

An Analysis of Problems in Housing Ownership and Property Development in Abuja, Nigeria

¹Gombwer Nenrot Wuyokwe, ²Suleiman Yakubu, ^{3,*}Sani Inusa Mial

^{1,2}Department of Estate Management Baze University, Abuja

³Real Estate and Facilities Management, Faculty of Technology Management and Business, Universiti Tun Hussein Onn Malaysia

Abstract— Since housing ranks second in the hierarchy of human needs, real estate development and the housing crisis have taken on a significant dimension today. In Abuja, Nigeria, several elements have an impact on these issues. Real estate development may evoke various feelings, depending on one's perspective. Several factors are considered a problem for housing ownership and property development. This study analyzes the problems associated with housing ownership and property development in Abuja, Nigeria. The study used quantitative research; 121 questionnaires were given to real estate developers, and 77 were retrieved and used for analysis. According to the study's findings, the following factors are known to affect residential property development: access to land, funding, exorbitant building material costs, corruption, government policy, high capital costs, high labor costs, Cost of land, mortgage interest rate, building costs, perception of buyers' lack of price control, and household expenditures are further factors. Factors impacting affordability are revealed to be mostly outside of the control of the landowner but are still subject to government regulation. As a result, to provide a solution for this element, the government must improve the welfare of its population concerning housing.

Keywords: Property, Real estate, Development, Housing and Affordability.

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www.jadhur.com

info@jadhur.com

Correspondence to: saniinusamilala4@gmail.com

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I. INTRODUCTION

Depending on one's viewpoint, real estate development may arouse various emotions. It is an exciting and frequently challenging pastime that makes more complicated use of scarce resources. It is inherently risky due to its high entry hurdles, which reflect the capital-intensive and cyclical character of the industry, its mostly fragmented and liquid product, and its sometimes-lengthy payback period. (Ariffin et al. 2022; Ezennia & Hoskara, 2019; Milala et al. 2021).¹Property development is a multi-stage process that begins with initiation and ends with disposition or management after going through evaluation, design, and price. On the other side, the development phase depends on the availability of land, thus, this need must have strictly adhered to (Maiyaki et al. 2021). The product throughout the real estate, unlike some other markets, entails a "change of land use" or an "alteration to an existing building" in addition to other productive resources, including the labor (Gambo, 2019); materials (Jiburum et al. 2021); and financial services (Arudi et al. 2022).²

Ezeanah (2021) and Ezennia (2022), in their previous research, "identified an increase in construction costs, high cost of capital, the availability of land, sharp amortization of the Naira, access to mortgage lending facilities, amount of production, poor infrastructural requirement, extortion by federal officers, costs for building materials, and governmental policies," are cited by (Maiyaki et al. 2021) as saying that property or development of residential properties in Nigeria has recently faced many challenges. Access to suitable land, however, poses a substantial obstacle to the increases in real estate in this world region, which influences project timetables, development expenses, and, therefore, development prices (Ahmed et al. 2022; Maiyaki et al. 2021). "In Nigeria, access to suitable land is a key determinant of the real estate development (Jiburum et al. 2021). According to Y. Ahmed & I. Sipan (2019), research on the government's aim to use the land use act to make it easier to obtain land in Nigeria causes more difficulties than it resolves."³

The surge in housing demand and the increase in property prices may be attributed to an aging population and shifting demographics. There has been a particularly strong demand for housing in city centers due to the number of public services and practical transit options. Numerous housing schemes have been implemented in Nigeria over time by the government and private partnerships at various levels to provide housing for the nation's citizens; nonetheless, housing concerns have continued to be a problem, particularly for the country's public employees.

¹The study is mainly on the property development as it is a thrilling and frequently difficult sport that makes more complex use of limited resources. Due to its difficult entrance requirements, which reflect the capital-intensive and cyclical nature of the sector, it is inherently dangerous.

² Several issues identified related to property development

³ This is revealing the main aim of government about land and landed property development through policy

According to research by the University of California, Los Angeles, the housing scarcity in most of our urban areas is not just one of number but also of low quality, which manifests itself in crowded homes and puts additional demand on the existing infrastructure (Jiburum et al. 2021).⁴

It has been estimated that the country now faces a 17-million-unit housing shortfall and that Lagos Metropolis would require 40,000 new dwellings per year at the cost of \$1 billion to accommodate its expanding population field (Y. Ahmed & I. Sipan, 2019). Finding affordable accommodation in Abuja has become quite difficult, leaving many people homeless or living in poor circumstances. For societal and financial aspirations, finding a solution to Abuja's housing shortage will be a major success. One of the major problems is the price of accommodation in Abuja, whether buying or renting. Nigeria's housing sector is experiencing several problems due to the nation's heedless attitude to real estate development.

