SUSTAINABLE HOUSING DEVELOPMENT IN NIGERIA – THE FINANCIAL AND INFRASTRUCTURAL IMPLICATION

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Key words: Urbanisation, Gross Domestic Product, Affordability, Socio-economic, National housing Fund, Credit expansion, Collateralisation, Local building materials, Environmental degradation.

ABSTRACT

The rate of urbanization in Nigeria has witnessed tremendous increase in the last two decades. Census in the early Fifties showed that there were about 56 cities in the country and about 10.6% of the total population lived in these cities.

This rose dramatically to 19.1% in 1963 and 24.5% in 1985. Today, the national population is now estimated to be about 120 million with the urban population constituting about 30%. The rapid growth rate of urban population in Nigeria since the early seventies was mainly due to immigrating induced by the concentration of the gains from the oil sector in the urban areas.

Given the expected increases in Urban population, the magnitude of housing problem in the country is enormous. According to the National Rolling Plan (NRP) the national housing requirement is between 500,000 and 600,000 units considering the prevailing occupancy ratio of between Three and Four persons per room.
If this estimated annual requirement was to be provided at an average of N500,000 per unit (rather conservative) the costs would be enormous and indeed unrealisable. The cost of providing housing alone would be between N250 Trillion and N300 Trillion (excluding the cost of infrastructural development). This is the macro perspective of the housing problem. This is to say that the Government and Mortgage Institutions will need this much as capital base to effectively tackle the housing situation.

The phenomenal rise in population, number and size of our cities over the past few years have manifested in the acute shortage of dwelling units which resulted in overcrowding, high rents, poor urban living conditions, and low infrastructure services and indeed high crime rates.

On the micro-level, it has been observed that house ownership is one of the first priorities for most households and it represents the largest single investment for most (between 50% and 70% of household income). This observation becomes very significant when it is realized that per capital income in Nigeria has been on the decline (currently N3,000.00) as well as the real income of the average Nigerian. The rapid up-swing in the prices of building materials in the last five years has further reduced the affordabilities for most

Nigerian. Relating annual requirements for housing with the Gross Domestic Product of N82.53 billion in 1988 and 85.82 billion estimates for 1989, and over 88 billion in 1991 as well as per capital income of N3,000.00, financing becomes a major factor of the housing problem especially long term funding. Except the problem of how to finance the construction of housing for all income groups is effectively addressed, the housing problem is bound to further escalate.

The objective of this paper therefore is to give you an insight into the financing option for the construction of housing in Nigeria given the existing financial structures and the framework specified in the New National Housing Policy. Construction materials and housing design play a crucial role in this overall financial play.

HOUSING IN THE NATIONAL ECONOMY

One may perhaps be tempted to ask why emphasis is being placed on housing. Firstly of all man's basic needs, housing arguably, constitutes and indeed poses the greatest challenge. Secondly, a vigorous and buoyant housing sector is an indication of a strong programme of national investment and are indeed the foundation of and the first step to future economic growth and social development.

The gross housing delivery is therefore a major factor in the nations gross domestic product (GDP) and indeed this reflects the mirror and the barometer of the state of health of the Nation.

Economic activities is well known to encompass all aspects of human endeavour that are directed towards the creation of wealth. It is also known that one of the basis of human needs is to seek to enhance our self worth by improving our living standards.

Economic growth is therefore a natural pursuit in any human set-up as such improvements is expected to lead to increased wealth and prosperity both for individuals and the whole nation.

In order to moderate the acute shortage of shelters in the country, the NHP for the period spanning 1994 to 1998 was expected to build 121,000 housing units. In addition, the number of Licensed Primary Mortgage Finance Institutions (LPMFI) rose from 251 in 1993 to 276 in 1994. However, by the end of 1998, it has declined to 115. Similarly, the Federal Government capital expenditure on housing increased by over 500 per cent to N4818.3 million in 1995 from N776.7 million in 1988, but declined slightly by about to per cent to N722.0 million in 1998 (CBN 1994 and 1998). The Federal and the State Government were expected to spend N2.7 billion on housing provision during the 1996-98 NRP. Over N3.0 billion was expected to be spend by the two levels of governments during the 1999-2001 NRP (NPC, 1998 and 2000)

Despite all these interventions and huge investments in housing provisions since the colonial times and to date, Nigeria's housing problems still remain intractable. In fact, access to decent shelter has worsened for increasing segments of the urban population in

Nigeria. For instance, it was reported that out of 121,000 housing units slated to be built between 1994 and 1995, only 1,014 houses were completed (CBN, 1994 and 1998; and Vision 2010 Main Report). Also, it was estimated that about 85 per cent of urban population live in single rooms, and the number of occupants per room range from 8 to 12 with adverse effects on sanitation and health. The deteriorating housing situation in Nigeria, especially at the urban centres is too critical to leave for government to redress alone.

