

**Financing Affordable Housing in Nigeria**

**Issues Challenges & Prospects**

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*Former Director, Regional Office for Africa, UN–HABITAT*

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#### Introduction

Nigeria has a significant housing deficit estimated at between 17–20 million. While this is a major challenge it constitutes an equally significant prospect because the housing sector is a major contributor to, and driver of, economic growth in both developed and developing nations, contributing between 30–70% of the GDP in developed countries. The prospects for a strong housing sector contribution to the national economy was highlighted in a 2015 report<sup>1</sup> which predicted that Nigeria’s real estate investment will rise by about 49 per cent, from \$9.16 billion last year to \$13.65 billion in 2016. This was predicated on the assumption of a growing demand by the middle class type residential property. However, the largest proportion of the population are in the low-income bracket. This is the class requiring mass affordable housing; this is the underserved class in terms of housing and other urban basic services.

According to the National Bureau of Statistics (NBS) real estate contribution to Nigeria’s GDP is estimated at around 7.5 per cent. To better illustrate the relative contribution of housing, I present Nigeria’s structural transformation over the long-term showing the patterns of changes of value added share of various sectors during 1991 to 2012. The sectors included in the analysis are: Agriculture, Mining, Manufacturing, Utilities, Construction, “Trade, restaurants and hotels”, “Transport, storage and communications”, and “Finance, insurance, real state, and business services”.<sup>2</sup>

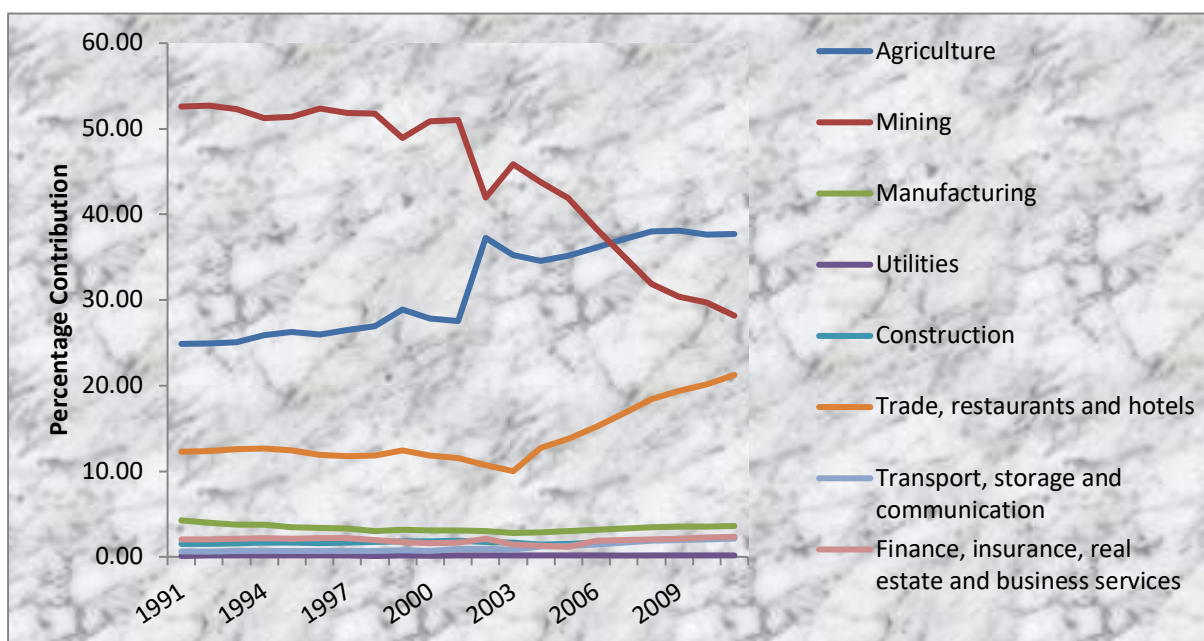
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<sup>1</sup> ‘Real Estate: Building the Future of Africa,’ Price Water House Coopers

<sup>2</sup> Value added data have been taken from Groningen Growth and Development Centre (GGDC), University of Groningen, The Netherlands for sample economies of all the three continents. Data for Uganda and Sri Lanka come from World Development Indicator database as GGDC did not have data for these countries.

Figure 1 shows that the mining sector that had highest contribution (52.61 per cent) to value added in 1991 but experienced sharpest decline (CAGR -3.14 per cent) over time and lost its position as the highest contributor to agriculture which has witnessed positive growth (CAGR 2.66 per cent). Over the longer term the contribution of real estate to GDP is below 2 percent. This analysis is consistent with the findings of PwC which states that: “There are existing problems with access to finance; with a lack of long-term debt financing and an underdeveloped mortgage market, with mortgage loans representing less than 1 per cent of the nation’s GDP.”

Figure 1: Structural change in Nigeria



Source: Figure is based on GGDC Structural Transformation Data

In 2010 contribution of agriculture recorded the largest share at 37.69 per cent level. Like the other sample countries the service sector recorded positive growth rate. The transport and trade services achieved CAGR of 7.08 and 2.54 per cent respectively while share of financial services has been fluctuating with overall CAGR of -0.45 per cent. It may be worth mentioning that the contribution of transport sector was at the level of 2.14 per cent in 2010 which is lowest among services sector. As with the others structural change of the Nigerian economy suggests that the country skipped the manufacturing phase of development and jumped right into the services sector while agriculture regained some prominence.

