



Report of the Vision 2020
National Technical Working Group
On
Housing



July, 2009



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Foreword

The National Technical Working Group, Housing Thematic Area of the Vision 20: 2020 was inaugurated with the other 28 groups on the 18th of April 2009 to consider and make recommendations on the contribution of Housing to the National Vision. The Group as at last count comprised 42 members, though only about half of the members have consistently attended meetings. The Group sat through the six sessions organized by the National Coordinating Committee, the first at Sheraton Hotels and the remaining five as guest of Aso Savings and Loans Ltd that generously provided space, facilities, food and beverages for the Group.

The Group considered the current situation of Housing in the country, reviewed the past and current plans, studied the housing situations in comparator countries to identify the main constraints to the provision of housing in Nigeria. It identified the critical success factors and made recommendations on the actions it considered imperative to the goal of providing decent, safe and affordable housing to the generality of Nigerians.

Housing is often considered as the third most important need of man after food and clothing, yet it is little understood and most often neglected in Nigeria. The contribution of housing to the national economy is so underrated that despite several studies and reports of panels and committees which had highlighted its importance, little progress has been made in the provision of housing.

The spread of slums in many of the country's major cities is indicative of the neglect of the spiraling housing needs in this country. The consequential squalor of the living conditions of the dwellers in these slums leads to poor health and rising crime level. These in turn heighten the growing security concerns.

The relevance of Housing tended to be ignored in the scheme of things almost always by the authorities; but its recognition among the thematic areas and the prominence accorded it in the current visioning process should be seen as a positive development.

The Group identified the following five key issues in housing that must be resolved to pave way for the provision of houses in Nigeria, and these are:



- Land Administration
- Housing Finance
- Legal and Regulatory Framework
- Skill and Capacity Building
- Building Materials , Appropriate Design and Technology

Most of the past assessments in Housing tended to situate the problem as that of supply, but the current study has focused on the effective demand. Consequently the Group's attention has been focused on the reform of the primary mortgage finance sector to provide the badly needed access to finance. It is the belief of the Group that the private sector will develop decent affordable houses if there is a market for them.

The Group therefore focused on the five key issues and made appropriate recommendations on ways to develop strong primary and secondary mortgage markets through land reforms, establishment of an effective legal and regulatory framework, and the development of human and material capacity to support it. We have made recommendations to expunge the Land Use Act from the Constitution to facilitate its wholesale amendment and also the establishment of a National Housing Commission as an effective institution for the control, monitoring and regulation of the Housing Sector.

The Housing problem is surmountable if the submissions contained in this report are assimilated thoroughly and the recommendations implemented. By so doing, employment opportunities would be created for the teeming youths, the rate of homelessness would be reduced drastically, security will be enhanced, and Nigeria would certainly be on the right path to attaining its vision.

“The challenge is great. The goal is clear. The time is now.” (President Yar'Adua, May 29th, 2007)

Stephen S. Mayaki (Chairman)

Housing Thematic Area



Acknowledgement

The group wishes to thank the Honourable Minister/Deputy Chairman of the National Planning Commission for giving it the opportunity to serve the nation in this important assignment. Our special gratitude goes to the Honourable Minister of Works, Housing and Urban Development for his support, the National Coordinator, Vision 20:2020 Secretariat and his staff, the MD/CEO, Aso Savings and Loans Ltd Mallam Hassan T. M. Usman, for hosting us and providing the Group with working materials, food and beverages, and secretarial support.

Also the Group expresses its gratitude to Accenture for their guidance and facilitation as well as its Chairman Mr. Stephen S. Mayaki and its coordinator Mallam Ali Mohammed Magashi for providing purposeful leadership.

Finally, the Group wishes to acknowledge the commitment and dedication of its members, the only lady of the group, Princess Edith Aguele, and the indefatigable Secretary, Mrs. Kemi Yusuf Ahmed.



Executive Summary

Housing is the most important psychogenic need of individuals next to food and clothing. It is also among the most important contributors to the economy as it accounts for a sizeable portion of the production activity of a country, through its backward linkages to land markets, building materials, tools, furniture, and labour markets, and its forward linkages with financial markets.

