

Housing Affordability in Nigeria: An Assessment of Lagos State Government Rent-to-Own Scheme.

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ABSTRACT

The importance of housing as a social good has made it a frequent subject of discussion in both developed and developing nations, where it continues to be accorded great attention. Due to cities' unchecked and widespread urban growth, there is a housing scarcity problem in many cities around the world, particularly in developing countries, such as Nigeria. Nigeria's housing problem is not just quantitative but also qualitative and unaffordability. Governments at various levels have introduced numerous housing scheme that is geared towards supplying housing and bridging the housing gap, however, the majority of these housing schemes are still beyond the reach of the low-income earners in terms of affordability. Hence, this study assessed the affordability of Lagos State government social housing scheme through the Lagos state rent-to-own scheme. The study revealed that the housing units are costly and not affordable to low-medium income earners as 2bedroom and 3-bedroom flats are priced at N20,000,000.00 and N25,000,000.00 and above respectively. An applicant of a 2-bedroom flat is expected to pay an initial equity capital of N1, 000,000.00 and N1, 250,000.00 for a 3-bedroom flat, while the residue of the cost is payable for a period of 10years on monthly basis (N158, 333.3 and N197, 916.00 monthly repayment respectively). This is disheartening and appalling social housing scheme as it is not affordable and within the reach of most Nigerians using house price to income ratio as a threshold for measuring affordability It is therefore recommended that government should implement affordable housing delivery strategies such as cost saving design approach, promotion of local building materials, vertical housing development, mass housing that incorporate sustainable strategies; recycling of building materials for reuse, while also increasing the repayment period from 10years to 15 years.

Keywords: Housing Scarcity, Housing Gap, Low-Medium Income Earners, Rent-to Own Scheme, Housing Delivery Strategies

INTRODUCTION

Housing has been regarded and termed paramount as an essential commodity for human existence (Masclow 1943). This is premised on the reality that it ranks second to food and its qualitative and quantitative availability to human is a representation of good quality of life, healthy living, happiness and productivity of life (Olanrewaju & Woon, 2017). Nurhani, Abdur Raheem, and Kamalahasan (2019), noted that government and its citizens will spend less on healthcare and recreational amenities if housing is of sufficient quality and made available to everyone. Olanrewaju & Woon (2017) indicated that the quality and quantity of housing available and its adequacy are indicators of a nation's development and growth.

However despite the importance of housing as a crucial element of a person's physical survival (Petrus,

2012), the rising cost of living and housing prices in the global scene, particularly for low-middle income class families, have had an impact on the affordability of homeownership. Hong (2010), reported that the uneven earning levels and living expenses to cover cost has led to household marginalization in the housing market.

The imperativeness of housing as a social good has made it a topic of public discussion around the world and it has continued to be given top priority in both developed and developing countries. As a result in many cities around the world, especially developing nations, the housing shortage issue still exists and this has been attributed to cities' unimpeded and proliferated urban growth (Etim, Aster and Akpabio, 2007). For instance in Nigeria, in the last three decades, the rate of urbanization has been shocking and worrisome, particularly, in Lagos state being the commercial hub of Nigeria (Burutu and Kembigha, 2019).

Ogunnaike, Squires & Booth (2013), noted that the continuous migration of people to the city and other urban centers without a proportionate level of socio-economic infrastructure, such as, quantitative and qualitative housing has caused severe housing deficit. The Federal government of Nigeria (2004) affirmed that the frequency of human populations in urban centers has resulted into colossus housing issues, overcrowding and insufficient dwellings. Housing deficit in Lagos State is estimated to be about 5 million houses (Lagos State Government Affordable Housing Deal Book, 2018), which represents 21.73% of the 23 million probable housing deficits in the country. Based on this information, it means that from the present year 2023 a total number of 714, 285 housing units will have to be constructed annually in Lagos State for 7 years in order to meet the supply gap in year 2030, while at national level an estimated 3,285,714 million homes are required annually to be supplied.

Consequently, in an attempt to bridge the proliferating housing deficit, the various government of the state have over the years formulated different development plans, housing policies and schemes (Ndukwe, Nnaji and Nwuzor, 2015) that are aimed at delivering affordable housing to the teeming population. Among the recent housing schemes are affordable mass housing, equity partnership housing, Lagos State Mortgage Ownership scheme and Lagos State rent to Own Scheme (Lagos State Government Affordable Housing Deal Book, 2018), which is the focus of the study.

Hence, this paper attempts to examine affordability of government housing scheme in Nigeria by using Lagos State government rent to own scheme as the focal point. The paper examines the affordability of the housing scheme among various income groups; Lagos State government civil servant, polytechnic lecturers and university lecturers by using housing price to income ratio mechanism.

LITERATURE

Concept of Affordable Housing

In the last two to three decades, housing affordability has gained popularity and consciousness of housing stakeholders. Housing affordability has replaced the term 'housing need' as the primary discussion point regarding the provision of appropriate housing for all (Miller 2002). According to UN Habitat (2019), the supply of suitable and affordable housing to the rental and sales market has been one of urbanization's biggest issues in world over. Affordability simply means the ability to pay for the utilization of a product or thing. Adegoke (2020) expressed that any attempt to precisely define and address the concept of housing affordability is somewhat slippery owing to its scope. Nevertheless, housing affordability simply connotes the capacity of household to buy and/or lease a property.