The process of obtaining property or a site has caused a substantial impediment to the country's real estate growth. The lengthy process of distributing and registering taxes on property hinders real estate development. The primary cause of needless delays at land registration is a lack of work ethics. When a developer's application is passed from department to department for several weeks before the necessary approval is given, the developer runs the risk of losing his source of funding or paying a considerable amount of interest on a loan he took out for the project. This might undermine the developer's business plan, resulting in exorbitant construction costs and high development fees.

Additionally, there are just a few funding choices available to Nigerian developers. Developers will always want outside funding to complete their projects because real estate building requires money. The bulk of developers are discouraged, nonetheless, by the high financing rates demanded by commercial banks. Seeing how many developers are awaiting Federal Mortgage Bank loans and other federal government funding is distressing. Alternative financing options and the procedures for obtaining overseas loans for real estate projects are both poorly known. The absence of monitoring and pricing monitoring, lack of mortgage organizations, financial institutions, land value, government retreat from real estate development, economic forces, market economy for developers, etc., all impact Abuja's housing crisis. The contributing elements are not just those mentioned above. Providing individuals with access to affordable housing is one strategy to alleviate the housing crisis. Against the background, this study analyzed the problems associated with housing ownership and property development and housing affordability in Abuja.

⁴ Further illustrated what push the price of property in the city.

II. LITERATURE REVIEW

The subject of Housing Affordability

Since there is no accepted definition of affordable housing, it has been challenging to define it (Jiburum et al.2021).⁵ Affordable housing needs to evoke thoughts of a "normal" house, which might be huge or little, employ fairly cost furnishings and building supplies, and offer the conveniences the tenant wants or requires. Low cost solely relates to building strategies and land-use planning procedures suitable for producing inexpensive homes. The availability of a home is determined by the residents' family income rather than the home's price (Sakariyau et al. 2021).⁶

The definition of affordable housing includes household size, income level, and affordability (Adegoke & Agbola, 2020). In the past, "affordable housing" has been used to describe public, social, or low-cost housing. Adegun et al. (2019) separated the population into several income brackets to determine housing affordability. The economically weaker group (EWG), lower income group (LIG), medium income group (MIG), and higher income group (HIG) are the four categories (HIG). The most intense housing demand is in the EWS, LIG, and MIG groups.

Housing expenses shouldn't exceed 30% of normal salaries, according to a benchmark set by the industry for affordable dwellings. As was to be expected, there was some disagreement among experts over the 30.0 percent family income requirement. Adegoke et al. (2020)used the phrase "shelter poverty" to characterize a situation where a household spends 30% of its income on housing but cannot afford to meet certain other fundamental needs for a lifestyle that is at least comfortable. This circumstance occurs when a family's income is so low that even with the low cost of housing, it is still insufficient to cover non-housing expenses after spending 30% of the cost of housing.⁷

Affordable housing Measurement

The word "affordability," which is frequently used in English, is generally understood. The term "housing affordability" has grown in popularity over the last 15 years or so. It might be difficult to define affordability, though. Being able to "afford" something in this meaning is being able to buy it without going through hardship. But how can someone tell when they have money problems? Things are frequently described as being out of reach even though a person's salary obviously surpasses the cost of the item.

According to some, affordability is more of a link between income and comparable expenses than a property's inherent features (Daniel et al. 2018). Naturally, any good or service might be defended using this reasoning. This serves as an example of the conceptual difficulty that economists encounter when talking about the affordability of housing.

⁵ The consensus on the definition of the concept affordability p-reveal in the scope of the property development

⁶ The element of affordability is shown.

⁷ This further shoe the economic hardship that of 30% of earning cannot be saved and buy property

The affordability criteria shouldn't factor in income since it confounds poverty with housing expenses, claims (Daniel et al.2018). They argue that comparing house building costs to price is a more reasonable benchmark. In terms of housing, affordability is defined similarly to how it is defined in terms of other items. The difference is that a person could consider one thing to be reasonably priced while considering another to be extremely costly for the same price. Our genuine priorities center on how much money we have left over after a purchase and what we might need to utilize it for, which makes this achievable.

When the word "affordability" is used about housing, it is typically used to refer to the continuous costs associated with buying or renting a property. Legislative changes might have an effect since it reflects many of the same elements that influence accessibility. Assuming all other conditions are equal, paying an additional accommodation fee can increase the affordability of homes. Because access is largely limited to people who cannot afford housing, it is asserted that there is no visible difference between these two ideas.

Rental tenure affordability measurement

To calculate the OTI for renters, rent is divided by income for a specific period (e.g., weekly or monthly). The number of residences with an OTI over a specific threshold may be calculated. The more households over this income level, the less affordable renting becomes. To get the average rent, we may also divide it by the average income. Averages are not always the best measurement; in certain cases, the median, third quartile, or 10th percentile may provide a clearer view. An elevated OTI shows that renting is relatively pricey (Squires et al.2021).