The real estate sector faces a wide variety of challenges that have kept its contribution very low to the country’s GDP, in comparative terms with other countries; a prominent one is housing finance for low-income houses. The cities and towns in Nigeria in addition suffer

from huge infrastructure deficit or urban basic services such as water, sanitation, roads and energy and this over a long historical period.

All these have led to a severe shortage in the sector, with the yearly supply nowhere near what is needed. The country, like the rest of Africa, remains severely undersupplied, especially when it comes to high-quality commercial space. To plug the housing gap, the World Bank in its 2014 study stated that N59.5 trillion would be needed at N3.5 million per unit. What this means is that despite the harsh economic conditions, the real estate sector still represents a huge opportunity for positively impacting the economy to promote growth and inclusion.

To achieve this, experts insist, the industry requires the availability of affordable long-term funds to be provided by the capital market. According to them, funding from the capital market reduces the cost of mortgage loans, cost of funds and allows for longer repayment tenor.

## **II. Issues of Affordable Housing**

Out of the country's projected overall GDP of \$1.3 Trillion by 2030, *residential estate will be expected to contribute \$591 billion and industrial real estate \$53 billion if the urban plan is properly harnessed to make the Nigerian economy realize its full potential.* To achieve this economic and social goal, there is a need to construct new homes spread across all the 36 states but this will only be possible if we are able to create a framework for housing finance. Affordable housing is unattainable for the majority of Nigerians. To access the cheapest formal housing unit in the African region, the median African household often must save the entirety of their annual income for a period of 27+ years.<sup>3</sup> House price-to-income ratio in the continent has been historically very high compared to other regions due to a number of constraints that adversely affect the housing sector in the countries and further exclude large parts of the population from adequate housing.

Access to housing finance remains limited when viewed against the size of the economies of many countries in the region. Furthermore, inadequate protection and registration of property rights places housing in risk portfolios of housing finance institutions generating the deployment of high interest rates for housing loans resulting into small mortgage markets. This prevents housing to play an optimal role in macro-economic development, income generation and poverty reduction. While in some countries land delivery for housing has progressed well to support large scale programs, it is very common to observe customary

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<sup>3</sup> This calculation uses data from the World Bank Development Indicators on household income and from the Center for Affordable Housing Finance in Africa's on low-cost formal housing units.

laws and new Roman-based bylaws coexisting with each other in the housing market. This generates further uncertainties for the risk-averse conventional housing finance institutions.

Formal housing that is built usually remains out-of-reach for the average African household. The ability to pay for the housing that is being built remains a critical challenge to be overcome. The lack of affordable housing solutions leads individuals and households to resort to informal land development and the informal housing market segment. UN-Habitat data<sup>4</sup> suggests that urbanization in Sub-Saharan Africa has become a synonym of slum formation which means that cities are expanding informally and not on the basis of an urban plan and land use ordinance. Africa is the most rapidly urbanizing region in the world although in 2014, only 37% of its population was urban.<sup>5</sup> This urbanization trend will further escalate and place a demographic pressure and increasing demand for land, housing, infrastructure, services and employment at the local level..

The delivery of affordable housing at scale and diversity in size, location, price and standards will certainly enable governments to provide solutions that will help cities to follow the path of sustainable urbanization that is based on a plan to make serviced land available, a financial strategy and a solid regulatory framework. UN-Habitat's strategy that places housing at the center of urban policies and the new urban agenda brings forward the strategic role of housing that will enable governments to design solutions that meet the different needs and demands in the continent. It is very important to define housing needs and the effective demand so that the profile of Nigerians who earn a regular but low income, those who live with irregular incomes, working in the informal sector as well as persons in vulnerable situations helping governments to clarify affordability threshold and define where government assistance is needed to close the housing affordability gap.

### *III. Global Goals and Affordable Housing*

Two major global Agendas were agreed in 2016. The first agreed by all member states is the New Urban Agenda (NUA). One of the key paragraphs in the NUA is: "We will promote housing policies based on the principles of social inclusion, economic effectiveness, and environmental protection. We will support the effective use of public resources for affordable and sustainable housing, including land in central and consolidated areas of cities with adequate infrastructure, and encourage mixed-income development to promote social inclusion and cohesion.

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<sup>4</sup> *Slum Almanac 2015 - 2016: Tracking Improvement in the Lives of Slum Dwellers*, UN-Habitat.

<sup>5</sup> *World Urbanization Prospects, 2014 revision*, United Nations Department of Economic and Social Affairs (UNDESA).

We will encourage developing policies, tools, mechanisms, and financing models that promote access to a wide range of affordable, sustainable housing options including rental and other tenure options, as well as cooperative solutions such as co-housing, community land trust, and other forms of collective tenure, that would address the evolving needs of persons and communities, in order to improve the supply of housing, especially for low-income groups and to prevent segregation and arbitrary forced evictions and displacements, to provide dignified and adequate re-allocation. This will include support to incremental housing and self-build schemes, with special attention to slums and informal settlements upgrading programmes”. NUA (2016).