Housing markets are routinely mentioned as important leading indicators of overall macroeconomic activity, and home ownership is a measure of household wealth and GDP distribution. The housing finance sector has a tremendous developmental impact both in terms of providing social stability and in promoting economic development.

Investment in housing accounts for 15% to 35% of aggregate investment worldwide, compared to 0.4% in Nigeria. Investment in Mortgage promotes a successful economic sector and constitutes personal savings. Housing construction and housing related sectors constitute approximately 10% of the labour force worldwide. Mortgage debt accounts for about 40% of gross domestic product (GDP) in many developed countries.

Nigeria has experienced rapid urbanization with nearly 50 per cent of the population living in urban areas compared with just 10 per cent in 1952 and 38 per cent in 1993. This rapid growth of the urban population has proceeded in an uncontrolled and unplanned manner giving rise to extensive slums and shanty towns. Various studies have estimated that there is a shortage of 16 million units. According to the World Bank, most people, probably over 80 per cent of the population, live in informal housing structures of varying degrees of permanence on land on which they have no ownership rights.

The Land Use Act 1978 vested the ownership of all land in the Governor of each State.

Mortgage lending is sub-optimal because of the absence of clear property rights, the requirement to obtain Governor's consent to each transaction, inefficient land management systems and high costs of property transactions.

There is a multi-billion Naira credit potential in dead capital that can be freed from the existing National Housing Stock, if titling and transfer of home ownership is made more efficient.



Rental Housing is inadequate and consequently very expensive, that it has slowed down the growth of the middle class. There is a genuine shortage of properties in the formal sector, and accordingly rents and house prices are very high. The Market is predominantly in plots rather than in completed housing units.

While the most logical role for the Federal Mortgage Bank of Nigeria should be that of the leader and facilitator for the development of the housing finance sector in Nigeria, its only role remains that of the manager of the National Housing Fund. The Federal Mortgage Bank of Nigeria is also being used as a channel for the 'monetization' program of government housing which was initiated in the Federal Capital Territory, but this is a one-off scheme which is not a market based funding role.

The NHF is in effect a compulsory regressive tax that is not capable of working in practice, because of the mismatch between assets and liabilities. Residential lending remains often small, poorly accessible and depository-based. Lenders remain vulnerable to significant credit, liquidity, and interest rate risks in the absence of clear foreclosure law.

The pool of skilled managers and field staff experienced in housing finance is limited in Nigeria, and so are the professionals and trained artisans in the building and construction industries.

The vision is **“to make the Housing sector one of the top 3 contributors to the nation's economy by adding 10 million decent and affordable homes to the national housing stock by the year 2020”**.

The objectives are:

- i) Develop an effective land administration system to make land ownership available, accessible and easily transferable at affordable rate.
- ii) Provide adequate and affordable housing finance to all Nigerians by developing an efficient primary mortgage market.
- iii) Establish an effective legal and regulatory framework to enforce the control and monitoring of housing delivery.
- iv) Develop professional and skilled manpower, and build adequate capacity through training and skill acquisition to support the housing sector.



- v) Reduce the cost of production of houses by developing and promoting appropriate designs and production technologies for the housing sector.
- vi) Add 10 Million new homes to the National Housing Stock.

The overall target is to contribute to Nigeria's quest to achieve a GDP of US\$900 Billion, which amounts to an average annual GDP growth of 15% over the next decade, by building an average of one million new homes every year for the next 10years.

The key priorities will be to build the demand for housing through the development of housing markets that will make housing finance available to the majority of Nigerians, and provide the legal and regulatory framework that will attract private investors to develop attractive housing products for that market.

Government needs to formulate policies and implement legislations that will reform land administration, title acquisition, registration and transferability. The expedited passage of bills at the legislature for the reform of relevant laws regarding title registration and transfer, credit risk mitigation, non judicial foreclosure, tax deductibility, and others will greatly help in reducing the cost and the time it takes to originate and to perfect a mortgage loan.