Milligan et al (2007) indicated that affordable housing refers to housing that is priced to incorporate the low and the medium income households in order to enable them cover other basic living expenses. In other

words, affordability indicates and measures the ability and potential of households to seamlessly pay for the cost of housing without restricting their ability to meet their other basic needs; such as payment for clothing and feeding (Stone, 1993). According to United States Department of Housing and Urban Development (n.d.), a household should not spend more than 30% of its total income on rent and other utilities, and / or if they own their home, should not exceed more than 30% on mortgage repayment and other accumulative utility bills for the housing to be termed affordable. Here, the author acknowledges the fact that household have to pay additional recurring bills on periodic basis, aside rent or mortgage repayment. Hence, affordability issues cripes-in when a household cross over the 30% income threshold.

Therefore, in the context of this study, affordability is broadly defined as the household's capacity to satisfy the requirements for ownership and/or occupation, including the capacity to pay the purchase price of a home, satisfy the obligations associated with paying rent, making required down payments, and satisfying the periodic mortgage repayment obligations without jeopardizing the household's ability to eat well and stay healthy. The household incomes are all official and/or informal incomes accruable to the household's primary earner on a monthly basis. This is due to the fact that it will be difficult to identify other members of a household that may be willing and able to contribute towards the household housing expenditure.

Factors Influencing Affordable Housing

Housing affordability is influenced by several factors. UN-Habitat (2019) grouped the factors into two main headings; capital variables and occupational variables. UN-Habitat (2019) posits that capital variables includes land scarcity or infrastructure and building materials (House purchase cost), while occupational variables (Household keeping cost) relates to factors such as land leases, service costs, interest and exchange rates. Therefore, whether the household is owner-occupied or rented and/or leased housing, the affordability of the home is principally measured in terms of two mechanisms: pre-acquisition affordability (Capital variables) and post-acquisition affordability (Occupation variables) (Senayah, 2015).

According to UN-Habitat (2011), the affordability of a house is mainly affected by capital variables (House purchase costs) and occupation variables (Housekeeping costs). Thus, in the main, whether the household is a rented one or owner – occupied, the house's affordability is seen in two components: pre-acquisition affordability (Capital variables) and post-acquisition affordability (Occupation variables) (Senayah, 2015). The capital variables are seen in terms of the cost of property, services, building materials and labour, and the ability to fund the purchase, while the occupation variables are seen in terms of land lease and prices, service costs, and construction maintenance and financial inputs such as: loan repayment duration and interest rates, and household income minus non-housing expenditure (UN-Habitat, 2011).

Onyike (2007), highlighted cost of land, poorly developed mortgage finance system, administrative bottleneck that hinders ease of getting building plan approvals, building material cost and absolute corruption in the allocation of government land within the framework of Land Use Act as key challenges affecting housing affordability in Nigeria.

According to a Bank of Ghana survey (2007) that examined the causes of consistent price increases in housing, 86 percent of respondents opined that the high cost of construction-related raw materials was the main factor responsible for the country's rising housing costs. It should be added that after labor costs, loan rates, and outdated technology, land costs have been highlighted as the second biggest reason for Ghana's noticeable increases in home prices. Table 1 present other factors as identified in literature

Table 1 factors influencing housing affordability.

Factors	Description	Reference
Land	Accessibility to unencumbered land is vital for any housing development. Its cost and documentation account for substantial part that is required for housing development. Scholars have suggested and recommended that viable legal frameworks are important to safeguard affordable access to land	Nubi, 2000
		UN-Habitant, 2011
High construction cost	The disparity between income and housing costs in Nigeria is very large. Due to this, people with modest incomes can no longer purchase homes. The following factors contributed to the high price: increasing building material costs, economic inflation, high space and quality standards imposed by designers, professional fees associated with house designs and construction and excessive contractor profit	Windapo, 2000 Okupe, 2000
		Ekpo, 2019
Consideration of micro-economics	High inflation, devaluation of naira, low income, taxation, dual exchange rate. High inflation have effect on housing prices and it affect the quantity of housing that is supplied to the housing stock. Additionally, the value of future mortgage repayments and the interest rate that mortgage lenders charge are directly impacted by inflation. Likewise, devaluation of naira weakens the value of naira against other currencies and in turn reduces the purchasing power	Nubi, 2000
		Tze, 2013
		Boamah, 2011
		Ekpo, 2019
Availability of housing finance	Average Nigerians finance project through internal source e.g personal savings and thrift contribution and externally through commercial banks that grant short term loans at high interest rate. The income level of average Nigerians is low to support the construction of building within a short period of time. Hence, Nigerians suffer from acute deficit of affordable housing due to the lack of robust mortgage system that could attend to low-income households.	Nubi, 2000
		Opaluwa, 2010
		Tsinda & Mugisha, 2018
		Ekpo, 2019

Source: Compiled by author, 2023

Housing Affordability Measure (Theoretical Framework)

Generally, affordability is a gauge of household capability to afford to pay for desired good and services. This means that in a market economy, price determines not only the quantity but also the quality of goods and services that each household will consume depending on their level of affordability (Adegoke, 2020).

