



SECTION EIGHT

NATIONAL HOUSING POLICY FOR NIGERIA

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Chapter One

INTRODUCTION

Shelter has been universally accepted as the second most important essential human need after food. Housing in all its ramifications is more than mere shelter since it embraces all the social services and utilities that make a community or neighbourhood a liveable environment. The problems of housing in Nigeria are enormous and complex, exhibiting apparent and marked regional differences. In Most of our urban centres, the problems is not only restricted to quantity but also to the poor quality of available housing units and the environment. The result is manifested in growing overcrowding in homes and increasing pressure on infrastructural facilities and rapidly deteriorating environment.

- 1.1 The scenario is only slightly different in the rural areas where the problems is primarily that of quality of housing and inadequacy of infrastructural facilities like roads, drainage, water, power supply, etc.
- 1.2 Another important characteristic of both the urban and rural scenes is the dominance of the poor and low income group. It has been estimated that over seventy per cent (70%) of the country's population fall within this category.

1.3 **REVIEW OF PAST POLICIES AND PROGRAMMES**

A review of past policies and programmes of both the public and private sectors involvement in the housing sector could be examined under three distinct phases:

1.3.1 **THE COLONIAL PERIOD:**

During the early colonial period, the housing activities and policies of government focused essentially on the provision of quarters for the expatriate staff and for selected indigenous staff in specialised occupations like Railways, Police, etc. This period saw the establishment of Government Residential Areas (GRAs) as well as a few "African Quarters". No effort was made by Governments to build houses either for sale or rent to the general public and little was done to order the growth of settlements outside the Government Ordinance

(Cap 95), the Lagos Executive Development Board (LEDB) was created in 1928 and charged with the effective planning and development of Lagos. The creation of the Lagos Executive Development Board was a result of the bubonic plague which ravaged Lagos in the early 1920s. After 1954 and with the approval of the Lagos Central Planning Scheme, the Lagos Executive Development Board for the first time attempted to solve the problems of public housing in the metropolis. This effort resulted in the following schemes:

- (i) Workers Housing Estate and Re-Housing Estate, Surulere;
- (ii) Akinsemoyin and Eric Moore Housing Estate Surulere;
- (iii) Workers Housing Estate (Phase II), Surulere;
- (iv) Freehold Housing scheme and Sites and Services Estates at Surulere, Apapa, South-West and South-East Ikoyi, Ilupeju and Isolo.

1.3.1.1 In 1956, the Nigeria Building Society (NBS) was established to provide mortgage loans. However, their mortgage operations did not achieve much because of limited financial resources and the poor response of the public to the savings scheme operators by the NBS. During the same year, the Colonial Government introduced the African Staff Housing Fund which was meant to encourage African Civil Servants to own their own houses. Also prior to Independence, various State Housing corporations were established by the Regional Governments to provide housing for the general public. These Corporations were unable to extend their services to the low income group, but they formed the nuclei of modern Housing Estates in Nigeria.

1.3.2 THE POST INDEPENDENCE PERIOD (1960 - 1979)

During the period immediately after Independence, emphasis was placed on the five yearly Development Plans as the vehicle for economic growth. The housing sector however suffered from near complete neglect in the first two plans. With the outbreak of the Civil War in 1967, the housing situation deteriorated further particularly in the war affected areas as energies and resources were concentrated on the execution of the war. In the same period, more Housing Corporations were established in the newly created States. Their contributions were

rather insignificant as their impact within the medium and upper income housing market remained low. In 1971, the National Council on Housing consisting of all State Commissioners responsible for housing was established. This marked the first significant and direct attempt by the Federal Government to intervene positively in the area of housing. It led in 1972 to the establishment of a National Housing Programme during the second National Development Plan period. The Federal Government through an enabling Decree intended to construct fifty-nine thousand (59,000) dwelling units with fifteen thousand (15,000) in Lagos and four thousand (4,000) units in each of the other eleven States Capitals. The Federal Housing Authority was created in 1973 to co-ordinate Staff Housing Scheme was taken over by the newly established Staff Housing Board for the purpose of granting loans to Civil Servants to enable them build or purchase their own homes. The loans were subject to a maximum of forty thousand Naira (N40,000) but the limit has since been increased to eighty thousand Naira (N80,000).

1.3.2.1 It was the third National Development Plan (1975 — 80) that witnessed the most significant intervention by Government in the Housing sector. The Federal Government decided to participate directly and actively in the provision of housing rather than leaving it principally to the private sector. A total of N2.6 billion was earmarked for the implementation of the various projects. During this period, a total of two hundred and two thousand (202,000) dwelling units were programmed for construction comprising fifty thousand (50,000) units in Lagos and eight thousand (8,000) units in each of the other nineteen States. It is pertinent to note that by the end of the Plan period, less than fifteen per cent (15%) of the houses were completed.

1.3.2.2 In 1975, a new Federal Ministry of Housing, Urban Development and Environment was created and charged with the responsibility of initiating and co-ordinating the policies in housing-related areas. Within this period, the following Panel and Committees were constituted specifically to deal with some of the problems of housing and housing delivery:

- (i) The committee on Standardisation of House Types and Policies (1975) was set up and this marked the first attempt by Government at recognising the housing problems of the low

income group who earned less than three thousand Naira (N3,000) per annum. The recommendations of the Committee resulted in the acceptance of the Low Income Housing concepts and Strategies of the World Bank (IBRD),

- (ii) The Anti-inflation Task Force (1976) was set up to examine among other things the current inflationary trends in the economy and identify their causes. Various fiscal and monetary recommendations were made which had significant effects on the housing sector,
- (iii) Rent Panel (1976) was to review the structure and level of rent in the country. Their recommendations resulted in the establishment of State Rent Tribunals which have proved ineffective in controlling rent,
- (iv) The Land Use Panel (1977) examined the various tenure and land ownership systems in the country and their recommendations led to the promulgation in 1978 of the Land Use Decree which was a major step in Land reform aimed at making land readily available for development.

The Nigerian Building Society was converted in 1976 to the Federal Mortgage Bank of Nigeria with a capital base of twenty million naira (N20m) which was later increased to one hundred and fifty million naira (N150 Million) in 1979. The impact of the Federal Mortgage Bank of Nigeria during this period was not very significant and most of its loans went principally to the middle and high income groups.