A person's RI is just their income less the entire rent they have paid during a certain period. Another way to measure affordability is to look at the proportion of families that fall below a given cutoff threshold; a higher number indicates relative affordability. Another option is calculating an average RI, with a low number indicating a relative lack of affordability (Squires et al. 2022).

Homeowners' affordability scale

It is more difficult to calculate these indicators for homeowners. The mortgage payment-to-income ratio for existing homeowners is measured by the OTI. Since they rely on their down payment, current interest rates, and property values, potential mortgage payments for homeowners might be expensive costs. The residual income indicator for both existing and future homeowners is then determined by income less the aforementioned mortgage payments. For first-time homebuyers, seasoned homeowners, and existing homeowners, these criteria vary. Property purchasers usually deal with higher lending rates, especially if they have a little down payment. Long-term homeowners may

have drastically decreased their monthly mortgage payments or have paid off all of their debt (Milala et al. 2021).

Property Development in Nigerian Domain

Even if one may argue that the passages on property development processes are mostly focused on the conditions in Western Europe and North America, it is important to remember that these stages of the development process are as pertinent to other growing nations. For instance, physical, legal, economic, technological, financial, and government policy initiatives are crucial factors to consider while planning property development projects in Nigeria. In Nigeria, feasibility assessments are common for all development initiatives. They can be connected to the many stages of the development (Komolafe et al.2020).⁸

In more developed countries, such as the UK, a generally favorable environment governed by effective legislation and backed by pertinent institutions promotes property development. However, the situation in Nigeria is significantly different due to the volatile macroeconomic environment (Dabara, 2021). For the average Nigerian in the 1980s, property development meant simply homes (i.e., more desirable houses built regardless of who was building).

However, whether fully owned or rented, the common man's yearning for a "home" only serves to worsen the situation that has already developed. Residential complexes are frequently not pre-let since they are built first and then rented out or sold. The fact that Nigerians have not embraced the notion of pre-let or sold development, given the market's inherent volatility, underscores the significance of the building process sequence in real estate projects. Further investigation is necessary since Nigerian property expansion is a serious concern and has long been completely ignored (Madichie & Madichie, 2009).

Access to land ownership to land

We will focus on the regulatory and ecological aspects of this production factor as we talk about it. Our biggest issue in the event of anything like the former is the Land Use Decree of 1978, which hasn't been changed in more than 40 years despite recurrent warnings that it doesn't consider contemporary demands. Our research reveals that the Land Use Decree has simply been renamed the Land Use Act (LUA), which has the following primary goals: ensuring that all Nigerians have the right to utilize and enjoy land; making it possible for Nigerians to benefit from the natural fruits and vegetables of land in sufficient quantities; and protecting and preserving these rights (Agheyisi, 2020).

⁸In Nigeria, feasibility studies are standard practice for all types of development projects. They are related to several developmental stages.

Section 2 of the Act, which mandates that all land in urban zones be placed under the control and supervision of the governors and that all property in non-urban areas be placed under the administration and management of local authorities, has been a major source of contention. According to Oshio's study on "indigenous lands and properties and renationalization of land in Nigeria," owning property seems to be a regional phenomenon. He lists Nigeria's features as follows: Traditional English-style land ownership does not exist here, as it did in the other former British colonies in West Africa. There, the land is typically owned by a group of individuals rather than a single person (DeSalvo, 1974).

Having problems with site acquisition might lead to several undesirable results. Lagos (2003) claims that ineffective land use, unequal income distribution, bad living conditions, environmental devastation, an increase in poverty, and socioeconomic imbalance in social and economic growth are all indicators of insufficient and unequal access to the property in Nigeria.⁹

Daniel et al.(2018)stated that practically all corporate real estate developers are compelled to purchase the same, about the equivalent-sized block of land. This affects the timetable for the project, the costs associated with development, and the product cost.

The LUA's second major problem is its uncertainty on land use and development objectives. In the northern and more flood-prone southern regions, building dwellings in flood plains has often resulted in disaster. Agulu, Nanka, Ozuitem, Oko, Isuikwuato, and Orlu are just a few instances of the gullies in eastern Nigeria, which account for around 1.6 percent of the region's entire geographic area (Windapo, 2007). A similar pattern appears to be emerging in the country's north.

Purchasing power

The main funding sources for commercial real estate and all stakeholders in Nigeria, particularly those engaged in the creation, practice, and use of the real estate, continue to be the National Housing Fund, the Federal Mortgage Institutions, the Federal Mortgage Finance Limited, founded in 1989, 1992, and 1993. The Federal Mortgage Bank of Nigeria was established in 1977 (Dabara, 2021).

