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A SYSTEMATIC REVIEW OF LITERATURE OF HOUSING POLICIES AT LOCAL AND NATIONAL LEVELS IN NIGERIA

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ABSTRACT

Housing is a critical component of national development and a central determinant of human well-being. Nigeria has implemented numerous housing policies since independence, yet the nation continues to grapple with severe housing shortages, poor quality of housing stock, and growing urban slums. This study conducts a systematic review of literature on housing policies in Nigeria at both national and local government levels, identifying key trends, policy shifts, and implementation challenges. The review synthesizes findings from scholarly articles, policy documents, and reports published between 1970 and 2025. Results indicate that despite progressive policy intentions, issues of inadequate financing, weak institutional capacity, corruption, poor policy continuity, and lack of stakeholder participation undermine success. At the local level, policies often fail due to limited autonomy, political interference, and insufficient integration with national frameworks. The study recommends strengthening institutional frameworks, adopting public–private partnerships, and ensuring policy continuity to address Nigeria's housing crisis.

Keywords: housing policies, Nigeria, systematic review, local government, national development, urban housing

1. INTRODUCTION

Historically, housing was viewed as one of the major determinants of the standard of living achieved by households, it has a direct bearing, literally, on how well households lived. In other words, the kind of housing an individual occupies provides information about her/his status, standard of living and taste. In most communities in Nigeria, and indeed Africa, the type of house one occupies is predominantly used as yardstick to assess one's social status (Kalu. Ibrahim, and Musa, 2014). Housing is universally recognized as a fundamental human need and right, influencing not only individual welfare but also broader socio-economic development (United Nations Centre for Human Settlements (UNCHS), 2001).

According to UN-Habitat (2020), the intersection of rapid urbanization, population growth, and poverty creates a compounding crisis where skyrocketing urban property demands outpace municipal infrastructure, resulting in a persistent global deficit of over 268 million housing units. This crisis leaves nearly three billion people and roughly 40% of the global population facing severe housing challenges, and as administrative delays, an inflated land values consistently outpace local wage growth (UN-Habitat, 2020, 2022). Consequently, over one billion low-income and informal workers are completely cut off from formal mortgage systems and priced out of the market, forcing them into informal slums that lack structural safety and formal tenure security (UN-Habitat, 2020, 2022).

In Nigeria, rapid urbanization, population growth, and poverty have intensified housing challenges, creating a persistent deficit estimated at over 28 million units as of 2023 (Federal Mortgage Bank of Nigeria (FMBN), 2023). Successive governments have designed policies and programs aimed at providing affordable housing, yet outcomes remain limited. The policy strategies recommended for the implementation of the policies stress the need to adopt a decentralized housing delivery system with the active support and participation of the three tiers of government. While the main focus will be to encourage private ownership and development of residential properties, the government will be required to provide enabling environment for private sector initiatives. At the Federal level, the government shall initiate, define and coordinate policy options and instruments for achieving the objectives, while the actual implementation shall be undertaken by appropriate agencies at the Federal, State and Local Government levels. At the state level, each state shall formulate its housing policies and programs in line with the overall National Housing Policy.

One significant drawback is the frequent application of top-down strategies from the federal to local government levels, which did not work since pertinent stakeholders were not included and federal agencies' duties were overly centralized (Jambol, Olotuah, & Akande, 2013). According to local implementation surveys, the majority of citizens are still ignorant of the regulations that are in place, and Primary Mortgage Institutions—which are crucial for implementing policies—are frequently unavailable (Aribigbola, 2008). Instead of addressing affordability for low-income households, which make up the bulk of urban dwellers, the policies largely serve market forces (Aribigbola, 2008).

This paper undertakes a systematic review of literature on housing policies in Nigeria, with particular attention to national and local government levels. The objective is to assess policy frameworks, identify recurrent challenges, and suggest lessons for sustainable housing development. Although the government's role has changed from direct supplier to facilitator in the 1970s and 1980s, no significant progress has been made in response to the growing demand for housing (Waziri & Roosli, 2013).

2. LITERATURE REVIEW

2.1 Colonial and Post-Independence Era (Pre-1979)

Housing interventions during the colonial era in Nigeria were largely discriminatory, primarily targeting expatriates, colonial officials, and a select group of African civil servants. Housing estates such as the Government Reserved Areas (GRAs) in Lagos, Enugu, and Kaduna were designed to provide high-quality housing for colonial administrators, thereby excluding the majority of indigenous populations (Mabogunje, 2002). The colonial government did not prioritize mass housing for Nigerians, leaving the majority of the population to rely on self-help housing in poorly serviced settlements.