Bramley & Kantley (2004), Adegoke (2016) and UN-Habitant (2019) pointed out that when it comes to measuring housing affordability, there are three collective measures (House Price-to-income ratio, House rent-to-income ratio and residual income) which can be regrouped into two mechanism; housing costs and housing income or an approach based on residual income in relation to sustenance.

House Price to Income ratio / House rent / to income ratio

The price-to-income ratio displays how many median annual wages are required to purchase a median cost home. High house price-to-income ratios are common in low-income nations with significant housing

market distortions, which are also found throughout nations with substantial land costs and development cost (UN-Habitat, 2019). Kutty (2005) articulated affordability as the ratio of housing cost to the household income, the approach has a very long history and it is a widely recognized mechanism for measuring affordability (Chen, 2011; Stone 2006; Adegoke, 2020). Housing affordability problems are deemed to exist in households whose price or housing expenditure-to-income ratios are greater than 25% or 30% (Nubi, 2000; Kutty, 2005; United States Department). The approach is appealing to most professionals and researchers because of its mathematical simplicity in arriving at the threshold (Stone, 2006; Adegoke, 2020).

It is expressed as;

House Price-to-income ratio=

Median house price
Median household income

House rent to income ratio=

Median annual rent
Median annual rent household

Despite the simplicity of the house price-income-ratio and or house rent to income ratio as a mechanism for measuring housing affordability, Stone (2006) and Adegoke (2020) reported that its drawbacks birthed the residual income approach.

2.3.1 Residual Income Approach

Residual income approach as the name implies measures the gap between the amounts expended on housing by households and their total income. This strategy was based on the idea that, for the vast majority of households, housing costs make up the single biggest portion of their income. Jameson & Nana (2004) noted that the residual approach can be affixed on the concept of 'housing and other goods theory'. The theory is premised on household consumption having two items: housing and non-housing needs- items needed by household to maintain a decent standard of living. The primary tenet of the idea is that a household's consumption basket will always involve a trade-off between spending on housing and other non-housing items. The authors argued that the decision between purchasing housing or non-housing items will mostly be influenced by household preferences, household income, and the cost of housing in comparison to other non-housing commodities. Jameson & Nana (2004) and Adegoke and Agboola (2020), noted that any change in any of the three influencing factors (Preference, household income and cost of housing), the choice of quantity of housing and non-housing to be demanded by household will change. Luffman (2006), asserted that the gap between housing costs and remaining income after paying for housing should be used as the approach indication of housing affordability. In a nut shell, the residual income approach as a measure of affordability examines what households can afford to spend on housing after taking into consideration the other necessary living expenditures; that is, non-housing related expenditures, such as, feeding clothing and others. However, Yang & Chen (2014) and Adegoke et al (2020) affirmed that a major setback to residual income approach is how to define and set the "minimum standards" of adequacy for non-housing.

Nevertheless, in the context of this study, the house price-to-income ratio theory was adopted to analyze the

affordability of Lagos State social housing program through rent-to-own scheme. Therefore, in this paper, affordability is measured in terms of household not exceeding 30% of its total income on rent or mortgage repayment as earlier established.

Lagos State government social housing Scheme through Rent-to-Own

Lagos – a state regarded as a city of excellence, is the main center of commercial activities in Nigeria; with high concentration of different businesses, financial institutions, whilst also accommodating a major sea port (National Population Commission, 2012). The state is one of the fastest developing cities of the world with over twenty million population and a Gross Domestic Product (GDP) that is in excess of USD130 billion (Lagos State Government affordable housing deal book, 2018).

As an attempt to provide affordable housing for the rising population and bridging housing deficit, different housing scheme have been launched by Lagos state government. These schemes includes affordable mass housing, equity partnership housing, Lagos State Mortgage Ownership scheme and Lagos State rent to Own Scheme (Lagos State Government affordable housing deal book, 2018). The central focus of this study analysis is rent to own scheme; it is a scheme purported to be for all citizens in respective of their income class

In 2016, Lagos State government launched rent-to-own scheme which was an attempt to provide access to decent housing to its citizenry irrespective to their income class. The scheme was an offshoot of the 2010 initiative, the Lagos Home Ownership and mortgage Scheme (Lagos Homes), who had recorded failure due to its unrealizable demands from its benefactors) – such as, payment of 30 percent equity contribution of the total price of the property, while the balance is payable over a period of 10-20 years on monthly installment basis (Lagoshomes website, 2023). However, with Lagos State rent to own scheme, beneficiaries are only required to make 5% equity contribution of the cost price, while paying the balance over a period of 10years(Lagos home flier, 2020). The scheme is targeted at first time home buyers who are resident of the state and are low and middle income earners.