A major reason for the above is that in Nigeria, households, whether rich or poor, mostly finance and construct the bulk of their own houses from own savings. Although housing markets are developing, private developers are concentrated in the commercial sector with the low-income housing sector in particular dominated by informality. Except for Southern Africa, the proportion of households using mortgages as a source of finance is small. This calls for governments and local authorities to increase their contributions in delivering social housing for poorer urban residents who cannot afford mortgages - including women, the elderly and the increasing numbers of university students. Mortgages in Africa account for less than one percent of commercial bank assets and only 3.1% of GDP<sup>6</sup> except for South Africa and Namibia where this percentage is higher. But it is noteworthy to signal that rapid urban growth and relative economic growth since 2000 has contributed to an emerging mortgage market in countries like Morocco, Rwanda, Kenya, Tanzania and Nigeria.

The second major Global Agenda is the Agenda 2030 or the Sustainable Development Goals (SDGs). The 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development — adopted by world leaders in September 2015 at an historic UN Summit — officially came into force on 1 January 2016,

Agenda 2030 includes a specific Goal number 11: **Make cities and human settlements inclusive, safe, resilient and sustainable. It contains the following elements.**

- 11.1 by 2030, ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums
- 11.2 by 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

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<sup>6</sup> Centre for Affordable Housing Finance, 2014

- 11.3 by 2030 enhance inclusive and sustainable urbanization and capacities for participatory, integrated and sustainable human settlement planning and management in all countries
- 11.4 strengthen efforts to protect and safeguard the world's cultural and natural heritage
- 11.5 by 2030 significantly reduce the number of deaths and the number of affected people and decrease by  $y\%$  the economic losses relative to GDP caused by disasters, including water-related disasters, with the focus on protecting the poor and people in vulnerable situations
- 11.6 by 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality, municipal and other waste management
- 11.7 by 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities
- 11.a support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning
- 11.b by 2020, increase by  $x\%$  the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, develop and implement in line with the forthcoming Hyogo Framework holistic disaster risk management at all levels
- 11c support least developed countries, including through financial and technical assistance, for sustainable and resilient buildings utilizing local materials

#### IV. What happens when Society fails to provide Affordable Housing?

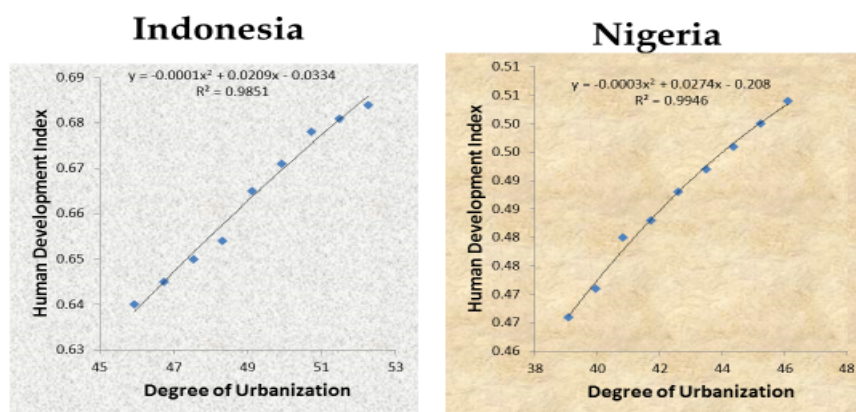
**Affordable housing is taken to be housing units that are affordable to the section of a society with income below the median household income.** While different countries define affordable housing based on different metrics, the broad notion is largely the same, i.e. affordable housing should address the housing needs of the lower or middle income households. For example the in the UK the government defines affordable housing as “social rented, affordable rented and intermediate housing provided to specified eligible households whose needs are not met by the market”. The government applies an eligibility criteria Affordable housing becomes a key issue especially in developing nations where the largest proportion cannot afford to purchase based on their income. In other words the primary determinant of affordability is an individual's disposable income and therefore living standard measures and housing accessibility correlate strongly.

For a country like Nigeria, the vast majority are in that segment of the population whose earnings fall below the country's average household income. What this means is that houses

that the low-income households can afford are synonymous to those we describe as termed affordable housing. Ordinarily the definition changes according to the context. Governments such as that of has set its “Housing for all 2022” and in this national target, the fastest growing segment is the affordable housing sector and has contributed the most to the home sales over the 2012–2017 period.

In practical terms affordability can be described in terms of *size, price, affordable and income.*

## Urbanization raises Living Standards



Source: Oyelaran–Oyeyinka (2016)

The high prevalence of slum households in our small cities and towns may be attributed primarily to the *lack of urban planning but it also results from lack of investment in housing.* Hence, while these settlements qualify as “cities” due to their population size, they do not provide the infrastructure and economic activities that make cities liveable and viable. In many countries, “cities” are actually urban agglomerations that encompass a contiguous territory inhabited at urban density levels, without regard to administrative boundaries. In most of these places, rural activities are predominant, with the exception of some administrative services.

The reclassification of a location from a rural area to a city or town could imply the presence of administrative institutions, such as a city council that has the responsibility to develop a city plan, to distribute lands and provide basic services. Water and electricity provision are the primary services that follow such a reclassification. However, development of sewerage systems and a housing scheme to ensure access to adequate dwellings often do not follow, leaving small cities and towns *de facto* villages or rural communities.