1.3.3. THE SECOND CIVILIAN ADMINISTRATION (1979-83)

The increasing deficit of urban housing as well as its continuous deterioration in the rural areas dictated the high priority rating given to housing by the defunct civilian administration. An elaborate National Housing Programme was embarked upon in 1980 based on the concept of affordability and citizen participation. The target group was the low income earners whose annual income did not exceed five thousand naira (N5,000) for the one bedroom core houses and also the medium income group with annual income not exceeding eight thousand naira (N8,000) for the three bedroom houses. A total of forty thousand (40,000) units were to be constructed annual nationwide with two

thousand (2,000) units located in each State including the Federal Capital Territory (FCT). Out of the State allocation, eighty per cent (80%) was ear-marked for the low income earners. However by June 1983, only thirty-two thousand (32,000) units had been completed while the overall achievement was only twenty percent (20%). It is pertinent to note that midway through the implementation, the second phase of the programme was commenced comprising twenty thousand (20,000) units of two bedroom core houses also for the low income group. This phase of the programme failed to take off in most States. Although about N1.9 billion was budgeted for housing by the Federal Government in the fourth National Development Plan (1980-85), an estimated of six hundred million naira (N600m) was expended on the implementation of the National Low-Cost Housing Programme. In spite of this very high level of investment, the impact of the programme on the overall housing market was extremely negligible. The following factors were responsible for the failure of the direct construction programme:

1.3.3.1

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

1.3.4. In addition to the Federal Government Direct Construction Programme, the Federal Housing Authority (FHA) was mandated to construct houses on commercial basis for the medium/high income groups. About three hundred and fifty (350) units were to be built in each State including Abuja. Most of these units are at various stages of completion. However, most of the sites were located in remote parts of the country a factor which greatly affected the demand for the houses. The State Governments through their Housing Corporations also embarked on the construction of low/medium income houses with sectoral allocation of N1.1 billion in the fourth National Development Plan. Very few States made significant impact in implementation.

1.3.5. In 1979, the World Bank-Assisted Nigerian States Urban Development Programme (NSUDP) was negotiated. The major objective of the scheme was to lay the foundation for a National Low Cost Housing Programme and to set in motion, broader urban renewal schemes. The seven newly created States of Bauchi, Gongola, Niger, Ogun, Ondo, Benue and Imo were expected to benefit from the programme, Lagos State, was also included in the programme because of its dual status as a Federal and State Capital.

1.3.6. The scheme has taken off impressively in Bauchi State at an estimated cost of N24.6 million while the contract agreement for the Imo State project had been signed at a cost of N63.8 million.

GOALS AND OBJECTIVES OF HOUSING POLICY

2.0

From available statistics, the magnitude of the housing problem in the urban areas of the country is such that 5 million new housing units will be required to meet existing and future needs up to the year 2000 A.D. The housing situation in the rural areas where about 70 percent of the Nigerian populace reside is even more unsatisfactory. Available statistics show that about 32 million new housing units are required to meet the housing needs in the rural areas of Nigeria by the year 2000 A.D. However, it is realised that the housing problem in the rural areas is mainly that of qualitative improvement in terms of sanitation and infrastructure for the existing housing stock in these areas. The amount of the essential services may be approximated to the equivalent cost of producing about 3 million new housing units. This brings the total housing needs of the country in urban and rural areas to some 8 million housing units.

2.1.

In setting the goal and objectives of the Housing Policy, housing must be seen in the context of overall national development in relation to:

- (i) Social development
- (ii) Generation of employment opportunities
- (iii) Geographical distribution of population and
- (iv) Location of industrial, commercial and agricultural activities.

The goal should be concise, achievable and acceptable to the generality of the populace. It must include a time-frame or target date in relation to which adequate evaluation of performance or lack of it could be made. Considering that Nigeria cannot isolate itself from the international community, the goal of the National Housing Policy must reflect the United Nations resolution which calls for shelter for all by the year 2000 A.D. Consequently, Nigeria must produce some 700,000 housing units per annum, if the country is to meet the target of 8 million units by the year 2000 A.D.

2.2.

GOAL

The ultimate goal of the Nigeria Housing Policy shall be to ensure that

all Nigerians own or have access to decent housing accommodation at affordable cost by the year 2000 A.D.

2.3. OBJECTIVES

In order to achieve this goal, Government shall pursue the following policy objectives:-

- (i) Encourage and promote active participation in housing delivery by all tiers of government,
- (ii) Strengthen institutions within the system to render their operations more responsive to demand,
- (iii) Emphasize housing investments which satisfy basic needs,
- (iv) Encourage greater participation by the private sector in housing development,

2.4. STRATEGIES

- (i) Establish appropriate institutional framework to facilitate effective planning in housing development,
- (ii) Restructure all existing Public Institutions involved in housing delivery at the Federal and State Government levels with a view to making them more effective and responsive to the needs of Nigerians,
- (iii) Revive existing laws and regulations such as Land Use Decree, Planning Laws etc., in order to facilitate housing delivery,
- (iv) Improve the finances and strengthen the executive capacity of Local Governments to enable them contribute more effectively in housing delivery,
- (v) Mobilize private sector participation in the provision of housing.
- (vi) Produce adequate cadastral and topographical maps to facilitate land use planning and administration,
- (vii) Produce and update Regional Development Plans and Urban and Rural Master Plans,
- (viii) Up-date low quality house in urban areas as a step towards improving the quality of the environment,
- (ix) Provide sites and services to facilitate home ownership and orderly urban and rural development,

- (x) Improve the quality of rural housing, rural infrastructures and environment,
- (xi) Restructure the Federal Mortgage Bank of Nigeria to serve as an apex Housing Finance institution,
- (xii) Mobilise savings through the establishment of a National Housing Fund (NHF),
- (xiii) Ensure continual flow of funds from various sources into the apex Institution for on-lending to other mortgage institution,
- (xiv) Encourage research into and promote the use of locally produced building materials as a means of reducing housing costs,
- (xv) Adopt functional design standards to reduce costs and enhance socio-cultural acceptability, safety and security,
- (xvi) Increase the quantity and improve the quality of man-power needed in the housing sector,
- (xvii) Utilize housing location as an instrument for a balanced population distribution in order to minimise associated problems of transportation and services,
- (xviii) Ensure the preparation of a National Housing Plan to spell out the details and strategies for achieving the objectives of the Housing Policy.

Chapter Three

INSTITUTIONAL FRAMEWORK FOR HOUSING DELIVERY

3.1 Institutional framework forms the basis of the entire housing delivery system and as such greatly influences the success of housing delivery. Institutional roles begin at the initial stages of policy development and continue through the implementation and review stages. A major factor on which the fundamental relationship between the various actors in the housing delivery can be achieved is the flexibility to adjust to dynamic socio-economic and political changes without unnecessary disruption to the system. It is therefore desirable to centralise policy and programme control while decentralising activities. Given the socio-economic and political significance of housing and housing facilities all the three levels of government in the country must be involved and assigned specific roles in housing delivery.

