Housing Policy and Public Private Partnership in service delivery in Lagos, Nigeria

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Abstract – The need for affordable and adequate housing has become a central issue in addressing the challenges of poverty and growth. It is a requirement for all communities and individuals, and it ranks second only to food in terms of their survival. The well-being of the community is greatly affected by the availability of adequate housing. It contributes to the overall health and well-being of the society and is regarded as the best form of historical and physical evidence of civilization. The availability of affordable and adequate housing is also a major issue that contributes to the overall health and well-being of the society. Over the years, the government has been providing various forms of public housing to its citizens. These include safe, secure, and sanitary housing for low, medium, and high-income households. In order to meet the goals of the United Nations, the government has been working toward making all cities, towns, and settlements safe, resilient, and sustainable by 2030. Unfortunately, due to various factors, the government has been unable to achieve this objective. To address this issue, the private-public partnership schemes launched by the government have been designed to provide affordable and adequate housing. The paper aims to investigate the various factors that affect the delivery of housing services in Lagos by examining the housing policies and practices related to the private-public partnership and housing sector in the city. It was revealed that the finance, land, and affordability of housing are some of the factors that influence the effectiveness of the private-public partnership schemes. It suggests that the government should pay more attention to the various agencies and institutions that are responsible for the delivery of housing to ensure that everyone has access to a proper place of residence.

Keywords – Housing Policy, Public Private, Service Delivery

I. INTRODUCTION

The rapid urbanization and migration from rural areas have been identified as major issues that have affected the lives of people living in developed and developing countries. Various factors have contributed to the rising number of individuals living in poverty [1]. Some of the factors that have affected the development of rural areas are the lack of infrastructure and proper housing [2]. It is also estimated that the world will increase its population by about 2.5 billion by 2050 [4]. Most of this growth is expected to happen in Asia and Sub-Saharan Africa [3]. Ref. [4], noted that over 40% of Nigerians reside in major cities. There are various issues that can be caused by this situation, like homelessness and inadequate housing.

[4] reported that the population of Lagos, which is the largest city in Nigeria, is expected to grow by 3.2% over the next few years. It has about 20,000 people living in a kilometer, while 3,000 individuals
come from other states to stay in the area daily. In the densely populated and economically vibrant city of Lagos, there is a clear need for more affordable and accessible housing. It is home to many people from all walks of life and is a great hub for international trade and business.

The increasing number of people living in urban areas has caused a rise in demand for more dwellings. This has also led to the construction of substandard and even illegal structures. A survey conducted in 2011 revealed that about 72% of the people who live in Lagos are renters. On the other hand, a report released by the Lagos Business Barometer in 2011 revealed that only 18% of the houses were owned by the residents, while 10% were occupied by free renters. It was estimated that over 2.5 million new homes were needed to accommodate the growing population within the next few years. The challenges faced by the housing sector in Nigeria are numerous and need immediate attention. It impact s every aspect of people's lives, from their daily routines and work to their mental health and well-being [33]. Although, the federal government allocated about N3 trillion for the construction of housing units over the next few years, but the backlog of these projects still remains. The government has also failed to provide the necessary resources to address the housing industry's needs. The country's housing crisis is a major issue that needs to be addressed urgently. It affects every sector of society, especially those on fixed incomes or limited resources.

Housing is the building of a society and a basic human right. Its design aims to provide a sense of security and stability for those who live in it. Its purpose is to enable individuals to live fulfilling and productive lives. In a world where everyone wants a good life, having a place to call home is crucial for everybody. Everyone should have the means to live in it. That is the way to guarantee a better future for our nation. Ref. [5], stated that housing was a type of residential structure that a person uses for their shelter and surroundings. Since the beginning of time, housing has been regarded as a basic necessity for humans. It negatively affects a person's health, productivity, and welfare. [5], noted that housing had a significant effect on a person's lifestyle and positions within society. One of the fundamental rights of every person is the right to adequate, quality, and affordable housing. Due to this, it is considered a heavy burden that a man has to carry. Despite its importance, Lagos is no stranger to challenges with the availability of housing. This is why it is important that the state's leaders take immediate action to address the issue. For instance, most people in Lagos and Nigeria, especially those from the lower income groups, are not able to find the ideal homes. [6], noted that inadequate housing can have detrimental effects on a person's well-being and productivity.