The environment, product quality, price, and on-time delivery of goods will become more demanding, and tax and innovation measures can assist (Ezeanah, 2021). Due to a shortage of capital, rising building costs, and a decrease in customers expecting more from their services, developers are now operating in unfamiliar terrain after leading the real estate business for decades. Developers are forced to consider alternatives since there are more things to do and vacant, subpar buildings (Birrell & Gao, 1997).

⁹ The author asserts that poor living conditions, inefficient land usage, unfair wealth distribution, environmental destruction, and rising poverty

In addition to building expenditures, interest expenses are among a property developer's major expenses. Whether or whether the house was sold, interest on property loans must be capitalized and subtracted, just like other development expenditures (Ebekoziem et al. 2022).

Building Materials Expenditure

During peak season, the price of a bag of cement increased from N1,350.00 in 2006 (Ebie, 2003) to N1,850.00 in 2009 (Ebie) and N2,000.00 in 2015 (Slack & Chattopadhyay, 2009). The price of building supplies is a serious obstacle to both the home market and the construction industry.

Currently, the retail price of cement in Nigeria ranges from 3,600 to 3,900 naira per bag, depending on the producer, area, and other factors. Additionally, the wholesale price (600 bags) varies from 2,100,000 to 2,350,000 naira depending on the manufacturer¹⁰.

Prior research by Fisher (2005) showed that building material costs considerably affected residential development. Ndeche et al. (2020) confirmed that some projects were delayed because of rising material costs, which supported this argument. In addition to timely completion, high building material prices are a major impediment to Nigeria's efforts to improve housing conditions (Nations, 2019).

Abuja Housing Provision

The master plan Abuja projected a population of three (3.2) million people with 2000 as the target year (Gumel et al. 2020). However, a population increase caused this demographic goal to be exceeded before the city's development was complete. Due to social, economic, and political difficulties, there has been a considerable influx of people into the city. (Jiburum et al., 2021). With less than half of the development project completed, the city's population is projected to exceed 5 million National Bureau of Statistics (2017). The city's population has expanded during 26 years (1991-2017), rising from 387,671 in 1991 to a predicted total of 4,984,381 in 2017 (NBS 2017). It is expected to expand at a 9.3 percent annual pace. Due to the sudden union membership of government contractors without enough housing and the ongoing flood of immigrants since 1991, Abuja is suffering from a serious housing crisis (Y. Ahmed & I. Sipan, 2019).

The Gwarimpa Dwelling Estate and the creation of 22,000 housing units in stages one (1) and two (2) were initiatives in which the national government was involved. Due to a lack of funding, the Federal capital territory administration hasn't been able to develop the city to the point where it can handle it, even though the population is growing quite quickly. As of December 2012, the FCTA had a

¹⁰Other information can be assess in via this <https://nigerianprice.com/>, you may view the most recent cement prices in Nigeria as of 2022.

budgeted commitment of N50 billion and a current infrastructure obligation of over N420 billion (Y. Ahmed & I. A. B. Sipan, 2019).¹¹

To address the city's housing demands and shortages, the FCTA launched the Mass Housing Scheme as part of its General Populace Partnership (PPP) plan in 2000. As part of this strategy, the government would grant land to private developers and provide basic infrastructure to encourage more proactive private sector involvement. Private developers will provide secondary and tertiary infrastructure in return for building and selling finished residences to potential buyers (HABIBULLAH et al.2022).

Due to the city's designation as the Federal Capital City (FCC) and the constant influx of new residents, Abuja is experiencing a housing scarcity and rising rents. The price of housing in Abuja has continued to soar despite the Federal Government's efforts and pledges to make it affordable for people through the issuance of property plots and loans for different Housing Schemes. Unfortunately, the disparity between the availability and demand for housing has only widened.

Public Private Partnership (PPP)

The concept of a private-public partnership was created for the provision of housing. A private partnership is a highly adaptable kind of privatization, according to (Collier & Venables, 2014). Privatization is the term for any activity that reduces the role of the government and promotes the participation of private organizations in meeting public needs. Other forms of privatization, such as delegation (when the government maintains control and accountability while turning over service delivery to the private sector), divestment (where the government shirks its responsibility), and dislocation, are also mentioned by the author (that is A government activity is replaced by growing private sector activity).

