.g. blocking access for fire appliances or building over service lines, but it is unlikely to affect meso- or macro-scale projects in the city.

There are also differences relating to social and ethnic factors, and personal incomes, both between and within cities, that *prima facie* would seem to be implicated in these changes. Visually, the most striking individual changes recorded in studies of existing suburbs have involved the construction of additional dwellings within the already developed area (see Plate 2.2 below).

Galster (2001) reveals that the decisions by users to transform their housing or neighbourhood are based heavily on "relativistic, inter-neighbourhood comparisons and futuristic expectations embedded within a highly interactive, multi-actor context". Pitkin, (2001) further emphasized that these transformations are "fundamentally driven by

external forces reverberating through the metropolitan housing market; characterized by non-linear processes; and are socially inefficient.

According to Quercia, George and Galster ( 2000), every now and then, neighbourhoods witness in-migration of households of different economic means from the original residents. This could lead to a decline in the physical quality of the dwellings –in the extreme, dilapidation and even abandonment. In each case, the new addition of high quality dwelling in excess of household demand for such rendered the array of lower-quality neighbourhoods relatively less attractive and less expensive. This form of alteration of an existing neighbourhood is triggered by forces originating outside the confines of these neighbourhoods which suggest that most fundamental sorts of neighbourhood transformations are “externally induced”.

Olanrewaju (1997) investigated some incidence of housing transformation and land use change in Lagos Island to be specific and discovered that while there was a high demand for residential housing especially for the low-income earners, residential properties were fast disappearing as they were being transformed into commercial uses which is completely out of the initial development plan. He further observed that within a period of twenty years (1974-1993), residential properties which occupied 71% of the total land use area reduced to barely above 30 percent. Incidentally, most of these housing and neighbourhood transformations never got the appropriate approval. These transformations are in form of change of use and unauthorized conversion of buildings into commercial uses, worship centres, construction of illegal adjoining structures and complete disregard of building and planning codes.

Transformation of public housing can be likened to attaching informal developments to the most formally developed neighbourhoods as visible in many cities. It could also be in the alteration of the original internal spatial arrangement of a house to accommodate more distinct spaces as found happening in most low-income public housing or a deliberate distortion in the free flow open land use layout of the original concept.

In the past, we had become used to informal housing supply taking place in particular areas, typically on unused land within the urban built-up area like railway reservations, land assigned to future government use, steep slopes and lands liable to

flooding or on its periphery. These settlements often present acute discomfiture to land-use planners because they create obstacles to smooth implementation of planned development, e.g. the Klong Toey settlement and port facilities in Bangkok (Durand-Lasserve, 1999) , or put their residents in potentially serious danger, e.g. from mud slides during heavy rain. But today, the occurrence or practice appears to have taken a new dimension with various forms of transformation transcending the low-income to high-income group even in the most conspicuous ways. Because the bulk of this observation occurs on public land, the removal or control of such development puts the authorities in the awkward position of being the oppressors of the people when they would prefer to be seen as the protectors of the people. This may be seen as a manifestation of the deteriorating shelter condition of the low-income household who would give their lives to remain in the cities.

It must be highlighted at this point that the transformation of houses can be from positive to negative and vice versa. Friedman (1992) considers a situation where households of a poorly developed neighbourhood seek to improve their dwelling quality to enhance better living (a positive intervention of transformation). On the other hand, when a hitherto planned out setting, experiences attachments of many sorts in an unacceptable manner as to creating a negative impression, it goes from positive to negative.

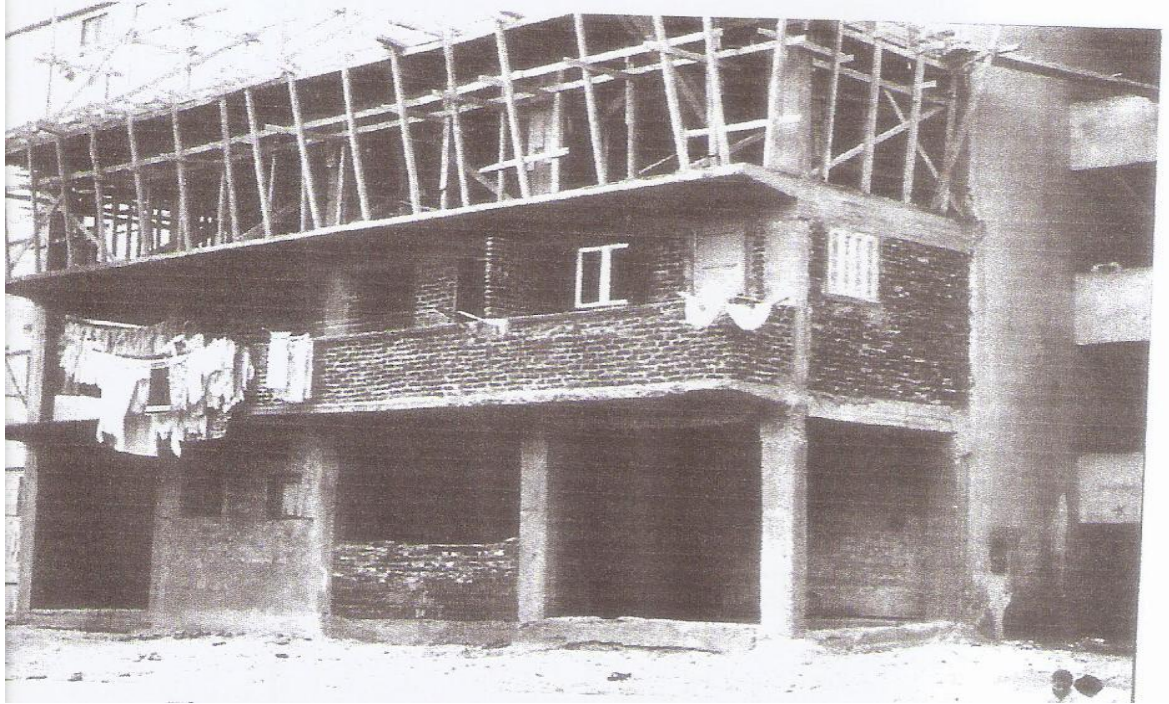


Plate 2.2. Several Bedrooms Added to Ground and First Floor With More addition in progress in a multiply storey building (Tipple 2000)

## **2.3 Issues in Housing**

### **2.3.1 Housing Adequacy and its Qualities**

Housing, as earlier stated in the definitions means the provision of buildings for specific purposes including human habitation; it goes beyond the provision of shelter for protection against weather conditions as earlier said but must qualify to be considered "good" and adequate. Good housing, as technically defined by Milanovich,(1994), should meet local building, housing, and health codes; contain all types of essential water, must not be dilapidated, deteriorated, or over-crowded. Adequate housing as defined by the World Health Organization (WHO), is a physical structure that man uses for shelter and the environs of that structure including all necessary services, facilities, equipment and devices needed for desired physical and mental health and social well-being of the individual and family. For the purpose of this research, quality refers to distinguishing properties that promote a degree of excellence (Smith, Nelischer, and Perkins, 1997). Caution must be applied not to fall in line with the school of thought whose concept of quality has only been considered for the high-income housing in terms of location within

the city, dwelling size, building material, etc. but not in terms of dwelling layout, satisfaction and quality use of space. Housing quality as a concept requires an in-depth reappraisal and there is an urgent need for an integrated definition of housing quality in which sets of architectural, demographic, economic, ecological and political factors are explicitly interrelated (Lawrence, 1995). According to Goodchild (1997), unraveling the concept of quality in housing brings to bear a series of min-burgling questions as to what the main difference between types of housing and types of layout are, what the advantages and disadvantages of these different types are, and what are the different aspects of quality? Quality in itself, in this context, is related with the potential to meet the needs of the users. In other words, it means “fitness for use”. How can a designer or developer identify and measure perceptions of quality in different contexts? Goodchild reasons that the first step is to distinguish between ‘habitability’ and what might be called socio-cultural aspects of quality. Hence adequate housing must meet the following housing requirements:

- i. Adequate housing must be in conformity with the need of the users as this will reduce every tendency of transformation.
- ii. Adequate housing must be provided bearing in mind the lifestyle and social cultural attributes of the target groups.
- iii. Good quality materials must be used to ensure that the building is solid and compatible to soil type and climate of the area otherwise decay sets in almost immediately.
- iv. Provisions of sewage system, drainage and disposal of refuse to make it a neat and healthy environment.
- v. The spaces provided in the building must be spacious enough to make it comfortable for dwellers.
- vi. Drainage systems get blocked over the years. It is better to drain rainwater away from the house in above-ground downspout extenders made of metal or flexible hose. Keep gutters free of leaves and debris.
- vii. The provision for adequate ventilation and natural lighting of passages and hallways. Ventilation is necessary in bathrooms and kitchens, which tend to get damp.

- viii. There must be adequate provision for good and portable water supply, storage and preservation as well as provision for recreational facilities.

Good housing enhances good health. The total absence or inadequate provision of any of the facilities enumerated above would certainly cause some discomfort to the users such as pollution of environment with refuse and sewage with its attendant obnoxious odour, unsightliness, and a distortion of the dwelling units and or the neighbourhood. This neglect is considered by the UNCHS (2005) as an infringement on the housing right of the people.

### **2.3.2 Housing Rights**

Housing rights are all those human rights that help people to live in a decent and secure home. The most important housing right is the right to adequate housing. It is the right of everyone to live somewhere in security, peace and dignity. Therefore, access to adequate housing should not be determined just by a person's social or economic status. The United Nations Committee on Economic, Social and Cultural Rights in its 1991 communiqué issued in respect of adequate housing explains what this means and stated that the right to adequate housing has seven elements:

- i. Legal security of tenure – Everybody has the right to a degree of security of tenure that guarantees him/her legal protection against forced eviction, harassment and other threats. The Committee said that this applies to every type of housing, whether it is a mansion or a shack in an informal settlement.
- ii. Services and materials – The right to adequate housing means not only that everyone has the right to access building materials, but also that everyone has the right to essential services; for example, water, sanitation, energy, garbage disposal, site drainage and emergency services.
- iii. Affordability – Adequate housing does not have to be provided free of charge, but the personal or household financial costs involved in getting housing should not mean that people cannot satisfy their other basic needs.
- iv. Habitability – Adequate housing provides residents with adequate space and protects them from cold, damp, heat, rain, wind and other threats to health,



including structural hazards and disease vectors (for example, animals that carry diseases).

- v. Accessibility – Adequate housing must be physically accessible. This means making housing accessible to people with disabilities, or ensuring that sufficient land is made available to build new housing.
- vi. Location – Adequate housing must be in a location that allows access to employment options, health-care services, schools, child-care centres and other social facilities. Housing should not be built on polluted sites nor near pollution sources that threaten the right to health of the residents.
- vii. Cultural adequacy – The way housing is constructed, the building materials used and the policies supporting these aspects of housing must enable the expression of cultural identity and the diversity of housing in an appropriate way.

### **2.3.3 Adaptability in Housing**

Adaptability in housing is considered as the provisional tendency of providing residents or potential occupants with forms and means that facilitate a fit between their space needs and constraints of their homes either before or after occupancy. The fit in this regard can be achieved through a search on the constant accelerated demographic diversity, economic, lifestyle and technological changes that are inevitable in societies like ours (Ritsuko 2004) .

In a vibrant society where changes are constant, it is difficult to make accurate predictions by way of forecasting future demographic tendencies and national economic performance, identifying technologies that will revolutionize industry and business or naming lifestyle trends that will predominate in time to come. Forecasting with any precision how homes will be designed or arranged in future is no exception. However it can be anticipated that homes will continue to reflect the taste, habits and lifestyle of the people who inhabit them and that they will be influenced by new technologies as well (Whitehand, Christine and Carr 1999). All this put together will determine how people occupy, utilize, and modify or transform their dwellings. It has always been part of

human habitation to adapt shelter to suit their varying needs because the conditions that bring about housing adaptability are in fact, a result of fundamental paradox such as:

i. Houses being built at a particular point in time, characterized by particular tendencies and technologies and as time progresses, the factors and decisions that shaped or gave birth to the original design increasingly get outdated.

ii. While in some circumstances, the increase in the number of households, coupled with planning policies emphasizing the containment of suburban growth has implication for the construction of additional dwellings within an existing suburbs, the diminishing size of households has its own implication on the existing stock of houses. For example, Avi (2002), Coleman and Salt (1992) observe that in London and Wales, a common occurrence was a situation in which for instance, a three-bedroom semi-detached house with sizeable garden was in many ways well suited to the needs of the traditional inter-war family household of three to four persons but arguably less appropriate for the households of one to two persons that by 1981 constituted well over one-half of the entire region.

Furthermore, major changes in the character of households in the post-war period (Joshi,1992) seem to make households less suited to houses that were designed almost entirely for families in which working husband and housewife were at the fulcrum and also for men and women whose nature and organization of work have, to some extent changed, with disposable income and amount of leisure time increasing considerably. (Burnett,1986). Some other factors have been found to be responsible for spatial change in homes and they include amongst others- (i) Family transformation, (ii) Avoiding unnecessary mobility, (iii) Fitting into new technologies, (iv) Social and economic dynamics (Whitehand, Christine and Carr 1999)

### **2.3.4 Public Housing**

Public housing refers to provision of residential housing and its attributes to the people by the government. It is usually geared towards ameliorating the difficulties faced by the people particularly the low-income earners in accessing decent housing for themselves

Public housing is a form of housing tenure in which the property is owned by a government authority, which may be central or local. Government-owned housing units made available to low-income individuals and families, at no cost or for nominal rental rates, are specifically called public low-income housing. But studies have revealed that governments in developing countries have found it increasingly difficult, if not impossible, to construct sufficient amount of public housing and to extend community infrastructure and services to meet the needs of urban areas (Awotona, 1987).

Public housing was birthed as a solution to the proliferation of slums and squatter settlements but Housing specialists have revealed that public housing has failed to provide decent housing, claiming that it has succeeded in segregating tenants by income, race, and that it has isolated residents from the larger community (Okupe, 2002; Oruwari, 2006). Housing reformer, Milanovich (1994) highlights the inherent shortcomings of public housing policy as it is bedeviled by, institutional rigidity, infringement on consumer choice and awfully depressing project design characteristics of many large scale public housing projects. Public housing in Nigeria, which would have brought solace to the teeming urban households, is saddled with so many shortcomings such as:

- i. Lack of the necessary resources to match the housing needs of the target groups which includes the immigrants and the new households formed.
- ii. The rising cost of public housing with rigid planning and building standards, corrupt practices and persistent cost and time overrun which makes the public housing always miss its target groups (Oruwari, 1987).
- iii. Inability of the housing finance institutions to keep up with the demand for housing loans and as a result they tend to remain patently conservative and inflexible when it comes to collateral requirements.

