

WHITE
PAPER



BRIDGING THE HOUSING AND URBAN DEVELOPMENT DIVIDE

BY THE INFRASTRUCTURE POLICY COMMISSION

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Executive Summary

The housing sector has consistently played a pivotal role in the economic fortune of nations. In advanced countries such as the United States of America, the industry contributes about 16 percent to the Gross Domestic Product (GDP) (US Bureau of Economic Analysis, 2024). However, this figure is less than 6 percent in Nigeria (National Bureau of Statistics, 2024). While no singular sector has as much associated value chain impact as Housing and Urban Development, the sector appears weak. In 2021, the World Bank estimated that Nigeria's housing deficit stood at 15.56 million units (Behr et al., 2021). In 2023, the Nigerian government put the housing deficit statistics at 28 million units with an estimated funding need of N21 trillion (The State House, 2023). These statistics allude to the need for urgent interventions in the Nigerian housing sector.

This paper seeks to advocate public-private strategies to drive efficient housing and urban development while underpinning the importance of partnership and collaboration amongst stakeholders in bridging Nigeria's housing and urban development divide. The following recommendations were proffered: provide a sound National Housing Plan, a robust policy regulatory framework to address the supply and demand-side issues faced by the housing ecosystem; ensure an effective geo-mapping strategy for land; commoditise housing and industrialise the process; foster collaboration and partnership with sub-nationals and other stakeholders; develop the mortgage market and ensure access to land, data validation of the actual deficit of housing required and finally, drive reforms at the sub-national level.



1.0 Introduction

Rapid population growth, the surge in rural-urban migration, and the impact of climate change have been the main driving force in Nigeria's housing shortage. Data from the World Development Indicators (WDI) puts Nigeria's average population growth rate between 2019 and 2022 at 2.4 percent, almost twice the average aggregate output growth rate of 1.8 percent for the same period (World Bank, 2024). Meanwhile, the United Nations had in 2017 projected that Nigeria's population would have grown to approximately 411 million people by 2050, which is double the current population. This explosive growth directly impacts agriculture, the environment and infrastructure development.

High population growth is putting a strain on urban development in Nigeria, given its associated infrastructure deficit. This situation is further aggravated by rising insecurity, resulting in unprecedented levels of urban migration, adding significant pressure on the country's already strained infrastructure. Consequently, Housing and Urban Development have taken the forefront in the fight against insecurity and its attendant impact on health, sanitation, homelessness and social progression. Access to shelter is a fundamental human right that speaks to the dignity of individuals, households, and society. Therefore, there needs to be more urgency, policy direction and coordination in the Nigerian government's approach to addressing the country's housing deficit.

Nigeria's urban planning and development are lagging far behind the pressure of its increasing urban population, thereby creating a huge divide between its urban development needs and what is currently attainable. The result is the inevitable slum-like conditions leading to indignity, poverty, fear, and poor quality of life detrimental to health and education. The Nigerian urban population living in slums was estimated at 49 per cent in 2020 (World Bank, 2024)

A policy research paper published by the World Bank in 2021 estimated that Nigeria's adequate housing deficit was 15.56 million units in 2019 and is projected to reach 20 million units by 2030 (Behr et al., 2021). Meanwhile, the housing deficit has already risen to 28 million units in 2023, according to the federal government of Nigeria (The State House, 2023). Although the Nigerian housing deficit is alarming, the cost of narrowing this deficit is equally astronomical. The funding requirement to meet Nigeria's housing needs has been estimated at N21 trillion (The State House, 2023). To put this figure into context, it is equivalent to 73 per cent of the approved total budget of N28.77 trillion (US\$34 billion) for the 2024 fiscal year (Budget Office of the Federation, 2024).

Having described the enormity of the gap in Nigeria's housing and urban development sector, it is pertinent to highlight the potential of this sector. This potential is evidenced in the housing sector's role in the economic fortune of present-day developed economies. In countries like the United States of America, the housing sector's contribution to GDP hovers around 16 percent (US Bureau of Economic Analysis, 2024). In the United Kingdom, the industry contributes over 15 percent to the GDP (Office for National Statistics, 2024). However, this figure is less than 6 percent for Nigeria (National Bureau of Statistics, 2024), highlighting the need for more efforts towards improving the housing sector's performance and contribution to the economy. These efforts would mean addressing the housing and urban development divide and exploring the Nigerian real estate sector's vast and untapped investment potential.