Nigeria is the 6th largest producer of crude oil in the elite league known as OPEC, whose members account for over two –third of the worlds total supply of this commodity. Also the country's estimated reserves of natural gas runs into billions of metric tonnes and the first train of the liquified Natural Gas (LNG) has recently being shipped out with the production all fully committed to purchase's from abroad. In terms of revenue earning capacity and potential, it is worth mentioning that Nigeria to date has realised over US200 billion from crude oil sales.

For a country that could boast of such huge amount of resources, it is very saddening and disturbing to note that very little of the earnings have been put into use to boost the fortune of the Housing Industry and infrastructure. The industry should have seen a lot more activity and government support, in large scale development schemes, and improvement and providing of infrastructure; provision of large scale social housing, creating and expanding new towns.

A cursory look at the present state of the housing provision tells a glaring tale of a huge paradox - A paradox of achieving so little with so much endowment! An indictment of the government that ought to provide the lead. And so today the housing provision is in a state of comatose, neither dying nor living!!!

One major serious aspect of urban problem with respect to housing is the poor state of the infrastructures. For instance Table 1 indicates the proportion of urban households in Nigeria with water supply.

Table 1: Distribution of Households by Water Supply in Nigeria Urban Centres (In Percentage)

State	Treated Pipe Borne Water	Untreated Pipe Borne water	Well Water (piped)	Well Water Not piped	Bore hole	Stream	Ponds	Other
Anambra	56.10	7.00	2.46	5.80	3.60	12.70	10.60	3.00
Kaduna	35.71	11.69	7.14	38.98	0.50	5.84	0.64	0.00
Kano	62.93	12.69	11.53	10.71	2.14	0.00	0.00	0.00
Oyo	79.90	0.00	0.48	15.74	1.94	0.97	0.97	0.00
Lagos	60.50	3.70	13.60	16.50	5.20	0.50	0.00	0.00
Rivers	80.98	0.00	0.00	10.00	0.00	9.03	0.00	0.00
All States	60.04	6.95	2.46	17.84	6.77	3.30	0.87	1.79

Source: Federal Office of Statistics, 1994.

The table shows that about 40% of households in Nigeria lack treated pipe borne water supply. As at 1996, the proportion of urban dwellers that had access to pipe borne water remained 26.7%. Those who relied on well, stream or pond constituted 30.7% and 32.1% as shown in Table 2. This indicates a declining water supply.

Table 2: Regular Sources of Water to Urban Households

Source	**Percentage**
Pipe borne water	26.7
Borehole	10.4
Well	30.7
Stream/Pond	32.1
Total	**99.9**

Source: Federal Office of Statistic (1997)

We also have the problem of poor toilet facilities – see figures 1 and 2

Fig. 1 : Type of Toilet Facilities in the Urban Centres (1991/92)

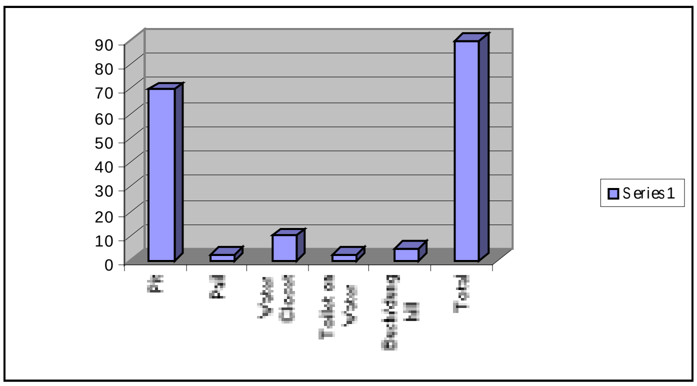
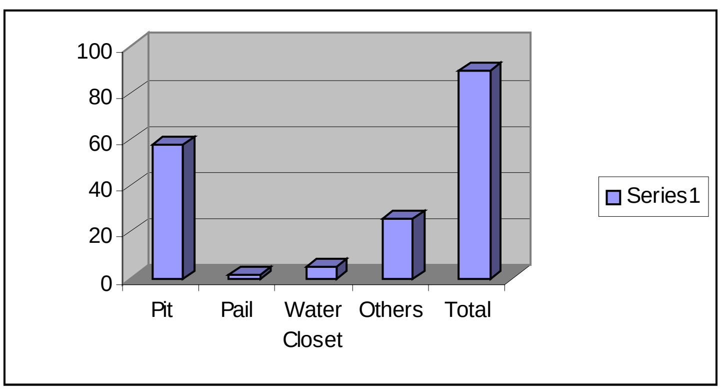