Table 2 Available housing units in the scheme vis-à-vis their respective cost and accommodation type

Sn	Name Of Scheme	Type Of Accommodation	Cost	Total Unit	
1	Sir Michael Otedola Estate, Odoragunshin-Epe	R/Parlour	1,500,000.00	336 units	10 years repayment plan for all housing schemes
		1 bedroom	2,000,000.00		
		2 bedroom	3,500,000.00		
2	Chois City, Agbowa	2 bedroom	3,500,000.00	400 units	
		3 bedroom	5,000,000.00		
3	Odo Onosa, Agbowa	1 bedroom	3,000,000.00	660 units	
		2 bedroom	5,000,000.00		
		3 bedroom	7,500,000.00		
4	Alh. Adetoun Mustapha Scheme, Ojokoro	3 bedroom	9,000,000.00	32 units	
5	Hon. Olaitan Mustapha Scheme, Ojokoro	3 bedroom	9,000,000.00	48 units	
6	Alhaji Lateef Jakande Alimosho, Igando	1 bedroom	5,000,000.00	1,176 units	
		2 bedroom	7,500,000.00		
		3 bedroom	10,000,000.0		

7	Oba Adeboluwa Estate, Igbogbo, Ikorodu	1 bedroom	3,000,000.00	256 units
		2 bedroom	4,800,000.00	
8	Igbogbo IIB Housing Estate, Ikorodu	1 bedroom	3,500,000.00	360 units
		2 bedroom	5,500,000.00	
		3 bedroom	8,000,000.00	
9	Iponri Estate, Iponri-Surulere	2 bedroom	20,000,000.00	132 units
		3 bedroom	25,000,000.00	
10	Sangotedo Scheme, Eti-Osa	1 bedroom	15,000,000.00	1,118 units
		2 bedroom	20,000,000.00	
		3 bedroom	25,000,000.00	
11	Ajara Estate, Badagry	1 bedroom	2,000,000.00	420 units
		2 bedroom	3,500,000.00	
		3 bedroom	6,000,000.00	
12	Ibeshe Estate, Ikorodu	1 bedroom	5,000,000.00	480 units
		2 bedroom	8,500,000.00	
		3 bedroom	13,500,000.00	
13	Sangotedo Phase 2	1 bedroom	15,000,000.00	744 units
		2 bedroom	20,000,000.00	
		3 bedroom	25,000,000.00	

Source: Lagoshomes website (2023)

The table 2 shows the different forms of accommodation types afforded by LagosHomes / rent-to-own scheme. The existing types of accommodation are 1 bedroom – 3bedroom across the available estates. This means that there are different accommodation options to intending beneficiaries based on their affordability and the repayment plan is for 10 years.

RESEARCH METHODOLOGY

The study adopts the use of secondary data as a basis for measuring and analyzing the affordability of Lagos State rent to Own Scheme among Lagos State government civil servants and Nigeria tertiary institution workforce (Federal Polytechnic and Federal Universities only). Information as regards the housing units afforded by Lagos State rent to own scheme was sourced from its official website and official booklet, whilst the salary structure / scale for both Polytechnic Lecturers, COMPASS and University Lecturers, CONUASS II and that of Lagos State Civil Servant were sourced from Lagos State Civil Service commission.

The housing selling price and the income structure of Lagos state civil servants and lecturers formed the basis for measuring its affordability using housing price to income ratio

DATA PRESENTATION

4.1 Housing Affordability Measure

The section measures the affordability of Lagos State government social housing scheme through Lagos

State rent to own scheme. As earlier stated, the paper adopts the use of housing price to income ratio as a mechanism for accessing affordability based on 30 percent threshold. The table 3 presents income structure of Lagos State Civil Servant, Federal Polytechnic Lecturers (CONPCASS)& Federal University Lecturers (CONUASS II).

(All grade levels), while table 4 and 5 measures affordability of the housing scheme.

Table 3: Income structure of Lagos State Civil Servant, Federal Polytechnic Lecturers & Federal University Lecturers (All grade levels)

Lagos Civil Servant Salary Scale (Revised 2023)			Federal Polytechnic Lecturers Salary Scale Compass (2019)		Federal Universities Lecturers Salary Scale; CONUASS (2019)	
SN	Grade level	Basic Annual Income (₦)	Grade level CONPCASS	Basic Annual Income (₦)	Grade Level	Basic Annual Income (₦)
1	Level 01	62,000- 82,096	Graduate Assistant (CONPCASS 1)	95,788 – 141,796	Graduate Assistant (SCALE 1)	99,768 – 145,000
2	Level 02	63,000 – 90,000	Assistant Lecturer (CONPCASS 2)	107,073.627- 155,308	Assistant Lecturer (SCALE 2)	118,277- 137,334
3	Level 03	65,000- 97,000	Lecturer III (CONPCASS 3)	123,335 – 175,116	Lecturer II (SCALE 3)	129,724- 153,563
4	Level 04	68,000- 106,000	Lecturer II (CONPCASS 5)	152,787 – 170,442	Lecturer 1 (SCALE 4)	160,809- 203,778
5	Level 05	77,000- 123,000	Lecturer 1 (CONPCASS 6)	167,718 – 230,168	Senior Lecturer (SCALE 5)	222,229- 314,159
6	Level 06	95,000- 150,000	Senior Lecturer CONPCASS 7)	212,245- 278,573	Associate professor (SCALE 6)	277,179- 350,169
7	Level 07	127,000– 195,000	Principal Lecturer (CONPCASS 8)	258,144- 338,042	Full Professor (SCALE 7)	332,833 – 416,743
8	Level 08	165,000- 245,000	Chief Lecturer (CONPCASS 9)	313,910 - 405,13025		
9	Level 09	195,000- 290,000				
10	Level 10	229,000- 333,000				
11	Level 12	265,000 – 380,000				
12	Level 13	294,000 – 418,000				
13	Level 14	326,000- 438,000				
14	Level 15	361,000- 503,000				
15	Level 16	339,000- 567,000				