In light of the foregoing, this paper aims to provide an overview of the current state of the Nigerian housing sector, discuss the challenges plaguing the sector, and offer policy recommendations on public-private strategies to drive efficient housing and urban development. The rest of the paper is structured as follows: Section 2 provides stylised facts about Nigeria's Housing sector; Section 3 investigates the challenges facing the sector, and Section 4 concludes the paper, discussing the policy recommendations for addressing identified challenges.



2.0 Stylised Facts

In order to stop the rising trend of housing deficit, it is pertinent to create effective strategies for efficient housing delivery in Nigeria. However, in developing these strategies, the context in which the Nigerian housing sector currently operates must be understood.

A key constraint in the assessment of the Nigerian housing sector is the lack of sufficient and reliable data about the activities and performance of the sector. Over the last decade, there have been controversies about the enormity of the deficit in the Nigerian housing sector. While an estimated housing deficit of 17 million units has been consistently referenced over the years, it was estimated at 23 million units in the National Integrated Infrastructure Master Plan (Federal Ministry of Finance Budget and Planning, 2020) and most recently estimated at 28 million units (The State House, 2023). However, estimates on the housing deficit in Nigeria have been widely debated on the grounds that they are not based on any credible research. Furthermore, the National Bureau of Statistics is yet to have a repository on housing adequacy or shortages in the country. This brings to the fore the need for an urgent population and housing census in Nigeria, which would enhance an evidence-based assessment of the housing sector and promote informed policy decisions to improve the sector that is underpinned by data. A planned population and housing census, initially scheduled for 2022, is yet to hold.

Nonetheless, in the search for research-based data on the housing deficit, the World Bank released a working paper in 2021 titled "Introducing Adequate Housing Index", which provides the most reliable estimate of the housing deficit in Nigeria to date. The Report introduced a micro-founded methodological framework to estimate the housing stock deficit in 64 emerging economies as of 2019 and a projected housing deficit by 2030. Findings from the Report put Nigeria's housing deficit at 15.56 million units as of 2019, which brings the housing deficit to population ratio to 8 percent. While Nigeria appears to be in a better place in terms of its housing deficit to population ratio compared to countries like Ethiopia, Kenya, Uganda and the Democratic Republic of Congo, it underperformed countries like Egypt and South Africa (Behr et al., 2021).

As shown in Table 1, Nigeria's housing deficit to population ratio of 8 percent is still a far cry from countries like Egypt with 1 percent and South Africa with 4 percent. Other emerging economies like India and Mexico also outperformed Nigeria, with 7 percent and 3 percent, respectively. It would be insightful to examine the policies these countries have adopted to make more housing available and achieve a lower deficit-to-population ratio. Models of housing delivery from developed countries can also be adopted with varying levels of modification to suit the country's existing political and economic situations.

Table 1: Housing Deficit to Population Ratio

COUNTRY NAME	10-YEAR POPULATION AVERAGE	STOCK DEFICIT (2019)	DEFICIT TO POPULATION RATIO	ADEQUATE HOUSING INDEX
Ethiopia	105,118,882.50	14,070,000.00	13%	0.42
Ghana	28,827,122.80	2,320,000.00	8%	0.70
Kenya	49,643,807.30	6,030,000.00	12%	0.55
Nigeria	188,774,907.70	15,560,000.00	8%	0.55
Uganda	40,606,910.90	4,930,000.00	12%	0.51
South Africa	56,536,921.00	2,290,000.00	4%	0.85
Democratic Republic of Congo	80,337,747.50	10,460,000.00	13%	0.38
Egypt	95,398,817.80	1,190,000.00	1%	0.95
Philippines	104,294,328.40	6,470,000.00	6%	0.72
Mexico	123,938,669.10	3,350,000.00	3%	0.90
India	1,330,804,300.80	89,880,000.00	7%	0.69