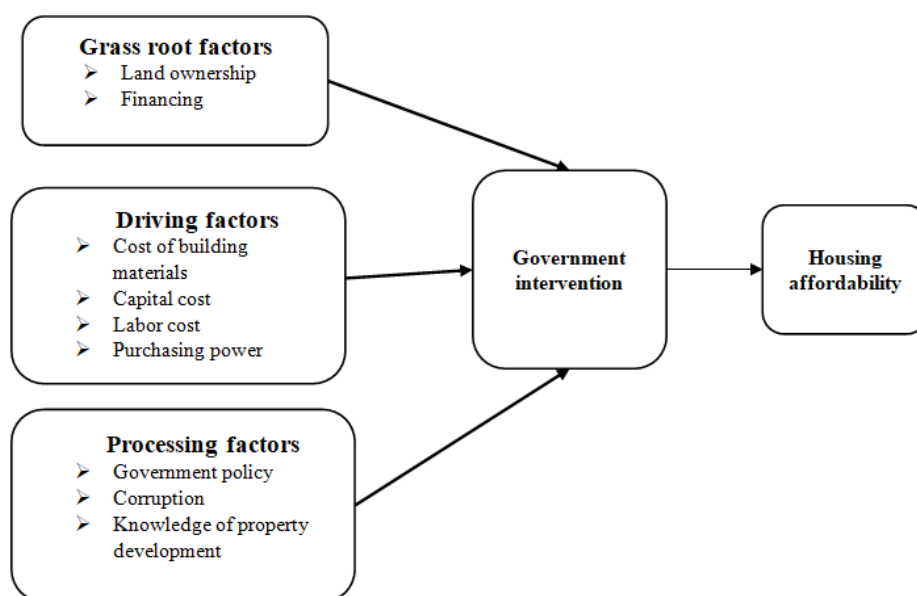
Housing PPPs unquestionably fit in the first category. One advantage of public-private partnerships is the transfer of risks to the private sector (Kalu et al. 2021). The biggest danger to the housing market is a change in demand, which, if it is lower than expected, may lead to investor loan payback delays and greater interest and debt (Ogunbayo et al., 2021). The procedures of design, construction, completion and approval are all dangerous (Hadikusumo, 2021). Risk transfer is advantageous since it increases private sector participation (Collier & Venables, 2014).

The Mass Housing Programme aimed to create an environment encouraging private industry to play a bigger role. It aimed to address the considerable gap between the supply and demand of housing stock in the City of Abuja and its surroundings. The approach does result in some beneficial outcomes, despite several difficulties. The residential development program was created to ensure that there would

¹¹ Illustrating the typical example of the property development in Abuja.

be adequate housing to accommodate the population of Abuja. Still, it has struggled to be effective due to many problems, including poor planning. Private developers are allowed to build homes in Abuja.¹²

Numerous requirements in the Master Plan, based on the "Neighborhood Concept," were broken. Each neighborhood's threshold population is around 5,000 people. This population's needs are frequently met by a neighborhood center, which provides the following services: a hospital, a police station, a school, parks for recreation, a shopping mall, a fire station, a community hall, a post office, a public library, and countless other services.



Source: researcher's work

Figure 1. Conceptual framework of the study

The conceptual framework depicts the independent variables, which are the factors affecting property development, and the dependent variable, housing affordability. The conceptual framework also depicts the linkage between housing affordability and factors, with an arrow showing the path of the correlational relationship between the factors and the housing affordability variables. And the mediating variable is government intervention. Where all the effect of the factor affecting the affordability of housing.¹³

¹² Illustrated the effort of mass housing but the problem of the housing affordability and property development still persist.

¹³ The author depicts in the conceptual framework how government intervention in term of policy and other van help in mediating the effect of the problem to the affordable housing.

III. METHODOLOGY

To examine the factors influencing housing affordability and property development in Abuja, this study used a quantitative research design. Real estate developers were given questionnaires to complete, and simple random sampling techniques were used to distribute the questionnaires to the developers. This methodology was chosen for the study because it is based on probability, which implies that each sample has an equal chance of being picked. As a result, this approach would adequately reflect the population being studied. To examine the variables influencing Abuja's real estate development and housing affordability, the study used descriptive statistical analysis. Nigeria. The questionnaire survey in this study was designed based on the study objective after it went through validation. The questionnaire was designed based on a five-point Likert scale. The population of the study consists of 180 developers and a sample of 123 was adopted according to Krejcie and Morgan's table. Based on the research objectives, there is one group of respondents (residential property developers), the questionnaires 123 sets of questionnaires were administered, representing 100%, 77 sets of the questionnaire were answered and returned, and 44 set of the questionnaire were not returned.¹⁴

IV. RESULT AND DISCUSSION

Analysis of Factors Affecting Residential Property Development

Table 1. Access to land

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	0	0
2	Disagree	3	3.90
3	Neutral	8	10.39
4	Agree	21	27.27
5	Strongly Agree	45	58.44
	Total	77	100

Source: Field Survey, 2022

Access to land is a variable impacting property development in Abuja, according to a significant majority of respondents, as evidenced by the research data in table 1 above, which shows that (45) respondents, or 58.44 percent, strongly agree, and (21) respondents, or 27.27 percent, agree with the statement. This finding is supported by the study of the (Ndeche et al. 2020), where he surveys Problems and Prospects of Residential Housing Development and found similar problems.¹⁵

¹⁴ In this study the authors consider the property developer registered with property development association of Nigeria.