Invariably due to the above reasons, the low-income households were squeezed out in favour of the middle and high-income groups in the cities.

### **2.3.5 Trends in Public Housing Provision in Nigeria**

Several researchers (Awotona, 1987; Onibokun, 1990; Arayela, 1996, 2000; Ademiluyi and Solanke, 1997, Olokesusi et al, 2003), carried out a lot of work and documented housing efforts in Nigeria by way of reviewing government housing policies

and programmes which affect housing provision. Basset and Short (1980), said that the provision of housing is not only a quantitative problem, but also a qualitative problem in the sense that: housing contributes to the reproduction of different components of labour power with different incomes and housing needs.

Public sector intervention in housing began in the pre-independence era, when in 1928 the Lagos Executive Development Board (LEDB) was established with the primary purpose of clearing areas affected by the bubonic plague that occurred in 1925. The Board was also to provide housing units for metropolitan Lagos (Abiodun, 1999). The early attempts at public housing provision included the building of residential quarters in Government Reservation Areas (GRAs), and provision of staff quarters for Institutions like Armed Forces, Police, Nigerian Railways etc. Successive Nigerian government's mode of intervention varied in their attempt to redress the housing problems and the bold attempts made then included: direct housing construction, provision of staff quarters, government housing loan, Urban Development and Mortgage Loan Scheme, Site and Services Schemes and Housing Finance System. Agbola (1994) observed that, despite these laudable efforts, there has been continued disappointment, hopelessness, frustration expressed by the general public regarding owning a house or having access to a decent dwelling unit.

It is therefore necessary to identify why these past housing policies and programmes failed to achieve their set goals. Some studies revealed that public intervention in housing in Nigeria did not achieve much success in the past because of many reasons. These included: inappropriate and poor execution of housing policies and programmes; the inability to understanding the housing needs of the low-income earners (which made up majority of urban dwellers), thereby resulting in the provision of inadequate and inappropriate kind of housing for them; politicizing government housing programmes; houses built by government are expensive for the low-income earners to buy and are always few in number; housing proposals do not usually take into consideration different Nigerian climatic, cultural and socio-economic environments, (Jagun, 1987; FGN, 1990; Atolagbe, 1997) thus, constituting major reasons why dwellers embarked on physical transformation as soon as they acquire their buildings. (Awotona, 1994; Tipple 1994).

Despite the public sector participation in housing as direct house construction of low-income buildings, Olotuah (2003) was of the opinion that housing conditions of the low-income earners had not shown any significant improvement over the years. The most challenging problem before the public sector is its failure to define a proper role to play in housing provision. It has been involved in direct house construction and of ensuring enabling environment for housing development. He stressed further that though public sector intervention in housing development has been unsuccessful it has a major role to play in ensuring optimum performance of the private sector, which has been the greater supplier of housing in the country.

Architects are the first to feel the impact of economy and politics, consequently they should always make sure that public housing designs maintain a National identity i.e. a regional trend. Very functional layout of residence which is most capable of reflecting Nigerian way of life and generally important here is the closeness to nature through outdoor areas (Ogunsote, 2002).

### **2.3.6 Housing Policy**

It has become common all over the world that governments, in order to become popular and acceptable amongst its citizenry usually place as top priority housing development in their national development plan (NDP) (Ajanlekoko 2001). He further affirmed that the center piece of all human's endeavours particularly in developing countries, is the passionate ambition to own a house of his own and ultimately bequeath a lasting legacy to his family when the inevitable time comes. House is generally considered to be the ultimate reward or outcome of a successful life accomplishment. A man who has not built or acquired a house is regarded as a non starter in the society. Being a landlord in some quarters is part of the criteria required to be accepted in some social gathering. This is why globally and Nigeria in particular, the zeal to own a house, no matter the quality, is pursued with great determination.

The government has, over the years, realized the importance of ensuring that its citizens are housed reasonably well and for this reason, has at one point or the other come up with policies to buttress its interest in the housing sector. Moreover, as expressed in available literature, a vigorous and buoyant housing sector is an indication of a strong

programme of national investment and is indeed the foundation of and the first step to future economic growth and social development. Several and diverse efforts have been made to arrest the imbalance between population growth and absolute housing shortage/affordability problems.

Housing policy, in this research, defines all the appropriate institutional frameworks at both the central and local levels and all that it entails to make housing available to the people with limited stress therefore the route towards fulfilling that ambitious housing program for a nation are couched in what is referred to as the National Housing Policy. It helps in determining the level of shortage as well as create standards in the housing sector. The involvement of government in most parts of the world, is channeled through direct provision of houses for the low and medium-income sector as well the provision of staff quarters for its principal officers. This may not have yielded the desired result as observed by Hasan (2006) because majority of technocrats who make policies and give shape to political thinking are from the high class group and have not only a very poor understanding of the urban poor but look upon them with suspicion and hostility. He noted that government policy on housing has for this reason, catered for the needs of the high class at the expense of the poor.

In Nigeria and most developing nations, housing strategy heavily depends on the government because government's direct intervention in housing strategies are desirable in the provision of affordable housing for the low-income household since they command more resources and authority in its executive capacity (Ajanlekoko, 2001). The involvement of the Nigerian government in housing delivery can be traced far back in history and be subsequently examined under three distinct phases; The colonial period, the independence period and the second republic.

i. The Colonial Period: During the early colonial period, housing activities and policies of government focused essentially on provision of quarters for expatriates staff and selected indigenous staff in specialized occupations like the railway, the police, schools, hospitals etc . This period saw the establishment of government residential areas (GRAs) as well as few “African quarters”. No effort was made by government to build houses either for sale or rent to the general public. In the early 1920, Lagos was ravaged by the bubonic plague and this prompted the colonial authorities to establish the Lagos

Executive Development Board (LEDB), which was charged with the responsibility of effective planning and development of Lagos. In 1956, the Commonwealth Development Corporation in association with the colonial government and the eastern Nigeria government established the Nigeria Building Society (NGS) and charged it with the responsibility of providing loans to civil servants, for building houses. The Society continued its function until 1977, when it was converted to what is now known as the Federal Mortgage Bank (FMBN). However, its achievements during the period were modest as its activities were handicapped by paucity of funds.

ii. The post independence period (1960-1979): During the period immediately after the independence, emphasis was placed on the five- yearly Development Plans as the vehicle for economic development. The housing sector however, suffered near complete neglect in the first two plans. In this period, more housing corporations were established in the newly created states. However, their contributions were rather insignificant as their impact within the medium and high income budget remained low. In 1971, the National Council on housing, consisting of all States' Commissioners responsible for housing was established. This marks the first significant and direct attempt by the Federal Government to intervene positively in the area of housing.

iii. The Second Republic (1980-1983): This marks the on-set of civilian administration when the government embarked on elaborate housing programme. The annual target was to construct 40,000 units nationwide with 2,000 in each of the then twelve (12) State capitals. Monies were budgeted and expended but at the end of 1983, only 32,000 houses were constructed. This figure represents 25% achievement rate. The low achievement was due primarily due to:

- i. The adoption of single architectural design for the entire country, irrespective of the various cultures and climates.
- ii. The distribution and choice of sites which have little or no relationship with the effective demand for housing.

The new National Housing Policy which had as its major task, the provision of decent housing to all Nigerians, at affordable cost by the year 2000 AD was inaugurated in 1991 as a determined response to the housing problem. Its major thrust, included the following objectives:

- i. to encourage and promote active participation in housing delivery by all tiers of government;
- ii. to strengthen institutions within the system, to render their operations more responsive to demand;
- iii. to emphasize housing investment which satisfy basic needs;
- iv. to encourage greater participation by the private sector in housing development

### **2.3.7 Land Policy**

Land policy in Nigeria is intricately tied to urban planning and development. Land policy has had a significant impact on housing production; the ability of urban areas to expand into rural areas; and the ability to use land more effectively Doeble (1987). All previous land policies up until the enactment of the Land Use Decree of 1978 and the subsequent Land Use Law of 1980 was restricted to specific areas, mainly North and South.

In traditional society, land was not owned by any individual but was vested in the group, which is the extended family, the village or the community. Land assignment was on a freehold basis by the Community Chief (Sule, 1982). During the colonial period, individual ownership was introduced, particularly in Lagos, and hence, two different forms of land ownership emerged: individual and communal land tenure. With the Land Use Decree of 1978, individual ownership was disallowed, and the State Governor replaced the Community Chief, Family Head or Emir as the controlling force behind the land. This was done in theory at least so that land acquisition by government would be made easier for urban expansion: so that ethnicity would be less of a factor in land ownership in urban areas as indigenous groups often controlled land in the older urban areas; to encourage the non-indigenous population in the city, greater accessibility to land, and to curtail land speculation by limiting the amount of land owned by individuals ( Awotona, 1994). The Decree provided that Land Allocation Committees would be created which would dispense the land through the granting of Certificates of Occupancy (Mohammed 1985). While the Land Use Decree sought in theory, to break up large land holdings, and hence facilitate the transfer of land for housing development and to



encourage rehabilitation of older indigenous areas in prime commercial locations in city centers, in reality, it has not accomplished these ends. The traditional authorities still exert influence over the land and generally refuse to relinquish their control over it, and the Decree has not stopped land speculation or land hoarding. While the Decree looks good on paper, Okolocha states that “the powerful have manipulated the system: the State lacks the will to implement it; and generally the principles have not been upheld”.

Attempts to control and manage urban growth constitute a major theme in Nigerian development. The Nigerian urban planners and geographers believe that the following policies would establish an agenda for planned and orderly urban growth within a framework of social justice (Omotola, 1983).

- i. The need for coordination of urban planning between various levels of government and between agencies of government;
- ii. The creation of a national urban plan which would relate economic planning to regional balance and physical planning;
- iii. The need to encourage the development of small and medium-sized cities as a way to reduce regional inequalities and the trend towards primary dominance;
- iv. The need to encourage more indigenous housing designs which utilize local building materials, meshed with cultural traditions, and adhere to the environmental restraints of a tropical climate;
- v. To utilize a site-and-services policy, whereby government provides physical infrastructure services to low-income housing residents who rehabilitate or improve existing housing rather than rely exclusively on public housing;
- vi. To enforce the existing Land Use Decree of 1978 (Land Use Act of 1980) which would facilitate the alienation of land for development, would reduce the restrictions of traditional ownership which inhibits urban rehabilitation, and peripheral urban development and produce a more efficient land system.

### **2.3.8 Housing Delivery**

There is a broad consensus on the fact that housing has central importance to everyone's quality of life and health with considerable economic, social, cultural and personal significance. The way in which housing is produced and exchanged impacts development goals as well as environmental sustainability and the mitigation of natural disasters. Design of dwellings and neighbourhoods reflect and protect important elements of values and culture. The important role of housing production in employment generation, particularly for unskilled labour, is recognized globally.

Despite the foregoing, considerable progress had been achieved in developing countries in the past two decades in policy formulation, facilitating a shift of the public sector's role to strengthening of enabling strategies and focusing on the utilization of the potential and capacity of informal sectors. There is also a widening gap between policy formulation and the implementation process, and the status of low-income housing delivery is far beyond being satisfactory.

There are a whole lot of constraints for this situation. Lack of effective implementation strategies, poor promotion of security of tenure, inadequate supply of affordable land and infrastructure, inadequacy of housing finance systems, poor utilization of local building materials and technologies, lack of support to small-scale construction activities, inappropriate standards and legislation, inadequate participation of communities in shelter development process and support to self-help, lack of focused research and experimental projects, poor utilization of research findings, are amongst such major constraints. As a result of the significance of housing in the society, it is regarded as a social responsibility by all nations of the world. They, together with United Nations Organizations, such as UNCHS (Habitat), have, over the years, pursued a variety of programmes and policies aimed at resolving the issue of inadequacy and shortfall of housing stock. Developed countries have generally succeeded in the programmes (Miles et al; 2000). In developing countries, poor housing delivery has been attributed to inadequate mechanisms and systems for:

- i. land allocation ;
- ii. Funding ;
- iii. Mortgage institutions; and

iv. Infrastructure etc.

Housing delivery is also affected by the poor performance of the construction industry as reported in literature (Adams, 1996; Aniekwu and Okpala, 1988; Mansfield, Ugwu & Doran, 1994; Wells, 1986). The poor performance associated with small to medium sized indigenous contractors include protracted delay in payment for work done, lack of capital, high fluctuations in work load, inadequate resources, technical expertise, managerial skills and other items. For instance, long delivery periods for imported construction components and equipment, lower productivity levels resulting from low level technology and other inadequacies in the construction environment of some developing countries suggest that there is a need to establish reasonable project objectives as basis for assessing project performance. Oladapo (1991) in a study of procurement systems and project organizations used for a major development in a typical Nigerian construction environment during the period 1979-1990 established that Nigerian indigenous construction firms dominated and performed reasonably well in the small market for simple low-rise buildings of small to medium size in value. These require low-level technology, are labour intensive, and require low-level management, given the characteristics of the environment.

The production of housing in Nigeria is primarily a function of the private market. Approximately 90% of urban housing is produced by private developers. Due to housing demand created by rural-to-urban migration, which accounts for 85% of urban population growth, the fixed supply of urban land, and the inflation of rental and housing ownership costs, Nigerian analysts have focused on three major reasons for the inadequate housing supply:

The shortage of qualified and experienced tradesmen has made it impossible for the Nigerian building industry to meet the demand for housing. This lack of qualified tradesmen can be traced to the collapse of the apprenticeship system due to increased affluence produced by the oil boom, which has directed the attention of young people away from the skilled manual trades, and towards more education as the means of upward mobility. It is believed that the lack of prestige for technical education, the lack of competent teachers in technical education, and the decline of the apprenticeship system, all have produced a poorly performing construction sector, where winning a

contract and mobilization fees became the key to wealth, not housing production (Agbola, 2005).