Source: World Development Indicators (2021), Behr et al. (2021)

Nigeria needs to look in-depth at addressing the housing issue with sustainable methods. For example, while Mexico created a comprehensive institutional framework, its urban policies were not connected to the housing policy, ultimately leading to many abandoned houses (UN-Habitat, 2018). However, in Singapore, the supply of land by the government, focus on urban planning and design, and the establishment of the national housing fund created an institutional framework that provides public housing access, with about 80 percent of Singaporeans living in social housing (Adenikinju, 2019). Many Asian countries are now following this model of creating a fund where people can access credit and market players can access funds for development.

Table 2: Trend in Nigeria's Housing Deficit (1991-2019)

Year	Population	Housing Deficit	Cause
1991-1993	104 million	4-7 million	Mortgage inefficiency
2007	145 million	8 – 10 million	Slum demolition and Urban Migration
2013-2015	178 million	16 – 17 million	Overpopulation, urban expansion, and increased poverty
2017-2019	184 million	18 – 22 million	Increased poverty, overpopulation and urban migration

Source: Moore (2019)

Evaluating how Nigeria has arrived at its current position, Table 2 above presents a study by Moore (2019), which detailed an estimation of Nigeria's housing deficit over different periods and identified the plausible reasons for the deficit in each period. It is clear from Table 2 that Nigeria's housing deficit continues to increase alongside population growth. The key challenges facing the housing sector in the review periods were overpopulation, increased urban migration, limited supply of housing units, underperforming sector and the country's high poverty rate.

3.0 Review of Government Initiatives in the Nigerian Housing Sector

While the Nigerian housing sector is not yet in a desirable state, there have been several initiatives by the government in the sector over the years. In the early 2000s, the Federal Ministry of Housing and Urban Development advocated for the review of the National Housing Policy. The advocacy informed the establishment of institutions like the Federal Mortgage Bank of Nigeria and in later years the Nigeria Mortgage Refinancing Company, both of which were established to address demand side housing financing challenges in Nigeria. The National Housing Programme (NHP), initiated in 2016, also led to the development of 4,878 housing units between 2016 and 2019. In the same period, about 1,970 housing units were delivered through the Public-Private Partnership financing framework (Federal Ministry of Finance Budget and Planning, 2020).

Nigeria has also explored a number of economic development plans, all of which typically include goals and strategies for improving the housing sector's performance.

National Economic Empowerment and Development Strategy (NEEDS)

The National Economic Empowerment and Development Strategy (NEEDS) was launched in 2003 as a medium-term development framework. The plan set out to eradicate poverty, re-orientate Nigerians, create wealth and create employment. It detailed the specific sectoral strategies for the housing sector, which were particularly set towards producing more affordable housing. For example, it set out to review the Land Use Act to make land cheaper for developers and consequently lead to the development of more affordable housing. It also aimed to revise the curricula of academic institutions to encourage the use of local materials for housing construction. The policy direction of the plan placed the responsibility of housing production on the private sector, states and local governments. However, this plan failed to set specific strategy targets to monitor the progress made on the stated objectives.

Vision 20:2020

Nigeria's Vision 20:2020 was launched as a long-term economic transformation plan. The plan established accessible and affordable housing as one of the primary objectives for guaranteeing the well-being and productivity of Nigerians. The plan identified the high cost of housing as the major constraint in achieving this goal. It highlighted the need for improved availability of housing financing for low to middle-income earners. The provision of the legal and regulatory framework to attract private investors to develop affordable housing products was also noted among the key objectives.

Some specific strategies in the Vision 20:2020 included improving the availability, affordability, and transferability of housing units in the country by developing a new land administration and land title transfer system. It also entailed developing an effective primary housing finance system and facilitating the linkage of that market to the capital market to provide long-term mortgage finance. Furthermore, the plan sets out to privatise the Federal Housing Authority, commercialise and recapitalise the Federal Mortgage Bank and ensure full enforcement of the National Building Code. However, these objectives are yet to be fully achieved.