3.2. FUNCTIONS OF THE FEDERAL GOVERNMENT

The Federal Government shall initiate, define and co-ordinate the policy options and instruments for achieving the objectives in the housing sector while the actual implementation shall be undertaken by appropriate agencies at Federal, State and Local Government levels.

3.3. The Federal Government shall formulate policy to co-ordinate, construct and monitor housing programmes.

3.4. STRATEGIES

In order to ensure a more virile housing delivery system, the following strategies will be pursued:

- 3.4.1. Concentrate on policy formulation, co-ordination, construction, monitoring, evaluation as well as preparation of guidelines on building codes and regulations for housing development,
- 3.4.2. Review the various Town Planning, Survey and Land Laws to make them more responsive to the requirements of housing delivery,
- 3.4.3. Ensure proper implementation of the Employees Housing Decree No. 54 of 1979,

- 3.4.4. Effect the transformation of the Federal Housing Authority into a Commercially Oriented Organisation,
- 3.4.5. Re-organise the Federal Mortgage Bank to function as an Apex Mortgage Institution,
- 3.4.6. Promote the establishment of Building Societies and other primary lending agencies in the country,
- 3.4.7. Assist the States and the Local Governments in the preparation of Regional and Master Plans in their respective areas of jurisdiction.
- 3.4.8. Facilitate home ownership for all workers.
- 3.4.9. Provide adequate funding particularly for:
 - (i) Facilitation of low income housing
 - (ii) Development of Sites and Services
 - (iii) Research into housing issues
- 3.4.10. Encourage philanthropic organisations and private developers through adequate incentive packages to produce low cost housing units.
- 3.4.11. Promote research into building techniques, materials and methods of construction. Government will also encourage the National Building Research Institute to establish regional centres in the country.
- 3.4.12. Promote the use of local building materials in its building programmes.
- 3.4.13. Promote the establishment of building materials industries both in the public and private sectors of the economy.

3.5. FEDERAL HOUSING AUTHORITY (FHA)

The Federal Housing Authority (FHA) was set up in 1973 to perform three principal functions:

- 3.5.1. The preparation and submission from time-to-time, to the Federal Government of proposals for National Housing Programmes.
 - 3.5.2. The making of recommendations to Government on such aspect of urban and regional planning, transportation, communications, electricity, sewage and water supply development as may be relevant to the successful execution of housing programmes approved by the government.
 - 3.5.3. The execution of such housing programmes as may be approved by the Government.
- 3.6. Since 1979 to the present time, the Federal Housing Authority has been minimally involved in the Federal Housing Programme. Until

recently, the Authority was not able to discharge effectively the functions of providing affordable housing for all income groups in the country due to:

- (i) Over-dependence on subventions from the Federal Ministry of Works and Housing;
- (ii) Inability to recover outstanding mortgage repayments from the beneficiaries;
- (iii) Administrative and Financial Mismanagement.

3.7. In the circumstance, the role of the Federal Housing Authority in housing delivery will be redefined to enable the Authority perform the following functions:

3.7.1 Develop and manage real estates on commercial and profitable basis in all States of the Federation;

3.7.2 Provide sites and services for all income groups with special emphasis on the low income group, in the major cities of the country.

3.7.3 Provide low income houses in all States of the Federal from funds allocated by the Federal Government.

3.8 FEDERAL MORTGAGE BANK OF NIGERIA (FMBN)

The Federal Mortgage Bank of Nigeria shall be made to function as the sole institution at the Federal level for encouraging the flow of funds from various sources to the housing industry. To this effect the Federal Mortgage Bank of Nigeria (FMBN) shall be re-organised to function as an Apex Mortgage Institution in the country. Details of this reorganisation are contained in Chapter Five of this Policy.

3.10 FUNCTIONS OF THE STATE GOVERNMENT

Each State shall formulate its housing policies and programmes in line with the overall National Housing Policy.

3.11 State Governments shall perform the following functions:

3.11.1 Establish appropriate agency to execute public housing programmes;

3.11.2 Establish State Committee of the National Housing Facilitation Councils as provided for in the Employees Housing Scheme (Special Provision) Decree 54 of 1979;

- 3.11.3 Transform Housing Corporations into Commercially Oriented Agencies to build houses for sale or letting to the general public,
- 3.11.4 Ensure that Local Governments play more active roles in housing delivery by strengthening their executive capacity,
- 3.11.5 Strengthen the existing Planning Authorities and establish same for all Local Government Areas where there is none,
- 3.11.7 Promote the formation of Building Societies,
- 3.11.8 Promote and facilitate the development of Sites and Services Scheme through Metropolitan Planning Authorities,
- 3.11.9 Provide Low Income Housing through the appropriately designated Ministry/Agency,
- 3.11.10 Carry out redevelopment or upgrading of existing residential areas,
- 3.11.11 Facilitate home-ownership for its workers,
- 3.11.12 Prepare regional and urban Master Plans,
- 3.11.13 Plan an active role in the identification, production and use of building materials from local resources in order to ensure availability of cheap building materials for housing development.

3.12 FUNCTIONS OF LOCAL GOVERNMENT

In view of serious problem of funding and executive capacity, Local Governments have not been able to perform effectively in housing delivery. However, being the closest level of Government to the people, Local Governments have a key role to play in housing. Accordingly Government shall provide adequate funding to Local Governments to perform the following functions:

- 3.12.1 Provide residential layout for low income housing through local Planning Authorities within its areas of jurisdiction,
- 3.12.2 Assist in the formation of housing co-operatives,
- 3.12.3 Provide infrastructure through loans from the Infrastructure Development Fund,
- 3.12.4 Maintain urban and rural infrastructure and be responsible for environmental sanitation,
- 3.12.5 Determine the housing needs of the rural population; and
- 3.12.6 Upgrade existing residential areas in collaboration with State Governments.

Chapter Four

LAND AND SETTLEMENT DEVELOPMENT

- 4.1 Land is the basis for all development and a major source of wealth for all Government and the people. Its inaccessibility therefore constitutes a great obstacle to development in both the public and the private sectors of the economy.
- 4.2 In Nigeria, there are very large expanses of unused land throughout the country even though their sizes vary from place to place depending on population density. The main problem therefore is not that of land availability, but ownership and rational use.
- 4.3 Until the promulgation of the Land Use Decree in 1978 there was no attempt to provide a uniform measure to regulate the use and ownership of land in the country. In spite of the Decree, there are still major obstacles to the provision of land for housing programmes. The defects in the Land Use Decree and the absence of up to date cadastral and topographical maps contribute to the problems.