Another serious constraint to the expansion of housing is the difficulty of acquiring land for new construction. This had been one of the main causes for the rapid increase of rents in urban areas. It is now estimated that over 35% of new construction costs are attributable to land costs. The Land-Use Decree of 1978 and the subsequent Land Use Act of 1980 were produced to make it possible for urban land to be put into building production more quickly. By taking ownership control away from the traditional owners, the extended family, and indigenous community and placing it with the State Governors and the State Land Allocation Committees, the Land Use Act was supposed to break up traditional ownership control and produce a more efficient land system. While the law exists, in fact it is yet to be effectively implemented by the authorities.

i. Public Housing has not been able to produce enough houses to meet the housing demands of Nigerians. From 1979 to 1983, public housing had designated a goal of 200,000 new housing units. Only 37,650 housing units, or 19%, were actually built. Also, public housing is too expensive for low-income groups. Approximately 70% of the population cannot afford public housing, so public housing becomes a housing solution for the elite, and not the common man. Secondly, public housing is generally built on the urban periphery, usually in an isolated location, away from the jobs in the center. Nigerian housing analysts have generally posited four solutions for the production of more housing:

- i. Make housing policy a part of urban and regional planning policy by reducing the cost of housing thereby encouraging development of smaller and medium-sized cities. In these smaller cities, land costs would be less significant and hence would lower the overall costs of housing.
- ii. Recognize that housing policy should be more than the creation of new housing units but be part of a policy of environmental improvement, i.e. solid waste collection, sewage disposal, electricity and water supply. To accomplish this, a greater emphasis on site and services must be encouraged. Through a site and services policy the State provides

development services such as roads, water, and sewage infrastructure, while house construction remains in private hands. Through state mortgage or other credit provision strategies, home ownership could be encouraged. As Umeh stated: "the basic need of the low-income is a plot of land to build a simple shelter which he can gradually improve upon as his income status allows, and if the local authorities can provide such land with access roads, water and electricity supplies, the owner may obtain a small loan to build a basic shelter."

- iii. New housing must be built with the tropical climate of Nigeria in mind. According to Sule,(1982) it might be more practical to build houses with thatched roofs and mud walls from an environmental and economic perspective than to build with corrugated iron roofs and large amounts of glass.
- iv. Finally, Awotona, in a study of Idi-Araba, a Lagos housing project of 10,000 people which is designated a slum, found that the migrants have not been pushed out of the rural areas, but have been lured to Lagos by the prospects of better job opportunities. While the rural areas could meet the income requirement of the migrants to satisfy their rising expectations, nevertheless Awotona finds that they opted to leave their home area and live in Lagos due to the expectation of higher paying jobs. While a large majority indicated a dissatisfaction with their housing environment and 43% criticized government for not improving their housing conditions, there was little radical political activism evident in the population. Amongst several policies adopted by government towards meeting the housing needs of the citizenry, Awotona (2002) observed the following six points which later became popular:
  - i. Government housing, this generally referred to as public housing.
  - ii. Self-help programs,
  - iii. Credit facilities for home ownership through mortgage bank.

- iv. Housing cooperatives,
- v Rent controls
- vi Housing rehabilitation programs,

A National Housing Policy has been in place for sometime now, just as several Primary Mortgage Institutions (PMI) have emerged in the last 15 years, either as independent entities or as subsidiaries of depository institutions (commercial banks). At the last count when there are over 32 Primary Mortgage Institutions in the country. Traditionally, both Federal and State Governments and even parastatals have dabbled into providing low cost housing for employees with limited success. The unfortunate reality is that a mortgage-lending scheme, as we know it today, in Nigeria, that is predicated on short-term loans in the face of rising inflation and high interest rate regime is grossly inadequate. (Chamberlain, 2005 }.

The National Housing Fund (NHF) was created as a vehicle to mobilize savings and disburse loans to qualified low to middle income homebuyers. Unfortunately, most of these loan facilities remain on the balance sheet of either the primary lending institution or Federal Mortgage Bank of Nigeria (FMBN) until maturity (fully repaid). Such a practice is not only inimical to the ability to expand credit and create liquidity but also imperils the lender.

Hence, Awotona(2002) concludes that the chief role of government in housing would be to provide serviced urban land with adequate environmental and community facilities, and a supply of sufficient financial support to enable the low-income people themselves to upgrade their self-constructed shelter.

All these studies are generally based on the formal procurement systems in the formal sector of the economy for commercial, social and infrastructure development. Imbert (1990) also noted that in most literature and discussions of construction in developing countries, it is the formal delivery of built facilities, which predominates. However, a considerable amount and variety of informal construction constitutes a larger proportion of the total. In fact, informal construction has become a major factor in the provision of housing for low-income population. This is contributing in no small measure to the rapid urbanization taking place. Such construction has indeed been classified by Alexander (1986) as an advanced form of technology in Latin America.

Furthermore, the skills obtained in this type of construction are proving very useful with informal builders showing considerable ingenuity in the use of materials. A World Bank evaluation survey estimated that people building on their own in this manner could do so at costs as much as 30% lower than the conventional construction sector does (Rybcznski, Bhatt and Mellin, 1984]. This is a major potential for the establishment developmentally oriented procurement methods which site services schemes, an approach whereby serviced sites containing basic infrastructure are provided for people to build their own houses according to their means and way of life. Construction is usually undertaken on a self-help basis or with limited amount of hired help. The development is phased over a period of time while the owner lives in a small-completed core of the house (Imbert, 1990). The various studies highlighted suggest that in order to achieve adequate low-cost housing delivery, the procurement systems would need to be restructured and adjusted so as to align formal sector interests with those of less formal. Cost management as a long serving discipline throughout the life cycle of developments provides the basis for the establishment of the optimum costs of housing development. Effective and efficient cost management is therefore a critical success factor in the procurement of low cost housing.

The gross housing delivery is therefore a major factor in the nation's gross domestic product (GDP) and indeed this reflects the mirror and the barometer of the state of health of the Nation. Economic activities are well known to encompass all aspects of human endeavor that are directed towards the creation of wealth. It is also known that one of the basis of human needs is to seek to enhance our self worth by improving our living standards. Economic growth is therefore a natural pursuit in any human set-up as such improvements is expected to lead to increased wealth and prosperity both for individuals and the whole nation. In order to moderate the acute shortage of shelters in the country, the NHP for the period spanning 1994 to 1998 was expected to build 121,000 housing units. In addition, the number of Licensed Primary Mortgage Finance Institutions (LPMFI) rose from 251 in 1993 to 276 in 1994. However, by the end of 1998, it has declined to 115. Similarly, the Federal Government capital expenditure on housing increased by over 500 per cent to ~~N~~4818.3 million in 1995 from ~~N~~776.7 million in 1988, but declined slightly by about to per cent to ~~N~~722.0 million in 1998 (CBN 1994 and

1998). The Federal and the State Government were expected to spend ₦2.7 billion on housing provision during the 1996-98 NRP. Over ₦3.0 billion was expected to be spent by the two levels of governments during the 1999-2001 NRP (NPC, 1998 and 2000) Despite all these interventions and huge investments in housing provisions since the colonial times and to date, Nigeria's housing problems still remain intractable. In fact, access to decent shelter has worsened for increasing segments of the urban population.

#### **2.4 Low-Cost Housing**

The term 'Low-cost' housing might mean different things to different people. For instance, in a developed country, USA, housing can be considered affordable for a low or moderate- income earner if that household can acquire the use of that housing unit (owned or rented) for an amount up to 30 percent of its household income (Miles et al, 2000). Mortgage lenders also use this standard as one important criterion in qualifying buyers of market-rate housing for mortgage loans. In developing countries, only up to 20% of the population who in actual fact constitute the higher income earners would be able to afford such housing units.

The low-income group in developing countries is generally unable to access the housing market through the mortgage institutions. Housing requirements for this group are both urban and rural based. In 1991, statistics indicated that about 70% of Nigerians fall in this category (National Housing Policy, 1991). This situation has not changed. Low cost housing for the low-income group are generally developed by the informal sector of the economy through unstructured procurement systems. Informal construction sector as expressed by is understood to embrace all those individuals or enterprises engaged in unenumerated or unregulated construction activity including (but not restricted to) the self- help construction activities of slum and squatter residents. It does not include any enterprises engaging in construction work undertaken by officially recognized organizations such as contractors (Wells, 1986). Low cost housing schemes are also influenced by the characteristics of the construction environment.



### **2.4.1 The Challenges of Low- Income Housing in Lagos**

Although there has been significant progress in the formulation and implementation of housing policies and to some extent strategies in the past decades as summarized earlier, many constraints still effectively hinder progress in housing development in developing countries, particularly for low-income and other vulnerable groups. These constraints include but are not limited to the following issues:

i. **Lack of Effective Implementation Strategies**

This is the first and most important step in the challenge of adequate shelter for all. The key for overcoming these constraints is to promote an effective facilitative role in order to harness the full potential of all actors in housing production. Most governments in the developing world have adopted enabling shelter strategies and initiated actions to support the actors in the housing delivery process. There is however extensive room for improvement and articulation in this area and close the gap what is on paper as a policy document and what is really happening on the ground.

ii. **Poor Promotion of Security of Tenure**

Promoting security of tenure is a prerequisite for sustainable improvement of housing and environmental conditions. Squatter settlements upgrading projects need to be carried out addressing tenure issues to prevent/reduce evictions. Governments should focus on regularization schemes in order to provide incentives to families to invest in their homes and communities. Promoting security of tenure can also support better functioning of rental housing markets. There is no doubt that every effort should be made to make best use of existing housing stock and improve the quality of living in these settlements.

iii. **Inadequate Supply of Affordable Land**

Lack of adequate land for urban development particularly for low-income housing is perhaps the single most important impediment in achieving the goal of shelter for all. Proper records and registration of land is the first step in formulating and implementing a strategy on land. It is estimated that only about 1 per cent of land in the Sub-Saharan African countries are covered by any kind of cadastral system. Land cadastral systems should urgently be improved in developing countries and particularly in Africa.

Scarcity of land leads to escalating land prices, overcrowding of existing neighbourhoods,

illegal invasion of vacant land and growth of squatter settlements. This trend can only be reversed by the provision of adequate and affordable land for low-income housing. In order to increase the supply of urban land, the financial and technical capabilities of the municipalities must be strengthened. It is also necessary to create conditions that would facilitate the growth of private land development agencies. Governments should formulate a regulatory framework ensuring that such private sector land developers will serve all income groups.

iv. Improving Infrastructure and Services

Financing and facilitating infrastructure to meet basic needs of many urban communities have been difficult for the majority of governments and local authorities. This is, in most cases, due to the high standards that make provision of infrastructure very costly. Too often, infrastructure services are unnecessarily subsidized and frequently the subsidies are wrongly directed. As public authorities have not been able, in general, to provide infrastructure to the growing number of urban communities, individual households, community groups and informal enterprises have increasingly taken over this task.

v. Promotion of Housing Finance Mechanisms

Housing finance institutions in developing countries and particularly in Africa provide services only to a small proportion of population. Financing of housing mostly comes through informal sources of credit. This is a result of national policies that are not successful in encouraging domestic savings and the development of domestic financial institutions and instruments. Lacking collateral, the guarantee of regular and recorded income, the low-income groups depend completely on informal credit sources, which are expensive and mostly short-term. Establishing and in rare cases (since there are a few) strengthening mechanisms for financing low-income housing and in this relation inclusion of the informal settlements is a fundamental issue.

vi Utilization of Local Building Materials and Technologies

Building materials often constitute the single largest input to housing construction in most developing country cities particularly in Africa. It is estimated that the cost of building materials alone can take up to 70 per cent of a standard low-income formal housing unit. Many African countries, despite the fact that they are endowed with abundant natural resources that can meet their need for building materials production, depend largely on imported building materials and technologies. While considerable research is conducted in some countries on local building materials, only few of these research initiatives have succeeded in disseminating findings to the potential users.

vii. Support to Small-Scale Construction Activities

Small-scale construction firms which operate particularly in informal settlements should be supported. Measures in this context include formulation of more realistic planning and building standards, simplifying administrative procedures to obtain permits and licenses. Developing credit mechanisms for small construction entrepreneurs; promoting cooperative arrangements to operate and particularly acquire construction equipment; provision of training and advisory assistance; facilitating participation of smaller firms in larger public sector contracts are other examples of such support measures.

viii. Adjusting Standards for Building and Land Subdivision

In many countries, standards for building and land subdivisions do not consider affordability issues and have a general nature. Standard subdivisions are often based on regulations of the pre independence periods prescribing large plots and banning building next to plot boundaries. This results in large plot sizes and high infrastructure costs. Building standards are also high urging and encouraging needy groups to get involved in informal building activities. These regulations and standards should be adjusted also in consideration of affordability criteria.

ix. Promotion of Community Participation and Self-help

Policies and practices of provision of ready housing units by governmental agencies to the needy households have failed almost everywhere. This approach is simply not sustainable and cannot reach the scale. On the other hand, the poor have demonstrated that they can effectively participate in the housing process provided that they are assisted.

Most rural migrants bring with them a self-help tradition that could be used for the construction of dwellings. Self-help and community participation however does not develop by itself. Successful community involvement requires support from the public sector such as provision of training, credit and technical assistance.

x. **Initiation of Experimental Pilot Projects**

Pilot projects aimed at developing innovative approaches will be very useful. These approaches can, for example, involve housing cooperatives and may be centred on projects, which practice cross subsidies, land sharing schemes and utilization of local building materials. Experimental projects with new standards for subdivision and building materials with semi-serviced and non-serviced plots can also be initiated. Such experiments can facilitate the learning process for up scaling.

## **2.5 Housing Transformation and Urbanization**

Housing and neighbourhood transformation patterns of forms and structure can not be fully discussed without some references and related understanding of globalization and urbanization and their processes. Urbanization has visibly been given highly contested terms and definition with a voluminous literature devoted to both clarification and obfuscation. Held and McGrew (2000) in their extensive collection on cultural, social and political and economic dimensions of urbanization offer the following definition. “Simply put, urbanization denotes the expanding scale, growing magnitude, speeding up and deepening impact of regional or interregional flows and patterns of social interaction. It refers to a shift in or transformation in the scale of human social organization that links distant communities and expands the reach of power relations across the world’s major regions and continents. The advent of globalization as an idea to be considered in the way one looks at things has in no small measure caused a demographic shift from one place to the other and in all societies, shifts in population structure are a primary pressure on housing systems and are certain to become more marked and pressing in the nearest future. Pre-existing housing systems and housing stocks have to accommodate rapid demographic transformations associated with shift in social and behavioral norms or in some cases large scale in or out migration. Indeed, the pace of demographic change need not be that dynamic to outpace the capacity of markets or states to provide appropriate

dwelling in appropriate locations (Kingsley et al 2007). Urbanization is seen as a process that can produce divergence as well as convergence, disharmony as well as harmony. But this assertion was opposed by McGee (2002) when he argues for an appreciation of both the local embeddedness of those so called globalizing processes and in particular, the differential pattern of incorporation of parts of the region into the global system. It is important in this research to remind ourselves that housing provision and housing issues generally are inherently local in nature in terms of who provides the housing, how it is marketed and how we access it to rent or to buy. That requires, in the main, local knowledge on the part of agents and consumers, providers and clients.