Following independence in 1960, successive governments recognized housing as an essential component of national development. In response, state housing corporations were established across the country, with mandates to provide affordable housing for citizens (Olotuah & Bobadoye, 2009). However, these early interventions were highly urban-centered, targeting middle- and upper-income earners, while the rural poor remained marginalized. By the late 1970s, rapid urbanization, driven by oil wealth and rural-urban migration, placed significant pressure on urban housing demand, leading to overcrowding, slums, and inadequate infrastructure (Ajanlekoko, 2001).

2.2 National Housing Policy (1991)

The first comprehensive National Housing Policy (NHP) was introduced in 1991, with the ambitious goal of providing affordable housing for all Nigerians by the year 2000. It emphasized housing as a basic human right and established the National Housing Fund (NHF), intended to pool resources from workers, financial institutions, and government to support mortgage financing (Federal Government of Nigeria, 1991).

Despite its progressive outlook, the 1991 policy failed to achieve its targets due to weak enforcement, poor institutional capacity, limited access to long-term financing, and widespread corruption (Akangbe, Makinde, Mulikat, & Temitope, 2025). Furthermore, the NHF faced resistance from workers, many of whom distrusted the management of deductions from their salaries, while financial institutions were reluctant to disburse affordable loans under unfavorable economic conditions (Aribigbola, 2008).

2.3 National Housing Policy (2002 & 2012 Revisions)

Recognizing the shortcomings of the 1991 framework, the 2002 revision emphasized greater private-sector participation in housing delivery, promoting housing cooperatives and community-based initiatives as alternative financing models (Ibem & Aduwo, 2012). The government also sought to expand mortgage opportunities through recapitalization of the Federal Mortgage Bank of Nigeria (FMBN).

The 2012 revision aligned with Nigeria's Vision 20:2020 and global sustainable development goals. It highlighted climate resilience, sustainable construction, and inclusive housing delivery as priorities (Oni, 2019). However, despite its broader vision, the 2012 policy continued to suffer from structural challenges such as policy inconsistency, lack of continuity across administrations, inadequate funding, and limited stakeholder engagement. The absence of effective monitoring and evaluation frameworks further compounded the gap between policy formulation and implementation (Olotuah & Taiwo, 2013).

2.4 Local Government and State-Level Policies

At the state level, several housing schemes were initiated to address local housing needs. Lagos State, for instance, launched multiple low-cost housing estates through the Lagos State Development and Property Corporation (LSDPC), while the Federal Capital Territory (FCT) adopted public-private partnerships (PPPs) to fast-track housing delivery in Abuja (Ibem, 2011). Similarly, Kano, Rivers, and Ogun states have experimented with cooperative housing schemes and site-and-services projects.

Despite these efforts, local governments often lack the financial autonomy and institutional capacity to effectively implement housing projects (Aribigbola, 2011). Most state-level initiatives continue to rely heavily on federal subsidies and external funding, which are inconsistent and politically influenced. As a result, local interventions frequently remain urban-biased, with little impact on rural housing challenges.

3. MATERIALS AND METHODS

This study employed a systematic review approach to analyze literature on housing policies at both local and national levels in Nigeria. The review process was conducted in accordance with the **Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA)** guidelines, which provide a rigorous framework for identifying, screening, and synthesizing relevant studies (Moher et al., 2009; Page et al., 2021). PRISMA was chosen because it enhances transparency, replicability, and reliability in literature synthesis, particularly in studies dealing with policy analysis and multidisciplinary fields.

3.1. Search Strategy

A comprehensive search was conducted across **Google Scholar, JSTOR, Scopus, Web of Science, and African Journals Online (AJOL)**. Government reports and international agency publications (UN-Habitat, World Bank) were also included. Keywords and Boolean combinations such as *"housing policies in Nigeria"*, *"national housing programs"*, *"local government housing initiatives"*, *"urban housing Nigeria"*, and *"housing policy evaluation"* were used.

3.2. Inclusion and Exclusion Criteria

Inclusion criteria were:

- Publications from **1970–2025**,
- Peer-reviewed articles, government documents, and policy reports,
- Explicit focus on housing policies at national or local levels in Nigeria,
- English-language publications.