16	Level 17	441,011-640,000				
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Source(s) – Lagos State Civil Service Commission (2023); National wages and income commission (2019); Author’s estimate (2023)

Table 4 Affordability of Lagos State Rent to Own Scheme among Lagos State Civil Servant using House Price to Income Ratio

Sn	Name Of Scheme	Type Of Accommodation	Cost	Initial Lump sum Payment (5% of cost)	Average Monthly Repayment	Affordable income group (net income- after tax and statutory deductions) (30%)	Civil Servant (Grade of workers affordability)
1	Sir Michael Otedola Estate, Odoragunshin-Epe	R/Parlour	1,500,000.00	75,000.00	11,875.00	40,000.00 and above	Level 1 and above
		1 Br	2,000,000.00	100,000.00	15,833.33	55,000.00 and above	Level 2 and above
		2 Br	3,500,000.00	175,000.00	27,708.33	96,000 and above	Level 6 and above
2	Chois City, Agbowa	2 Br	3,500,000.00	175,000.00	27,708.33	96,000 and above	Level 6 and above
		3 Br	5,000,000.00	250,000.00	39,583.33	135,000.00 and above	Level 7 and above
3	Odo Onosa, Agbowa	1 Br	3,000,000.00	150,000.00	23,750.00	80,000.00 and above	Level 5 and above
		2 Br	5,000,000.00	250,000.00	39,583.33	135,000.00 and above	Level 7 and above
		3 Br	7,500,000.00	375,000.00	59,375.00	204,000.00 and above	Level 9 and above
4	Alh. Adetoun Mustapha Scheme, Ojokoro	3 Br	9,000,000.00	450,000.00	71,250.00	240,000,000 and above	Level 10 and above
5	Hon. Olaitan Mustapha Scheme, Ojokoro	3 Br	9,000,000.00	450,000.00	71,250.00	240,000.00 and above	Level 10 and above
6	Alhaji Lateef Jakande Alimosho, Igando	1 bedroom	5,000,000.00	250,000.00	39,583.33	135,000.00 and above	Level 7 and above
		2 bedroom	7,500,000.00	375,000.00	59,375.00	204,000.00 and above	Level 9 and above
		3 bedroom	10,000,000.00	500,000.00	79,166.67	270,000 and above	Level 13 and above
7	Oba Adeboruwa Estate, Igbogbo, Ikorodu	1 bedroom	3,000,000.00	150,000.00	23,750.00	85,000.00 and above	Level 5 and above
		2 bedroom	4,800,000.00	240,000.00	38,000.00	135,000.00 and above	Level 7 and above
8	Igbogbo IIB Housing Estate, Ikorodu	1 bedroom	3,500,000.00	175,000.00	27,708.00	95,000.00 and above	Level 6 and above
		2 bedroom	5,500,000.00	275,000.00	43,541.67	148,000.00 and above	Level 7 and above
		3 bedroom	8,000,000.00	400,000.00	63,333.33	220,000.00 and above	Level 9 and above

9	Iponri Estate, Iponri-Surulere	2 bedroom	20,000,000.00	1,000,000.00	158,333.33	535,000.00 and above	Level 17 (peak)
		3 bedroom	25,000,000.00	1,250,000.00	197,916.66	663,000.00 and above	Not affordable
10	Sangotedo Scheme, Eti-Osa	1 bedroom	15,000,000.00	750,000.00	118,750.00	400,000 and above	Level 15 and above
		2 bedroom	20,000,000.00	1,000,000.00	158,333.33	535,000.00 and above	Level 17 (peak)
		3 bedroom	25,000,000.00	1,250,000.00	197,916.67	663,000.00	Not Affordable
11	Ajara Estate, Badagry	1 bedroom	2,000,000.00	100,000.00	15,833.33	55,000 and above	Level 4 and above
		2 bedroom	3,500,000.00	175,000.00	27,708.00	95,000.00 and above	Level 4 and above
		3 bedroom	6,000,000.00	300,000.00	47,500.00	160,000.00 and above	Level 8 and above
12	Ibeshe Estate, Ikorodu	1 bedroom	5,000,000.00	250,000.00	39,583.33	135,000.00 and above	Level 7 and above
		2 bedroom	8,500,000.00	425,000.00	67,291.67	228,000.00 and above	Level 10 and above
		3 bedroom	13,500,000.00	675,000.00	106,875.00	360,000.00 and above	Level 13 and above
13	Sangotedo Phase 2	1 bedroom	15,000,000.00	750,000.00	118,750.00	400,000.00 and above	Level 15 and above
		2 bedroom	20,000,000.00	1,000,000.00	158,333.33	535,000.00 and above	Level 17 (peak)
		3 bedroom	25,000,000.00	1,250,000.00	197,916.67	663,000.00 and above	Not affordable to any level