Moreover, in whatever part of the world we live, we are more sedentary than we might believe; most people are only moderately mobile and surprising number of households, even in the supposedly hyper mobile culture of the world, live out their lives in very limited geographic space. Our everyday lives pivot around the local neighbourhood, the dwellings and place of work. Dwellings are of course immobile but the capital within them can be released, traded and scrutinized but the unique attributes of a dwelling, in terms of location, orientation and other features which are fixed in space. However, substantial amount of capital are tied up in the housing sector, and notably so in developing societies.

Urbanization in some specific dimension is relevant to housing and its transformation and this includes policy discourses, which affects the housing delivery system. More and more challenges are faced by the people especially low-income class in the aspect of housing provision. The increase in housing demand is overwhelming and would require a global attack to tackle the shortfall in mass housing provision. The Nigerian government just like most developing countries have made effort to put smiles on the people's faces by coming up with programmes geared towards finding solution to the housing crisis.

One particular area in which some significant process has been made in the last three years has been housing and urban development. Many challenges still persist and opportunities exist to enhance the living condition of Nigerians. The efforts made since the democratization process has shown that major advances could be made in the shortest possible time in this area.

## **2.6 Effect of Urbanization on Housing in Nigeria**

Nigeria's urbanization rate is one of the fastest in the world (Kwanashie, 2003). Indeed the growth rate of Nigeria's major cities such as Lagos, Abuja, Kano is ranked among the world's fastest growing cities. Between 1963 and 1991, Nigeria's population census showed an increase of over 35 per cent in the numbers of people living in urban areas. The rapid growth rate of urban population in Nigeria since the early seventies was mainly due to immigration induced by the concentration of the gains from the oil sector in the urban areas. Given the expected increases in Urban population, the magnitude of housing problem in the country is enormous. According to the National Rolling Plan (NRP) the National Housing requirement is between 500,000 and 600,000 units considering the prevailing occupancy ratio of between three and four persons per room. If this estimated annual requirement was to be provided at an average of ₦500,000 per unit the costs would be enormous and indeed unrealizable. The cost of providing housing alone would be between ₦250 trillion and ₦300 trillion (excluding the cost of infrastructural development). This is the macro perspective of the housing problem. This is to say that the Government and Mortgage Institutions will need this much as capital base to effectively tackle the housing situation.

Between 1991 and 2001 the increase is estimated currently to be about 41 per cent largely as a result of rural-urban, urban-urban migration. Such a phenomenal increase bring monumental problems in its wake- housing, water and sanitation, electricity, transportation not to mention lack of opportunities for gainful employment, pollution of the environment, coupled with security problems, crime and social risk. Urban development in Nigeria can only be described haphazard leading to uneven development in the towns, very rich areas lying cheek by jowl with slum areas. The latter develops as rapidly as the population grows. And as a rule no migrant has ever given government prior notice of intention to migrate.

Also Government as a rule operates on a fixed budget and only so much can be set aside for urban needs at any one time. An ever- spiraling and unforeseen expansion of the urban area cannot therefore be adequately catered for unless and if everyone concerned is ready to contribute. For governments to be saddled with complete responsibility and managing the urban area is to say the least, unfortunate. The task has

therefore been undoubtedly both frustrating and daunting. The spiraling growth retards all efforts made to improve the situation. This is even more so in the face of inadequate regulatory regimes and even where these exist, people are reluctant to abide by them or even flaunt them. Clear examples are the defiant and fraudulent ways in which people acquire and build over sewerage lines, in green areas, drainage areas with no consideration of the fact that these are part of the design of the city layout, which is to serve generations of Nigerians. Existing services become overstretched especially when illegal connections are continuously made, making the supply epileptic and grossly inadequate. Most urban dwellers consequently become dissatisfied if not perplexed and often agitated. Reactions from these bottled up frustrations can eventually find expressions in a variety of ways.

Urban development is, therefore, an ‘albatross’ (Nigerian Tribune, 7th Jan., 2003 and a letter sector; A letter to Daily Trust (5<sup>th</sup> December, 2002) in a typical berating fashion draw attention to the “abyss infrastructural morass” from which the executive has virtually done nothing to rescue Nigeria; but the same article noted the recent grant of N61m given to Nigerian railways! Other specific actions taken by government that indicates her commitment to urban development includes the direct inputs into housing, transportation, social amenities such as electricity, telecommunications, water and sanitation etc. Under the housing sector different strategies has been adopted. For example as part of its determination to meet housing needs identified under the National Housing Policy, a prototype housing scheme was launched in order to increase the national housing stock. The scheme, which was on a revolving fund basis, ensures that proceeds from the sale of completed units are ploughed back into the scheme

Government also has four parastatals directly involved in housing. These are, Federal Housing Authority (FHA), Federal Mortgage Bank of Nigeria (FMBN), Federal Mortgage Finance Limited (FMFL) and The Urban Development Bank (UDB). The Federal Housing Authority, responsible for implementing government housing programs by developing and managing real estates on commercial basis has within the last 2 years completed only 500 housing units in Abuja.

The Government at a time went into partnership with private developers to complete 1127 units in Abuja and Port Harcourt and in Lagos, work resumed at sites,

which were previously, abandoned at Satellite 2 and Agbesian 1&4. In other states, the FHA encouraged the state governments to take over formerly abandoned housing projects in their states. The financial institution have been working hard on housing provision, granting loans, mortgages services etc. to people to build their houses.

The Urban Development Bank in 2001 expended over N110million towards the implementation of some 23 projects which cover housing, markets and motor parks, upgrading of roads, development of cultural sites construction of shopping complexes UDB also supports and participates in the implementation of the sustainable city program in Enugu, Kano and Ibadan. A lot that has been achieved in the housing sector, but with an ever escalating demand, government efforts is naturally pale; some estimates put the need for housing stock increases at 40,000 units every year! and government alone cannot be realistically expected to provide all that considering all the other areas within the economy requiring attention.

The magnitude of urban housing problem in developing countries (Pichler-Milanovich 1994) provides an overview of policy options through which governments can assist in providing adequate shelter for the growing number of the poor households expected to be living in cities in the nearest future. These have come in the following forms that have proven to be minimally reliable with respect to specific countries;

- i. Slum clearance
- ii. Public housing
- iii. Sites and services
- iv. Core housing upgrading
- v. Government assisted self-help program
- vi. Cooperative housing construction
- vii. Private and informal sector construction
- viii Modification in land use and building regulation
- ix. Employment generating housing programs
- x. Land occupation and tenure policies.



## **2.7 Housing Needs in Nigeria and Some Developing Countries**

Housing need according Daramola is the statistical measure of the degree of housing inadequacy and quality of a people (Daramola, 1996). It connotes dwelling units required to satisfy families' quest for accommodation (Bello, 2003), Adejumo (2008) sees it as the amount of dwellings to be built or improved to provide every family or household with adequate dwelling of acceptable standards. The growing rate of urbanization in Nigeria is drawing a global attention because as it were, massive shortage in housing stock is made visible and intense due to extend of which demand overwhelms supply in this sector. For instance, in 1950s there were about 56 cities in the country out of which 10.6% of the people live in these cities. Daramola (1996) notes that in 1961, the rate rose tremendously to about 19.1 % and 24.5% in 1985. Today, with a population of about 120 million, the country has about 30% living in the cities. This accounts for the sprawling nature of these cities like Lagos and Abuja. Abuja for example is one of the fastest growing cities in the world. In 1992, it was rated as one of the most beautiful cities in the world. However this story has changed today (El-Rufai,2004). It was designed for about 3 million at full growth, but as at 2004, it has an approximate population of about 6 million.

The National Rolling Plan (NRP) specifies that the Nigeria requires about 500,000 and 600,000 units based on the room occupancy ratio of between 3 and 4. This unprecedented rise in population and the size of our cities over the past few years have resulted in the acute shortages of basic essentials of living. In order to arrest the acute housing needs of the country, an estimate of about 121,000 housing units were required between 1994 and 1998. To achieve easy flow of capital, the number of the Licensed Primary Mortgage Finance Institution (LPMFI) increased from 251 to 274 between 1993 and to 276 between 1994 and 1994. Out of this estimate, in 1998, it declined to 115 in 1998. Never the less, the Federal Government increased its investment on housing from ₦776.7 and ₦818.3 million between 1995 and 1998 (Ajanlekoko, 2001). From the analysis above, it is established that Nigeria is in dire need of more housing.

The poverty level of most Nigerians made it difficult for them to own houses. About 30 per cent of the population with the lowest incomes does not have sufficient funds to exercise an effective demand in the formal housing market. The 20 per cent

lowest on the income scale earn below \$50 per month. Housing shortage is more manifested in Lagos than any other city in Nigeria. The legal acquisition of land is far beyond the means of most people, not only the low-income groups (Nigeria First, 2003). Opportunities of employment are very limited, and the population is growing at an alarming rate. Prospective tenants have to queue for more than a year on waiting lists before they can be considered for a rental unit. And rents are extremely high, the average worker has to spend as much as 40 per cent of his/her income on rent. To aspire to own house is a dream realized only by the top 5 per cent of the income groups. Often a down-payment has to be paid two years in advance for a flat (Daramola, 2004).

Table 2.2: Estimated Housing needs Nigeria (1991-2001)

Housing stock	Urban areas	Rural areas	Total
1991 ('000 units)	3,373	11,848	15,221
Estimated no of households 2001	7,289	15,295	22,584
Required output 1991-2001 ('000)	3,916	3,447	7,363
Required annual output, 1991-2001	391.6	344.7	736.3

Source: Ministry of Housing and Urban Development

Studies confirm that an estimate of 1,126,000 units housing need is required to maintain a state of equilibrium in the housing sector in Nigeria. The annual housing needed between 1991 and 2001 is 392,000 units in urban areas, and 345,000 units in rural areas. The current housing deficit was calculated at 25 per cent in urban areas. The current housing deficit is about 5,623,000 units, of which two thirds is in rural areas. If these are to be replaced or upgraded during the 1991-2001 period, it implies an additional annual need of 70,000 units in urban areas and 380,000 units in rural areas Achunine, (1992).

Table 2.3: Estimated housing stock, by dwelling types in Nigeria (1991)

Housing stock		Urban		Rural		Total
	%	Units	%	Units	%	Units
Maisonette	2	67	0	12	1	79
Duplex	3	101	0	-	1	101
Detached Bungalow	10	337	20	2,289	17	2,627
Semi-detached	2	67	1	60	1	127
Flat	15	506	0	-	3	506
Room	65	2,194	77	9,200	74	11,393
Others	3	101	2	287	3	388
<b>TOTAL</b>	<b>100</b>	<b>3,373</b>	<b>100</b>	<b>11,848</b>	<b>100</b>	<b>15,221</b>

Source: Ministry of Housing and Urban Development

Nigeria housing needs is influenced by the urban population growth rate of 5 per cent. In the 1990s, the annual urban requirement for housing units was approximately 400,000 units. In addition, there is an enormous need for upgrading and replacement of existing housing stock. Currently an annual estimate of 1.4 million housing units is required in Nigeria as a whole. Improvements of infrastructure and shelter are thus impeded. The occupiers of the land do not see it as worthwhile to build concrete, solid and, thus, expensive structures on the rented land. And the owners of the land are not interested in investing in the land but are waiting for the value of the land to increase. They hold the land for speculative reasons. In short, there is an enormous need in this and other urban areas of Nigeria for land which can be distributed and to which low-income groups can obtain a title.

Between 1976–1985, out of an approximate of 850,000 new housing units required in the Lagos metropolitan area alone, only 82,000 units were actually built. An estimated 100,000 new people arrive in Lagos each year. This may be compared with building plans for 1991 of 4800 housing units. Over the last decades the solution attempted regarding the housing problem in Lagos has mainly been in the form of rent

controls, often through military edicts. This has failed to achieve the desired purpose. Rent controls collapse in the face of an extreme housing shortage and supply and demand are then left to decide the prices (Ajanlekoko, 2001).

Third world countries are faced with a daunting task of providing accommodation for the urban population. The history and evolution of housing production systems shows that there is a continuing search for effective housing production systems that can cope with the existing housing backlog (Chipungu, 2005). This simply means that the provision of housing stock is falling far much below the requirement of the urban population – a scenario that seems will persist indefinitely. Okpala (1992) noted that the growth of urbanization during the period 1950 - 1980 greatly contributed to the current housing deficit in developing countries. This phenomenal growth in urban population was largely a result of rural-urban migration which still persists. Hence the current housing deficits will persist unless the problem is addressed effectively.

Another factor that has contributed negatively to the current housing challenges in the developing world is the nature of urbanization. Existing evidence shows that the process of urbanization in the developing countries has been compressed within the last 40 years (Okpala, 1992). This actually created problems for urban managers in as far as the provision of urban infrastructure and services are concerned.

On the other hand, the history of urbanization in developed countries was spread over many centuries - a factor which explains why to a large extent, effective measures were put in place to arrest some urban problems. Engels (1987) stated that the housing problem goes back in history to the time of the industrial revolution. At that time, a number of people in the countryside had been displaced by the agricultural revolution. Hence they migrated to urban centres to seek opportunities in the industries. During this period, the housing problem manifested itself in the form of squalid overcrowded environments. Therefore, it is clear from this background that the housing problem is not a new phenomenon and is not only unique to one country. Available statistics show that urban housing deficits are virtually endemic, and accumulation of such deficits seems to defy solutions in the foreseeable future. Okpala (1992) gives some insight into the existing housing deficits. Ghana, for instance, was estimated to have a housing deficit of 250,000 housing units in 1987, while in the Phillipines, the housing backlog is over

600,000. This sombre scenario is virtually the same for all developing countries' major cities. What makes the situation even more frightening is the fact that it is the low-income segment of the urban population that is hardest hit. Generally, this segment of the population accounts for more than 80% of people on the local authorities' housing waiting list. Munzwa (1999) writing on the Zimbabwean situation broadly identified this group as to include:

- i. Those that rely on public and social housing schemes.
- ii. People with very little or no collateral when it comes to borrowing finance.
- iii. Those who cannot raise capital to build the very minimal dwelling unit.
- iv. The special needs group (i.e. the disabled or the infirm)
- v. the vendors and those in the informal sector.

In addition to the above features noted, the minimum income for the low-income earners is pegged at \$7,000 (in 2001) although in reality, some people earn far much below this figure.