The reform of the primary mortgage sector appears to be next in the sequence of financial sector reforms embarked upon by the Federal Government and the CBN, having launched the pension reform plan, banking consolidation plan and microfinance reform plan, to mention a few.

Government needs to prudently design and provide targeted subsidies and incentives that will assist low to medium income earners achieve their home ownership dreams.

Remittances from Nigerians in Diaspora play a significant role in the Nigerian economy, and it is confirmed that a substantial part of these remittances are towards home ownership.

There should be a policy that will strengthen the underlying mortgage product in such a way that pension and insurance funds are interested in participating in the mortgage sector.

The NDIC should accord a preferential rate to PMIs on its deposit insurance premium pricing as an incentive for mortgage operators.



This report covers the social and economic dynamics of housing development. It analyzes housing need, housing demand and housing supply through public, low income, medium income and high end real estate. It also covers Housing Finance, starting from the imperative of developing an effective primary mortgage market, to developing a secondary market and **creating a secondary market operator that will link the mortgage market to the capital market.**



1.0 Introduction

1.1. Overview of Housing

Housing is the most important psychogenic need of individuals next to food and clothing. It is also among the most important contributors to the economy as it accounts for a sizeable portion of the production activity of a country, through its backward linkages to land markets, building materials, tools, furniture, and labour markets, and its forward linkages with financial markets. Mortgage debt accounts for a large proportion of household debt and, through secondary markets and securitization, supports the efficient functioning of domestic and international financial markets. Housing markets are routinely mentioned as important leading indicators of overall macroeconomic activity, and home ownership is a measure of household wealth and GDP distribution. The housing finance sector has a tremendous developmental impact both in terms of providing social stability and in promoting economic development.

Nigeria has experienced rapid urbanization with nearly 50 per cent of the population living in urban areas compared with just 10 per cent in 1952 and 38 per cent in 1993. This rapid growth of the urban population has proceeded in an uncontrolled and unplanned manner giving rise to extensive slums and shanty towns because of inability to provide adequate housing and services for the large number of migrants into the cities and towns leading to a shortage of 16 million housing units. House and land prices are very high and there is very little construction of houses in the formal sector for lower and middle income groups.

i) Social Stability

Housing finance contributes to social stability by enabling households to purchase an asset which will represent their largest single investment. Personal residences account for 75% to 90% of household wealth in emerging market countries, which amounts to 3 to 6 times their annual income. Furthermore, housing represents 15% to 40% of the monthly expenditure of households worldwide.



ii) Economic Development

Investment in housing accounts for 15% to 35% of aggregate investment worldwide. Supporting housing finance promotes a successful economic sector and frees personal savings which entrepreneurs can invest in small businesses. Housing construction and housing related sectors constitute approximately 10% of the labour force worldwide. Housing finance is a booming business globally - in developed markets since the 1990s, and more recently in emerging markets. Mortgage debt accounts for about 40% of gross domestic product (GDP) in many developed countries. As in other emerging economies, remittances from Nigerians in Diaspora play a significant role in the Nigerian economy, and it is confirmed that a substantial part of these remittances are towards home ownership. Therefore, an effective mortgage system will encourage and increase the flow of capital into the economy through these remittances.

iii) The Framework

There are three sub-sectors of the Nigerian housing market:

- The informal sector – by far the largest
- The formal open market sector, which is largely, confined to the upper income groups in the major urban centers
- The subsidized sector, a subset of the open market sector, which benefits from cheap loans from the National Housing Trust Fund

iv) The Informal Sector

Over 80 per cent of the population lives in informal settlements in the major urban areas or traditional villages. Housing in this sector is built by the owners, in some cases overnight in poorer slums, while more substantial dwellings by lower income groups can take ten or more years to complete.

v) The Mortgage Lending Market

The environment for mortgage lending is sub optimal, primarily because of the absence of clear property rights, the requirement to obtain Governor's consent to each transaction, inefficient land management systems and high costs of property transactions. There are also constraints



on the development of land. Most transactions are in undeveloped plots rather than completed dwellings. There is a reasonably efficient and rapidly growing mortgage market comprising of loans made by banks at variable rates of interest. There is no ability to underwrite borrowers and accordingly lenders require the borrower to make mortgage payments through salary deduction. Total outstanding mortgage loans are probably around ₦100 billion (\$850m). The vast majority of lending is done by banks, with Primary Mortgage Institutions taking a modest share of the market. The open market mortgage rate is 19 - 22 per cent, probably a reasonable spread over the cost of funds in the money markets, which is 13 - 14 per cent. Lengthy procedures and high costs of transactions have created significant incentives to operate outside the formal sector.