## V. Measuring the Impact of Urbanization and Urban Infrastructure on Living Standards

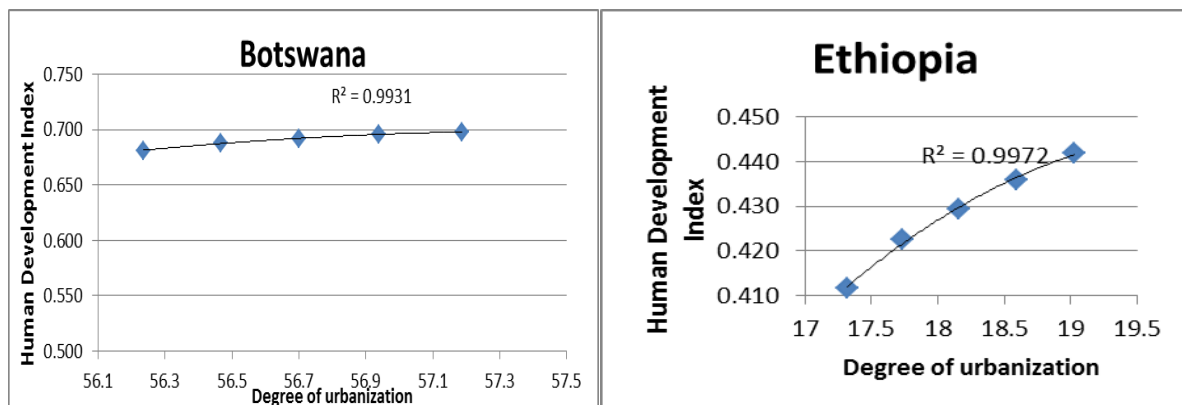
In my recent book<sup>7</sup>, we conducted an analysis for selected countries of the sub-Saharan African region examining the relationship between urbanization and living standards measured as the HDI. We correlated the association between urbanization and labour productivity, measured as GDP per person employed.

We measure living standards by Human Development Index (HDI) because it is a better indicator of development and prosperity as opposed to income alone. HDI is composed of three indices, namely life expectancy, education, and income per capita. While life expectancy is measure as the life expectancy at birth, education is measured as mean years of schooling and expected years of schooling. Income per capita is based on Growth National Income.

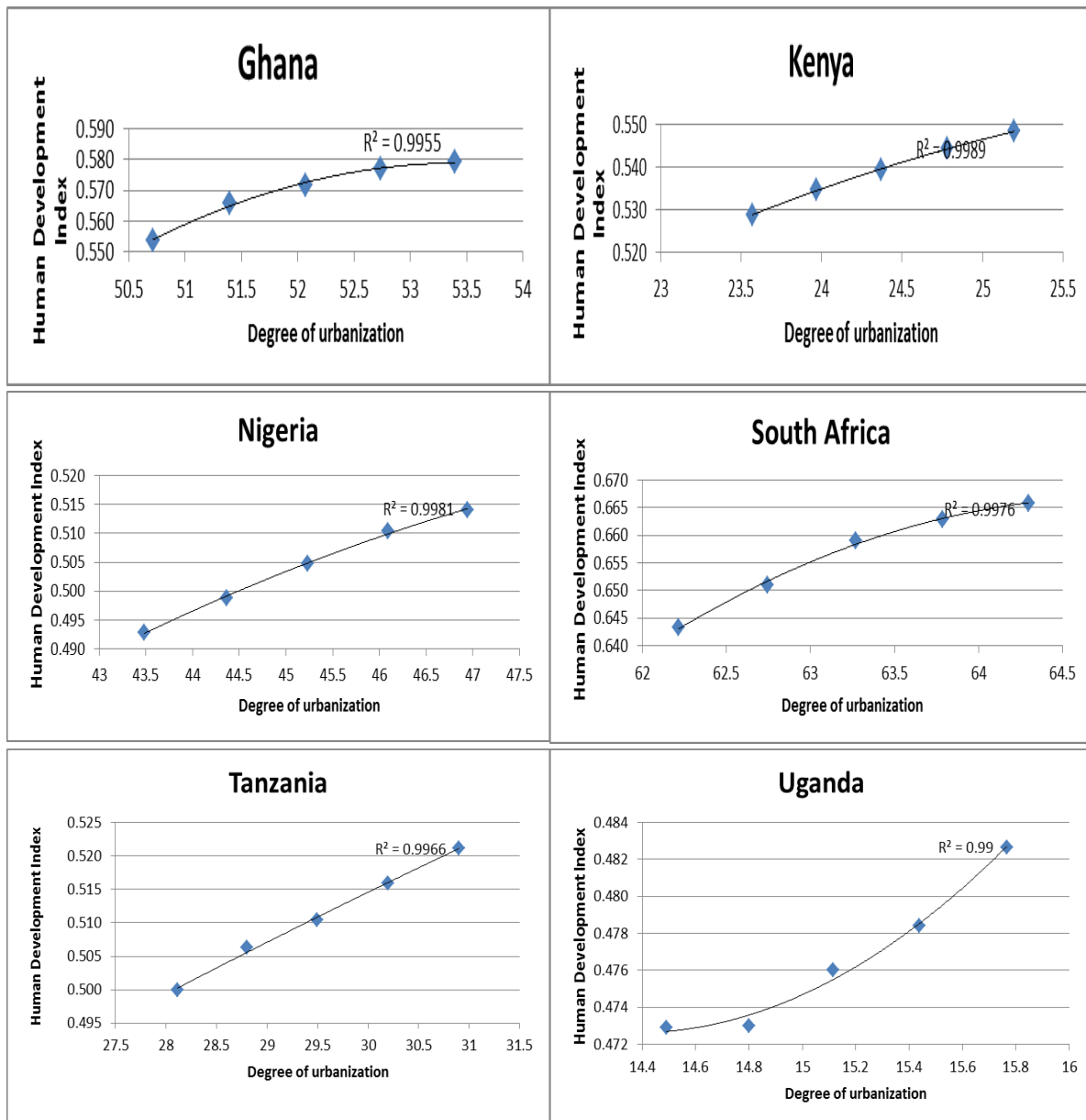
From our calculations, the degree of urbanization is positive for all countries suggesting a positive association between HDI and the degree of urbanization. The magnitude of the coefficients represents the slope of the line of the association. The results show that the slopes of the line are different for all countries. The slope is highest in the case of Ethiopia suggesting that Ethiopia witnessed the highest change in HDI.