Exclusion criteria were studies not related to housing policy, technical construction research without policy implications, and duplicates.

3.3. Screening and Selection Process

From 135 initial records, duplicates were removed, leaving 110. After abstract screening, 20 were excluded. Full-text reviews narrowed the pool to 72 eligible studies. A PRISMA flow diagram visually represents this process as shown below in figure 1.

3.4. Data Extraction and Analysis

Data were extracted into a structured matrix covering author(s), year, methodology, policy focus, findings, and gaps. Thematic analysis (Braun & Clarke, 2006) grouped results under policy evolution, financing, institutional frameworks, stakeholder engagement, and local-level implementation

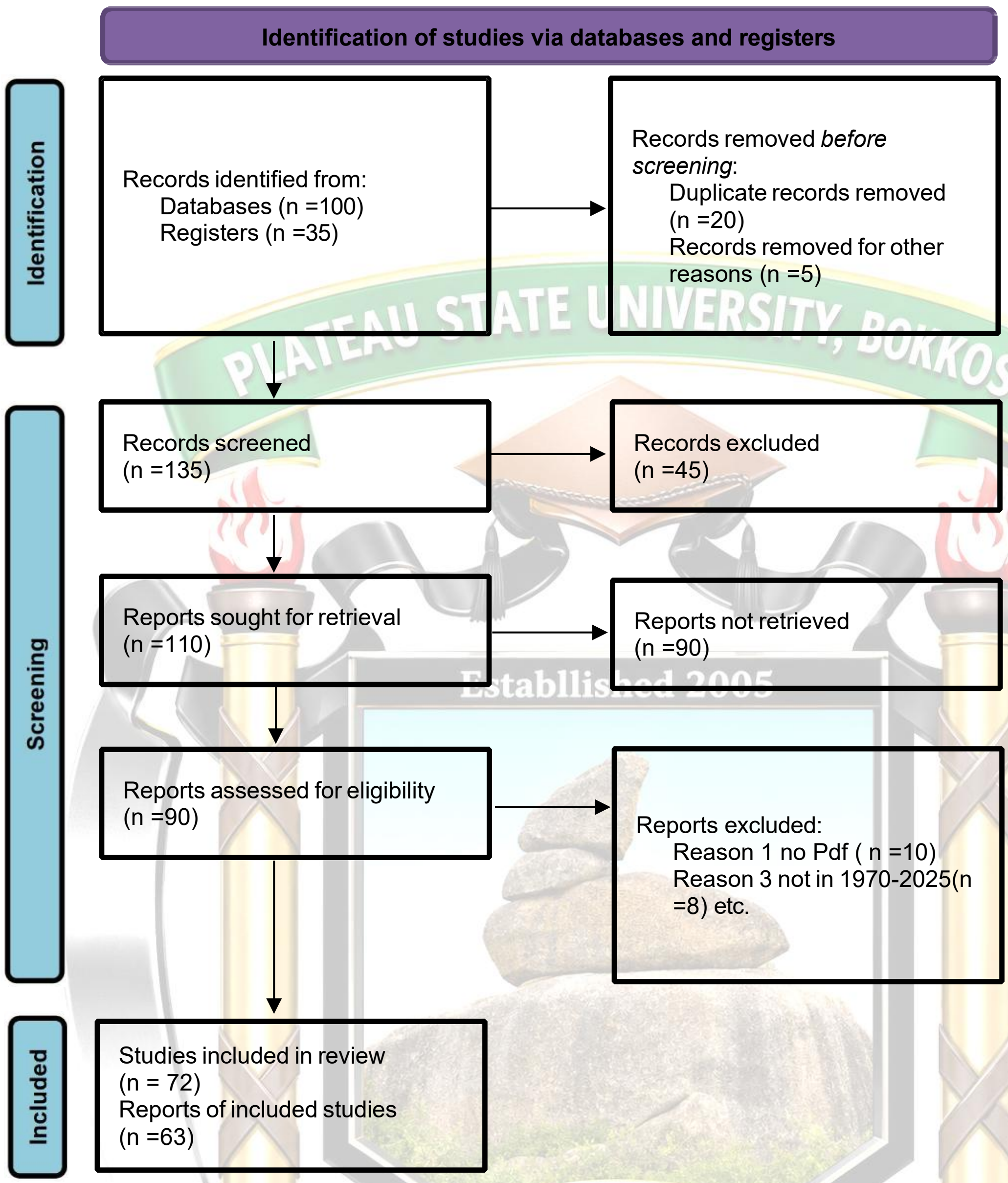

Figure 1: Prisma Flow Chat for the Systematic Review On: Literature of Housing Policies at Local and National Levels in Nigeria.