The Federal Mortgage Bank of Nigeria (FMBN) oversees a subsidized mortgage scheme. The Bank has a number of other responsibilities including re-financing existing mortgages. It has yet to engage in secondary market operations. It is being used as a channel for the 'monetization' program of government housing which was initiated in the Federal Capital Territory, but this is a one-off scheme which should not be confused with a market based funding role. The National Housing Trust Fund (NHTF) is a compulsory provident scheme, the proceeds of which can be used only for house purchase. 2.5 per cent of employees' wages are deducted and paid into the fund. Contributors are entitled to a ₦5 million (about \$30,000) loan at an interest rate of 6 per cent for a maximum of 30 years after six months of contribution. The scheme is in effect a compulsory regressive tax and is also incapable of working in practice because of the mismatch between assets and liabilities. In practice, many people do not make contributions and so far only 3,000 loans have been disbursed.

Primary Mortgage Institutions are intended to be specialists in mortgage lending, like British Building Societies or Mexican Sofoles. Their primary role is to disburse loans funded through the National Housing Fund. There are about 90 PMIs but most are financially weak and collectively, they are small.

1.2. Scope of the Study of Housing

The scope of this study covered the social and economic dynamics of housing development. It analyzed housing need, housing demand and housing supply through public, low income,



medium income and high end real estate. It also covered Housing Finance, starting from the imperative of developing an effective primary mortgage market, to developing a secondary market and creating secondary market operators and to link between the mortgage market and the capital market.

1.3. Overall Targets for Housing

Based on the objectives of the National Vision 20:2020 to achieve a GDP of US\$900 Billion by the year 2020, which is an average annual GDP growth of about 15% over the next 12 years, the overall target for housing will be to:

- Contribute to Nigeria's quest of achieving a US\$900 Billion GDP by the year 2020, which is an average annual GDP growth of about 15% over the next 12 years.
- Formalize home ownership through credit to at least 50% of Nigerian families within the next 12 years.
- Build one million new homes every year for the next 12 years.
- Simplify land administration procedures for conversion of customary titles to statutory titles to capture the majority of the underserved market.
- Mobilize more household savings for housing through PMI and Microfinance operations.
- Provide access to credit to existing stock of homes so as to stimulate economic activities.

1.4. Processes Involved in developing the Plan

Plenary discussion and group work were adopted as the main modes for the conduct of meetings. The processes involved in developing this plan include, but not limited to:

- i) Study and assessment of relevant previous reports and analysis of different statistics to ascertain present situation;
- ii) Comparative analysis of different countries success stories to ascertain ways and means;
- iii) Consultations with industry experts;
- iv) Evaluation of the different alternatives to choose the best solution in the context of prevailing circumstances;
- v) Choices made with clear targets, time lines and implementation strategies.



2. Current Assessment of Housing

2.1. Global Trends on Housing

Housing has been a booming productive industry globally in developed markets for decades, and more recently in developing and emerging markets. In many countries, the rates of urbanization exceed the capacity of national and local governments to plan and organize this transformation. The world has witnessed a challenging level of urbanization over the last two decades that as a result, poor housing conditions, insecure land tenure, urban crime and homelessness have become common place in many developing and emerging markets.

The recent sub-prime mortgage crisis that started in the USA and affected world capital markets dealt a severe negative impact on housing credits and value of real estate. This situation is expected to improve in the next few months, partly due to the strength of the underlying household assets backing the delinquent sub-prime loans, and better regulation of the relevant sectors.