4.4 THE LAND USE DECREE OF 1978

The Land Use Decree is intended to facilitate availability of urban and rural land for development. The Decree is, a bold step amongst others, aimed at;

- 4.4.1 Protecting and preserving the rights of all Nigerians as beneficiaries, to hold, use, and enjoy land in Nigeria,
- 4.4.2 Performing and harmonising various land tenure systems in existence in the country before 1978,
- 4.4.3 Regulating and controlling the use of land,
- 4.4.4 Facilitating the process of land acquisition by individuals, corporate bodies, institutions and governments, and
- 4.4.5 Eliminating land speculation.

4.5 GOAL AND OBJECTIVES

The goal and objective of Land Use and Settlement Development Policy shall be to ensure easy access to, and efficient utilisation of land for public and private use and promote balanced regional development and growth.

4.6 **SOME CONSTRAINTS OF THE LAND USE DECREE**

The noble objectives of the Decree are yet to be realised as a result of the following constraints:

- 4.6.1 Lack of follow up action in promulgating supplementary legislation for effective implementation of the Decree,
- 4.6.2 Failure of the Land Use Decree to spell out rights and powers of the Federal Government as trustees of land, seriously hampers Federal Government efforts to acquire suitable land in the States,
- 4.6.3 Cumbersome procedures for obtaining Certificate of Occupancy and letter of consent,
- 4.6.4 Failure of the Decree to set up realistic yardstick for determining compensation payable by Government for improvements on acquired land, and
- 4.6.5 Delay and non-payment of compensation for improvements on acquired land.

4.7 **STRATEGIES**

To achieve the goal and objectives as aforementioned, Government has inaugurated a Committee to look into those constraints which seem to hamper the smooth operation of the Decree.

4.8 **SURVEY CADASTRAL AND TOPOGRAPHICAL MAPS**

Cadastral and topographical maps are very essential for efficient and effective development efforts. The total lack of such maps or their inadequacies has continued to be a major obstacle to the effectiveness of the housing delivery system. The inadequacies have also affected very adversely urban upgrading and renewal programmes and have allowed for conflicts between various government agencies and between include the following:

- 4.8.1 Production and up-dating on a continuous basis of cadastral and topographical maps in relevant development scales,
- 4.8.2 Densification of National Frame-work survey/control to such density that they are readily available for cadastral mapping and property surveys,
- 4.8.3 Reviewing the existing survey Laws to ensure that such Laws are tied to the National grid,

- 4.8.4 Introduction of a uniform system of compulsory Land Registration by title within the frame-work of a National Land Information System.
- 4.8.5 Enforcement of the provision of survey (Amendment) Decree No. 22 of 1977, with a view to ensuring compliance with requirements for prompt deposit of survey plans and pillar returns,
- 4.8.6 Removal of impediments in the supply of qualified manpower for surveying activities.

4.9 LAND USE PLANNING DEVELOPMENT CONTROL AND SETTLEMENT POLICY

To promote balanced regional development and growth and achieve a stable and qualitative environment, Federal, State and Local Governments shall ensure the preparation of master/structure plans for all cities and major settlements. In this regard, Government shall adopt the following strategies:

- 4.9.1 Provide infrastructural facilities in layouts prior to allocation for development,
- 4.9.2 Encourage Estate Developers and Housing Co-operatives to create and undertake development of residential layouts so as to make serviced plots readily available on specified terms and conditions,
- 4.9.3 Require large scale developers and Government agencies throughout the country to submit Environmental Impact Statements for review by the appropriate Government agency prior to development approval,
- 4.4.4. Co-ordinate the location of residential housing development with the location of employment and public transportation network,
- 4.4.5. Review the Town and Country Planning Ordinance Cap 155 of 1946 in order to ensure efficient and orderly urban and rural development.

Chapter Five

HOUSING FINANCE

- 5.1 Of the major pillars of National Housing Policy, finance constitutes a fundamental centre-piece. Without a well organised and efficient housing finance system, it is difficult to mobilise substantial financial resources for channelling funds into the housing sector.
- 5.2 A key characteristic of housing finance is the ability to combine three partially conflicting objectives of affordability for households, viability for financial institutions, and resource mobilisation for the expansion of the housing finance sector within the framework of the national economy. It is important to also note that the financing of housing presents a number of specific problems.
- 5.2.1 It involves individuals and developers requiring long term lending as against business on short term basis,
- 5.2.2 It requires significant intermediation efforts because housing finance institutions are expected to lend on a long term, even though their funds may be mobilised on a short term basis,
- 5.2.3 Given the long-term nature of lending for housing development, intermediation in housing finance is extremely sensitive to inflationary environment,
- 5.2.4 Perhaps the most serious weakness of housing finance institutions is their limited ability to mobilise resources effectively for low income housing.

5.3 REVIEW OF THE PRESENT HOUSING FINANCE SYSTEM

Nigeria's present housing finance system is severely under-developed and ill-equipped to mobilise and channel savings to the housing sector. Although a Federal Mortgage Bank has been created to essentially serve as a wholesale and apex institution, the other institutional components of the finance market in terms of primary mortgage institutions (such as Building Societies, Housing Associations, Credit Unions, Housing Co-operatives, etc.) have not developed. Thus, the

Federal Mortgage Bank has concentrated largely on retail functions of lending to individuals.

5.4 From the commencement of its operations in 1977 to date, the Federal Mortgage Bank has granted loans valued at N442.6 million to only eight thousand, eight hundred and seventy-four (8,874) Nigerians. On the whole, the Bank has concentrated its operations on social loans which account for about ninety percent (90%) of its total loan portfolio while wholesale lending to housing corporations and estate developers constituted only ten percent (10%). The Bank's lending practise does not favour low-income households. As such, ninety three percent (93%) of loans granted to individual mortgagors has gone to middle and upper income households. Thus, in effect, the objective of assisting low-income groups to own houses through subsidised mortgage loans has not been realised.

5.5 Given the absence of primary mortgage institutions and the greater competition from commercial banks for resource mobilisation, the Federal Mortgage Bank of Nigeria has been unable to mobilise adequate funds for the housing sector. Apart from the equity capital of N150 million, the Bank's major sources of funds have been loans from the Federal Government and the Central Bank of Nigeria. Between 1979/86 such loans totalled N25.7 million from the Central Bank. Funds from saving deposit rose from N21.4 million in 1979 to N131.2 million in 1986. However, funds available from all these sources have proved grossly inadequate to meet the high demand for mortgage loans as shown in table 1.