¹⁵ The authors similar finding increases the consistency of the result there by it will help in making the valid recommendation in provision housing affordability.

Table 2. Finance/Funding

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	2	2.60
2	Disagree	6	7.79
3	Neutral	16	20.78
4	Agree	22	28.57
5.	Strongly Agree	31	40.26
	Total	77	100

Source: Field Survey, 2022

A considerable majority of respondents, or 31 respondents, or 40.26 percent, strongly agree, and 22 respondents or 28.57 percent, agree, with the assertion that financing or funding is a factor impacting property development, according to research data from table 2 above. The data suggest data funding/finance is a major issue affecting property development in the study area.

Finance issues as a problem of housing ownership and property development have also been found as the leading factors in the study of (Daniel et al., 2018). Where he studies housing affordability and his further recommendation is that there is no available funding for developers to produce property to meet the economic demand and Ebekozien et al. (2022) also found a similar case in their study.

Table 3. Cost of Building Materials

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	0	0
2	Disagree	2	2.60
3	Neutral	4	5.19
4	Agree	18	23.38
5	Strongly Agree	53	68.83
	Total	77	100

Source: Field Survey, 2022

Research data from table 3 above shows that a significant majority of the respondents, i.e. (53) Respondents representing 68.83%, strongly agree and (18) respondents representing 23.38% agree with the statement Cost of building materials is a factor affecting property development. In Abuja.

The data above suggest that majority of property developers in the study area subscribed to the fact that the cost of building materials is a major factor affecting property development in the study area. The study of Tukur et al. (2019) And Nwafor & Aduma (2020) come across similar findings where the cost of the building material is seriously affecting a country like Nigeria most of the reasons are pushed toward economic recession.¹⁶

¹⁶ The issue of corruption is having large dimension thereby the study has strong concern on it.

Table 4. Corruption

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	10	13.00
2	Disagree	13	16.88
3	Neutral	25	32.46
4	Agree	12	15.58
5	Strongly Agree	17	22.08
	Total	77	100

Source: Field Survey, 2022

Analysis of table 4 above shows that most of the respondents, i.e. (25) representing 32.46% of the respondents, are neutral on whether corruption affects property development in Abuja, while (17) representing 22.08% strongly agree, (12) representing 15.58% agree, (13) representing 16.88% disagree and (10) representing 13.00% strongly disagree. The data above suggest that a reasonable number of respondents are undecided, while the majority suggest that data corruption affects property development in the study area. Similarly, in the study of (Ibraheem et al. 2013). Okenna (2020) found that the effect of corruption not only persisting property development but also on the economic development of the country.

Table 5. Government Policies

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	7	9.09
2	Disagree	14	18.18
3	Neutral	18	23.38
4	Agree	23	29.87
5	Strongly Agree	15	19.48
	Total	77	100

Source: Field Survey, 2022

Analysis of table 5 above shows that most of the respondents, i.e. (23) representing 29.87% of the respondents, agree that Government policies affect property development in Abuja, while (18) representing 23.38% are neutral, (14) representing 18.18% disagree, (15) representing 19.48% strongly agree and (7) representing 9.09% strongly disagrees Hence, the data suggest that government policies affect property development in the study area, several previous studies on the effect of policy in different aspects have been assessed but related to the property development it was found that in the area of Abuja several property developments faced the thread in completion due to the government policy the study of Momoh et al. (2018) reveal the policy effect on the property development in the scope of Abuja that it not only affects the property development alone but the provision of better housing also.¹⁷

¹⁷Due to government policy and the study, Abuja had a delay in the construction of various property developments.

Table 6. High cost of capital

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	6	7.79
2	Disagree	8	10.39
3	Neutral	10	12.99
4	Agree	23	29.87
5	Strongly Agree	30	38.96
	Total	77	100

Source: Field Survey, 2022

An analysis of table 6 above indicates (6) respondents representing 7.79%, strongly disagree and (8) respondents representing 10.39% disagree with the high cost of capital, while (23) respondents representing 23% agree and (30) respondents representing 38.96%, strongly agree respectively. Hence the data suggest that property developers in the study area see a high cost of capital as a factor that affects property development in the study area. The study by Gambo (2019) on the Relationships between Financial Institution Performance and Regulation Effectiveness on Housing Ownership by Low Income. He reveals a similar finding in his study that the cost of the capital cost of interest per capital has a strong effect on property development.¹⁸