Fig. 2 : Type of Toilet Facilities in the Urban Centres (1995/96)



Source: Federal Office of Statistics (1997)

This shows that seven out of every ten Nigerian urban dwellers make use of pit latrines while less than one-fifth have access to water closet as at 1992. By 1996 the proportion of those with access to water closet had reduced to less than one-tenth as shown in Figure 2.

1.1 National Sites and Services Programme

The National Sites and Services programme was adopted by the Federal Government in 1986 as a viable alternative for housing delivery through increased supply of serviced plots at affordable costs. The aim of the programme was to create easy access to develop land, which had for long hindered home ownership. The programme involves the provision of serviced land for housing development and commercial activities in a well laid out and planned environment. Such services include roads, drains, water supply, electricity and other municipal services. Since the commencement of the Programme in 1986 only about 20,000 plots have been allocated in about 20 states of the federation. In the 2001 fiscal year, contracts are currently being packaged for Kuje and Gwarinpa both in the FCT for the provision of roads and drains.

Summary of percentage (%) of work done as at the end of 1999.

Description	% of work done
- Site clearance and earth works	75%
- Roads and car parks	20%
- Storm water drainage	75%
- Water supply	1.5%
- Sewer main drain	56.5%
- Electrical distribution & street lighting	2%
- Telecommunication	Nil
- Layout and demarcation of plots	90%

Amount required to complete the on-going sites and services projects are estimated at N6.986 billion.

1.2 Environmental Ecological Degration

The ecological footprint of a city is the amount of land and national resources required in sustaining its metabolism. If the "footprint analysis" of Lagos is taken for example: Lagos has an estimated population of about 10 million, out of a total Nigerian population of about 120million. The total land area in Nigeria is 923,773sqkm (92.38 million hectares) and that of Lagos 3577sqkm (0.36 million hectares)

According to Earth Council report, a biological reproductive area of 1.7 hectares per capital is required for basic living. This means that sustaining the people living in Lagos requires 17 million hectares. This leaves an ecological deficit, which has to be made up for from elsewhere. The area required for food production is 0.2 hectares per capital. For Lagos population, that translates to two million hectares.

The area required for wood and other products is 0.11 hectares per person or 1.1 million hectares for Lagosians and for carbon sequestration (cleansing), 1.5 hectares per person or 15 million hectares just for Lagos alone. Though “foot-print analysis” is not an exact science, it however, helps us to understand the magnitude of dependence of cities on outside resources and the effects of urbanisation.

It could be said that environmental degradation is caused by greed but reinforced by poverty. This is as a result of socio-economic and political synergies that interact with each other in ways that can increase the state of lack in which poor people live. The struggle for short-term profit, encouraged by unregulated free market has led to unacceptable human and environmental abuses in the name of “economic growth”

2. REVIEW OF EXISTING FINANCING FRAMEWORK

<u>Housing Finance Requirements</u>

Housing finance by its very nature is a capital intensive venture which if it is to be financed through personal financial resources will require slow and tedious accumulation of savings. However, since housing provides benefits over many years, long-term credit financing is a more logical option as it will spread the repayment burden. But this requires the availability of long-term funding, and for which must be institutional capacity, structure and mechanism that will allow a convenient and effective linkage between the savers/investors and the consumers of such funds.

Without an effective finance system, no housing policy can be effectively implemented.A financing framework which facilitates financial intermediation for housing finance consists of institutions as well as their relationship and the processes involved. However, the emphasis in this review will be on relevant institutions and their activities. Indeed the framework must effectively reconcile the affordability limitation of households with viability requirement of financial institutions.