*The slope of the line for Nigeria is the smallest (0.005).* The association between HDI and urbanization in Nigeria is similar to that of South Africa. The degree of urbanization changed from 39.07 per cent in 2005 to 46.09 per cent in 2013 while HDI changed from 0.47 to 0.50. This means that in Nigeria, urbanization is increasing rapidly but its contribution to the national income is not commensurable with that growth rate. A country loses the benefits of urbanization for several reasons: migrants end up in slums therefore do not contribute to economic development, power shortage, poor roads/rails, traffic congestion: all means persistent loss of productivity when workers spend unproductive hours in traffic.

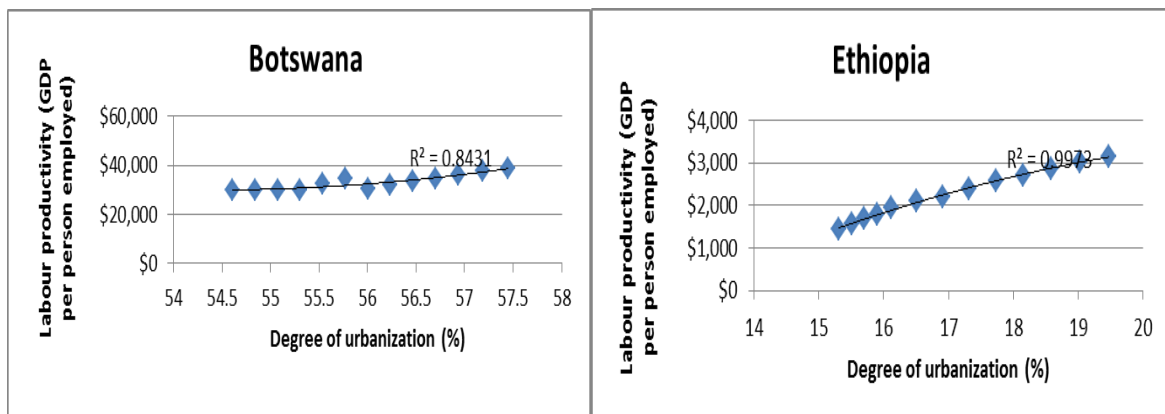
*Table 1: Human Development Index and Degree of Urbanization in African Countries*