Source: Author analysis 2023

The gap between income and housing cost in Nigeria is very wide and this has eliminated low-income earners from the housing market. For instance, as shown in table 4, each housing estate in Lagos State rent to own scheme is measured against affordability of different income groups as well as the grade level of Lagos State civil servant using housing price to income ratio approach. A commonly accepted guideline for housing affordability is a housing cost that does not exceed 30% of a household's income. When the monthly carrying costs of a home exceed 30–35% of household income, the housing is considered unaffordable for that household. Thus, from the table above, it can be seen that the cost of a Room and Parlor at Micheal Otedola Estate is N1, 500,000.00, 1 bedroom cost 2,000,000.00 and a 2bedroom apartment goes for 3,500,000.00 while monthly repayment for a period of 10years are N11,875.00, N15,832.09, and N27,708.33 respectively. The implication of the analysis above is that these categories of housing units are only affordable to households earning at least N40, 000, 55,000.00, and 96,000.00 respectively. Hence, measuring these housing units' price vis-à-vis Lagos State government civil servants monthly income, the housing type is affordable to all income groups under the rent to own scheme arrangement.

Furthermore, for housing units with an average cost of N7, 500,000.00 and N9, 000,000.00 with initial lump sum payment of N375, 000.00 and N450,000.00, whilst monthly repayment is 59,375.00 and 71,250.00 respectively. Analysis as shown in the table revealed that for housing units that cost N7, 500,000.00, such as, Odo Onosa Agbowo (2 bedroom) and Allhaji Lateef Jakande Alimosho, Igando Estate, they are only affordable to households that earns 204,000.00 monthly, whilst, only affordable to Level 9 and above of

Lagos State government civil servant. For housing units that cost N9, 000,000.00, such as Alhaji. Adetoun Mustapha Scheme, Ojokoro (3 bedroom) and Hon. Olaitan Mustapha Scheme, Ojokoro (3 bedroom), it can be seen that it is affordable to household groups that earns an average of N240, 000.00 per month and level 10 and above of Lagos State government Civil servant. Meanwhile, housing units with an average cost of N20, 000,000.00 such as Iponri Estate, Iponri- Surulere (2 bedroom), Sangotedo Scheme, Eti-Osa (2 bedroom) and Sangotedo Phase II (2 bedroom) all with Initial lump sum payment of N1, 000,000.00 and monthly repayment of N158, 000.00 per month is only affordable to households that earns at least N535,000.00 per month. In the case of Lagos State civil servants, it is only affordable to Level 17 officers at peak / apex level of the salary cadre. In the case of housing units with an average price of N25,000,000.00 such as Sangotedo Phase 2, with an initial lump sum payment of N,1,250,000.00 and monthly repayment of N197,916,67, analyses revealed that it is only affordable to monthly income earners of N663,000.00. Hence, going by this basis, the housing scheme is not affordable to any Lagos State government civil servant. Though this study adopted house price to income ratio, the finding of the study corroborate that of the study of Onyike (2007), whose study revealed that no public servant in Nigeria below salary grade 13 in the federal civil service and salary grade level 16 in Imo state civil service can afford a property that cost N4, 750,000.00 on a 25years mortgage at 6 percent, if 50% percent of salary is devoted to housing. Only a federal permanent secretary or his equivalent in grade level 17 can afford the same house at an 18 percent mortgage rate (Onyike, 2007). As shown in this study, it means that in the absence of some assistance and affordable housing delivery strategies, adequate housing is unaffordable to most law abiding Nigerians due to its high price.

Table 5: Measuring Affordability of Lagos State Rent to Own Scheme among Federal Government of Nigeria Tertiary Institution workforce (Polytechnic and University)

SN	NAME OF SCHEME	TYPE OF ACCOMMODATION	COST	AVERAGE MONTHLY REPAYMENT	CONPCASS SALARY GRADE (F.G POLYTECHNIC) LEVEL/ STEP	F.G UNIVERSITIES CONUASS II
1	Sir Michael Otedola Estate, Odoragunshin Epe	R/Parlour	1,500,000.00	11,875.00	CONPCASS LEVEL2 / STEP 1 AND ABOVE	SALARY SCALE 1 / STEP 1
		1 Br	2,000,000.00	15,833.33	CONPCASS 2/1 AND ABOVE	SALARY SCALE 1 / STEP 1
		2 Br	3,500,000.00	27,708.33	CONPCASS 2/1 AND ABOVE	SALARY SCALE 1 / STEP 1
2	Chois City, Agbowa	2 Br	3,500,000.00	27,708.33	CONPCASS 2/1 AND ABOVE	SALARY SCALE 1 / STEP 1
		3 Br	5,000,000.00	39,583.33	CONPCASS 3 STEP 15 AND CONPASS 5/1 AND ABOVE	SALARY SCALE 2 / STEP 2