In Nigeria, housing is typically financed through a number of institutional sources: Budgetary appropriations, Commercial/Merchant Banks, Insurance Companies, State Housing Corporations and the Federal Mortgage Bank of Nigeria (FMBN): and now the newly established Mortgage Institutions all these constitute the formal institutions. In formal institutions such as thrift and credit societies, and money lenders who have contributed and are still contributing substantially to the finance of housing construction also persists.

The impact of these informal institutions however cannot be properly quantified because they are largely uncoordinated, scattered and varied in scope and operational depth.

2.1 Budgetary Appropriations

For various reasons, the expansion in the external sector of the economy as well as the consequent expansion in the financial system did not translate into any significant improvement in the level of financial intermediation for housing finance. A major reason has been, until very recently, the nature of Government intervention. With resources allocated by the various development plans especially the Third and Fourth National Development Plans, the public sector embarked on the direct construction of mass housing; major housing projects were financed directly from budgetary appropriations. This emphasis on budgetary appropriation was mainly during the oil boom periods of 1973/76 and 1980/81. Little or no role was allowed the Private sector in Housing Finance. The results were insignificant impact on housing need and attendant cost inefficiencies. There were few peculiar features of implementation in the respective periods of the plans which have had a direct bearing on Housing finance activities.

(a) Fiscal policy alternated between stringent and liberal control on imports, depending on the buoyancy of hard currency earnings. Given the import dependence on building materials, cost of housing construction oscillated.

(b) Apart from its regulatory role, government at the Federal and State level was also engaged in direct housing construction. For example the new government of Lagos State is currently embarking on the provision of 10,000 housing unit per year for the next four years of mix development for the people of the state. How realizable this scheme is only time will tell. But definitely its all boils down to finance. It is on record that the State is seeking to obtain 4.0 billion Naira from the capital market just to be able to fulfil part of their promise of housing.

(c) Although the Third and Fourth plans placed emphasis on a housing sector, there was no adequate allocation of funds.

(d) The institutional structure for mortgage finance did not evolve beyond rudimentary stage.

In the event, there was little evidence of financial presence from the private sector in public sector housing finance activities. In consequence, the operational dependency and sophistication which a greater presence from the private sector could have induced in the Housing finance system did not take place. The situation was compounded by the strict regulation of credit expansion which, until the recent deregulation, has compelled the financial institutions to remain largely in the short-term end of the credit market.

Inspite of their importance in financing the construction of housing, the commercial and Merchant Banks have not gone beyond allocating 20% of their loans and advance into building construction for any year. This is because of the relative slow rate of returns and the interest rate and inflation risks inherent in long-term lending.

Indeed, with the deregulation of the financial system since 1986, the percentage share of real estate and construction in total loans and advances has declined for Merchant Banks from 16.5% in 1985 to 12.3% in 1986 and 7.5% in 1987 (see table 3); while for Commercial Banks it declined from 20.5% in 1985 to 18.1% in 1986, 16.5% in 1987 and 15.5% in 1988 (see table 4).

Table 3: Merchant Banks – Real Estate % Share and Maturities

Year	Real Estate/Construction as a percentage of loans & advances (A)	Call money to 3 years maturity as percentage of all deposits (B)
1984	18.6 (N313.7m)	63.6
1985	16.5 (N297.2m)	60.4
1986	12.1 (N335.7m)	60.1
1987	7.5 (N311.8m)	63.9
1988	7.8 (N335.6m)	59.1

Sources: CBN Economic & Financial Review

Table 4.

Year	A	B
1984	20.6 (N2,373.8m)	86.9
1985	20.5 (N2,493.7m)	90.5
1986	18.1 (N2,840.4m)	88.0
1987	16.5 (N2,892.4m)	88.7
1988	15.5 (N3,007.9m)	90.4

Source: As in Table 3

An examination of the maturity profiles of deposits with commercial and Merchant Banks shows the dominance of call money to 3 years maturities which are mismatched to the long-term nature of housing finance. Within the period analyzed, although the percentage of call money to 3 years maturities to all deposits for Merchant Banks declined from 63.9% in 1987 to 59.1% in 1988, the average remains a high 61.4%. For the Commercial Banks, the average remains 88.8% and indeed the percentage increased steadily from 88% in 1986 to 88.7% in 1987 and whopping 90.40% in 1988. The Commercial rate of interest offered, the shortage repayment period, as well as the level of collateralisation resulted in the allocation to real estate being focused on properties in prime locations where the prospects for high sale/rents may accelerate loan repayment.