Zimbabwe for example has a dual housing supply system based on the private sector and the public sector. Historically, the public sector has been involved in administrative and technical issues where the focus was on rented public housing schemes. However, at independence in 1980, both the central government and the municipalities withdrew their direct involvement in the production and provision of finished housing units and opted for the self-help housing approach (Kinyungi 2004). The focus was basically on site and service schemes where the strategy was to provide serviced housing plots for the beneficiaries to build using their own resources. It is important to note that this shift in strategy was not only unique to Zimbabwe. But it is on record that since the late 1960s and 1970s, central and local authorities globally have been shifting from being direct producers of housing to enablers through the provision of serviced plots and finance. It is this change in housing provision strategy to site and service schemes that put the planning of housing schemes into a very difficult scenario. Observations made by researchers such as Engel et al (1983), Baross et al (1990), Hardoy and Satterthwaite (1981) that site and service schemes were disappointing were also very true in Zimbabwe. The record of housing delivery reflects that there is a very wide gap between demand and supply with the provision of stands having fallen from

5,000 stands (1980) to 200 (1992) in Harare. The provision of stands in the year 2000 still show that the municipality is struggling to meet the housing demands of the low-income group (Kinyungi 2004). Yet on the contrary, the number of people on the housing waiting list during the same period has increased from 10,000 to well over 80 000. Currently, there are 51,663 low-income active applicants on the Harare City's housing waiting list. The current housing policies and strategies are failing to yield the right benefits for this segment of the population. Some factors (which will be discussed below) have been responsible for the challenges faced by planners and policy makers in adequately dealing with the housing problem in that country.

## **2.8 Housing Finance in Selected Third World Countries**

### **2.8.1 Introduction**

This section mainly focuses on the overview of the African housing finance systems. The aim is to provide an insight into of housing finance systems in four different African countries in order to reveal the generic nature and scope of housing finance in these respective countries. As it is known, shelter is one of the basic needs of human survival in addition to food and clothing. For any developing country, the provision of shelter is of paramount importance to low and moderate-income households. Ferguson (2000) notes that surveys of low-income households in developing countries typically show that housing has a higher priority than education and healthcare. However, finance for housing has received very little attention over the years. With the increase in population and the migration of people from rural to urban areas in search for often non-existence greener pastures, it has become more pertinent that Governments find ways of providing housing either directly or through support to others to do so. Derban, et al. (2002) argued that one of the main reasons why finance for housing has received little attention is the large capital that is needed to buy or rent a house. One very vital aspect of housing finance as argued in Tiple, (2000) which has failed to attract sufficient formal recognition as a key player in housing finance sector is the household "purse finance" as individual households are one of largest suppliers of housing for the low-income earners.

The provision of housing is subject to the performance of macro-economies within which the various housing finance systems are located. This review therefore,

reports and classifies main trends of housing finance systems in four different countries in Africa: Nigeria, Ghana, Tanzania, and South Africa. Each of these has shown some unique activity in the housing finance system. It should be borne in mind that the housing finance system consists of three markets:

- i. The primary mortgage market,
- ii. The secondary mortgage market,
- iii. The capital market.

In the primary mortgage market, mortgages are created and funds are loaned directly to borrowers. In the secondary mortgage market, lenders and investors buy and sell existing mortgage loans and mortgage-backed securities (MBS). In the capital market, investors buy and sell long-term investment vehicles such as MBS, stocks, and bonds. By investing in mortgages and MBS, capital market investors help increase the flow of funds available for mortgage lending.

Financing shelter or housing development is an important plan in financing urban development. It is generally acknowledged that strategies for financing investment in housing have to address the central issue of mobilizing a steady flow of long-term finance. This objective can be attained essentially by effectively facilitating and promoting the development of viable housing finance systems and institutions through which the necessary domestic savings mobilization can be achieved. (Girard, 1996, as cited in Wolfe, 1998) noted that most housing developments are currently financed and built informally by the people through personal and household savings, there is still a need to strengthen formal housing finance systems and institutions such as building societies, housing or mortgage banks, savings and loan associations, home development mutual funds, and others to further facilitate the mobilization and deployment of finance for housing. As has been rightly argued, Hall (1996) "... while informal financing currently provides the greatest share of housing financing, it is small, irregular and risky and the resulting incremental housing construction has high opportunity cost of capital".

Experts on the subject view the mobilization of resources through the financial system as being critical to the development of a strong housing sector.

Viable housing finance institutions (Mabogunje, 2002; Mubvami, 1996) are expected to meet the criteria of wide availability, accessibility, affordability and sustainability. In

most developing countries, however, particularly in African countries, these ideals are still far from being attained as the housing finance institutions are still relatively young and weakly institutionalized, with very narrow resource base, generally operating in a chaotic macroeconomic environment and uncertain framework of doubtful property rights, titles, tenure as well as uncertain foreclosure laws. As a result, formal housing finance constitutes a very small proportion of current demand for housing financing in African countries, generally accounting for no more than between 5 and 20 per cent of finance for housing. This usually covers the top 10 per cent of the income spectrum at the most and may account for no more than 5 per cent of the annual national housing output on the average.

There are numerous non-financial constraints to the smooth and effective development and operation of the formal housing finance system in African countries. These include most notably, the tedious and cumbersome system of land administration in practically all African countries, particularly in relation to land title processing requirements and validation, without which mortgage institutions do not usually provide loans (Oladapo, 1991). In many places, it may take several years, in some places up to five or more years, to obtain the required land title documents, which makes it difficult to finalize mortgage transactions.

There is also a general absence of specialized mortgage insurance systems in almost all African countries which, to some significant extent, inhibit the development of the mortgage finance system. Furthermore, the problem of competent management is, as yet, all too common and pervasive in housing finance institutions as in other institutions in African countries. The limited availability and impact of conventional housing finance is forcing the exploration of alternative modes of financing investment in shelter development. These alternative modes include micro-financing, including community-based micro-finance systems, which are increasingly being tried out in a number of countries. Other alternatives being practiced include the various scales and scope of formal and informal cooperative housing finance systems. It has been suggested by some analysts that micro-finance holds the key to greater affordable housing because it fits well with incremental building processes used by the poor and low-middle income majority. It helps match short-term liabilities and long-term mortgage assets and can play a critical



role in reducing and better targeting housing subsidies. Perhaps these systems need to be further explored, supported, promoted and expanded in many more African countries. Sustainable finance for investment in shelter or housing also depends to a very large extent on the size and diversity of financial institutions' resource base and on the continuity of flow of resources to it. Experiences from all economies – developing, transitional and developed – point to the undisputable fact that a sustainable long-term source of funds for housing finance institutions is household deposits. There is a recognition that the household sector is the richest vein of untapped savings in most developing countries, including African countries.

It has further been underlined that domestic resource mobilization is all the more critical for housing development given the fact that housing is a local and long-term product, and families, through their own savings, are financing a significant proportion of their housing costs, albeit informally. The challenge therefore is how to formalize this financing mode and integrate it into the formal financial system. Housing finance institutions should therefore seek to enlarge and diversify the sources of their domestic resource mobilization, as much as possible to include household deposits, pension or provident funds and insurance company funds, payroll funds or compulsory savings for targeted purposes, as well as devising other innovative schemes such as out-reach programmes for the informal sector to mobilize greater domestic resources.

Indeed, it has been suggested that housing finance institutions in developing countries should develop informal sector links to tap the immense potential financial resources in the hands of the informal sector. Housing or mortgage finance availability could therefore be further institutionalized and strengthened, not necessarily by Governments by establishing housing finance institutions themselves, but by enacting legislations that puts in place, strategies, programmes and regulations that enable housing finance providers and institutions of all types to operate more effectively, credibly and sustainably and contribute to enhanced housing delivery.

## **2.8.2 Housing Finance in Nigeria**

### **2.8.2.1 Economic Background**

Nigeria is the most urbanized country and has the largest population in sub-Saharan Africa. The long years of military rule in Nigeria had a devastating effect on the Nigerian economy. Economic planning was haphazard, policies distorted, and implementation processes undermined. In addition, corruption, fraud and general mismanagement became the order of the day (Mudasiru, 2001).

The economy is essentially mono-product: oil and agriculture. Agriculture accounts for over 43% of the GDP. Nigeria is major a supplier of crude oil, producing about 2 million barrels per day.

Nigeria is also an influential member of the Organisation of Petroleum Exporting Countries (OPEC). Sales of oil account for more than 90% of the nation's total foreign earnings. The population employed in the agricultural sector is about 56%. The Naira/Dollar exchange is N111.7/US\$. The major trading partners of Nigeria are the USA, UK, and Germany. ( Nubi, 2000) noted that the Obasanjo administration took office in May 1999, it immediately took decisive steps to put in place an enabling environment for democracy, regaining international respectability and credibility and putting the economy on the path to sustainable growth and development.

The large government spending, together with the buoyant oil sector, appears to have given a temporary boost to the economy (real GDP grew by an estimated 3.8 percent in 2000, but macroeconomic stability has come under serious threat). Inflation, as measured by the twelvemonth increase in the consumer price index, rose from 0.2 percent in December 1999 to 18 percent in March 2001 (Moss 2003). The Naira exchange rate was stable as the dollar exchanged for N92.00 to a dollar as the last quarter of 1999. However, the later part of 2000 witnessed a drastic increase in the exchange rate, a dollar was exchanged for N135.00, a decrease of about 50 percent in the value of the Naira.

### **2.8.2.2 Policy Orientation and Housing Delivery**

The national housing policy was launched in 1991 in response to the global strategy for shelter, Agenda 21. It is aimed at achieving sustainable human settlement development. However, the country's housing development policies are skewed in favour of those in the middle and upper income bracket. Proposed housing developments for the poor are either not sufficient, or hijacked by the rich since most poor cannot afford the cost of acquisition. The production of housing in Nigeria is primarily a function of the private market. Approximately 90% of urban housing is produced by private developers. With an estimated population of 123 million as quoted in the World Bank figures, Nigeria needs to produce 720,000 housing units per annum based on an estimate of 9 dwelling units a year per 1,000 of population. Rent in major cities is about 60% of an average workers disposable income. This is far higher than the 20-30% recommended by the United Nations. The urban poor live as tenants in overcrowded and dilapidated slums or as squatters in dilapidated structures.

Three major reasons for the inadequate housing supply in Nigeria:

- (i) The shortage of qualified and experienced tradesman has made it impossible for the Nigerian building industry to meet the demand for housing;
- (ii) Difficulty in acquiring land for new construction;
- (iii) Public housing has not been able to meet the housing demands of Nigerians.

### **2.8.2.3 The Housing Finance System**

Prior to the colonial era, many methods of housing finance were adopted in Nigeria. Amongst these were, Village development scheme, Social club contributions, Loans from traditional moneylenders etc. All these methods were successful in the provision of finance for housing and its delivery in the traditional setting.

However, with the growing complexity in economic activities, these methods faded away and were replaced by modern methods. According to Nubi (2000), there are two sources of finance:

- i. Formal and
- ii. Informal.

The formal sector comprises institutions operating within the statutory guideline stated by Federal Government. Among these are:

- i. Federal Mortgage Bank of Nigeria (FMBN), started in 1977 and provides long-term credit facilities to mortgage institutions in the country; provides long term loans to individual and property developers for house building; provides a saving facility and carries out research on mortgage finance.
- ii. Commercial Banks, retail bankers, which only lend on short-term basis because they have to meet withdrawal requests at the short notice. According to the Nigerian writers, this has not been compatible with housing finance, which requires long-term finance. This has limited their success in housing finance.
- iii. Specialized Development Banks, established to grant long-term finance for up to 25 years for industrial, commercial, agricultural and housing development. Other institutions in the formal sector include Insurance Companies and Pension/Provident Funds.

The Informal sector includes,

- i. Corporate Bodies,
- ii. Developers/Contractor Financed etc.

Most informal sector transactions are not taxed nor are they registered in the national income accounts. Some informal sector finance sources are as follows: Personal or Family Savings, Individual moneylenders and, Voluntary Housing Movements.

The history of housing finance in Nigeria has however been an appalling one. Nigeria is characterized by lack of saving habit. Amongst inhabitants, many lost their savings to distress and liquidated banks creating a big distortion in the savings culture. The call for both Voluntary Savings and Compulsory Savings generated little interest in Nigeria.

The cost of urban land is a big discouragement to the urban poor. Only marginal land, with no title document and infrastructure at the periphery to the cities is available for the poor to build on. Cost of land and documentation account for about half of what is required for housing development. The absence of large real estate development companies with access to the relevant technology and financial muscle to develop

affordable houses on mass scale for the urban poor is a drawback to the Nigerian housing finance delivery system. The gap between income and shelter cost in Nigeria is very wide. This has eliminated the low-income earners from the housing market. This high cost had been attributed to the following: Rising cost of building materials, inflation rate in the economy, fees of professionals involved in housing finance, excessive profit of contractors etc.

### **2.8.3 Housing Finance in South Africa**

#### **2.8.3.1 Economic Background**

Economic growth in South Africa has been relatively stable in the post apartheid period after stagnation in the 1980s. This was mainly due to the international economic sanctions and political instability. However, in the year 2000, a 3.0 % economic growth was recorded (Viyisani, 2003). This was the fastest growth since 1996, buoyed by a strong recovery in household consumption spending; and an increase in exports of over 7% in real terms. According to Statistics South Africa report, the South African economy grew by 3% in the last two years, compared to 2.8% expansion recorded in 2001. Housing delivery in South Africa is somewhat hampered by large-scale unemployment in the formal sector (Viyisani, 2003). The high level of unemployment has a negative effect on demand for and investment in housing. According to the Labour Force Survey (LFS) the official unemployment rate is currently standing at 30.5 percent and the expanded rate of unemployment is 41.8 percent. However, the government can take some pride from the fact that since 1994 over 1.46 million housing units have been built thereby ensuring that 7 million disadvantaged South Africans have a place that they now call home. Despite this, about 1.6 million units in South Africa still have to be built.

#### **2.8.3.2 Policy Orientation and Housing Delivery**

The focus of South Africa's current housing policy has been on delivering owner-occupied housing. Section 26 of the Constitution of the Republic of South Africa, 1996, states that everyone has the right to have access to "adequate housing". South African housing policy is therefore strong in its commitment to achieve a holistic concept of adequate housing by supporting citizens to achieve this vision incrementally.