4. RESULTS AND DISCUSSION
4.1 Financing and Mortgage Systems

A recurring weakness in Nigeria's housing policy is the failure of financing mechanisms. The National Housing Fund (NHF) and mortgage institutions, such as the Federal Mortgage Bank of Nigeria (FMBN), have struggled to provide affordable loans due to high-interest rates, bureaucratic processes, and poor savings culture among Nigerians (Olotuah and Bobadoye, 2009). Research shows that fewer than 10% of Nigerians can access formal mortgage facilities, compared to over 70% in developed economies (Ibem and Aduwo, 2012). This gap has pushed most households into self-financing and informal housing construction, often outside regulatory frameworks.

4.2 Policy Implementation Challenges

The literature identifies persistent barriers to effective policy implementation, including weak political will, lack of continuity across regimes, corruption, and inadequate institutional capacity (Oni, 2019; Aribigbola, 2008). Urban planning inefficiencies, such as poor land titling systems and overlapping regulatory authorities, further exacerbate housing challenges (Ujoh, 2015). These issues result in fragmented implementation and abandoned housing projects.

4.3 Public-Private Partnerships (PPPs)

Since the early 2000s, PPPs have been central to Nigeria's housing delivery strategy. While PPPs have increased housing supply in urban areas such as Lagos and Abuja, critics argue that these schemes prioritize profit, targeting middle- and high-income groups at the expense of low-income households (Ibem and Amole, 2013). This commercialization of housing provision has deepened inequality, as the poor remain excluded from formal housing markets.

4.4 Localized Housing Solutions

Scholars emphasize that effective housing policies must reflect local socio-cultural and environmental realities. Community-based housing initiatives, cooperative housing societies, and incremental housing models are increasingly recognized as sustainable solutions (Agbola and Olatubara, 2003; Tipple, 1994). These approaches can enhance affordability, strengthen community participation, and promote resilience against environmental challenges such as flooding and climate change. A key theme emerging from the literature is the persistent gap between policy formulation and policy implementation. While successive governments have articulated housing as a basic human right and a critical development goal (FGN, 1991; FGN, 2012), implementation has been undermined by weak political will, corruption, bureaucratic bottlenecks, and a lack of Institutional capacity (Aribigbola, 2008; Oni, 2019).

Another important dimension is the overreliance on market-driven solutions, particularly public-private partnerships (PPPs). While PPPs have expanded housing supply in cities such as Lagos and Abuja, they have predominantly served middle- and high-income households, excluding the majority low-income population (Ibem and Amole, 2013). Comparative studies highlight that countries such as South Africa and Kenya have achieved greater inclusivity by integrating community-based housing schemes and cooperative finance systems (Tomlinson, 2007; Makachia,2015).

The review also underscores the weakness of financing systems, which remain a bottleneck for homeownership in Nigeria. Less than 10% of Nigerians can access mortgage facilities due to high-interest rates, stringent collateral requirements, and poorly developed financial infrastructure (Ibem & Aduwo, 2012). As a result, most households self-finance housing construction incrementally, leading to informal and unregulated developments (Tipple, 1994).

Finally, the literature highlights the importance of contextualized and localized housing solutions. States such as Lagos, Kano, and the FCT have experimented with housing schemes adapted to their demographic and cultural realities, yet these efforts are constrained by resource limitations and the centralization of housing policy at the federal level (Olayiwola et al., 2005).

The findings from this systematic review reveal that housing policies in Nigeria have historically been ambitious but largely under-implemented, reflecting the wider governance and institutional challenges confronting the country. Despite decades of reforms—ranging from colonial housing corporations to the 1991 National Housing Policy and subsequent revisions—Nigeria continues to face one of the largest housing deficits in Africa, estimated at over 28 million units (Onyebueke & Uwadiegwu, 2020).

A key theme emerging from the literature is the persistent gap between policy formulation and policy implementation. While successive governments have articulated housing as a basic human right and a critical development goal (FGN, 1991; FGN, 2012), implementation has been undermined by weak political will, corruption, bureaucratic bottlenecks, and a lack of institutional capacity (Oni, 2019; Aribigbola, 2008). For example, the National Housing Fund (NHF), which was designed to facilitate mortgage access for Nigerian workers, has been widely criticized for poor accessibility and inefficiency, benefiting only a small segment of the population (Olotuah & Bobadoye, 2009).