2.2 Insurance Companies

Insurance companies have funds appropriate for financing housing construction. However, under the current insurance decree, only up-to 25% of life and 10% of non-life policies can be invested in real estate. Life premiums are not only long-term but relatively cheaper than deposits. However, the investment emphasis of these institutions have been short-term due to the preferences of these companies and to a lesser extent the legal restriction imposed. Indeed, while percentage allocated to real estate declined since 1985 from 12.1% to 7.2% in 1986, that allocated to mortgage loans declined steadily since 1984 from 7.1% to 4.8% in 1985, 3.9% in 1986, and 3.6% in 1987 (see table 5).

Table 5: Insurance Companies: Real Estate/Mortgage

Year	Type of Investment (N)	
	Real Estates	Mortgage Loans
1984	93.5m (11.7%)	57.2m (7.1%)
1985	149.2m (12.1%)	59.7m (4.8%)
1986	116.9m (7.2%)	63.0m (3.9%)
1987	144.3m (7.5%)	69.2m (3.6%)

Source: Insurance Year Book.

2.3 Housing Corporations

The State Housing Corporations operate largely as property developers and they depend mainly on Government budgetary allocations. The housing units are usually sold outright as they usually do not provide mortgage finance to buyers. The number of housing units produced has not been significant relative to demand. Their role would have been effectively implemented if they were operating as financial intermediaries. It has been noted elsewhere that for reasons such as availability of Government funding, housing corporations do not operate savings schemes; and those that have such schemes have marginalised them.

It was in realization of the enormity of the housing problem relative to declining resources capacity available to the Public Sector, that the previous Governments decided to facilitate construction by the Private Sector institutions. Consequently the new National Housing Policy was established.

2.4 New National Housing Policy

Realizing that the enormous public sector efforts have not effectively addressed an expanding housing deficit and escalating construction costs, and that such efforts must be substantially collaborative with the Private Sector, Government decided to establish a framework within which such collaboration can effectively address the housing problem. This was articulated in the National Housing Policy in 1988. The policy attempts inter alia; to create a new housing finance system, encourage the linkage of the housing sector to the capital market, establish a National Housing Fund, and expand Private Sector role in the housing delivery system.

The most significant differences between the new policy and the previous ones are firstly, that housing is now seen in context of the overall national development. Previous policies had tended to regard housing as a social service and a natural fall-out of the national economic development. Secondly, the policy has identified the fact that different household both within and between income groups tend to have different demand for housing. This is evident from the ultimate goal of the policy which is, “to ensure that all Nigerians own or have access to decent housing accommodation at affordable cost by the 2000 AD” Thirdly, the focus of the policy seems to be to remove all barriers to the supply of housing and to provide incentives to all parties involved (governments, private sector and individuals) in the housing delivery system.

2.5 New Structure for Housing Finance

The new housing policy has established a two-tier housing finance structure, with FMBN as an apex institution and a decentralized network of Primary Mortgage Market institutions such as building societies, housing co-operatives, home savings and loans associations. This structure aims to streamline processes and organizational relationships within the housing finance system and encourage expansion in private initiative. In this regard, the legal framework for the organization and implementation of the apex role of FMBN has been defined by the Mortgage Institutions Decree No.53 of 1989.

2.6 National Housing Fund (NHF) – was established in 1992

The concept of the National Housing Fund as proposed in the National Housing Policy is to ensure a continuous flow of long-term funding for housing development and to provide affordable loans for low income housing.

The promulgation of the National Housing Fund Decree heralded the emergence and establishment of a battery of mortgage finance institutions in Nigeria. Quite a number of them had been in operation for the last 12 months. Good as the intention of the scheme appear, the technicalities and modalities of releasing the loan to the mortgage institutions to unlend to the members of the public have not been worked out and as such most potential clients have been frustrated by the high interest rate and cost of funding. Most of the mortgage institutions on their own have been mobilizing funds by accepting deposits and savings at very high interest rate in a highly competitive marketing environment. Most customers on the other hand are prepared to wait for the National Housing Fund than take loans at high interest rate which is presently being dictated by the money market condition.