Economic Recovery and Growth Plan (ERGP)

The Economic Recovery and Growth Plan (ERGP) was adopted after Nigeria emerged from the 2016 recession to restore growth, invest in people and build a globally competitive economy. The plan sets out to achieve the construction of 10,000 housing units per annum by 2020, implement the proposed Family Homes Fund and recapitalise the Federal Mortgage Bank of Nigeria from N2.5 billion to N500 billion. However, among these three objectives, only the plan to implement the Family Homes Fund was achieved in 2018.

Medium-Term National Development Plan (MTNDP)

The Medium-Term National Development Plan (MTNDP) is Nigeria's current medium-term economic plan, and it outlines the government's plans for 2021-2025. The focus of the NDP regarding the housing sector is to achieve improved access to affordable housing by providing one million housing units per year while achieving a real estate-to-GDP ratio of 8.38 percent by 2025. One key development in this plan is the re-launch of the Urban and Regional Development Boards (URDB). This body will be responsible for the overall supervision, monitoring and management of urban development and planning across all 36 states in Nigeria.

Some of the notable strategies that would be adopted in achieving the objectives set out for the medium term include:

- The full integration of the Nigerian capital market in securing long-term funding for housing by ensuring that the value of listed mortgage-backed securities would make up at least 20 percent of the market capitalisation of equities.
- Apply and utilise the research and development carried out on building materials by developing pilot housing schemes using majorly locally produced materials across all states in the Federation.
- The introduction of a data-driven system to map and digitalise land registries across the country to improve accountability and transparency across the sector.

- Upgrade existing government-controlled vocational centres to build capacity and technical know-how in the sector. This would ensure the availability of the needed workforce to deliver the mass housing plans.

National Integrated Infrastructure Master Plan (NIIMP)

The National Integrated Infrastructure Master Plan (NIIMP) contains, in detail, the government's long-term plans for all infrastructural areas, including the housing sector. The government projects that Nigeria's housing deficit will have grown to over 40 million units by 2043 based on the projection that the country's population will be above 320 million by 2043. About 1.22 million houses would be provided annually for the next 23 years to achieve this (20 percent of which is expected to be directly provided by the public sector).

In terms of policy interventions, the government intends to: (i) overcome constraints in providing new housing; (ii) increase house ownership to 50 percent; (iii) improve land administration; (iv) build the domestic technology base for housing production and delivery, and (v) increase private sector participation in the provision of affordable housing (Federal Ministry of Finance Budget and Planning, 2020). Based on the master plan, the government's aspirations cut across areas of legislation, housing financing, construction and delivery, state government involvement and private sector participation, all of which are key to improving the housing sector.

Some of the specific strategies the government intends to adopt in the long term include:

- Improve the legal and regulatory framework by reviewing existing legislation to reflect implementation realities.
- Improve access to funding for actors in the construction industry through end-user-targeted mortgage products
- Ensure each state government builds 5,000 houses annually
- Increase the production capacity at the federal level from a total of 48,000 units across all federal housing programs to 100,000 units in the short term and 200,000 units over the long term.
- Develop low-cost building materials and technology
- Develop capacity in terms of workforce and locally produced building materials

All the development plans have set out to achieve one single goal- Affordable Housing. The strategies to achieve these have all fallen within the financing, regulatory environment and capacity building. However, the plans are generally disrupted by changes in government administrations, lack of consistency and continuity and the implementation is discontinued hence why the goals go unaccomplished.

It is important that the current plans set in the MTNDP and NIIMP follow a different trajectory. However, the lack of capacity remains a huge gap in addressing the goals set out in the current plans, particularly regarding the housing units expected to be delivered through the public sector. The federal government, for example, only has the capacity to provide 48,000 units but has set the target to provide 100,000 units per annum.

It is also clear that improving the output and performance of the housing sector in Nigeria is a task that must be addressed by both the public and private sectors. Although the private sector is expected to deliver 80 percent of the annual projected housing units, the onus falls on the government to provide the appropriate enabling regulatory and operating environment to achieve the set objectives.