Unfortunately, the country's government has not been able to provide adequate resources to address the country's housing needs. The private sector can play a vital role in addressing the housing crisis by leveraging their skills, resources, and expertise [7]. Through this arrangement, the government can guarantee the quality of the homes that are built and contribute to the local economy. It will also create jobs and improve the lives of its citizens. Through public-private partnerships, private organizations can participate in the procurement, construction, and maintenance of public facilities [8]. This strategy is beneficial when the government is not able to provide the required resources and solutions to address the housing needs of the people [9]. In Nigeria, this type of arrangement has been considered as a way to improve the accessibility and affordability of housing [10]. In 1991, the federal government launched a national housing strategy to provide all of the country's residents with homes by 2000 [1].

Although the federal government has been addressing the issue of housing in the country, many urban centers in the country still lack the required supply of units. Several studies ([8], [11] - [14]) have shown that Nigeria's supply of housing is not good enough both in terms of its quality and quantity. This paper explores the different aspects of the private and public partnership approach to addressing the issue in Lagos.
II. THE NIGERIAN NATIONAL HOUSING POLICY

Various federal and state programs and policies have been created to address the country's housing needs. The nation's first housing policy was implemented in 1991. However, it was unable to provide adequate housing for all Nigerians due to its implementation issues. In Nigeria, the government has a complex housing policy that has been criticized for its lack of transparency and accessibility. It has led to a shortage of affordable and decent housing, which has affected many people. The federal government's failure to address the housing needs of the country during its independence period was a major issue. For instance, in 1991, a review of the national housing policy was carried out to ensure that it focused on providing adequate housing for all Nigerians. The objective of the exercise was to ensure that the country's economy would benefit from the program. This new policy seeks to address the nation's housing needs. The new policy aims to:

▪ sustain and develop the federal government's political will to provide Nigerians with adequate housing;
▪ encourage private sector involvement in the housing sector;
▪ strengthen the role of public institutions in the delivery of housing;
▪ ensure that the land for housing projects is reasonably priced; and
▪ encouraged other government agencies to participate in the delivery of housing projects.

The previous housing program was launched in 2006. Its implementation was delayed by the Land Use Act's failure to provide the necessary management of the nation's resources. This issue led to high construction costs. In 2011, a new housing policy was attempted, and it was expected to have updated data that would influence the market. The previous policies were reviewed to make sure that the sector would be able to contribute to the country's economic recovery and bring it back to its original state. To address the challenges in the delivery of housing, the federal government will work with private and public sectors to address the issues. The National Housing Policy, 2012, also encourage the use of locally-made materials.

The paper reviewed the various housing policies and programs implemented by the Lagos state government in collaboration with public private partnership to address the housing crisis in Lagos state and the country at large. One of the programs that the government has started implementing is the NHP, which provides houses that can accommodate varying income levels. According to studies by [16] [17], the various programs and policies that the Lagos state government launched to address the state’s housing needs have failed to meet their goals. These include the lack of political influence, corruption, and funds among others.

A. Public Housing and its importance in Lagos-Nigeria

One of the oldest endeavors in human history is the construction of a home. According to various authors, housing is the provision of a place for individuals to live and work. This type of building provides a secure environment for individuals to perform their activities. In Nigeria, there are two kinds of housing: single-family houses and multi-family homes. Both the private and public sectors can offer various types of housing to individuals. The term government housing is often used to refer to the nation's public housing project. This type of structure is dependent on the amount of money that the government spends on its upkeep.

The delivery of services to ensure that people have access to decent and affordable homes is also a priority. There should be a dedicated team to look after the various aspects of this process, including pre-construction and maintenance. By working closely with stakeholders and building strong relationships with landlords and other relevant parties, we can create a more sustainable and inclusive system. We can build a more resilient and inclusive society. The delivery of housing services should be a coordinated and seamless process that involves the participation of all relevant parties. It should be based on the needs of the population and the availability of resources.

Ref [40] stated that the private sector alone could not provide adequate housing to low-income
individuals in Nigeria. This led to the government taking over the responsibility of providing public housing. During the colonial period, accommodations for both native and foreign workers were made available. This paved the way for housing corporations [41]. The federal government also started to build public housing units during the 1970s. As a result, the government started to use different strategies to address the issue of housing in the country.