2.7. Strategies for Effective Resource Mobilization

The strategies offered in the national Housing Policy are classified into voluntary schemes, mandatory schemes and government budgetary allocations.

<u>The Voluntary Schemes</u>: Include encouraging individuals to save and borrow at low interest rates. Contractual savings schemes as well as Central Bank guidelines will be employed to facilitate the contributions of individual, and commercial/merchant bank respectively.

<u>The Mandatory Schemes</u>: Consist of the National Housing Fund (NHF), schemes for commercial/merchant banks and insurance companies. The N.H.F. will take two and a half per-cent contribution from the monthly salaries of workers earning N3,000.00 and above. It will attract 4% interest rate but contributions can be withdrawn as retirement benefit with commercial rate of interest paid when contributors do not use the housing loan facilities. The fund is to be administered by FMBN.

Commercial/Merchant Banks are expected to invest 10% of their loans and advances in FMBN at concessionary interest rates. Insurance companies are also to invest a minimum of 20% of their non-life funds and 40% of their life funds in real estate development; not less than 50% of these allocation must be channeled through FMBN.

All these noble aim of Government are presently being hindered by criticisms from Insurance companies and Banks. While the mandatory contribution from employers is trickling into FMBN at small pace thereby making the scheme presently ineffective. This scheme is not working.

For example to date only 969 out of the 1.8 million contributors have so far applied for loans, while a total of N5.8 billion has been collected into the fund since its inception in 1992 to September 2000. Out of the total amount collected, N13million has been refunded to 4019 contributors who have attained the age of 60 years or become incapable of continuing their contribution. Only N375 million of the total fund of N5.8 billion in the kitty have been disbursed through 20 primary mortgage institutions to 631 contributors to enable them buy or build their own houses.

3. PROSPECT AND CONCLUDING REMARKS

The major concern of the housing finance system in Nigeria today is to secure a larger volume of funds for longer-term lending for housing construction. This is to facilitate substantial increases in the housing stock and to extend housing finance services to the majority of Nigerians at affordable cost levels.

3.1 My Proposal

Three issues that merit consideration in this context are the escalating prices of building materials, the constraints in the land delivery system and the high physical standard which militate against the affordability of these groups. This situation must be reversed quickly if the housing pressure is not to assume a crisis proportion during this new millennium.

(i) Establishment of Construction Bank: Part of the problem of the industry is the liquidity i.e. in accessibility to credit facilities. The Commercial Banks are not set-up to loan money on long term bases. The establishment of the Construction Industry own bank where lending is a lot easier and interest rates are far less than commercial rate and the minimum Rediscount Rate (MRR), would not only boost construction activity, it would help jump start up and coming young players in the industry. Part of fund that could be made available for this Bank could be pension funds from government agencies and parastals which are currently being wasted through wrong usage.

    It is important to note that regardless of the availability of long-term lending and the appropriate institutions to render the required services, housing finance can only become effective when a substantial proportion of the population can be served. The problem is to appropriately finance the housing needs of middle and low income groups that constitute the majority through this medium. It shall be a private sector led-bank with government just having an equity interest.

(ii) <u>The Use of Local Building Materials</u>: The use of local building materials and intermediate technology must be followed with the provision of other basic infrastructures like safe drinking water, roads, electricity supply and other social amenities especially to improve the quality, liveability and attractiveness of lowcost housing

Presently houses are built and rely solely on cement. The nation needs about 8.5million metric tonnes yearly. While our cement companies are only able to produce about 2-3million metric tonnes. This short fall has always accounted for the galloping cost of cement every year as shown in the table below.

Over half of Nigeria's cement need is imported. According to recent survey, Nigeria is the world largest importer of cement with about 70.5% dependence on importation. The chances of the local industry rising to the task remain very slim as only four (4No) out of the seven (7No) of the cement companies in the country are still limping along at various levels of capacity utilisation.

Table 6.