TABLE 1: MORTGAGE LOAN APPLICATIONS/FUNDS

YEAR	OUTSTANDING APPLICATIONS FOR FUNDS (N' Million)	AVAILABLE FUND
1979	223.8	
1980	350.9	127.0
1981	584.5	239.5
1982	676.8	193.5
1983	535.0	153.5
		154.5

1984	318.6	
1985	373.7	109.8
1986	456.8	95.9
TOTAL	3,529.1	105.3
		1,178.5

It is clear from these figures that other sources of funds must be found if the Bank is to make any meaningful impact on the housing sector.

5.6

Other relevant financial institutions that contribute funds into the present housing system are Commercial Banks, Merchant Banks, Insurance Companies and the National Provident Fund (NPF). In previous years, Commercial and Merchant Banks, were directed by Central Bank of Nigeria (CBN) Credit Guidelines to treat the housing sector as preferred sector and to allocate at least seven percent (7%) of their loanable funds to this sector. The guidelines further stipulated that where the total housing loans granted by the banks in any year was lower than the level prescribed by the Central Bank, the short —fall be taken from the banks and on-lent through the Central Bank of Nigeria to the Federal Mortgage Bank. The main problem faced by banks in granting mortgage loans derives from the constraint imposed by the maturity structure of their deposits which are largely short term. In other words, banks are expected to give long-term mortgage loans with predominantly short-term deposits. There was also the problem of differential interest rates for the housing sectors as compared with such sectors as Commerce and Industry. As a result, the participation of Commercial and Merchant Banks in housing delivery was and has remained limited.

5.7

Insurance companies form a special category of financial houses. A substantial proportion of their Life funds is of long term duration, and as such they can be made more active and effective in mortgage businesses than Commercial Banks. At present, however, the Central Bank of Nigeria Credit Guidelines do not require them to invest a certain minimum percentage of their funds in the housing sector as is the case with Commercial and Merchant Banks. In fact Section 18 of the Insurance Decree No. 59 of 1976 provides that an Insurance Company shall NOT invest more than ten percent of its non-life

investment fund in real property. The restrictive limit in the case of investment of life funds in real property is put at twenty-five percent (25%) by the same Decree.

5.8 The National Provident Fund as at presently constituted, plays a very insignificant role in housing finance. For instance, of its total investment portfolio of N336.3 million in 1980, 96.9% (or N325.9 million) was invested in Government development stocks as required by law. By comparison, similar institutions in Brazil and Jamaica utilise their funds exclusively for the purpose of providing housing for workers. There is a need therefore to revise the investment patterns of the National Provident Fund in the new housing finance system.

5.9 In view of the above, Government has two distinct roles to play in the area of housing finance. The first is to encourage innovations that would facilitate the provision of funds to high income households on a financially viable basis. The second role relates to the development of specific programmes that would ensure effective financing of low income housing.

5.10 Typically, a housing finance system is expected to:

5.10.1 Mobilise savings into mortgage institutions,

5.10.2 Allocate the supply of loanable funds among households to include self-employed and low income earners,

5.10.3 Provide incentives for the Capital Market to invest in property development,

5.10.6 Provide policy controls over the allocation of resources between the housing sector and other sectors of the economy,

5.10.5 Stimulate the adoption of realistic designs for the construction of houses,

5.10.6 Facilitate the flow of domestic and international resources into the priority housing areas, such as low income housing.

5.11 **CREATING A NEW HOUSING FINANCE SYSTEM**

The above review of the present system of housing finance in Nigeria has clearly revealed the severely under-developed nature of housing finance institutions. There is therefore an urgent need to create a vigorous and effective housing finance system for the country.

5.12

Accordingly, a two-tier financial structure, with the Federal Mortgage Bank as an apex institution and a decentralised network of Building Societies, Housing Cooperatives, Housing Associations, Credit Unions and Savings Banks forming the second tier at the grass root level, shall be established. Within this structure, the Federal Mortgage Bank shall concentrate on wholesale mortgage lending to Primary Mortgage Institutions who in turn shall perform retail mortgage lending. The Federal Mortgage Bank of Nigeria (FMBN) shall also guarantee loans stocks floated by the primary mortgage institutions. The Mortgage Institutions Decree No. 53, 1989 now in force shall facilitate the establishment and regulate the operations of primary mortgage institutions as well as ensure that the Federal Mortgage Bank of Nigeria, as an Apex Institution divests itself of all its retail mortgage loan Portfolio.

5.13 STRATEGIES FOR EFFECTIVE MOBILISATION OF FUNDS FOR HOUSING FINANCE

For a housing finance system to be successful, a continuous flow of funds must be guaranteed. Therefore, adequate attention shall be paid to this crucial area of resource mobilisation. The following strategies shall be pursued by Government.

5.13.1 Voluntary Schemes.

5.13.2 Mandatory Schemes.

5.3.3 Government Budgetary Allocations and Financial Transfers.

5.14 VOLUNTARY SCHEMES

To encourage mobilisation of funds through voluntary schemes, Government shall any given time now or in the future.

5.14.1 Encourage individuals to save at low interest rates and also borrow at the same low interest rates to build or buy their houses at any given time now or in the future.

5.14.2 Introduce appropriate fiscal measures to protect the assets and liabilities of individuals.

5.14.3 Stabilise individual deposits through contractual Savings schemes.

Such contractual programmes generate a financing system where the guarantee of a future housing loan at low cost encourages personal Savings at low deposit rates.

5.14.4 The Central Bank of Nigeria through Guidelines and active participation shall encourage Commercial and Merchant Banks to set up subsidiaries that would specialise in primary mortgage institutions.

5.15 MANDATORY SCHEMES

Given the need for long term financing of housing development, mandatory savings schemes are attractive for housing financing policy. Indeed, such schemes have been implemented in many developed and developing countries. In view of its great potential for mobilising cheap funds for low income housing finance, Government shall:

- 5.15.1
- (a) Establish a mandatory home savings scheme within the framework of a National Housing Fund (N.H.F) with the following terms/conditions:
 - (i) Participation in this scheme shall be by workers earning N3,000.00 (three thousand naira) or more in both the public and private sectors of the economy,
 - (ii) Such participants shall be required to contribute (2.5%) two and half percent of their monthly salaries to the Housing Fund,
 - (iii) An interest rate of (4%) four percent shall accrue to such savings/ contributions made under (ii) above,
 - (iv) The savings/contributions can be withdrawn as retirement benefit plus accrued interest at commercial rate, by contributors who for any reason could not utilise the Housing Loan facilities available under this scheme,
 - (b) The Federal Mortgage Bank shall simplify the procedure for the refund of any contribution under this scheme in order to encourage full participation in the scheme,
 - (c) The proposed National Housing Fund shall be administered by the Federal Mortgage Bank, who shall utilise the fund in financing the housing sector of the economy. An accurate record of each workers contributions shall be maintained by the Bank,
 - (d) To ensure the participation of self-employed workers in the scheme; a strategy similar to the requirements of tax clearance

certificate or receipts for the payment of a special levy prior to any dealings with either the appropriate Federal, State or Local Government Departments may be adopted,