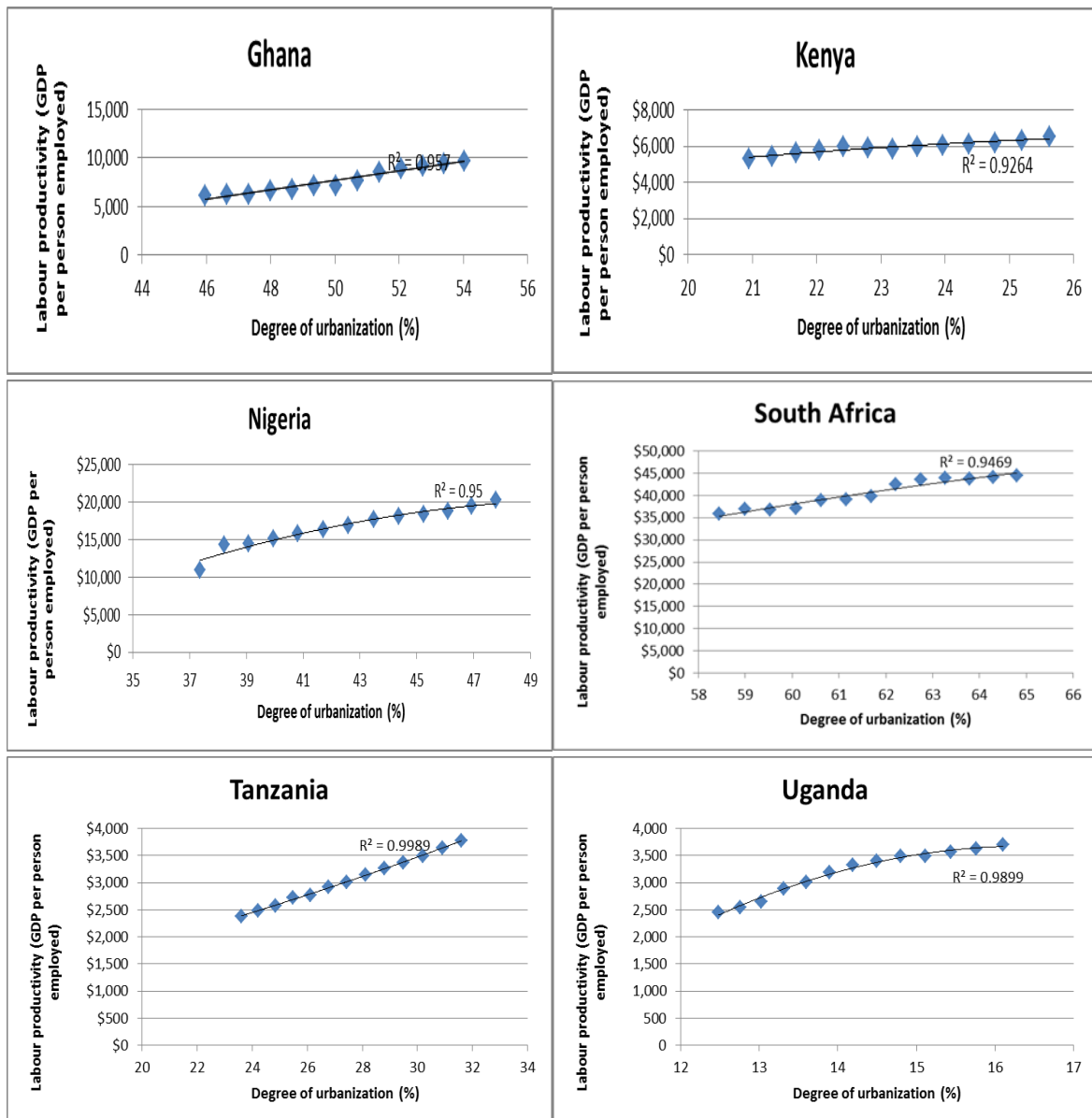


<sup>7</sup> Oyelaran-Oyeyinka and Lal (2016) Structural Transformation and Economic Development: cross-regional analysis of Urbanization & Industrialization, UK: Routledge



*Table 2: Labour Productivity and Degree of Urbanization in African Countries*





### *Urbanization and Productivity Growth*

The relationship between urbanization and labour productivity measured as the GDP per person employed was also tested. It shows that productivity growth is in tandem with urbanization. This means that for example productivity increases as Botswana urbanizes but less so for Nigeria. In addition, the fact that the slope is steeper after 56 per cent of urbanization implies that the productivity increases faster from this urbanization level.

### VI. How Housing Impacts on Sustainable Urbanization

From the foregoing, certain key drivers require specific policies rooted in the right institutions for realizing the sustainable development goals (SDGs).

### *Address the Challenge of Affordable Housing Informality and Slums*

As with many large Nigerian cities, the number of informal settlements and informal settlement dwellers has been increasing at a faster pace on daily basis. For example, in Lagos, as far back as 1984, 42 settlements were identified as blighted while the number rose to 100 as at 2004.<sup>8</sup> Furthermore, about 70 percent of the total population in the metropolis is estimated to live in slum communities, often subject to severe flooding, and with population densities of 800–1200 people per hectare.<sup>9</sup> The sprawling city now extends far beyond its original lagoon setting to encompass a vast expanse of mostly low-rise developments including as many as 200 different slums ranging in size from clusters of shacks underneath highways to entire districts such as Ajegunle and Mushin. Some of the most extensive slums in Lagos are Ajegunle, Mushin and Somolu.

While noting that presently, there is no accurate data on the exact number of such settlements, some research claimed that there are over 200 of such settlements in Lagos State. It is observed that the informal sector is the dominant provider of urban land and housing, as about 20 to 40 percent of the physical development in Nigerian cities is carried out with formal government approval. Most of these informal settlements are located in vulnerable areas such as swamp, canal set-back, marginal land deprived of basic infrastructural services. They are vulnerable to environmental degradation, threats of eviction, ejection and demolition. Thus, there have been serious cases of eviction and demolition in Lagos especially due to the on-going reconstruction of roads, markets, and urban redevelopment projects.

### *Informality Low Skills and Poverty are closely related*

Several studies particularly from the ILO show that employment in informal sector enterprises exceeds formal employment work in almost all developing countries. This means that informal economy employment is mainly concentrated in the informal economy. Furthermore, we find *negative correlation between informal employment and GDP per capita, and a positive correlation between informal employment and poverty across countries*. In essence, they suggest that, “[...] as GDP increases and/or poverty declines across countries, workers are more likely to be aware of their rights to certain legal and social protections and worker benefits and successfully achieve such protections and benefits” (p. 2). Besides, informal employment in developing countries tend to be low technology and low skilled activities that fall outside organized enterprise structures with little contribution to overall GDP. While some choose to work in the informal economy,<sup>10</sup>

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<sup>8</sup> Olajide, 2010

<sup>9</sup> World Bank, 2006

<sup>10</sup> Maloney, 2004

informal economy employment is associated more readily with low-income work, and non-enforcement of formal rules that could protect the rights of workers. Historically, many who work in the informal economy tend to be less well-off compared to those who work and live in more formal settings.