These principles are further entrenched in the Prevention of Illegal Eviction from Unlawful Occupation of Land Act (1999), the Interim Protection Against Land Rights (1996), the Rental Housing Act (2000), and the Housing Consumer Protection Measures Act (1999). In the Housing Act, priority is accorded to the poor and addressing special needs. All households earning R3 500 per month or less qualify for subsidy assistance. One of the significant housing subsidy schemes that is being implemented by government is the Peoples Housing Process (PHP).(see Table 2.4 below)

The Peoples Housing Process is underpinned by the principle of self-building. The Department of Housing’s White Paper sets out a National Housing Strategy, along with key substantive approaches to housing delivery and a list of interventions. To ensure that delivery occurs, and that problems of the poor to have access to credit are dealt with, the Government went ahead to approve the Community Re-investment Bill (to compel Banks’ lend to the low and moderate income earners). This follows hot on the heels of the Home Loan and Mortgage Disclosure Act (2000). In addition, the government has also raised its capital subsidies as indicacted in the table 2.4 below.

Table 2.4:Housing Subsidy Allocation in South Africa

	Income group	Subsidy amount
a	R0-R1500	From R16000-R20300
	R1501-R2500	FromR10000-R14900
	R2501-R3500	From R5500-R8200

Source: South Africa Department of Housing (2005)

### **2.8.3.3 The Housing Finance System in South Africa**

Lack of finance is one of the major problems when it comes to housing delivery. Access to credit for housing purposes has been identified by the Government as a cornerstone in a sustainable housing delivery process. The Government recognizes the need for attracting housing investments from sources outside the state, and that housing has to be provided within a normalized market and thus attract maximum private investment. South Africa’s housing market is characterized by four key market segments:

Table 2.5: Four key market segments identified in the South African Housing Market

Segment 1	Segment 2	Segment 3	Segment 4
Formally employed, middle to high income	Formally employed, low income	Informally employed, low Income	Informally employed or unemployed, low-income or no income
Regular income of more than R3500/month with access to collateral and security	Regular income of between R1500 to R3500/month, with access to collateral and security.	Irregular income between R800 and R3500/month, with limited collateral and security	Income below R1500
Can access conventional mortgage housing finance	Require small and medium loans for housing	Require small unsecured loans, typical from group lending schemes	Fully subsidized market

Source: South Africa Department of Housing( 2005)

In South Africa the housing finance system has had little impact on the low-income segment of the population. Attempts to expand credit into this market through micro-loans have been characterized by initiatives that have yet to demonstrate some form of success. The financial sector in South Africa consists of many banks, a number of specialized finance companies and a large number of the so-called alternative lenders. The following range of institutions and institutional types make up the South African housing finance system:

Through the Record of Understanding signed in October 1994 between the Government and the Association of Mortgage Lenders, the Government pledged to normalize the low-income housing market and the financial institutions formally agreed to re-enter the market. As a result, a number of institutions were established:

The Mortgage Indemnity Fund (MIF), was launched in June 1995 as a wholly government owned company to encourage formal financial institutions to lend in areas where they had stopped doing so. The MIF closed in May, 1998 as it was only to operate for a three-year period and it never paid a claim.

Servcon is another institution set-up in June, 1995 to stimulate lending in the low-income housing market and deal with the historical problems, particularly that of non-payment. It was established to manage some 14000 properties repossessed by the banks, where they had been unable to obtain vacant possession. Servcon has so far reduced the number of these non-performing loans in the lower income-housing sector by 49.5%.

The National Housing Finance Corporation (NHFC), was formed in 1996 by the Government to increase housing delivery. The NHFC aims at encouraging increased and sustained involvement of formal financial institutions in the low-income housing market through risk sharing ventures with these institutions. It supports the growth of the emerging alternative lending sector by providing credit in markets where the formal banking sector is not yet engaged since these emerging alternative lenders lack adequate capacity and sustainable access to funding. To date, the NHFC has mobilized and disbursed more than R1.4 billion to the low and moderate income households. The NHFC is playing a significant role in the Presidential Job Housing Pilot Project, and was instrumental in the formation of the Micro Finance Regulatory Council (MFRC).

The National Urban Reconstruction and Housing Agency (NURCHA), was established in May, 1995. The NURCHA's mission is to focus on releasing finance from lending institutions who regard the housing sector as a high-risk area for lending. It does this by offering guarantees to financial institutions or developers through which risks on loans made to projects are shared. By end of 2000, NURCHA had paid R901 750 in claims to banks.

The National Homebuilders Registration Council (NHBRC) was founded in 1995 to protect consumers and to regulate homebuilders, as well as to raise construction standards. Since inception, more than 88,851 homes have been enrolled under their Defects Warranty Scheme. The Scheme aims to protect the consumer against shoddy workmanship in the home building industry. From 2002, even the RDP houses had to



have the protection of the NHBRC warrantee and for this the beneficiaries have been asked to pay R2479.

Despite these concerted efforts by the government to try to solve the problems in the low-income housing market, the formal banking sector still finds it too risky to act in the market. The established institutions have not succeeded in normalizing the market. The reason for the failure may be that the institutions have not been operating long enough and that they just need more time before sufficient results can be seen. There is still an acute shortage of houses in the country and the reluctance and unwillingness by traditional financial institutions to grant loans to low-income earners exacerbates the situation. A sophisticated and effective housing finance system however exists for the middle and upper income segments of the housing market.

## **2.8.4 Housing Finance in Ghana**

### **2.8.4.1 Economic Background**

Ghana like many other developing countries is plagued by population growth rates of about 4% per annum, high rural-urban migration and low-incomes for the majority of the population. The agricultural sector is the dominant sector in the Ghanaian economy in terms of its GDP, employment, and foreign exchange earnings. Mohammed, (2002) observes that the country's economic performance in the 1990's has been good. Real growth in GDP has averaged 4.37% from 1990 through 1993. The financial sector has also been restructured. Inflation however has been a problem.

### **2.8.4.2 Policy Orientation and Housing Delivery**

The unstable political climate of the early 1980s in Ghana crippled the housing market, as people were afraid to build. The years were also characterized by Government's lack of resources to provide appropriate housing. Ownership of property, especially houses, is a very important aspect of the Ghanaian tradition. Houses do not only provide shelter, but also serve as a measure of social standing and prestige. Despite this high importance placed on houses and property, the Ghana Real Estate Developers Association (GREDA) (1998) notes that only 5% of those who want to own a house can

do so from their own resources. Others (60%) would need some form of financial assistance and the remaining 35% are not capable of owning and building a house in their lifetime.

It is estimated that given the combined effect of the level of housing deficit from previous years and the rate of population growth, Ghana needs 1.2 million housing units by the year 2005. To achieve this target, some 133,000 new housing units must be delivered annually. However, only 25,000 units are produced annually, leaving an unsatisfied annual demand of 108,000 units. Between 1990 and 1998, the Social Security and National Insurance Trust (SSNIT) provided over 30,000 blocks of flats. In fact, in November 2002, at the Stakeholders Workshop in Ghana, the government was asked to adopt “Social Housing” as an option to address the country’s housing needs, especially for the poor majority.

#### **2.8.4.3 The Housing Finance System**

The banking system in Ghana did not escape the economic decline and political instability of the 1970s and 1980s. General lack of confidence in the banking system by the public, the banks’ inability to engage in venture capital, high default rates, widespread fraudulent practices and lack of expertise to properly appraise projects were some of the problems facing the banking system (Hanson, 1999). A few banks in Ghana offer mortgages to High Net Worth customers. The First Ghana Building Society (FGBS) has so far been unable to provide mortgage financing on a sustained basis. Home Finance Company Limited (HFC) has turned out to be the dominant housing finance institution in Ghana, providing a wide range of mortgage financing on a sustained basis to a broad spectrum of customers.

The Home Finance Company was originally conceived to operate as a secondary mortgage institution providing sustained housing finance in a two-tier housing system. A two-tier mortgage financing system in Ghana was based on the following assumptions:

- that there would be strong Central Government support for Home finance Company given the acute housing shortage;

- that the creation of Home Finance Company as a secondary mortgage institution would be the catalyst to jump start primary mortgage lending by banks after their restructuring.

The newly restructured banking system would be insulated from significant risk through an arrangement whereby the primary institution would bear only 10% default risk, with Government bearing the remaining 90%. HFC was thus to bear no default risk. The operation of the mortgage market has turned out differently as only one primary institution has been active in the market.

Most households in Ghana use their own savings, sweat equity, barter arrangements and remittances to build their houses. The commercial financial institutions provide very little support to low and moderate-income households in the form of mortgages. The traditional mortgage lender is limited in its ability to serve low and moderate-income households. The payment-income ratio is too high. Transaction costs in lending to this market are usually high and small loans are unprofitable and riskier for a commercial lender. Ferguson (1999) notes that incremental building process is the only building strategy that works for low and moderate-income households. In Ghana, the incremental building process is used largely.

Empirical evidence from the micro-finance institutions around the developing world supports the argument that shorter loans are better for the poor. Mortgage loans are usually for longer terms of up to twenty years.

## **2.8.5 Housing Finance in Tanzania**

### **2.8.5.1 Economic Background**

Tanzania's economy is heavily dependent on agriculture. During 1996-1999, agricultural exports accounted for around 56 percent of total merchandise exports. Major agricultural exports are; cotton, tea, tobacco, cashew nuts, and sisal. The major industries in Tanzania are consumer industries like breweries; soap and textile manufacturers and the major minerals are gold and diamonds. Mining and tourism are growing rapidly with the liberalization of the economy.

Tanzania Gross Domestic Product (GDP) at constant 1992 prices recorded an average rate of 4.0 percent per annum during 1996-1999. Tanzania's economy grew by

5.9% last year, and the Finance Minister Basil Mramba predicted 6.3% growth this fiscal year.

#### **2.8.5.2 Policy Orientation and Housing Delivery**

The inadequacy in the shelter delivery system in Tanzania to cater for the urban population has led to an extensive development of squatter or unplanned settlements. Studies conducted in 1995 under the Urban and Housing Indicators Programme indicated that about 70 percent of urban population lived in unplanned settlements and that about 60 percent of the urban housing stock is to be found in these settlements. The gap between the supply and demand for housing has been widening with time. It is now estimated that the deficit in Tanzanian urban centres is about 1.2 million housing units.

Lack of appropriate policies on housing development have contributed to overcrowding in housing and poor housing conditions. Among them are those, which concern the acquisition of building plots, land title, building permit, housing credit facilities and the operation of the main stakeholders in housing development. Housing shortage in Tanzania is further fuelled by the lack of formal housing credit facilities.

#### **2.8.5.3 The Housing Finance System**

Under the shelter policy, financial institutions lending for housing were to be responsive to the needs of low-income groups in both rural and urban areas. It was envisaged that new financial institutions might be created to increase lending opportunities. The Tanzania Housing Bank (THB) was created in 1973 and became the sole source of formal housing finance. It was only marginally able to lend to low-income groups and over the years, lending declined in real terms as both building costs and interest rates increased. The THB was liquidated effective from August 1995. There is currently no formal source of financing for shelter development in Tanzania. Main problems associated with housing finance in Tanzania are:

- i. There is a near complete lack of formal mortgage housing finance facilities in the country and this has made house construction a difficult process for many households especially those in the low-income categories;

- ii. Government allocation of the national budget to housing has been generally low and is declining; and
- iii. There is lack of capacity for housing development both at national and local levels.

In Tanzania due to the government policy in the past to put more emphasis on the participation of the public sector in the economy, the private sector played a passive role. This passivity affected the industries that support the development of the housing sector. The central government has not pushed for housing to be a priority alongside health and education in Tanzania nor has it instituted machinery for mobilizing finance from all sectors for housing finance. The absence of long-term finance has an adverse effect on the social economic aspects of the country.

Housing finance has to be seen in the context of the national economy and more specifically the national financial system. The state of housing operations in Africa reflects to some extent the state of the economies. It is not likely that the housing problem can be solved without solving the economic problem. In Ghana for instance, the banking sector did not escape the economic decline and political instability. Most of the banks in Ghana offer mortgages to high net worth customers. The First Ghana Building Society, and the HFC which is the dominant housing finance institution, have made a very little progress in dealing with the country's acute housing shortage.

Different from that of Ghana, the Nigerian housing finance system appears modernized but the drawback to housing delivery is hampered by the cost of urban land as well as the absence of large real estate developers with financial muscle to develop affordable houses on scale.

Unlike South Africa, the situation in Tanzania is affected by the lack of appropriate policies to deal with backlog of housing the poor. It is evident from the research that (Ghana, Tanzania and probably Nigeria to a certain extent) the blockage to housing delivery is largely contributed by the lack of formal credit facilities to cater for the poor and lack of focus on housing. In cases where these are available, only the upper end of the market is able to access credit. In South Africa government is dealing with this form of discrimination through appropriate policies. Even though specialized institutions established by the government to partner with banks for affordable housing delivery have

yet to demonstrate substantial progress, South Africa is leading by example through its capital subsidy scheme for the poor and by encouraging and compelling financial institutions to serve the low-and moderate-income market through appropriate policies. If these policies are implemented a large pool of funds could be made available to cater for the low-income earners. The generic problem that eliminates low-income earners from the housing market is affordability.

The gap between income and shelter cost is very wide. If the cost of constructing new houses is not within reach of low-income earners, then revitalizing the existing housing stock can be an alternative mechanism to improve housing. Incremental housing is implemented in South Africa and Ghana through micro-finance for housing. In Tanzania and Nigeria, it is almost non-existent because micro-finance is a fairly new concept. Micro-finance in certain quarters has been regarded as a successful instrument in lending to the poor for them to spend those loans on home improvements and expansions. It is expected that incremental housing should be at gross scale in Nigeria as retail bankers mostly lend on a short-term basis arguing that they have to meet withdrawal requests at the shortest notice. It is clear that the current state of housing finance in all of these countries outside South Africa require a comprehensive approach by Governments as without adequate will by the State home ownership by low-income groups will remain a distant dream. The production of housing should not be the primary function of the private market, as is the case in Nigeria, but that of the state.

## **2.9 Fundamental Issues on Housing Transformation**

### **2.9.1 Lifestyle and Use of Domestic Space**

The way and manner spaces are put into use is determined by the lifestyle of a people. Therefore there is certainly a link between lifestyle and how people manipulate space to suit themselves. This observation consequently expresses meanings attached to the design of a home. It is worthy of note that meanings attached to a space do change over time because our homes keep serving new purposes.

In various perspectives and even sociology, 'lifestyles' are seen as sets of shared values, practices and attitudes that make sense in particular contexts, such as pattern of social relations and consumption activities (Abercrombie et al.,1988).The concept of

lifestyle explains what people do, why they do it, and what doing it means to them. Lifestyle reflects how people use what they have (Chaney, 1996) and the different ways of using goods, places and times. It creates bonds or distinctions among people (Featherstone, 1991).