Table 7. High cost of labor

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	23	29.87
2	Disagree	18	23.38
3	Neutral	5	6.49
4	Agree	21	27.27
5	Strongly Agree	10	12.99
	Total	77	100

Source: Field Survey, 2022

Analysis of table 7 above revealed that (21) respondents, or 27.27 percent, agree, and (10) respondents, or 12.99 percent, strongly agree. In contrast, (21) respondents, or 27.27 percent, disagree, (18) respondents, or 23.38 percent, disagree, and (5) respondents, or 6.49 percent, are neutral. The statistics indicate that most real estate developers in the study region stated that the high labor cost is not a significant obstacle to real estate development there. In the study of (Gambo et al. 2021). Where the study finding is in agreement with this study that the high cost of labor is also a leading factor but not that significant.

¹⁸ Related studies are found about the issue of cost of labour in Asia and Europe.

Table 8. Knowledge of Property Development

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	21	27.27
2	Disagree	16	20.78
3	Neutral	8	10.39
4	Agree	13	16.88
5	Strongly Agree	19	24.68
	Total	77	100

Source: Field Survey, 2022

Analysis of table 8 above shows that (21) respondents representing 27.27%, strongly disagree with the statement, (16) respondents representing 20.78% disagree, (8) respondents representing 10.39% are neutral, (13) respondents representing 16.88% agree, while (19) respondents representing 24.68% strongly agree. These findings revealed that knowledge of property development is not a major factor affecting property development in the study area it also suggests that it can be a factor. Several problems in the area of property development emanate as a result of a lack of professionalism that lack of knowledge today in Nigeria. There are several numbers of property developers but not all are qualified to be in the industry. They are called the profit from the sector (Ezema et al. 2014).

Table 9. Consumer low purchasing power

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	0	0
2	Disagree	3	3.90
3	Neutral	9	11.69
4	Agree	31	40.26
5	Strongly Agree	34	44.16
	Total	77	100

Source: Field Survey, 2022

Data from table 9 above revealed that consumers' low purchasing power is one of the major factors affecting property development. Only (3) respondents representing 3.90% disagree while the majority, i.e. (34) respondents representing 44.16% agree, and (31) respondents representing 40.26% strongly agree respectively. The unavailability of the consumer to purchase is also a problem to property development Gambo (2019) found out in his study that some of the problems of property development id there is more supply and less demand due to the inability to buy property.¹⁹

¹⁹ This is mainly cause by economy.

Analysis of factors affecting Housing Affordability in Abuja

Table 10. Cost of Land

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	3	3.90
2	Disagree	6	7.80
3	Neutral	2	2.60
4	Agree	28	36.36
5	Strongly Agree	38	49.35
	Total	77	100

Source: Field Survey, 2022

The data in table 10 above shows that cost of land has a major effect on housing affordability in the study area, with (38) respondents representing 49.35%, strongly agreeing. In comparison (28) respondents representing 36.36%, agree and only (3) respondents representing 3.90%, strongly disagree, with (6) respondents representing 7.80% disagree. Milala et al. (2021) explore in their study that there is a high cost of land throughout the nation as the speculation in the land increase, many people buy the land for it to appreciate in a feature their high profit is expected upon each sale with that land become accrued to high cost.

Table 11. The interest rate on the mortgage

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	22	28.57
2	Disagree	18	23.38
3	Neutral	8	10.39
4	Agree	15	19.48
5	Strongly Agree	14	18.18
	Total	77	100

Source: Field Survey, 2022

Table 11 above shows that (22) respondents representing 28.57%, strongly disagree with the statement that interest rates on mortgages affect housing affordability in the study area, with (18) respondents representing 23.38%, disagreeing. In comparison (15) respondents representing 19.48% agree with the statement, and (14) representing 18.18% of the respondents, strongly agree. The data shows that the interest rate on mortgages does not affect housing affordability as much. In the study of Gambo (2019) the high mortgage interest rate has been a factor where land and landed property transaction is becoming higher in this situation. Property development is one of the top subjects of finance in the report of Nigerian housing financing institutions.

Table 12. Construction Cost

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	0	0
2	Disagree	4	5.19
3	Neutral	10	12.99
4	Agree	25	32.47
5	Strongly Agree	38	49.35
	Total	77	100

Source: Field Survey, 2022

Research data in table 12 shows that (38) respondents representing 49.35%, strongly agree that construction cost affects housing affordability in the study area, while (25) respondents representing 32.47%, agree, with only 4 respondents representing 5.19%, disagreeing. The data shows that construction cost has a major effect on housing affordability in the study area. The previous study Gambo et al. (2021) illustrated that apart from the cost of the land, the cost of construction is one of the persisting problems in construction because the financing institution does funding in phases.