No sector has as much associated value chain impact as Housing and Urban Development. For instance, it is impossible to build homes without accessible transportation, water & sanitation, or power supply. Therefore, the need to make urban development central to how towns and cities grow cannot be overemphasised. Nigeria urgently needs to intervene in its housing and urban development crisis and “If Not Now When?” has to be our new mantra as a nation. While several initiatives have been introduced to promote affordable housing, there is still much to be done to improve housing affordability in Nigeria. The government's housing interventions in recent years were only able to deliver 24 percent (4,878 housing units) of its annual target (20,000 housing units) in the space of three years (Federal Ministry of Finance Budget and Planning, 2020).



4.0 Challenges Facing Nigeria's Housing and Urban Development Sector

There are myriad challenges that have consistently been cited for having negatively impacted the Nigerian Housing and Urban Development Sector. The fundamental constraints responsible for the sector's poor performance overtime include:

Mortgage inefficiency

There are issues around income constraints on the demand side. Most Nigerians fall under the lower-income or the lower-middle-income group, which results in the inability to afford a mortgage or purchase available houses. According to Moore (2019), mortgage inefficiency was the primary cause of the housing deficit recorded in Nigeria between 1991 and 1993. This has remained one of the long-standing issues detrimental to the housing sector, given Nigeria's low mortgage-to-GDP ratio. Due to the paucity of data on the housing sector and the gross underdevelopment of the Nigerian mortgage industry, the earliest available data put Nigeria's low mortgage-to-GDP ratio at 0.6 percent in 2012 (World Bank, 2016). This figure is dismal when compared to the magnitude of Nigeria's housing demand gap. Despite the progress made within the industry in streamlining underwriting and prolonging mortgage tenures, there is no data on how many mortgages have been refinanced as well as how many new mortgages have been created. This results in the inability to measure impact accurately.

The problematic nature of the Land Use Act of 1978

The government still adopts the tenets of the Land Use Act of 1978, which has created many challenges in the land process system and access to titled land. Unfortunately, due to the Land Use Act, land ownership is vested in the States, thus making it difficult to implement land reforms. One setback, for example, is the implementation of the Modern Mortgage and Foreclosure Law by the Nigerian Mortgage Refinance Company (NMRC). This law was expected to enhance a robust housing market but is yet to be domesticated by many states.

Tenacious Issues around the supply and demand-side of the housing finance ecosystem

On the supply side, the cost of funds for developers is a significant problem, as developers may need access to more funds for developing houses within a state. The available funds are accessible at high-interest rates, which translates to high building costs. This has significantly affected housing affordability.

In light of the rising cost of building materials, houses that are built can only be afforded by the rich and are not accessible to the population that falls within the lower income bracket, where the need is greatest. On the demand side, the advent of mass urban migration resulted in an increased demand for limited land in urban centres across Nigeria. The limited land and the increasing demand have driven land prices up and consequently pushed up housing costs.

Nigeria's rapid population growth and the proliferation of slum settlements

Nigeria's rapidly growing population size is estimated to hit 411 million by 2050 (United Nations, 2017). This would create further pressure on the existing housing infrastructure and the environment. Besides Nigeria's growing housing supply deficit, the suitability and adequacy of available dwellings are questionable, as more than half of the Nigerian urban population lives in slums. The inadequate suitability of houses could explain why Nigeria's Adequate Housing Index (an index that accounts for both quantitative and qualitative factors affecting housing) ranks below that of many other countries, as seen in Table 1. Therefore, beyond facilitating the development of more houses to meet the growing housing demand, the government has an obligation to ensure the provision of suitable, adequate and affordable housing.

Inadequate Sub-national capacity

While the Nigerian Mortgage Refinance Company (NMRC) has been championing reforms in the housing sector, the sub-nationals have failed to domesticate these reforms. The challenge of sub-national capacity remains a bottleneck. Some states still use old and manual systems (geographical information systems are limited or non-existing) that prevent them from effectively providing affordable housing to meet the need of their residents. In addition, most developers are not skilled and lack resources, resulting in many building collapses.