In other words how we use domestic space in our daily lives expresses our lifestyle. It is true that what we do in our everyday life regulates our ways of using space. Rituals are attempts to maintain a particular culture or a particular underlying assumption by enacting them visibly, and therefore a ritualized activity such as cooking is to be seen as a cultural expression (Dobers, 2005). Indeed, 'even when physical possibilities are numerous, the actual chores may be severely limited by the cultural matrix', such as social conventions and taboos (Rapoport, 1969). Seen this way, how we use our living space to carry out our rituals in our everyday life is a key to understanding the meanings we attach to our homes. As Lawrence (1995) explains, if we are to understand the meanings inscribed in the design of 'homes', we would need to analyze how our behaviors and activities are regulated by codes and norms. Rituals therefore have a central role in exploring use of domestic space. For these reasons people generally find it quite convenient to transform what they have or can afford at the moment to suit their life style and needs so that life can go on.

Housing generally is seen as one the most common building types in the built environment and as a result it commands a fundamental and complex phenomenon. It has different meaning for different cultures, different groups and different individuals particularly in countries having major housing problem where it is necessary to study the various aspects of housing like neighbourhood layout and plan organization of the dwelling types (Ahsen and Gulcin , 2005). In such cases, it becomes pertinent that a look into the modalities and motives behind what happens within dwelling units in public housing estates.

### **2.9.2 Transformation and the Need for Increase in Housing Space**

Studies have revealed that one of the main factors contributing to transformation in housing forms is likely to be the shortage of accommodation and the desire for an increase in the space under their control (Goodchild, 1997). This can be further buttressed

in the developing countries like Nigeria, Ghana, and Zimbabwe to express itself in the need for more space. Housing transformation is therefore seen as the effective way to achieve this desire for more space within and around a household. It can also be said that the space being highly needed in this drive for expansion is what can be referred to as habitable space.

Habitable space within a dwelling by definition “is that which is used as living dining and bedroom accommodation, this does not include spaces like the kitchen, bathrooms toilets, balconies, storerooms etc (Ozaki, 2004). Recent development though have shown that transformation in housing now takes place more prominently in economically vibrant aspects of a dwelling and this include places like the frontal, rear and most importantly sides that bother on roads. Recent data reveals that the bug of indiscriminate transformation has eaten up most perimeter fence line of the built environment within cities.

### **2.9.3 Systematic Approach to Transformation.**

In pre-industrial times and even today to some extent, in the developing countries, the inhabitants of dwellings, the designers and the builders were one and the same persons or members of a small social group. The process of housing transformation/construction was guided by covert procedural rules which produced physical settings integrally linked to their socio-cultural context on the one hand and to physical and technological constraint on the other. The unspoken rule as well as their products evolve incrementally over an extended time. The builders in some remote cases are close to their materials and techniques of construction. They usually inhabited the shelter they produced and subsequently altered them as required by their changing needs.

In short, the unselfconscious building process was one of iterative, systematic, responsive, integrally linked to the requites of slowly evolving housing needs. The pattern is clear. When a household looks around for some space to expand, its attention is first directed to the easiest, cheapest, quietest as well as existing space considered raw whose initial function is deemed dispensable. e.g the porch, the garage, and setbacks. The increase in the number of households, coupled with planning policies emphasizing the containment of suburban growth, has implications for the construction of additional



dwellings within existing suburbs, the diminishing size of households also has implications for the existing stock of houses.

#### **2.9.4 Processes and Patterns of Housing Transformation**

Transformation according to Longman dictionary of contemporary English a complete or partial change, usually into something with an improved appearance or usefulness'. It is synonymous with alteration, adjustment, modification and improvement, as well as change, which is said to be constant in life. Housing transformation is a major livelihood strategy among low-income households in urban formal and informal settlements. However, while transformations promote the asset base of owner households and the local economy of the settlements, the lack of statutory development control leads to excessive densification with public health hazards and road blockage. (Sheuya, 2004).

Tipple and Shahidul (1999) considered any user-initiated extension and alteration made to the original form of a building or neighbourhood for whatever reason a transformation. This was debunked by (Aina 2005) when he observed that transformation of housing in some third world cities were perpetrated by housing speculators for various reasons out of which economy comes paramount. This practice is common in highly commercialized, densely populated cities where original occupiers vacate their housing either voluntarily or under duress and transformation effected for new occupants (Aina 2005). Issues of housing and neighbourhood transformation has continued to present acute discomfiture to land-use planners because such practices create obstacles to the smooth implementation of planned developments all over the world (Durande-lasserve and Pajoni, 1993). It has been observed that attempts by the appropriate authorities to correct the distortion in areas where such practices occur have always been met with stiff resistance, which tends to put the authorities in awkward position of being unfair and oppressors of the poor in the society.

Housing and neighbourhood transformation can be induced either by internal or external forces depending on the direction from which the impact is pronounced (Galster and Rothenberg, 1991). For instance developers of public housing may speculate and build a number of dwelling types for the wrong category of households and this is soon visited by rapid urge by occupants to transform such dwellings into more suitable units

that would fit their taste and lifestyle. Neighbourhoods also transform as a result of old age and dilapidation where an upgrade will result to a potential gain in property's economic and aesthetic value (Granovetter, 1978; Granovetter and Soong, 1986). It was noted that sometimes due to shortage of housing and the interest a household has in a particular geographical location, they may deliberately buy or occupy a dwelling with the intention to transform. This practice is referred to as move-and improve strategy. (Kendig's, 1981; Littlewood and Munro, 1997). Distinctions are bound between transformation undertaken for most part as commercial ventures such as construction of additional dwellings, sub-divisions or amalgamation and change of use and those undertaken in the main by private households for example extensions, façade alterations and private garage construction. This study is aimed at understanding how and why public low and medium housing estates change while in use. It is believed that the output of this study will help policy makers and designers as well as land use observers to understand what these categories of people really need and want as regards to housing provisional facilities.

This research work is based on the premise that people modify or transform their living environments to achieve what they want. That goes to say that “act” is a purposive behavior (deliberate action) in the process of interacting with their environment.

Transformation pattern of housing forms and structure in this study will be examined at two levels

- i. At the level of the housing units
- ii. At the neighbourhood level because changes of diverse degrees transcend from individual houses into the general outdoor spaces.

The key questions that this study aims to tackle are

- i. What is the impact of the transformation in housing attributes?
- ii. How have people modified or changed their houses or neighbourhoods?
- iii. What are the likely factors responsible for these changes?
- iv. Which kinds of people modify their houses and which ones do not?
- v. What impact do these modifications have on the neighbourhoods?

Transformation pattern of housing forms and structure is seen as a form of behavioral pattern influenced by not just housing needs but also housing satisfaction, socio-

economic factors, demographic changes, level of education/information and general attitude to housing matters. Seek in his article affirmed that sometimes it is not only because of their needs but also because they are not satisfied with the spaces as they are and may need to modify to suit their taste (Seek,1983). This dissatisfaction he says may be reflected in the act of adding more space within and around the housing unit to increase the useable space available to the household. Observation have revealed that transformation takes place most often close to existing dwellings and generally on private and unallocated open land attached to them within the interstices of a formal settlement that has already been serviced, integrated within the city fabric, equipped with social and other infrastructure suitable for residential occupation. Some other form of transformation, which is referred to as interstitial development does not obstruct major future development as the former but instead, it is more local and affects only the close neighbors as it presents a great impact on the lifestyle of the residents in the neighbourhood.

Studies have revealed that one of the main factors contributing to transformation in housing forms is likely to be the shortage of accommodation for the many activities that households get involved as a matter of survival and way of life or even the share desire for an increase in the space under their control (Goodchild 1997). This can be further buttressed in the developing countries like Nigeria, Ghana, and Zimbabwe where this is more pronounced as people willfully alter their original house plan for various obvious reasons which include commercial and social reasons. For example, recent data reveals that the bug of indiscriminate transformation has eaten up most perimeter fence line of the built environment within cities.

Housing transformation is therefore seen as the effective way to achieve this desire for more space within and around a household. It can also be said that the space being highly needed in this drive for expansion is what can be referred to as habitable space.

Habitable space within a dwelling is by definition “that which is used as living dining and bedroom accommodation, this does not include spaces like the kitchen, bathrooms toilets, balconies, storerooms (Ozaki, 2004 ). Recent development though have shown that transformation in housing now takes place more prominently in economically vibrant aspects of a dwelling and this include places like the frontal, rear and most importantly

sides that bother on roads as a result whether a space is part of those referred to as habitable or not, it can be caught up with transformation fever .

This research will look into the transformation modes that occur in formally planned out and developed area as through this, one can actually highlight the intensity and impact of such unguided development system.

From pre-industrial times, the inhabitants of dwellings in the developing countries, the designers and the builders were one and the same persons or members of a small social group. The process of housing transformation/construction was guided by covert procedural rules, which produced physical settings integrally linked to their socio-cultural context on the one hand and to physical and technological constraint on the other. The unspoken rules as well as their products evolve incrementally over an extended time.

The builders in some remote cases are close to their materials and techniques of construction. They usually inhabited the shelter they produced and subsequently altered them as required by their changing needs. In short, the unselfconscious building process was one of iterative, systematic, responsive, integrally linked to the requites of slowly evolving housing needs. The pattern is clear. When a household looks around for some space to expand, its attention is first directed to the easiest, cheapest, quietest as well as existing space considered raw whose initial function is deemed dispensable for example the porch, the garage, and setbacks. The process of transformation which is evident in the extensions to existing buildings and the erection of unapproved structures within a planned neighbourhood is usually carried out in piece meal and suited to self-help strategy through family or “mop-up” labour. This system of construction is characterized by the conversion of surplus time into capital value (Turner, 1979) as against the site and service schemes in many emerging nation where householders themselves are involved in active construction, which poses no evident environmental distortion.

Transformation process in the informal sector presents a mixture of artisans and owner collaboration and cooperation in small construction activities in and around the house. The desire to alter a house is followed by engaging a neighbourhood mason who is assisted by a few hands to actualize the space need of the house owners without a formal plan drawn. The process seems to be alike in many developing countries as discussed below.

In a country like Bangladesh, transformation occurs in two different ways. The first is by formal application and approval while the other is, as in most cases, informal and unapproved by the appropriate authorities. The desire to transform a house is followed by the engagement of a mason popularly known as Rajmistri who usually works with an assistant known as 'Jogali' who is less skilled and who by training and association may become a full-fledged mason. in due time. He also engages the services of one or more labourers whom he commonly works or hires on daily basis from the labour market.

Though no plan of the proposed extension is drawn, agreement is reached about the nature and extent of the work, the approximate price and amount of material required as well as the time to start and finish. The house owner does supervision or someone close to him is appointed a project supervisor and protects his interest. All arrangement for material and logistic of transportation in and out of site is carried out done by the house owner or his representative. In a situation where there is the need for equipments and tools required on site, they arranged for and provided by the owners. The labourers are paid daily by the house owner while the mason and his assistant are paid partly in the middle of the job usually through negotiation and finally at the end of the job.

A similar process occurs in Ghana as described by Tipple and Owusu (1994) where the house owner engages a mason to construct the foundations, floor and wall and he becomes the leader of a group of artisans. He may influence so many selection decisions as regards choice of assistance and material to be used. There exists a long tradition in Ghana (Tipple and Owusu (1994) whereby house owners who intend to transform their houses collect materials over a long period of time against the day the actual alteration is carried out. Some of these materials are stuffed under the beds and around the buildings which can become unsightly if not managed well. In this case, fees are negotiated partly with respect to the expense of the job but also partly on the basis of whether they perceive the client to be rich or poor. A rich client will be expected to pay much more for the same work than the poorer client. The finance for such transformation process is never usually accumulated before construction begins but typically, a household invests incrementally in building and improving their dwelling. Work on user initiated transformation of public housing as studied in countries like Ghana, Newcastle

in Salim, 1998; Tipple and Shahidul, 1999; Tipple, 2000;), demonstrates how households are prepared to save and spend a mean of about a year's income on extending their current dwellings, often to provide housing for their grown-up children.

Housing transformation is more visible in emerging countries where moving house is not a common and easy option to the low and medium income earners in the society. These groups of people are generally associated with large and increasing family size. The size of a household is a major generator of the decision to transform their houses by extending boundaries. Another reason is the changing needs for space and privacy, e.g. in a situation where residents gets older and possibly move, the vacant interior spaces are converted into other relevant uses. Some other reasons like reluctance, which can be referred to as the "inertia element", social ties, the bother of moving, location choice, etc. are responsible for the decision to transform or not. Most of these factors which cannot be quantified but are accounted for in the household's decision to move or to extend (Seek, 1983). It is affirmed that where the loss of residential attachment outweighs the benefits of moving, a household will remain in its existing dwelling and transforms to suit their requirements Dynarsti (1986).

#### **2.9.5 Possible Causes of Housing Transformation across the World**

Several literatures have attempted to bring to the fore some major factors that may be responsible for housing transformation and they include among others:

- i. **Oil Boom:** Contemporary houses, especially in the Gulf region, were influenced by rapid and drastic economic, social and cultural changes that took place during the second half of the 20th century. The discovery of oil with commercial quantities caused an instant growth of national income. Large size projects and developments were launched in an effort to upgrade the standard of living of the citizens.

Dependency on cars and other means of transportation caused the cities to expand rapidly. This uncontrolled expansion transformed major cities into metropolitan areas and changed the traditional life style into a modern one. Houses were built and allocated to citizens after completion of construction. The design of these houses did not take into consideration the natural environment and was not suitable for the cultural values and

needs of the inhabitants. This was a result of importing planning and design values and modern building materials, neglecting the ambient environment and depending on the artificial and mechanical equipments consuming a great deal of energy.

ii. Lack of Maintenance. There is obviously the lack of maintenance of public housing by the appropriate authorities irrespective of the huge resource put into the provision of such facilities. This often led to uncontrolled dilapidation of diverse measure and as a result, negative transformation takes place. Adejumo et.al (2005) defined maintenance as the combination of technical and administrative actions intended to retain an item in, or restore it to a state in which it can perform its required function. Maintenance is considered to be a core issue of administrative responsibility of policy formulation specifying how facilities should be adequately taken care of. Unfortunately literature has it that in spite of the huge resources most developing nation plough into project like public housing, there exists no policy on maintenance in place (Akagu, 1996). There is need to have what can be referred to as planned maintenance in order to avoid any form of transformation resulting from necessity to improve dwellings by occupants. This could lead to unorganized, disjointed manipulation of the built environment. Planned maintenance, as viewed by Josef (1999) is one which is organized and carried out with forethought, control and use of records to a predetermined plan. The following amongst others are cogent reasons why maintenance needs to be carried out in public housing;

- It helps to prevent or reduce deterioration significantly
- It helps to continuously maintain good appearance.
- It helps to retain the value of the investment.
- Ensures safety of occupants, visitors and the general public.
- It helps to maintain the buildings in a condition in which it continues to fulfill its function.