3	Odo Onosa, Agbowo	1 Br	3,000,000.00	23,750.00	CONPCASS 2/1 AND ABOVE	SALARY SCALE 1 / STEP 1
		2 Br	5,000,000.00	39,583.33	CONPCASS 3 STEP 15 AND CONPASS 5/1 AND ABOVE	SALARY SCALE 2 / STEP 2
		3 Br	7,500,000.00	59,375.00	CONPCASS 6 STEP 6 AND ABOVE	SALARY SCALE 4 / STEP 5 AND ABOVE
4	Alh. Adetoun Mustapha Scheme, Ojokoro	3 Br	9,000,000.00	71,250.00	CONPCASS 7 STEP 5 AND ABOVE	SALARY SCALE 5 / STEP 1
5	Hon. Olaitan Mustapha Scheme, Ojokoro	3 Br	9,000,000.00	71,250.00	CONPCASS 7 STEP 5 AND ABOVE	SALARY SCALE 5 / STEP 1
6	Alhaji Lateef Jakande Alimosho, Igando	1 BR	5,000,000.00	39,583.33	CONPCASS 3 STEP 15 AND CONPASS 5/1 AND ABOVE	SALARY SCALE 2 / STEP 2
		2 bedroom	7,500,000.00	59,375.00	CONPCASS 6 STEP 6 AND ABOVE	SALARY SCALE 4 / STEP 5 AND ABOVE
		3 bedroom	10,000,000.00	79,166.67	CONPCASS 7 STEP 8 AND ABOVE	SALARY SCALE 5 / STEP 2 AND ABOVE
7	Oba Adeboluwa Estate, Igbogbo, Ikorodu	1 bedroom	3,000,000.00	23,750.00	CONPCASS 2/1 AND ABOVE	SALARY SCALE 1 / STEP 1
		2 bedroom	4,800,000.00	38,000.00	CONPCASS 3 STEP 15 AND CONPASS 5/1 AND ABOVE	SALARY SCALE 2 / STEP 2
8	Igbogbo IIB Housing Estate, Ikorodu	1 bedroom	3,500,000.00	27,708.00	CONPCASS 2/1 AND ABOVE	SALARY SCALE 1 / STEP 1
		2 bedroom	5,500,000.00	43,541.67	CONPCASS 3 STEP 15 AND CONPASS 5/1 AND ABOVE	SALARY SCALE 3 / STEP 3

		3 bedroom	8,000,000.00	63,333.33	CONPCASS 6 STEP 11 AND CONPCASS 7 STEP 2 AND ABOVE	SALARY SCALE 5 / STEP 1
9	Iponri Estate, Iponri-Surulere	2 bedroom	20,000,000.0	158,333.33	NOT AFFORDABLE	NOT AFFORDABLE FOR ANY LEVEL
		3 bedroom	25,000,000.0	197,916.66	NOT AFFORDABLE	NOT AFFORDABLE FOR ANY LEVEL
10	Sangotedo Scheme, Eti-Osa	1 bedroom	15,000,000.0	118,750.00	CONPCASS 9 STEP 9 (PEAK OF THE CARRER)	SALARY SCALE 7 / STEP 3
		2 bedroom	20,000,000.0	158,333.33	NOT AFFORDABLE	NOT AFFORDABLE FOR ANY LEVEL
		3 bedroom	25,000,000.0	197,916.67	NOT AFFORDABLE	NOT AFFORDABLE FOR ANY LEVEL
11	Ajara Estate, Badagry	1 bedroom	2,000,000.00	15,833.33	CONPCASS 2/1 AND ABOVE	SALARY SCALE 1 / STEP 1
		2 bedroom	3,500,000.00	27,708.00	CONPCASS 2/1 AND ABOVE	SALARY SCALE 1 / STEP 1
		3 bedroom	6,000,000.00	47,500.00	CONPCASS 6 STEP 1 AND ABOVE	SALARY SCALE 4 / STEP 3
12	Ibeshe Estate, Ikorodu	1 bedroom	5,000,000.00	39,583.33	CONPCASS 5 STEP 1 AND ABOVE	SALARY SCALE 2 / STEP 2
		2 bedroom	8,500,000.00	67,291.67	CONPCASS 7 STEP 3 AND ABOVE	SALARY SCALE 5 / STEP 1
		3 bedroom	13,500,000.0	106,875.00	CONPCASS 9 STEP 9 (PEAK OF THE CARRER)	SALARY SCALE 7 / STEP 7
13	Sangotedo Phase 2	1 bedroom	15,000,000.0	118,750.00	CONPCASS 9 STEP 9 (PEAK OF THE CARRER)	SALARY SCALE 7 / STEP 3

	2 bedroom	20,000,000.0	158,333.33	NOT AFFORDABLE	NOT AFFORDABLE TO ANY LEVEL
	3 bedroom	25,000,000.0	197,916,67	NOT AFFORDABLE	NOT AFFORDABLE TO ANY LEVEL

Source: Author’s analysis 2023

The table 5 below measures the affordability of Lagos State government rent to own scheme among different cadres of lecturers of federal government of Nigeria tertiary institutions, Polytechnic and University using housing price to income ratio. The analysis revealed an appalling rate of affordability among the subject income group for specific accommodation types. For instance, the housing estate at Sangotedo Phase 2 that cost ₦25, 000,000.00 for a 3bedroom and ₦20, 000,000.00 for a 2bedroom cannot be afforded by any academic lecturer; both chief lectures at apex of the salary scale (bar) (COMPCASS 9 step 9) and a university professor at the apex of the salary scale (CONUASS 7). The result of the analysis above is an indication that the housing units supplied through the Lagos State government rent to own scheme are costly and not affordable to low-medium income earners. Therefore, there is need for government to strategize and ensure that these housing units are affordable to low-medium income earners in order not to create a problem of housing overhang(Rahim, Adzhar, Basrah, Majid & Mustafar, 2019)

Approaches to enhancing Housing affordability

The variance between income and housing cost in Nigeria is highly colossal and this has undoubtedly eliminated several households, most importantly average Nigerians, low-middle income earners, from qualitative housing market- this is crystal evident in table 3 and 4 above. The factors responsible for high cost of housing has been identified and described in table 1 as identified in literature. Hence, in order to achieve affordable social housing in the midst of urbanization and rising cost of building materials, government and private investors can tackle the issue of housing affordability problems by adopting the following strategies;

Cost-saving house designs.