- 5.15.2 (1) Direct Commercial and Merchant Banks through Central Bank's Credit Guidelines to invest ten percent (10%) of their loans and advances in the Federal Mortgage Bank at an interest rate of (1%) one percent chargeable on current account,
- (2) This transfer of funds into the Federal Mortgage Bank of Nigeria for the Housing Sector through a properly devised system will free Commercial Banks from the burden of Mortgage Loans. This is because within the present framework, prudent commercial banking practise does not allow the banks to approve substantial long-term loans for the housing sector,

5.15.3 Direct Insurance Companies to invest a minimum of 20% of their non-life funds and 40% of their life funds in real estates development of which not less than 50% must be channelled through Federal Mortgage Bank of Nigeria at an interest rate not exceeding 4%,

5.15.4(1) Relax the present restrictive provisions as contained in the Insurance Decree No. 59 of 1976 and the Trustee Investments Act No. 13 of 1962 so as to allow the Insurance Industry and Pension Funds to invest greater resources in housing development.

5.15.4 (2) The removal of such restrictive provisions will make huge funds available to mortgage banks from insurance companies.

5.16 **INTEREST RATE STRUCTURES AND LOAN CEILING**

Given the need to expand home ownership and facilitate the access of individuals to housing finance: Government shall:

5.16.1 Direct that funds flowing from the Federal Mortgage Bank of Nigeria to Building Societies, Housing Co-operatives and other primary Mortgage Institutions shall be at an interest rate which will enable the primary institutions lend to individuals at a rate not exceeding 50% of the chargeable or prevailing interest rate in the economy.

5.17. LOAN CEILING

Loan ceiling for individual borrowing shall be five times the taxable income of the beneficiary, supported with three years tax clearance certificate and subject to a maximum of eighty thousand naira (N80,000) repayable over a period of not more than twenty-five (25) years.

5.18. GOVERNMENT FINANCIAL TRANSFER TO HOUSING

Both the Federal and State Governments shall continue to make budgetary allocations to the housing sector to finance low income housing schemes.

5.18.1 In this respect, the Federal, State and Local Government shall direct budgetary allocations of a sum not below (2.5%) two and half percent of their revenue to the housing scheme.

5.19 The Federal Government shall expand the Infrastructure Development Fund (IDF) from which State and Local Governments can borrow to provide basic infrastructural facilities.

BUILDING MATERIALS AND CONSTRUCTION COST

6.1 Building materials and components constitute between fifty and sixty percent (50% - 60%) of the total cost of construction input. Consequently this sub-sector cannot be left to develop haphazardly. To stem the current indiscriminate importation of building materials, local capabilities and resources must be developed.

6.2 TRENDS IN BUILDING MATERIALS AND CONSTRUCTION COSTS

The upward trend in the cost of basic building materials began after the civil war and other major increases coincided with the Udoji award and the mis-management of the economy during the last civilian administration. During these periods, sharp rises were recorded for all categories of building materials. In more specific terms, the major causes of high construction cost can be identified as follows:

6.2.1 High demand for building materials arising from post civil war reconstruction, creation of states and the oil boom,

6.2.2 Adoption of high space standards, costly specifications and over design,

6.2.3 Massive importation of building materials,

6.2.4 Over priced contract costs

6.2.5 Inefficient distribution system aggravated by middlemen and high transport costs,

6.2.6 Insufficient building materials,

6.2.7 Absence of programming of award of building projects and inadequate pre-planning by developers leading to excessive variations and attendant price increases,

6.2.8 Massive intervention of governments in direct housing construction,

6.2.9 Use of incompetent and inexperienced contractors and consultants.

6.3 GOAL

Nigeria should gradually and systematically develop appropriate

capabilities to reduce construction cost and achieve self sufficiency in the production of basic building materials and components from local resources at affordable cost by the year 2000.

6.4 STRATEGIES FOR BUILDING DESIGN, MATERIALS AND METHODS

To achieve the above goal, government shall pursue vigorously, the following strategies:

- 6.4.1 Develop simple, imaginative and functional designs, realistic specifications and space standard to facilitate cost reduction, affordability and acceptability.
- 6.4.2 Develop and promote tested prototype building plans which reflect cultural and regional peculiarities and can be purchased at nominal costs.
- 6.4.3 Develop appropriate technology to facilitate production and use of local building materials.
- 6.4.4 Develop effective manpower training programme to raise the output of the building industry.
- 6.4.5 Promote and encourage housing co-operative societies as a mechanism for housing at the local government level.
- 6.4.6 Ensure that adequate financial provisions are made before project commencement.
- 6.4.7 Re-examine, with a view to streamlining, the tender procedure for building construction.
- 6.4.8 Ensure the appointment of competent consultants to design projects as this will lead to savings on construction cost.
- 6.4.9 Ensure that the Register of Contractors for capital projects contains technical personnel registered by any of the recognised professions in the building industry.
- 6.4.10 Provide adequate funding and up-to-date facility for the Standard Organisation of Nigeria to enable it function effectively.
- 6.4.11 Encourage and support originality and creativity in housing projects. The product of such initiative shall be made available to users.
- 6.4.12 With a view to expanding building materials production; Government shall:
 - (i) Determine, on a continuous basis the consumption pattern in the

- country of basic building materials for housing and construction
- (ii) Consciously promote the establishment of cottage and small-scale industries producing building materials and components from local sources such as clay, brick, concrete products, timber, etc.
 - (iii) Encourage, through fiscal measures, the expansion of existing industries producing building materials and components from local sources,
 - (iv) Identify new local raw materials available for manufacture of required building materials,
 - (v) Collaborate with other developing countries in the development of technical know-how for building materials manufacture.
 - (vi) Encourage regional spread of building materials industries in order to stabilise cost and widen distribution.

6.4.13 Enforce standardization and adopt modular co-ordination in the production of all building materials and components.

- Housing Standards and house types Housing Layouts and patterns
- Functional requirements of building such as structural stability, dimensional stability, thermal comfort, sound insulation, ventilation, lighting, durability, fire protection, safety, privacy, etc.
- The effect of climate on housing design and performance,
- Building techniques and construction management, including productivity and cost studies,
- Development of housing Co-operatives and self-help methods and
- Housing needs through collection, analysis and publication of vital housing and building statistics.