It is apparent therefore that there is a need for the appropriate authorities to establish enabling principles that will guide the formulation of a maintenance policy.

iii. Over Commercialization of an area could spore transformation in the sense that,

(Jelili, Adedibu and Ayinla, 2006) developers- individuals, corporate bodies, and even government tend to develop or redevelop properties in the area to the fullest, with the ultimate aim of maximizing the use of space regardless of the whether or not such an action is in the interest of physical planning and wellbeing of the general household. Their actions are made more manifest in the process of conversion and redevelopment of properties to accommodate more businesses or less importantly more dwelling units.

iv. **Territoriality and Privacy:** This involves the tendency for humans to desire to take control and possibly ownership as well as access to a defined space and resource. Most public housing scheme for the low-income is given an open plan format which by virtue of their design generate territorial behavior in their occupants. Features which foster territoriality include placement of dwelling units on site in order to define zones of influence for individual building, and a result, most households as observed gradually become aware that the areas around their buildings belong to them and as such responsibility is taken for activities in the area. Transformation is carried out to maximize their influence on the immediate environment by erecting fence walls/barriers and other forms of physical barricade like low fence, open gateways, changes in the texture of walking surfaces. This act is also made in order to serve as an antidote to crime and checkmate intruders into personal and private properties.

v. **Economic Aggrandizement:** Economic activities have continued to be the bane of transformation in dwelling units and around planned housing layouts. Households take advantage of the economic opportunities opened to them in locations population is highly concentrated. Varieties of informal sector business enterprises usually referred to as home base enterprise (HBEs) spring up within neighbourhood thereby attracting unenvisaged buying and selling. Thus transformers in estates whose locational value is high, i.e. those close to the large city centers, are likely to find their extensions better value for money than those in less advantaged areas (Aina, 2005). However, he concedes that, in some of the estates, values are so low that the cost of the extension will be higher than the added value. This practice if not controlled could inevitably lead to unpleasant societal menace.



vi. **Shortfall in Housing Supply:** The inability of the shelter delivery system of a society to cope with housing demand has brought about congestion and flagrant erection of attachment structures within planned out layouts. Tipple (1994) opined that few African countries have the resources to meet even a quarter of the demand for new housing let alone catch up with the backlogs. He further noted that at the height of oil boom in Nigeria, the development plan envisaged the construction of 202,000 dwelling units by government agencies. However, only an abysmal 28,500 units were actually constructed. The public housing system of providing housing for the low-income in the society has proven not to be too effective as it account for less than 5 per cent of total housing production in most African countries. Shortages in housing are held to be largely caused by bottlenecks in the supply of affordable land, target oriented architectural designs, materials, skilled workers, and other inputs to the housing system.

vii. **Dissatisfaction With Original Plan and Layouts:** This is usually due to lack of adequate consultation and consideration. Often times it has been observed that households find the architectural plan and general arrangement of most public housing grossly inadequate. This ranges from even the absence of some simple but vital features that could enhance the performance of such housing. It could be as a result of omission or deliberate disregard to the role these features play in the performers of the building. For example, issues like absence of window hoods in a dwelling could lead to transformation because besides the fact it has aesthetic value, it plays a very important role as a shield to direct sun rays, rain water etc. households most naturally would have to attach more or less an unsightly one which most time sticks out like a sore thumb. Opoko, Opara, Ojelade etal opined that architectural and planning design should be guided by factors like culture, climate, and detailed study of the intricate purpose for the design. This was further highlighted under the following guidelines:

- i. Anthropometric survey
- ii. Effective building design detailing
- iii. Living pattern/ lifestyle survey
- iv. Climatic data,
- v. In-depth knowledge of building material
- vii. Urban Poverty; poverty has many angles of view which makes it difficult to be

given a strict encompassing definition because the word itself embodies a variety of phenomena Mubvami. (1996). It manifests itself in disciplines like politics as marginalization, in sociology as discrimination, in economics as deprivation, in culture as ruthlessness, in ecology as vulnerability and above all in architecture as homelessness. However, it has been observed that urban poverty is one of the major problems facing developing countries including Nigeria. Various attempts have been made to tackle this problem which has manifested itself in the physical and spatial environment but not enough success has been achieved. Urban poverty is manifested in living in substandard and subhuman environments characterized by slum, squalor and gross inadequate infrastructural facilities and amenities. Negatively transformed housing is primarily caused by poverty (Onibokun and Kumuyi, 1996; Agukoronye, 2004). The low-income majority are largely confined to poor quality structures built in informal settlements and overcrowded dwellings where households occupy a small space or share a dwelling with others.

ix. Overpopulation and Densification: When a neighbourhood experiences uncontrolled influx of people, there is a tendency to have overpopulation which overwhelms the infrastructure and facility present. Okosun (2005) noted that in Nigerian cities for instance, spatial concentration results in problems like cramped living condition, low urban neighbourhood quality and wide spread land-use conversion in dwelling units and the neighbourhoods. In the same vein, Aina (2005) emphasized which ultimately amounts to severe transformation of available that the unprecedented population increase in urban areas have given rise to weighty environmental problems like poor layout and substandard construction of buildings; acute shortage of housing facilities, complete disregard for building and planning regulations, incompatible development amongst others which consequently has brought about illegal conversion of land uses especially commercial land-use incursions into core residential use. This consequently develops into slums and unhealthy living environments.

vi. Filtering: This occurs due to inefficiency in the distribution of the existing public housing stock where as is usually the case, the high income households obtain dwelling meant for the low-income despite the fact that they can afford much more expensive units. Filtering can occur in two ways, first, when a hitherto low-income household experiences economic advancement and its income increases to a better position of comfort yet prefers to remain in the same dwelling unit and begins to extend and facelift to reflect its present status. This leads to under consumption and a deprivation of the low-income. This is referred to as passive filtering. Second, is where due to the housing crises and absolute shortfall in supply, the high income group deliberately takes over and actually occupies housing intended for the lower income sector of the economy. This is referred to as raiding syndrome or active filtering. Tipple (1994) explains that incidence is common in African cities where supply tends to be very lumpy, providing too much of one type of accommodation and certainly not enough of another.

ix. Policy Enablement: the need to put in place all necessary policy to control the spate of transformation is desirable. This transformation especially in public housing should be seen and considered as one of the attributes of rapid urbanization process and policies for effective management to avoid abuse is essential.

xi. Natural Disaster like Earthquakes, Landslide

xii. Government Intervention

xiii. Nuclear Family Size

xiv. War

Besides the above lifted factors, there is the need to critically look into how it happens in this part of the world and Lagos Nigeria in particular because, transformation as earlier said is context based and therefore comes with its characteristics which are associated with an area under study.

### **2.9.6 The Case for Housing Transformation**

This section attempts to make a case for the acceptance of housing transformation as carried out by low-income households to their dwellings. It explains the implication of

the practice on general housing issues and how it concerns the individual transformer. Housing transformation is seen as a form of behavioral pattern highly influenced by satisfaction, attitude to housing and needs where inhabitants in one way or the other find satisfaction in altering their housing forms including their immediate environment. Just as the sheer ubiquity and scale of squatting in the 1960s led writers and officials to argue that something had to be done to allow, regularize and improve such development, one can argue that one part of the case for transformation is its widespread popularity among households and therefore, there is the need to consider it as part of acceptable policy issues that shape the built environment. The practice of transformation as observed is so popular that it may be reasonable to ask whether transformation is a universal phenomenon wherever it is allowed either actively or passively. Our observation is that it certainly seems to be very widespread throughout the developing world where housing the low-income earners is one of the major concerns.

A house is more than just a dwelling to the occupants; it is a source of identification and status booster and a place of assembly. It may also be a location for business, which provides the basic necessities of life or for augmenting the income of the household. Tipple (2000) asserted that every house is a work in progress. It begins in the imagination of the people who build it and it is gradually transformed for better or for worse by the people who occupy it, since their housing need could not be met. Habraken (1975) argues that public housing may not satisfy the needs of the occupants because they are normally built without consulting the future occupants. Moreover, it is not easy to pre-determine the totality of occupants' requirements, as these will only become apparent through their activities in the dwellings. He further asserted that no one could live satisfactorily within a fixed environment in which they have no input. Housing transformation process in public housing is then unavoidable and it arise, as a result of the need for a personal environment, where one can do as one likes. Much of the early works on housing transformations concentrated on these notions of allowing residents to have some input into their housing conditions, since initial problems envisaged at their residential quarters were imposed by the Architect. Steinberg (1984), Benjamin (1985), and Beinard (1971), Awotona (1994), variably highlighted the importance of housing transformers, and that transformers were not only increasing their living space but also

increasing their feelings of having a stake in the housing they occupy. Physical transformers are therefore expressing not only housing needs, but also the desire for identity, a sense of belonging, and a search for status among neighbors. Through physical transformation, the extended and altered spaces are used in carrying out, home-based enterprises or let out for renting purpose for many low-income households. The dwelling is one of the few resources used for generating income. A wide range of home-based enterprises can be found in government estates including sewing, hair dressing, livestock keeping, daycare and general trading (Strassmann, 1986).

Unfortunately, these transformations were never planned for and occupants just carried out extension and alteration of their dwellings with impunity – mostly, without any designs. The few ones with designs were never submitted for approval. Because the real needs of the occupying are often misunderstood, and thus found themselves occupying wrong kind of housing. Transformed public housing will continue to have an important role to play in supplying affordable housing and in addition user needs will be satisfied. Tipple and Owusu (1994) argued that physical transformation is a form of neighbourhood upgrading. Any expectation that occupants in public housing in Nigeria will make do with the original design of their residences is unthinkable. therefore with this background, the major objectives of this will be the prediction of future physical transformation and for such transformation within legal and environment framework.

In planning for further transformation activities a switch from Area planning authority control to community control of physical transformation activities, become appropriate with regard to the global strategy for shelter and the global plan of action. (Adegbehingbe, and Fadamiro, 2006).

Policies that can be put in place to accommodate housing transformation may include;

- i. Adequate understanding of user needs for identifiable categories of target users should be well documented and updated from time to time for design purposes.
- ii. Flexibility should be brought into public housing design to accommodate extensions as phase construction
- iii. All applications for alteration and extension (physical transformation) should be made by a coordinating office in each estate at no cost and approval to be communicated within a practicable time limit

iv. Land uses within public housing estates should be reviewed to meet domestic and social- economic needs of the residents to avoid undue alteration and extension. (Adegbehingbe, and Fadamiro, 2006).

Public inspired planning regulations, concerning zoning of land use ensures that incompatible land uses are not located together. It ensures that environmental health regulations are observed. However, the current unplanned housing transformation is a manifestation of individual private interests overriding the collective (public) interest. The question now arise how can these conflicting private interests which are unplanned for be predicted, planned and formalized? Majority of unplanned housing transformation activities are income generating activities which also act as a veritable means of poverty reduction (Egunjobi, 2005). The social context of several developing countries is not encouraging Olaniyan et al (2004: 2) for example revealed that as at 1996, 65.6 percent of Nigerians are below poverty line. A recent survey conducted by Olaniyan et al (2004: 2) indicates that more than 70 percent of the citizens earn less then one dollar per day. The fact that a large number of people are likely to be poor at all times raises a new dimension in settlement planning in Nigeria. The current unplanned transformation activities mostly as a result of integration of income generation activities within the houses will act as a social protection against unemployment loss of breadwinners as well as unpaid gratuity and monthly pension allowances of retirees. These vital linkages between income generation and home environment should therefore receive a better appreciation by architects and urban planners. The planning of neighbourhoods should make adequate provision for spaces that can accommodate income generating activities that are not injurious to the environment. Similarly, public housing designs need to give consideration to home based micro enterprises that are pollution free (Awotona, 1994). Therefore government should adopt an essential permissive attitude toward planned transformation, with minor controls to improve the use of space and minimize interference with neighbors especially with respect to ventilation and daylight. Policy makers, planners, and architects in the less developed countries should now begin to have a different perspective of human settlements and housing areas. They should not see these as mere places of abode, but also a functional production unit to the extent of permissible environmental quality regulations (Olusanya, 2003).

## **2.10 Transformation Of Public Housing In Some Developing Countries**

There has been an ordered spread of housing transformation practices in the developing countries. Many scholars have studied housing transformation some of which are Bouchar (1994, 1984), Karma (1989), Angel (1991), in Algeria; Benjamin (1985), and Dasgupta (1990) in India Amen (1988) in Bangladesh: Habrakan (1980b), Kasdash (1990), Steinberg (1984), Tipple et al (1985, 1986), Wilkinson and Tipple (1987, 1991) in Ghana and Egypt. However, the center for Architectural Research and Development overseas (CARDO) University of new castle carried out research on physical transformation in the following developing countries Bangladesh Egypt and Zimbabwe (Tipple, 1996; 2000). The center concluded that physical transformation messes local population and generates higher population densities but tends to reduce occupancy ratio by providing more rooms, renews low-quality housing at no cost to the government, allows economic activities in houses, allows households to adjust their housing at their own pace and within their cost limits, and that for these reasons, housing transformation should be encouraged rather than discouraged.

## **2.11 Summary and Conclusion**

This chapter was devoted to reviewing relevant literature that pertains to this study with the aim of identifying gaps which exist and highlighting the exact nature of the fast growing phenomenon. The chapter reviewed theories and concepts in order to set the foundation on which this research was based. It stated and analyzed the basic concepts upon which the study was pivoted to draw out a concise framework that guides this study. The key words used in this study were all defined in several perspectives to position each of one of them in its operational context so as to express the full essence of their uses in the course of study. The meaning of what people do in and with their housing as related to their lifestyles and attitudes were viewed to actually understand the reasons behind certain action were examined.

An understanding of the issues that surround housing beginning with quality and the adequacy of housing in general, the peoples' right to decent and secure homes, the policies (including that of land and housing) that have shaped the housing delivery

system resulting to the past and present endeavors towards providing adequate housing was reached.

The housing situation of the low-income earners was examined to know the challenges they encounter in the highly competitive housing market and how the provision of housing as a policy issue is financed in some third world countries. Housing transformation as it occurs in other emerging economics, the factors that were responsible and the impact it had on such places that had been studied earlier was reviewed. The relationship between urbanization, globalization and housing transformation showed that the increase in housing demand was heightened due to overwhelming influx of people into cities in search of job and this would require a global attack to tackle the shortfall in mass housing provision. This dovetailed into the need for transformation of houses to meet the actual needs of the people.