A cost-to-design approach is necessary for low-cost housing to be achieved as affordability must guide the designing of houses in the 21st century. Affordability through design also entails the determination of the best property development methods available to achieve cost reduction without compromising quality. By reducing the amount of building materials required through improved and innovative techniques, Vivian (2011) suggested that cost-effective and alternative construction technologies can significantly contribute to better housing options and environmental protection in addition to lowering construction costs. This is feasible in Nigeria by using native building materials like soil cement blocks in place of burning bricks, using low-energy materials like concrete blocks in place of burned bricks, and scaling back the size of buildings.

Mass Housing Production and promotion of local building materials

Mass housing production entails, designing, planning and production of identical housing units using the same labour, low cost materials and plants and machineries. The housing units can be at one particular geographical space or several areas depending on demand. This is carried out in accordance with the same contract and project management frameworks. In this age of continued urbanization, mass housing production is a necessity of urban planning since housing units can be produced in mass and delivered at affordable prices. This strategy for affordable housing delivery should be undertaken frequently in order to

increase the number of available housing stocks in the country, whilst also ensuring that the houses are affordable.

Site and Service Scheme

Site and services schemes are programs run by the government or private organizations that provide a specific area with the necessary infrastructural amenities so that private citizens or corporate entities can carry out development in that region at a reasonable cost. The site and service plan essentially addresses the requirement to establish residents as active participants in the entire housing process. Site and Service scheme can therefore be planned to address the problem of acute housing shortage and high housing cost in Nigeria. Srinivas (2016) made the point that while sites and services schemes do not offer a one-size-fits-all remedy for all housing-related problems, they do offer the potential for future housing and make the best use of available resources, both governmental and household, for increased housing development in the nation.

Vertical housing Development

The rate of human population growth is increasing at alarming rate and as a result, both the demand for housing and its costs are rising dramatically. It has been established by literature (Nubi, 2000; Un-Habitant, 2011, Ajayi, Ajayi, Akinsiku & Temidayo, 2016) that land accessibility is one of the critical problems to affordable housing delivery in Nigeria, as its cost and documentation account for substantial amount that is required for housing development. Nonetheless, to achieve affordable housing, while also addressing the problem of increasing population and rising cost, vertical housing development is a strategy that must be implemented in Nigeria and other developing nations. Vertical housing implies building houses upwardly rather than outwardly. With this approach the problem associated with soaring land prices can be minimized, cost saving is achieved, promote sustainable land use, whilst promoting condominium ownership and social integration e.g development of high rise residential units such as 1004 flats in Victoria, Island Lagos,

On-site / informal housing upgrading

Improvement of physical, social and economic infrastructure of an existing informal settlement without people's displacement

Increased Economic Prosperity

To enhance purchasing power of Nigerians through benevolent increase in minimum wage which is currently pegged at N30, 000.00 per month. This will help enhance income to housing price ratio of households. Although, this approach will be of minimal effect if the cost of construction and inflation rate keep rising. For instance, In July 2023, Nigeria's annual inflation rate increased for the sixth consecutive month to 24.08%, the highest level since September 2005, exceeding predictions of 23.7% (Trading Economics, 2023)

Re-Engineering of Nigeria Mortgage Institution

Mortgage banks should be encourage to provide housing finance loan to individuals and corporate bodies at reduced interest rate. Interest rate on lending in Nigeria is at 18.75% per annum. At this rate, it will be very difficult to produce housing units that are affordable to most Nigerians. Hence, it is imperative that the government of Nigeria work towards ensuring that the inflation rate and the interest rate in the country is reduced to a single digit (Nubi, 2008, Ajayi, Ajayi, Akinsiku & Temidayo, 2016)

CONCLUSION

Government needs to note that increase in income is of little or no significance if inflation rate keep increasing and construction cost remains high. The present situation in which the cost of a 1 bedroom flat is #1, 500,000.000, 2 bedroom approximately 20,000,000.00 and 3bedroom cost 25,000,000.00 and above needs to be re-addressed immediately. A social housing scheme must be designed to incorporate the low-middle income class into the housing scheme and not marginalize them. The study concludes that the present types of accommodation delivered by Lagos State government is relatively expensive. The reality that a level 17 officer (peak) of the Lagos State government, a polytechnic chief lecturer and a university professor cannot afford a 2bedroom and 3bedroom with 10years repayment plan is appalling and disheartening. This study recommends that government should concentrate on low-cost housing delivery in order to cater for the need of the larger number of citizenry who due to their low income earnings could not afford existing housing stocks Also, government should extend the repayment period from the pegged 10years repayment period to at least 15years period. When this is done, it ease the repayment burden, enhance income to house price ratioof prospective beneficiaries and also promote seamless repayment.

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