6.5

MANPOWER DEVELOPMENT AND TRAINING

To facilitate further manpower training and development for the building industry, Government shall:

6.5.1

Restructure the apprenticeship system and expand Vocational Training Centres for the training of site personnel such as masons, plumbers, carpenters, electricians, welders, bricklayers, and other artisans in the building industry,

6.5.2

Upgrade and provide structured training of indigenous contractors through short term programmes in project management, construction-management, building methods etc.

6.6.3 Continue to encourage the supply of high level technical manpower for the building and construction industry, (ii)

6.6.4 Ensure that all co-operative colleges in the country shall offer programmes in housing co-operatives, (iii)

(iv) Encourage, through fiscal measures, the expansion of existing industries producing building materials and components from local sources.

(v) Identify new local raw materials available for manufacture of required building materials.

(vi) Collaborate with other developing countries in the development of technical know-how for building materials manufacture.

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Chapter Seven

LOW INCOME HOUSING

7.1 DEFINITION OF LOW INCOME GROUP

It is difficult to satisfactorily define the low income group. However, for the purposes of this policy, the low income group has been defined as all wage earners and self employed people whose annual income is N5,000.00 or below as of 1988 or whose annual income is twenty percent (20%) or below the maximum annual income of the highest salary Grade Level within the Civil Service structure at any given time, whichever is higher. Current statistics indicate that about 70% of Nigerians fall into this category.

7.2 While noting the interest of past Government in the provision of houses for the Nigeria masses, the strategies adopted were of little benefit to the low income group. The direct construction of low income houses was a failure; the various loan schemes did not adequately cater for the needs of the low income group; the machinery for the implementation of housing programmes was inefficient; the conception of housing need was narrow; the sincerity behind some of the targets set was questionable; the rural housing problems were virtually neglected; and the various housing policy and programmes were introduced and implemented without adequate knowledge of the nature, scope and dimension of the respective housing problems in the urban and rural areas.

7.3 Lack of adequate finance constitutes an important factor inhibiting the access of low income Nigerians to decent housing due in particular to the following:

7.3.1 The inability to provide reliable guarantors acceptable to the mortgage institutions;

7.3.2 Their inability to afford the necessary down payment or equity;

7.3.3 High rate of inflation;

7.3.4 High interest rates;

7.3.5 Their low earning power which makes it impossible for the people to afford the monthly repayment rates;

7.4 In addition to finance, there are other problems and difficulties which

constitute a barrier to low income housing, they include:

- 7.4.1 High rate of population growth and rapid urbanisation;
- 7.4.2 Inadequate infrastructural facilities;
- 7.4.3 Limited access to serviced land and difficulties in obtaining Certificate of Occupancy.

7.5

STRATEGIES FOR LOW INCOME HOUSING

7.5.1

In view of the problems highlighted, the Federal, State and Local Government shall:

- (i) make concerted efforts to eliminate the problems associated with finance as highlighted in Chapter Five,
- (ii) encourage private and public sector involvement in the direct construction of housing for letting and for sale in the urban areas;
- (iii) encourage the establishment of co-operatives for direct constructions of houses and distribution of building materials;
- (iv) ensure that a substantial proportion of the proposed National Housing Fund shall be made available to the low income group at low interest rates;
- (v) encourage the establishment of appropriate institutional machinery in all communities for efficient collection and disposal of solid waste;
- (vi) require urban planning authorities to prepare appropriate sanitation plans for all areas where centralised sewage is not available;
- (vii) encourage co-operative efforts at local levels in the provision and maintenance of low income housing;
- (viii) ensure and actively encourage the systematic implementation of the concepts and programmes of the United Nations International Year of Shelter for the Homeless (I.Y.S.H.);

7.5.2

In addition, the Federal Government shall:

- (i) encourage Mortgage Institutions and Building Societies to grant small loans to low income groups to renovate and upgrade their houses;
- (ii) direct that the amortisation period for mortgage loans be

- extended for a period up to thirty years for the low income group;
- (iii) encourage State and Local Governments to make available to prospective home owners technical services and professional advice during construction and subsequent improvement and maintenance of homes;
- (iv) extend the concepts of Site and Services and Slum upgrading to all the States of the Federation.

7.6

RURAL HOUSING

A review of Government housing policy and programmes shows that public attention regarding housing was directed towards the urban area almost to the exclusion of the rural communities. Recent studies by NISER and the Obafemi Awolowo and Ahmadu Bello Universities, revealed that in the provision of social amenities, the direct construction of houses, the granting of mortgage loans, the redevelopment and rehabilitation of infrastructure and communities in general, the emphasis of government actions favour the urban areas more than the rural areas.

7.6.1

The National Housing Policy shall give serious attention to shelter and habitable environment for the rural dwellers. In fact, recent research findings show that the rural population have a clear idea of the type of help they expect and would appreciate from public authorities. Most families are opposed to the idea of government built houses; rather, rural families expect aid in form of mortgage loans and easier access to building materials at reasonable prices.

7.7

STRATEGIES AND RECOMMENDATIONS ON RURAL HOUSING

To alleviate the problems of housing and promote orderly development of rural areas, Federal Government shall:

7.7.1

Direct financial and Mortgage Institutions to recognise collective guarantee schemes under the aegis of co-operative societies as a support collateral for individual member or joint application for facilities for housing;

7.7.2

Develop guidelines and provide incentives to financial and mortgage institutions to branch out into rural communities and direct substantial

portions of their portfolio on housing and ancillary projects to the rural areas;

7.7.3 Provide through established government agencies essential social and physical infrastructure so as to ensure the upliftment and improvement of the living environment of rural communities;

7.7.4 Extend the benefits of new technological findings on building materials and construction to the rural communities so as to improve the quality and reduce cost of rural housing.

7.8 State Governments shall:

7.8.1 Support and further develop existing local thrift, credit and mutual finance associations as vehicles for financing rural housing;

7.8.2 Ensure that all relevant strategies earlier formulated with regards to low income housing are vigorously pursued in the rural areas.

7.9 URBAN HOUSING

Although government housing schemes have in the past been concentrated in the urban areas, the specific needs of the low income group, for access to habitable and affordable accommodation have not been adequately addressed. The scenario of existing urban low-cost housing presents the following characteristics:

(i) high density and over-crowding,

(ii) inadequate infrastructural services particularly sanitation facilities.

In addition, statistics indicate that at least seventy percent (70%) of the urban low income group live in rented rather than owner occupier houses, a trend which will continue in the foreseeable future.