### *Informal Workers in Slums face High Income Vulnerabilities*

Research show evident linkages between informality and poverty; average earnings are lower in the informal economy than in the formal economy<sup>11</sup>. But there is not a complete overlap between informality and poverty as some informal operators - notably, informal employers - are non-poor and some formal wage workers are poor. Further, there are significant gaps in earnings within the informal economy: informal employers have the highest earnings on average; followed by their employees and informal employees of formal firms; then own account operators; casual wage workers; and industrial outworkers. Around the world, men tend to be over-represented in the top segment; women tend to be over-represented in the bottom segment; and the shares of men and women in the intermediate segments tend to vary across sectors and countries.

If the income of an individual or of households is considered as the main indicator of their economic conditions then the uncertainty and small margin of returns that characterize work puts informal workers in a vulnerable situation to accept jobs that pay less - in monetary terms, and accept conditions that disqualify them for eligibility to financial loans, health benefits, holidays - than those working in more formal settings. **As the work place conditions of an individual goes beyond the income they receive, informal work environment conditions therefore compels the acceptance of low quality and quantity of goods and services.** Furthermore, as informal economy workers tend to work and live in informal settings and slums, they tend to pay disproportionately high costs for goods and services, which are themselves usually of poor quality.

### *Slum Dwellers face constant Job Shortages*

Income opportunity and job prospects of an individual are therefore clearly determined by the places where they grow up and have early schooling. Stratified educational systems confine the poor to poor quality schools because low-income families have no other choice than to send their children to equally “low-income” schools. Clearly such children are limited ab initio in opportunities compared to comparatively richer families resulting in

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<sup>11</sup> Oyelaran-Oyeyinka, O. (2014). An unpublished PhD thesis , Columbia University, New York

patterns of repeated intergenerational educational choices for parent and child, also known as decreased or stagnant social mobility.

### *Slum Dwellers are exposed to dangerous Health Hazards*

There are also clear social implications for example, children born within families living in highly deprived areas such as slums compared with non-slum dwellers within the richest wealth quintile have far less access to health services such as antenatal and delivery cares as well as to immunization cares. For instance, in Nigerian States where a high proportion of poor youth and children are often without immunization, coverage is as high as 40 percent, while the richer neighbors in the richest wealth quintile have much higher coverage compared to less than 20 percent among children of the poorest wealth quintile. We have similar findings regarding access to antenatal and delivery cares. However, the situation of children regardless of the economic status of their parents is much better off than their counterparts living in rural areas.

### *Make Explicit Investment in Strategic Infrastructure*

Creating “urban” places without adequate urban infrastructure is a recipe for slum cities. Newly provided improved water attracts migrants from neighbouring villages, while the lack of improved sanitation and durable housing remain issues for everyone, including natives and new migrants. In these small cities and towns, the most common improved water supply is from a public tap or borehole; households are rarely connected to piped water. There are no sewerage systems and the management of solid waste is often infrequent or non-existent. In the capital and large cities of countries where small cities and towns have the highest prevalence of slums, most families have access to improved water and improved sanitation. There, lack of durable housing and sufficient living area are the primary shelter deprivations, reflecting a poor housing market that prevents the attainment of enough equity to make house repairs and extensions. Mortgage markets are poor or non-existent, preventing many residents from accessing affordable houses.

The provision and operation of physical infrastructure and services has been the direct and sole responsibility of government, especially the federal and state governments. Thus, electricity is reserved by law for the federal government until recently, while state water supply agencies provide water for all types of users. Roads are provided by the three tiers of government although local roads hardly enjoy bitumen surfacing.

Notably, both the 1979 and 1997 Constitutions of the Federal Republic of Nigeria assign responsibility for transport terminals, market development, solid waste management, cemeteries and abattoirs to local governments. However, solid waste management and

market development in large cities have been taken over by state governments. It is a very recent phenomenon for the organised private sector to be involved in infrastructure provision and management, and this has been limited to transport terminals, roads and shopping centres. In Lagos buses for the BRT and some taxi fleet are operated under PPP model. Public education and health facilities, and open spaces are provided by the three tiers of government. Also, sites and service schemes for housing are provided by the three tiers of government with the state governments providing the bulk of such plots of land especially for housing development. Nigeria faces huge deficit in infrastructure and services. It is estimated that the share of core physical infrastructure namely transport, energy, ICT and water in national GDP is between 35–40 percent in 2012. Whereas, in South Africa, China, Brazil and Indonesia the share is 87 percent, 76 percent, 47 percent and 70 percent respectively.<sup>12</sup> Investment in and contribution of building and construction to the Nigerian economy has been very low, see a recent analysis.<sup>13</sup>

Statistics indicates that 67.1 percent of Nigerians own their houses.<sup>14</sup> Over the years, the situation in Nigerian cities is that of cities devoid of a structure whose growth is effectively guided by formal rules, regulations and institutional framework. The root of urban informality can be traced to the nature and pattern of urbanization of Nigerian cities. The process and nature of urbanization in the beginning was uncontrolled and later poorly managed. The cities have been growing beyond the management capacity and capability of government machinery. *Also, the problem of over-urbanization where by population growth was accompanied by insignificant industrialization has led to high unemployment and underemployment.* The poor economic growth relative to population growth coupled with misallocation of resources have resulted in shortages of funds to finance infrastructure and services, thereby exacerbating the problem.