Another important dimension is the overreliance on market-driven solutions, particularly public-private partnerships (PPPs). While PPPs have expanded housing supply in cities such as Lagos and Abuja, they have predominantly served middle- and high-income households, excluding the majority low-income population (Ibem & Amole, 2013). This market bias reflects a structural contradiction in Nigeria's housing policies: the reliance on private capital to deliver what is fundamentally a social good. Comparative studies highlight that countries such as South Africa and Kenya have achieved greater inclusivity by integrating community-based housing schemes and cooperative finance systems (Tomlinson, 2007; Makachia, 2015). Nigeria's experience suggests that PPPs, while important, must be complemented with strong state-led interventions and social mandates to ensure equity.

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Finally, the literature highlights the importance of contextualized and localized housing solutions. States such as Lagos, Kano, and the FCT have experimented with housing schemes adapted to their demographic and cultural realities, yet these efforts are constrained by resource limitations and the centralization of housing policy at the federal level (Olayiwola, Adeleye, & Ogunshakin, 2005). Greater decentralization, community participation, and sustainability integration are needed to ensure policies respond effectively to Nigeria's diverse urban and rural contexts.

5. CONCLUSION

This review demonstrates that Nigeria's housing policies, though comprehensive in their design, have consistently fallen short in addressing the country's housing crisis. The structural inefficiencies—including weak governance, corruption, fragmented planning, and inadequate financing—have limited the capacity of national and local housing interventions to close the deficit.

While the policies themselves, such as the 1991, 2002, and 2012 National Housing Policies, have incorporated progressive goals such as inclusivity, sustainability, and private-sector participation, the actual outcomes have been marginal. Housing provision remains urban-centered, unaffordable to the majority, and inaccessible to low-income groups who constitute the bulk of the population (Akinwale, 2021).

Nigeria's reliance on PPPs and mortgage systems without parallel social safety mechanisms has further entrenched inequality. The comparative experiences of countries like South Africa and Kenya suggest that a hybrid model—combining government subsidies, cooperative housing schemes, and strong institutional oversight—offers a more sustainable pathway.

Unless urgent reforms are made to strengthen governance, decentralize housing provision, and expand access to affordable finance, the housing deficit is likely to worsen, with severe consequences for urban poverty, inequality, and social stability.

6. RECOMMENDATIONS

Strengthening Institutional Capacity

Nigeria must enhance institutional capacity at both federal and state levels to ensure effective policy implementation. This includes building the technical skills of urban planners, improving coordination among housing agencies, and strengthening monitoring and evaluation mechanisms Transparent reporting systems should also be introduced to curb corruption and policy inconsistency.

Housing Finance Reform

Housing finance systems should be restructured to expand access to affordable mortgages. Interest rates must be lowered, and innovative financing models such as **housing cooperatives, rent-to-own schemes, and microfinance-based housing loans** should be adopted (Ibem & Aduwo, 2012). Strengthening the Federal Mortgage Bank of Nigeria (FMBN) and broadening the NHF's coverage can improve loan accessibility for low- and middle-income earners.

Decentralization of Housing Policy

State and local governments should be granted greater autonomy and financial resources to design and implement context-specific housing solutions. Decentralization would enable housing policies to reflect local cultural practices, income structures, and environmental conditions (Olayiwola et al., 2005). Fiscal transfers and capacity-building programs from the federal government can support this decentralization.

Public-Private Partnerships with Social Mandates

While PPPs should remain part of Nigeria's housing strategy, they must incorporate **social obligations**. Policy frameworks should mandate that a percentage of housing units delivered through PPPs be reserved for low-income households. Incentives such as tax breaks and land grants can encourage developers to meet these social targets.

Community Participation

Residents and local communities should be actively involved in policy design and implementation. Participatory housing schemes, such as cooperative societies and community-based incremental housing, can enhance affordability, cultural suitability, and sustainability

Sustainability and Climate Resilience

Given Nigeria's vulnerability to climate change, housing policies should integrate green building standards, renewable energy solutions, and flood-resilient designs (Makinde, 2014). Incorporating sustainability into housing provision will not only reduce environmental risks but also lower long-term housing costs.

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