7.9.1 Since it has been established that the low income groups are not in a position to provide adequate shelter for themselves, the National Housing Policy shall among others:

(ii) improve the existing housing conditions of the low income group.

7.10 STRATEGIES AND RECOMMENDATIONS ON URBAN HOUSING

In order to alleviate the problems of housing and ensure orderly physical development of the urban low-income area, Government shall:

7.10.1 Encourage massive private sector investment in provision of cheap habitable rental accommodation by:

- (i) providing access to building finance at favourable terms to developers of low income accommodation;
- (ii) providing serviced land at subsidised rates for development;
- (iii) giving appropriate tax incentives to investors involved in providing housing for low income earners;
- (iv) ensuring that employers of labour assist their workers in the provision of shelter;
- (v) determining the short-fall in supply of major building materials and meeting same by appropriate fiscal and economic measures so as to substantially reduce the cost of building materials.

7.10.2 Directly provide facilities and houses for urban low-income earners by:

- (i) re-organising and funding the various Federal and State housing agencies and encouraging them to develop and make available subsidised rental housing for the urban low-income group;
- (ii) extending necessary infrastructural facilities to vacant lands in order to make such areas developable and habitable;
- (iii) reviewing the existing building bye laws to ensure that their provisions are brought within affordable limit of the low income group.

7.10.3 Ensure that the Federal Housing Authority improves on its present decentralisation efforts by creating zonal offices to co-ordinate their services in major cities in the country. These zonal offices shall complement State and Local Government efforts at providing affordable housing in urban areas.

7.10.4 (National Building Research Institute should in association with relevant State and local Government Departments encourage the growth of cheap and locally sourced building materials to support rural housing.

Chapter Eight

MOBILISING PRIVATE SECTOR PARTICIPATION

8.0 Both the formal and informal private sectors have consistently been providing over ninety percent (90%) of the housing stock in this country. In view of the past and current contribution of the private sector, and in order to substantially increase the nation's housing stock, the sector needs to be mobilised, organised and motivated.

8.1 For this purpose, the private sector shall be defined to include all Financial Intermediaries (both Banking and non-Banking) Industrial and Manufacturing Organisations, as well as private and Individual Investors.

8.2 FACTORS MILITATING AGAINST PRIVATE SECTOR PARTICIPATION

The factors which have militated against the effective participation of this sector or housing delivery include:

8.2.1 problems of land acquisition;

8.2.2 lack of access to adequate housing finance;

8.2.3 difficulties in the operation of the Land Use Decree;

8.2.4 difficulties posed by the enforcement or non-enforcement of Planning Laws and Regulations;

~~8.2.5~~ disincentive posed by rent control laws and regulations; and

8.2.6 excessive cost of building materials.

8.3 STRATEGIES

To encourage the private sector to further participate in the provision of accommodation for different income groups, Government shall adopt the following strategies: -

8.3.1 Grant Capital Allowances on residential buildings and exempt interest on loans from tax,

8.3.2 Exempt from capital tax for the first five years and thus provide an incentive tax for investment in houses for estate development,

8.3.3 Exempt investments by employers development staff housing from tax during the construction period,

- 8.3.4 Treat for the purpose of personal income tax on the employee, rent or rent allowance paid by his employers in excess of fifty percent (50%) of the employee's annual salary. In addition, such rent paid by he employer shall not be treated as expenses for Company taxation. This will encourage Companies to invest on owner occupied staff housing schemes rather than the current practice of paying exorbitantly for rental accommodation,
- 8.3.5 Continuously review the concept and operations of rent control measures to encourage the private sector in the provision of rental accommodation,
- 8.3.6 Streamline the procedure and speed up the issuance of Certificates of Occupancy and Consent to Mortgage,
- 8.3.7 Regulate the charges on consent to mortgage and registration of deeds,
- 8.3.8 Encourage non-profit making organisations to build hostels and similar accommodations for young school leavers, students, the aged, the destitutes, the infirm and the motherless, by facilitating access to land and providing matching grants,
- 8.3.9 Review and ensure effective enforcement of the provisions of the Employee's Housing Scheme (Special provisions) Decree No. 54 of 1979 as amended,
- 8.3.10 Encourage employers of labour in the private sector to set up Building Societies to provide housing loans to their staff including low income earners.

Chapter Nine

MONITORING AND EVALUATION

9.1 MONITORING AND EVALUATION:

Government is aware that the failure of the past housing delivery systems has been due to lack of adequate monitoring and evaluation of policy implementation. To avoid a recurrence of such failure, greater emphasis is to be placed on monitoring and evaluation functions. These functions are particularly important in view of the large number of institutions involved in the implementation of this policy.

9.2 STRATEGIES FOR EVALUATION AND MONITORING

There shall be created a National Council on Monitoring and Evaluation of Housing Policy, which shall be an independent body, charged with the responsibility of monitoring and evaluating the implementation of the National Housing Policy. The Council shall report to the National Council of States.

9.2.1 There shall be created a similar Monitoring and Evaluation Council for each State of the Federation, who shall act in advisory capacity to the State Executive Council. The Chairmen of the States Council shall be members of the National Council. The Council shall amongst other things perform the following functions:

- (i) Examine the performance of relevant Agencies and Institutions involved in Housing as determined by the National Housing Policy, especially in the area of Rural/Low Income Housing as detailed in Chapter Seven (7) Section 7.5.1,
- (ii) Take prompt action to effect remedial measures where necessary in the interest of an orderly and effective implementation of the National Housing Policy,
- (iii) Collaborate with the National Building Research Institute, the Federal Office of Statistics, the Nigerian Institute of social and Economic Research (NISER) and relevant Research Departments in Institutions of Higher Learning in Nigeria, in the collection, storage, processing and dissemination of Housing data,

- (iv) Examine and monitor the participation and performance of the Private Sector in the provision of accommodation.

9.2.2

It shall be the responsibility of the Federal Ministry responsible for Housing, to facilitate the promulgation of, or amendments to the appropriate Decrees to make the implementation of the National Housing Policy functional.

The Decrees shall include:

- (i) Mortgage Institutions Decree No. 53 1989.
- (ii) Supplementary Legislation on Land Use Decree 1978.
- (iii) Town Planning Law, Building Regulations bye-laws Decree
- (iv) Infrastructural Development Fund Decree (IDF)
- (v) National Housing Fund Decree
- (vi) Housing Co-operatives Decree
- (vii) National Provident Fund (amendment) Decree No. 35 1978
- (viii) Insurance Decree No. 59 1976
- (ix) Trustee Investment Act. No. 13 of 1962
- (x) Employees Housing Schemes (Special Provisions) Decree No. 54 of 1979.