Challenges in the Land processing system

One of the most challenging issues about housing is access to titled land and transfer of land titles. There are also challenges with permits and approvals regarding land and construction—multiple regulatory offices from pre-development to post-development, increasing the cost of operation and financing. Both official and unofficial fees are exorbitant. Nigeria has consistently recorded low rankings for the registering property sub index of the World Bank's ease of doing business report. In 2020, the country ranked 183 out of 190 countries on the registering property sub index, which measures the time and cost to transfer a property and the quality of the land administration system obtainable in the country (World Bank, 2020).

In addition, the Infrastructural deficit persists as there are limited lands for road and building construction. Developers incur additional costs to acquire good infrastructures, making affordable housing nearly impossible. Furthermore, there is an absence of a state mortgage portal that will streamline all systems and processes towards land acquisition, property registration to development, and mortgage financing. Other challenges include inefficient land processes, improper classification of urban and rural areas, and the estimation of a land asset. Gender based discriminatory process also exists in some parts of the country making women more vulnerable to limited access to title land and affordable homes.

High poverty incidence

The affordability of housing, given the low purchasing power of a vast population of Nigerians, has also posed a significant constraint. Many states could not meet their target for affordable homes following the advent of the COVID-19 pandemic and its attendant recessionary impact. The current high inflationary environment globally has presented an exacerbated situation for the housing market due to the rise in the cost of materials. Experts believe that only 10 percent of those who desire to own a house in Nigeria can afford it, either by buying or building it. This is staggering compared to the personal house ownership rate of 72 percent in the USA; 78 percent in the UK; 60 percent in China; 54 percent in South Korea, and 92 percent in Singapore (Johnson, 2014).

Although Nigeria's booming luxury real estate market might appear contradictory to the clamoured need for affordable housing, the sector's current state still proves the need to address affordable housing in Nigeria. According to the Financial Times, many of the existing luxury properties in eyebrow areas across Nigeria are only at 30 percent or 40 percent capacity (Neil, 2021). This implies that these luxury housing projects hold significant local and foreign capital captive without effectively improving Nigeria's housing deficit.

Lack of Sustainability

The lack of sustainability in housing development and urban planning practices in Nigeria's housing and urban sector is a critical challenge. The sector's sustainability has been impeded by several factors, such as rapid urbanisation, which has led to increased demand for housing and infrastructure and inadequate infrastructure, which has contributed to environmental degradation, thereby undermining the sustainability of urban areas. There is also the prevalence of substandard construction practices in Nigeria, leading to buildings that are not durable and pose risks to occupants' safety and health.

The inefficient use of land exacerbates sustainability issues in Nigeria's housing and urban sector, as land speculation and inefficient land management practices contribute to urban sprawl, environmental degradation, and social inequality. Additionally, Nigeria is vulnerable to the impacts of climate change, including extreme weather conditions and rising sea levels; hence poorly planned urban areas and inadequate housing infrastructure exacerbate the vulnerability of communities to climate-related risks.



5.0 Policy Recommendations

Commoditise housing and industrialise the process

It is imperative that housing become more tradable like other assets since liquidity is critical. Hence, the legal framework, approval, and perfection process need to be streamlined. Industrialising the process is also critical. More than ever, appropriate technology and practical work on standardisation are needed. Most importantly, the various elements of the housing value chain should be well integrated to ensure a comprehensive ecosystem.

Devise an effective geo-mapping strategy.

The government must be proactive about mapping, especially regarding property mapping boundaries and the generation of auto photos, which is a critical tool for planners. Authorities, especially local governments, should utilise new and innovative technology to assist with mapping. For example, the local government can use technology like drones to get the outlay of the properties. There is no proper mapping without informed knowledge of the map. Stakeholders should leverage existing knowledge and technology to make informed decisions. In addition, master plans should be designed incognizant of the unique features of the land.

Provide a sound policy regulatory framework to address the supply and demand-side issues.

The government should address the governance of the housing sector and provide institutions with a regulatory authority framework to enable the successful delivery of affordable housing. Interventions must be synchronised with the Housing and Urban Policies to provide opportunities for new housing development and improve existing ones through various components such as land supply, planning for growth, infrastructure investment, and others.