High population influx has made urban development more complicated as it is far cheaper to provide employment, infrastructure and services in rural areas than in urban areas. Housing continues to be in short supply. Land acquisition is expensive, complex and beyond the reach of the poor, while public utilities are insufficient and over stretched. Thus, health facilities are inadequate, water provision is deficient both quantitatively and qualitatively, security situation is precarious, waste management is parlous and governance is devoid of solid democratic rules and principles.

### *Pay attention to Urban Economy and the Impact on Slum Dwellers*

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<sup>12</sup>National Planning Commission, NPC, 2013

<sup>13</sup> Oyelaran-Oyeyinka Oyebanke. and Ola-David,

<sup>14</sup> NBS, 2008

The relationship of shelter factors with economic factors is evident because it is the relative wealth of households that determines whether they will have access to poor or superior shelter and housing infrastructure. Access to better housing in areas with good infrastructure is expectedly equally reflective of the level of income of households, as those with higher income tend to live in areas with better infrastructure and facilities

*Majority of those who work in the informal sector also live in settlements which are conceptually defined as unregulated. These areas are often not properly served with good and adequate infrastructure.* This in itself brings its own set of difficulties to workers who are poor because their income makes it impossible for them to have access to basic amenities such as water and electricity that are necessities to build a future and provide a healthy home for their family. *Consequently, we arrive at a situation where the type of employment affects the type of income and benefits received, which in turn either limits the choice or creates opportunities for better living areas. Also, the type of shelter and infrastructure one has access to could also inadvertently limit work productivity and efficiency because of the impact of the human environment on health and wellbeing.* For example, poor urban families often spend up to 70 percent of their income on food, forcing them to reduce spending on education, childcare and other costs. In the most deeply affected countries, families are compelled to reduce the number of meals they eat, and sometimes they do not eat for whole days; children are also forced to stop attending school as parents save on fees to pay for food.<sup>15</sup> Once in this vicious cycle, a worker running a poor household descends further into poverty, and invariably suffers a significant loss in household wellbeing. In what follows we examine the implication of slum living on human wellbeing and work.<sup>16</sup>

*Slum Living Standards and Urban Drinking Water Sources:* The importance of water for industrial and domestic usage cannot be overestimated. Though Nigeria is well endowed with abundant water resources, having “an annual rainfall of about 4,000mm in the Southeast and 300mm in the extreme North-east as well as an estimated 319.2 billion cubic metres of surface and ground water resources... this enormous potential has remained largely untapped due to uncoordinated and haphazard implementation of policies and programmes” (National Technical Working Group on Water and Sanitation, 2009, p. 8). Public water supply started in Nigeria in the 20<sup>th</sup> century in a few towns including Lagos, Abeokuta, Ibadan, Ijebu Ode, Calabar and Enugu. However, in many Nigerian cities and towns, water and sanitation systems are quite weak, old and unreliable, and supply is highly insufficient for domestic and personal hygiene.

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<sup>15</sup> World Bank, 2005

<sup>16</sup> Findings in this section draw on Oyebanke Oyelaran-Oyeyinka, *ibid.*



In informal settlements water-borne and filth-related diseases, especially diarrhea and cholera are common. In 2012/2013 for example, cholera continued to claim many lives in Northern states. Less than half of urban households in Nigerian cities have piped water and flush toilets. The rest depend on crowded and sometimes distant communal water taps, or draw water from wells, streams, or from itinerant water vendors. Pit latrines and buckets are still in use, often shared by many families. People commonly defecate and urinate in the open or in nearby bushes, so that food and water can be easily contaminated from exposure to human waste. (Ibid, p. 6). The target of the MDG was to reduce by half the proportion of people without sustainable access to safe drinking water. The United Nations declared that the target had been reached by 2010: “with the proportion of people using an improved water source rising from 76 percent in 1990 to 89 percent in 2010. Between 1990 and 2010, over two billion people gained access to improved drinking water sources, such as piped supplies and protected wells”. (United Nations, 2012, p. 4).

### **Concluding Remark**

Housing sits right at the centre of urban life. It is networked with water supply, sewage, electricity, and telecommunication. A national development strategy must address the housing challenge particularly affordable housing for the majority poor and vulnerable because it is an important contributor to economic growth. A sound housing policy is also particularly crucial for the middle class, the group that tend to be forgotten by international agencies that target the poor and private investors that aim for the rich. In addition to ensuring the provision of suitable, affordable housing, the government has a myriad of policies to contemplate. This ranges from planning problems like zoning issues, funding, and constructing adequate transport linkages, to other implementation policies. This will include how many units will be for sale versus the number for renting; how many will the government want to be involved in developing and how many they wish to leave to the private sector; and how much free reign they give to the private sector in terms of regulations.