B. Public Housing Policies in Nigeria.

The country is struggling with a severe shortage of housing. According to the nation's first national housing plan, released in 1990, the deficit could reach as high as 5.9 million by 2000. It noted that by the end of this century, around 700,000 new homes should be constructed to address the country’s housing needs. The country has tried different strategies to address its housing and urban population needs since it became an independent country in 1960. Some of these involve relocating slums, establishing self-sufficient housing units, and taking advantage of opportunities offered by public housing.

Most of the housing policies introduced were focused on the public providers. The expensive public housing program was the most thorough and expensive of its kind. Unfortunately, even though the various housing schemes were launched during the past two decades, they only managed to produce around 76,000 homes. During the country's early years as an independent country, public housing was regarded by some as elitist. The first national housing program was launched during the 70s during the Second Plan's implementation. It involved the construction of 59,000 units.

In the third plan, which was launched in 1975, housing projects were planned for 200,000. Out of the 200,000, only 19% were completed by the end of the program [18]. Ref [19], cited various factors as the reason for the poor performance of the third housing project. These include the lack of service infrastructure and technical workers. Despite the program's poor performance, the military still continued with the project [20]. A committee was then set to look into the program's implementation, and it was revealed that the target for the number of units was not met.

Following the country's civil rule in 1999, several state governments and the Federal Ministry of Housing (FMWH) started implementing small-scale housing projects. Through the contracts that were awarded by the government, over 7730 sites were started. The commercialization of the housing industry in 2000 revealed the poor performance of previous projects [20]. Other factors such the country's debt problems and declining financial status also suggest that the federal government might reduce its participation in the sector.

C. Public-Private Partnership and Housing Delivery in Nigeria.

A public-private partnership is a type of housing arrangement that involves the government and the private sector. It allows the government to take control of a housing enterprise and manage its operations. The private and public sectors need to work together to produce effective solutions to the housing crisis. Besides being politically-motivated, PPPs are also beneficial for addressing social issues. Private businesses can benefit from public-private partnerships as they can participate in affordable housing projects.

Public-private partnerships are designed to establish and share goals that are financially feasible and sustainable [21]-[23]. Through this process, the public and private sectors can work together to carry out their tasks in different ways. As the federal government continues to implement public-private partnership programs in the area of affordable housing, it is conducting studies on different methods that can be utilized to deliver such units [25] and [21]. Various advantages can be obtained through these arrangements, such as the managerial and financial resources of the private sector. This strategy aims to involve the private sector in the efficient management and delivery of public services. It does not involve the government giving up its efforts to deliver vital services.

In 2006, the government launched a new strategy that urged private organizations to play their part in addressing the country’s housing shortages and increasing prices [24]. It also supports
the public private partnership program, which caters to the growing population. [24], said that the federal government plans to establish a new housing market that will provide low-interest loans to people. The objective of the program is to make low-income earners more self-sufficient by providing them with the necessary resources and tools to buy homes [27]. In addition, it encourages private organizations to work with the administration to develop affordable housing. Developers are required to construct homes that are in accordance with the specified requirements of the federal government.

Public-private partnerships have been used in various countries to address the issue of affordable housing. In 2006, UNHSPI noted that Turkey was one the first nation to implement this strategy. From 1979 to 1990, over 120,000 houses were built through 27 municipalities' partnership [26]. In 1985, the number of housing units in Turkey was 18.1, but it increased to 25.3 in 1990. The partnership helped the country's housing delivery by allowing the authorities to work with various real estate firms. In Nigeria, the partnership with three real estate firms was able to produce more than 500 homes in just 10 years [27].

The state government should partner with private sector entities to develop and build affordable housing as a means of solving the problem. Through this partnership, more people will be able to enjoy the benefits of the economic growth and development of the area. The money will also be used for other essential needs such as education and infrastructure development. All these things will help to improve the quality of living for everyone in the community.

D. Public Housing and Public Private Partnership in Lagos

The rapid growth of the population in Lagos State has resulted in the lack of sufficient housing units. This issue was not properly addressed by the authorities. The establishment and operation of the LEDB was the first step in addressing the various problems that affected the area. Before the establishment of the LEDB, only foreign administrators were allowed to construct public housing units. Its initial programs tackled the issue of the lack of housing in the area. The responsibility of governments is to provide people with safe, sanitary, and accessible housing. This type of housing, which is usually owned and developed by the state, is also strictly used according to the needs of the people.