The Urban Development Policy and National Housing Plan should address displacement of people, insecurity, and pandemic and should be flexible such that it will adapt to any circumstance. Policy interventions towards the supply side should focus on reducing the cost of housing production by providing land, raw materials, labour, finance, infrastructure, maintenance, and other costs. In addition, policy interventions towards the demand side should focus on household income by providing accessible finance and credit, income/cash transfer, compulsory savings, fiscal incentives, vouchers, and interest rate subsidies.

Collaboration and partnership with sub-national and other stakeholders

Universally, the housing market has been aided by a collaborative platform of government, developers, suppliers, financiers, and regulators. The first step is to modernise and reform the Land Use Act in Nigeria. This would allow access to land for a mortgage and other development focus with less stringent requirements and costs. The government may consider a "housing subsidy for developers." The federal government can work with sub-nationals like the National Economic Council to ensure that they understand the value of the land under their purview. Land should be seen as a tradable asset rather than a dead asset.

Public-private partnership (PPP) is the best model to utilise in housing development; it allows the government and private sector to come together to create affordable houses. PPP should be central to sustainable urban housing and development. The collaboration between the public and private sectors should be a clear roadmap for all institutions in the Housing sector. This road map should ensure that each program implemented aims to achieve affordable housing for Nigerians. Private sectors and professionals should work with the state to develop the type of housing the citizens require.

Develop the mortgage market and ensure access to land

A strong mortgage market is critical to enabling access to housing and improving the housing market in Nigeria. The mortgage boards should help streamline and expedite all systems and processes, from land acquisitions to property registration and mortgage financing. The regulators, including the Central Bank of Nigeria, the Securities and Exchange Commission, the federal government, and policymakers, should create policies informed by data to facilitate housing access and strengthen Nigeria's housing ecosystem. The recapitalisation of Federal Mortgage Bank and potentially subsidising mortgages from commercial banks should also be considered.

Sub-national reforms

The state governments can promote reforms in the housing industry, including championing the Nigeria Mortgage Refinance Company (NMRC) in mortgage, foreclosure and housing laws. The state governments can also implement laws or create institutions that will help implement the housing laws for their states. Efforts should be channeled towards developing tools that provide citizens and enterprises with the opportunity for faster, evidence-based responses to challenges faced.

The tools will solve data quality and visualisation issues and provide a holistic approach to housing challenges. Also, the nexus between housing-job creation and housing-wealth creation can be established. For instance, the Housing sector nexus is well established in the US, and its contribution to the GDP of the world's largest economy is significant. In the long term, there is a need for serious advocacy to adopt alternative new technology among Nigerians used to concrete buildings. In addition, advocacy should promote the adoption of the Modern Mortgage and Foreclosure Law, which helps in the uptake of mortgages.

Promote Sustainability

To create more resilient and sustainable urban settings, the government, private sector stakeholders, and communities must work together to address sustainability concerns in Nigeria's housing and urban sectors. Promoting Green Building Practices, which use renewable energy sources, energy-efficient materials, and sustainable construction techniques to reduce environmental impact and improve building performance, can help ensure sustainability in Nigeria's housing and urban sector through green solutions. Reducing construction waste can also help to implement sustainability by reducing project costs and mitigating environmental degradation through effective resource management, recycling, and material reuse. Furthermore, by encouraging investment in environmentally friendly technologies and procedures that can spur innovation and lower the carbon footprint of building materials, market expansion for green manufacturing can accelerate the industry's growth.



6.0 Conclusion

In conclusion, this paper emphasises the urgent need for comprehensive and sustainable approaches to addressing Nigeria's housing and urban challenges. The document explains the challenges of the Nigerian housing sector and underscores the importance of implementing innovative strategies to ensure sustainable economic development through the housing sector. This way, Nigeria can bridge the gap in housing and urban development, paving the way for inclusive growth, environmental resilience, and improved living standards across the country.



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The NESG is an independent, non-partisan, non-sectarian organisation committed to fostering open and continuous dialogue on Nigeria's economic development. The NESG strives to forge a mutual understanding between leaders of thought so as to explore, discover and support initiatives directed at improving Nigeria's economic policies, institutions, and management.

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