Table 13. Residential Property Price

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	0	0
2	Disagree	3	3.90
3	Neutral	6	7.79
4	Agree	32	41.56
5	Strongly Agree	36	46.75
	Total	77	100

Source: Field Survey, 2022

Table 13 above indicates that (36) respondents representing 46.75%, strongly agree with the statement, (32), representing 41.56% agree, and only (3) respondents representing 3.90%, disagree with the statement that residential property price influences housing affordability in the study area. The data presented strongly suggest that residential property price affects housing affordability in the study area. Due to the increasing residential housing price in Abuja, the capital of Nigeria, this becomes a problem in increasing the lack of available, affordable housing in the area (Daniel et al. 2018).

Table 14. Household income

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	0	0
2	Disagree	2	2.60
3	Neutral	1	1.30
4	Agree	31	40.26
5	Strongly Agree	43	55.84
	Total	77	100

Source: Field Survey, 2022

The data in table 14 above shows that Household income has a major effect on housing affordability in the study area, with (43) respondents representing 55.84% strongly agreeing. In comparison (31) respondents representing 40.26%, agree and only (2) respondents representing 2.60%, disagree. The level of the household income affects the availability of housing affordability, the income of the house should determine his purchasing power; therefore, most of the household's income is below the prices of residential property all over Nigeria, not only in Abuja, the capital state (Dabara, 2021).

Table 15. Demand and Supply

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	13	16.88
2	Disagree	8	10.39
3	Neutral	4	5.19
4	Agree	25	32.47
5	Strongly Agree	27	35.06
	Total	77	100

Source: Field Survey, 2022

An analysis of table 15 above shows that a good proportion of the respondents, i.e. (27) representing 35.06%, strongly agree, (25) representing 32.47% agree, while (8) respondents representing 10.39% disagree and (13) respondents representing 16.88% strongly disagree. The data shows that demand and supply affect housing affordability in the study area. The previous study by Ebekozen et al. (2022) shows that affordability in housing was largely affected by the demand and level of supply in the market.

Table 16. Perception of buyer

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	5	6.49
2	Disagree	10	12.99
3	Neutral	25	32.47
4	Agree	15	19.48
5	Strongly Agree	22	28.57
	Total	77	100

Source: Field Survey, 2022

Table 16 above shows that the majority of respondents in the study region were found to have a neutral opinion of the proposition that buyer perception affects home affordability there, according to the research. This is because the neutral option has the majority in the table. The previous study by Soon & Tan (2019) has made more emphasis on the buyer's perception and preference which is in agreement with the finding of this study.

Table 17. Lack of Price Control

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	18	23.38
2	Disagree	22	28.57
3	Neutral	8	10.39
4	Agree	15	19.48
5	Strongly Agree	14	18.18
	Total	77	100

Source: Field Survey, 2022

An analysis of table 17 above indicates that (18) respondents representing 23.38%, strongly disagree and (22) respondents representing 28.57%, disagree that lack of price control affects housing affordability. In comparison, (15) respondents representing 19.48%, agree and (14) respondents representing 18.18%, strongly agree, respectively. The result shows that lack of price control does not affect housing affordability. This finding is consistent with the finding of the previous study by Tukur et al. (2019), where the economic recession and level of corruption affected price control.

Table 18. Household Expenditure

S/N	Options	Frequency	Percentage (%)
1	Strongly Disagree	2	2.60
2	Disagree	1	1.30
3	Neutral	4	5.19
4	Agree	28	36.36
5	Strongly Agree	42	54.54
	Total	77	100

Source: Field Survey, 2022

One of the key elements determining home affordability, as shown by the data from table 18 above, is household expenditure. This is because just two respondents, or 2.60 percent, strongly disagree, compared to the majority, which is made up of forty-two respondents, or 54.54 percent, strongly agree, and twenty-eight respondents, respectively. Dabara (2021) found similar facts that economic hardship coupled with the economic recession leads to rising household expenditure and the sum to cure the cost is going down.

CONCLUSION

This study aimed to explore the factors affecting property development and housing affordability in Abuja. Employing quantitative research design in achieving this study, from the data collected from the real estate developers, it was evidenced in their opinion that factors affecting residential property development revealed as follows; access to land, funding, cost of building materials, corruption, government policy, high cost of capital, high cost of labor, knowledge of property development and consumer low purchasing power. Additionally, the cost of land, the interest rate of the mortgage, construction cost, demography of residential property price, household income, demand and supply, perception of buyer's lack of price control, and household expenditure. The s above explored factors are mostly beyond the control of landowners. Still, it can be controlled by the government by strengthening the citizens' housing welfare.

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