Despite the state government’s efforts to address the issue of housing, it has not been able to provide adequate housing to the people [28]. According to studies by [29] and [30], the programs that were designed for the low-income population were not able to meet their needs. Lagos is no stranger to challenges with the availability of housing. This is why it is important that the state's leaders take immediate action to address the issue. Other factors such as the bureaucracy and the lack of resources are also contributing to the issue of housing scarcity [21]. Scholars such as [30] and [31] claim that the state government’s efforts toward addressing this issue shifted toward providing middle and high-income earners with more affordable housing. This implies that the nation has adopted an elitist attitude when it comes to addressing public housing issues.

The increasing number of public and private housing developments across the state has called for the state government to work together with other entities to address the issue. Private housing is a type of development commonly referred to as condominiums. The increasing number of such developments has highlighted the need for the private and public sectors to work together to address the issue related to the shortage of affordable housing and high-cost housing.

E. Challenges of housing delivery in Nigeria

In Nigeria, both the informal and formal sectors play a role in the delivery of housing [23]. The informal sector refers to houses that are delivered by individuals, families, cooperatives, and community development projects that do not meet the building standards of the local government [28]. On the other hand, the formal sector refers to houses that are provided by the private or public sectors. In 2015, the Lagos State Bureau of Statistics reported that the private sector provided over 90% of the housing units in the country [4]. In this region, over
90% of the houses were self-built, which indicates that most of them were made by individuals. The level of housing that the government and organized private sectors provide is insignificant.

In Nigeria, there are numerous households that are composed of individuals from different socioeconomic groups [34] - [35]. The diversity of the types of housing that are offered in the country's cities mirrors the varying backgrounds of its residents. For instance, those from the lower income group tend to live in rented homes while those from the middle class live in expensive homes [24]. This suggests that despite the various efforts made by the country's residents to provide housing through the private sector, the delivery of housing units remains a mirage [24].

The lack of proper building standards and the country's culture are some of the factors that prevent the country from achieving its goals ([36, 34, 29], [23], [26] - [27]). Due to the restrictions imposed by local customs officials on the building of housing units in different states, it is difficult for individuals to participate in the process of providing housing. These restrictions are caused by the requirements set by the CDA, which include levies. Besides being required to submit necessary documents to the relevant authorities to get building licenses, the developers are also required to pay levies by the CDA. This is a major issue that prevents the construction of new homes in various states. [28] revealed that home builders in Edo were collecting huge sums of money before they were allowed to start building.

Around 80% of Nigeria's households live in rented homes. These housing types are usually affected by numerous challenges, such as the high cost of living and the lack of proper building materials ([29], [23], [26]). In addition to these, other factors such as the bureaucratic bottlenecks and the financial difficulties experienced by home builders are also contributing to the country's housing shortages. Despite the various efforts being made by the authorities and private sector to address the country's housing shortage, it still has a significant number of homes that are not available ([34], [27], [28]).

Despite the private sector's efforts to increase the number of homes that can be built, the restrictions imposed by the customs officials in different states prevented many Nigerians from participating in the building of houses. This led to a reduction in the number of housing units that could be built in the country. Since the country has a shortage of around 16 million housing units, it is very unlikely that the homes that are delivered will be able to meet the demand.

III. FINDINGS OF EMPIRICAL STUDY CONDUCTED

Ref [37], looked into the satisfaction of residents of two public-private housing estates in Lagos, Nigeria. The objective of the research was to understand the performance of the facilities in addressing the needs of the residents. The study revealed that the residents were satisfied with the various features of their housing units, followed by their environment and the maintenance practices. The researchers also noted that the socioeconomic status of the residents was the most important factor that influenced their satisfaction level.

The study conducted by [37], analyzed the facility provisions of public-private partnership housing estates in three western states of Nigeria. It identified the major providers of these facilities. The study utilized a quantitative research approach to collect data. The study, which involved the residents of 90 housing units, was conducted through a questionnaire. It revealed that the private sector provides various facilities and services to the housing estates, such as the establishment of roads and the provision of water and waste management.

The study conducted by [7] analyzed the various factors that affect the development of public private partnership (PPP) housing projects. The study used a questionnaire to gather data on the project's risk factors. The data was then analyzed using a variety of statistical tools. Some of these included the exchange rate volatility, corruption among the contractors, and the availability of funds. According to the study, the rising interest rates and the lack of funds for the project are some of the factors that can affect the cost of a PPP project. The study also found that the partner selection risk
factors can affect the quality of the projects in Abuja.