Cost of Cement Per 50Kg Bag
(WAPCO) Price

Years	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Amount	32	40	85	85	180	410	430	500	550	600	650	850

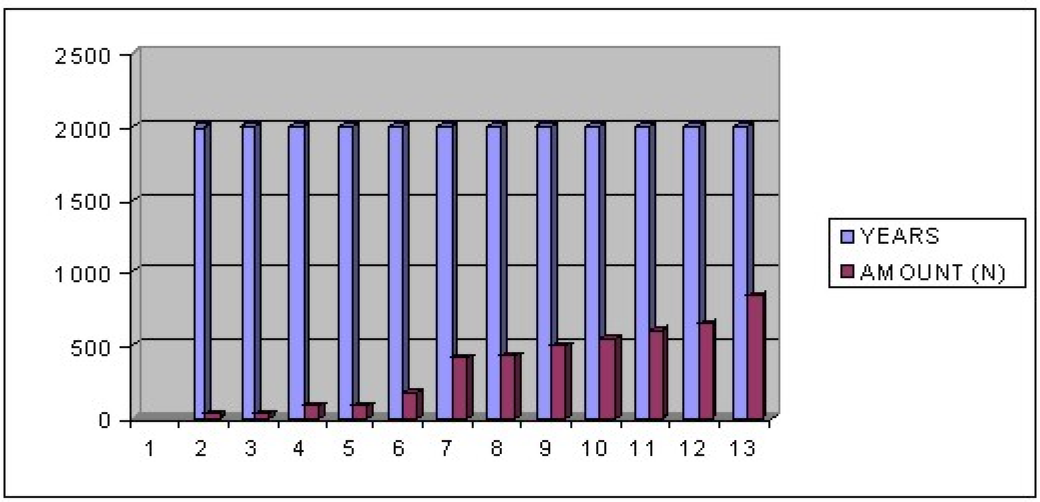


Fig. 4

There is also the campaign to use less of cement blocks in housing construction especially the low-income housing. The research has shown that a 225mm block wall plastered and painted on both sides with emulsion paint cost N1,700/m2 while a similar solid brick wall plastered and painted on one side with emulsion paint cost N1080/m2. A savings of N520/m2. A further savings has been observed could be made with the use of bamboo shoots.

Thus financing the construction of housing for all income groups require creative framework through – localized design and packaging as opposed to imported design.

(iii) Evolution of Simpler Form of Design: A need to do away with over – designing and concentrate more on functional design. The local Architects have to take the lead in this regard. A more cost effective design is highly desirable at this point in time if mass and cheap housing is to be assured.

(iv) Review of land use Decree of 1976:- Whereby all lands in government ownership is freed in order to enhance intense private sector participation in the industry by making access to land very easy. This would help in the empowerment of the real sector and thus an active and vibrant industry. A situation such as witnessed in the 2000 Budget of a paltry sum of N1.8 Billion for social housing would become a child's play if more land is freed or ceded to the private sector.

CONCLUSION

In conclusion, what Nigerians need to survive the wounds of near-homelessness include good governance, increased access to land, credit, affordable housing and environmentally sound and serviced human settlements. Government should therefore undertake steps by all appropriate means and to the fullest of funds at his disposal to achieve progressively the tenets of adequate shelter for Nigerians especially the vulnerable group. This must be done without discrimination as to status, sex, tribe and without fear of favour.

It is indeed hoped that the above framework which is indicative of bright prospects for financing housing construction will rapidly expand the quantum of finance available and dampen the high cost of funding and construction. With the restructuring of the domestic economy, it is my belief that there is a bright prospect for housing financing large scale in Nigeria in this new millennium.

It is recommended that more emphasis be placed on providing low and medium income housing units in Nigeria using earth blocks and intermediate technology. It is also expected that to avoid the take over of these houses by the high income group, national or state monitoring groups made up of NGOs, government institutions and other public and private stakeholders be established to monitor progress and make sure that target populations benefit. The use of sample walls using stabilized blocks, reinforced concrete in beams and lintels and combining this with corrugated roofing sheet would reduce construction cost by about 60%. It should be noted that reduction in unit cost would produce more units so as to meet up the 8 million units required to adequately house the Nigerian population.

Housing finance policies must be made to integrate the lower income classes. This can be possibly done by giving long term loans with sustainable interest rates and no collateral. Co-operative, communal and self build practices must be encouraged by the appropriate ministries and NGO's to further help increase self reliance and help. Establishment of the construction Bank is a sine-quo-non in this regard.

The national Road and Building Research Institute must be empowered to do a lot of research into cheap and effective materials for both housing and road constructions. Efficient land markets and sustainable land use policies are indispensable and there is need to change the Land Use Decree to a more housing friendly legislation.
Thank you for listening.

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