The study conducted by [14] revealed that the national housing policy of the country has a significant influence on the development of housing in the Uyo Capital City. In addition to facilitating the flow of international and domestic resources into the property development industry, it also provides incentives for the private sector to invest in the sector.

[39], conducted a study to investigate the public private partnership model for housing projects in Bauchi State, Nigeria. The study revealed that the model was known as Design-Build-Finance. This type of arrangement involves the private sector taking on the responsibility of financing and designing the housing units. The study revealed that the houses that were built under the design-build-finance model were unaffordable for the intended beneficiaries. Some of the factors that affected the project's success included the lack of political will and corruption among developers and government agents.

A study conducted by [8] revealed that land plays a vital role in the delivery of housing in the Lagos Metropolis. Similarly, the study conducted by [12] aimed to investigate the effectiveness of the public private partnership (PPP) arrangement in the delivery of housing in Lagos State. The findings showed that the respondents were knowledgeable about the concept of the partnership and that the social needs of the people were the most important factor that influenced the decision to enter into the arrangement. Most of the respondents agreed that the roles of the private sector and the government are mutually agreed upon in the arrangement. While the private sector mainly manages projects, the government's role is usually limited to providing land. The study also noted that the partnership has contributed to the development of housing units.

[11] conducted a study on the public-private partnership (PPP) in the provision of housing in the megacity of Lagos in Nigeria. The study revealed that the partnership involves the government providing land at a cost, while the private sector partners construct or provide serviced housing units. Although the partnership provided some high-income individuals with affordable housing units, it did not contribute much to the overall supply of low-income housing in the area.

Although, Lagos has been a center of urban studies in the recent past as indicated in the number of studies conducted among others by several scholars, little attention has been given to Housing Policy and Public Private Partnership in service delivery hence the need for this study.

IV. CONCLUSION

The state government's various housing programs and initiatives in Lagos have been plagued by various challenges. In spite of the numerous initiatives and projects, the state's housing supply has remained largely unachievable. This is a sad reflection of the government's lackluster attitude in addressing the state's housing needs. One of the main factors that prevented the state government from achieving its goals in addressing the country's housing needs is the failure of the successive administration to sustain the programs and policies that were shown in its development plans from 1962 to date. Also, the lack of formal financial mechanisms that allow people to finance the construction of houses has hindered the people's efforts in building houses.

Despite the various housing projects and initiatives being carried out by the Lagos state government, the supply of houses for both the low and middle-income segments of the state has remained largely inadequate. Many people in Lagos state who live in self-built or rental homes face various challenges when it comes to accessing and managing housing. These include the high cost of building supplies, land scarcity, bureaucratic red tape, enforcement issues, and the lack of access to utilities.

V. RECOMMENDATIONS

There are various policy options that can be taken to meet the housing needs of the population. These options should consider the various factors that affect the affordability of housing, such as land availability and financing.

i. Housing affordability: According to an analysis of the current housing offers in
Lagos State, most of the units are selling for over twice what people are willing to spend. This indicates that the selling prices of these apartments are unaffordable for middle and low-income earners. A major policy thrust should therefore be centered on ensuring that the people can afford to live in these areas. The availability of affordable homes in the nation’s most populous and commercial hub is a pressing concern. It can help alleviate the financial burden that many households face, allowing them to focus on their priorities. To effectively address the issue of high housing costs, the state should come up with novel strategies that involve the sourcing of building materials and other components from manufacturers, as well as adopting social marketing techniques.

ii. Housing Finance: According to the study, over 70% of the population is not able to purchase a home outright, while about half are able to do so as their income grows. To ensure that there is enough demand, a public financing solution is needed to address the issue. In addition to this, the administration should also provide more support to the housing industry by establishing a dedicated fund for this sector. This will allow more people to access necessary capital to purchase or build properties.

iii. Land availability: The state should also create more land for the development of new homes. It should allocate more resources for the necessary infrastructure and support to private sector firms to address this issue.

iv. Corruption: There have been allegations of corruption in the delivery of housing projects. This raises questions about the credibility of the system. It also highlights the need for the authorities to thoroughly audit the activities of the various agencies involved in the scheme.

REFERENCES