2.1.1. Comparative Benchmarking Analysis

The key indicators considered for this study include:

1. Population
2. GDP
3. GDP growth rate
4. Number of houses per population
5. Housing contribution to GDP
6. Percentage of homelessness
7. Long term housing finance
8. Housing subsidy administration
9. Investment in Housing infrastructure
10. Legal & Regulatory Framework

The following countries were selected based on the fact that they range between 15th and 25th positions in the GDP ranking of 2008, and also, some countries that have success stories in



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particular cases were included. These are: Mexico, Malaysia, Republic of Korea, United Kingdom, Denmark, Austria, Brazil, India, South Africa, USA, and Burkina Faso.

Benchmarking Analysis

Parameters	Brazil	India	USA	UK	Belgium	Austria	Denmark	Mexico	Malaysia	Republic of Korea	South Africa	Egypt	Burkina Faso	Nigeria
Population (Million)*	198	1300	305	60	10,403	8.455	5.4	109	25.7	48	47.6	158.3		220.3
GDP (Billion)	1,500	1,217,490	14,330	2,787	376.5	322	203	1,400	186.5	617,513	277	127.9	8.242	190
GDP Growth Rate (%)	5.2	6.6	Negative	1.1	1.1	1.6	4.3	1.4	6.3	6	4.5	7.1		6.5
Number of persons household	5	5.9	2.59	2.32	2.95	2.4			5.6	3.1		4.4		8
Housing Contribution to GDP			14	4			13.9							0.49
Percentage of Homelessness		16.5				0.0003	0.42					1.72		
Existence of Long Term Housing Finance	Capital Market Funding	Capital Market, Govt budget		Capital Market Funding		Capital Market Funding	Capital Market Funding	Capital Market	Govt and Capital Market funding	Capital market funding	Capital Market Funding	Govt and Capital Market	Nil	Nil
Housing Subsidy Administration	Federal Housing Finan	Concessory rate of intere		Central Govt and Housi		Widespread subsidy and		Exists at lower end	Govt budget		HF Corporation, Rural Housing Loans	Interest rate subsidy,	Govt and donor organisation	Nil

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	ce	st		ng Corp		tax allowance						Guarantee and subsidy Fund	s	
Investment in Housing Infrastructure	Infrast ructur e by PPP	Govt and PPP		Annu al Budg etary		Govt heavil y comm itted to interv ene			Govt and PPP		Govt, communiti es & NGO	Govt and PPP	Govt and PPP	Minim al at state level
Legal & Regulatory Framework	Forecl osure law exists	Forecl osure law exists	Forecl osure law exists	Repo ssessi on law exists	Forecl osure exists	Pro-tenant rental law	Forecl osure law exists	Forecl osure law exists	Forecl osure law exists	Foreclo sure law exists	Foreclosur e law exists	Fore closure law exist s	Forecl osure law refor m in proce ss	No forecl osure law



2.1.2. Key Learning Points

The key learning points from the many analyses of different country success stories are governments' implementation of policies that provide the requisite legal and regulatory environments, massive investment in infrastructure for housing, effective targeted subsidy administration, and enforcement of foreclosure laws that give confidence to lenders. These are to provide access to long term affordable housing finance to their citizens. From the study of these countries, it was observed that:

- Mexico was able to attract huge funds from America because they have strong regulations and foreclosure laws in the housing sector which reduces the rate of risk, and that they were successful in non bank mortgage lending.
- The success of the securitisation of mortgages in the USA provided the greatest linkage between the mortgage market and the capital market.
- The United Kingdom made successes in public and social housing.
- Burkina Faso made success of one stop shop in the mapping and streamlining of land procedures to reduce the time and cost of land documentation.
- India made successes in developing building centre movements.
- The European countries were able to develop a robust mortgage bonds market.
- Malaysia had been successful in targeted subsidy administration for low income earners.
- Establishment of Cooperative Housing in Denmark.

2.2. Local Context of Housing

Even though Housing is an important player in the social and economic developments of most developed and emerging economies, it has been downplayed in Nigeria. One of the continuing challenges is the unprecedented urbanization caused by the rural to urban migration, creating large demand for the provision of adequate housing in the urban areas and leading to the prevalence of slums. Maintenance culture is another major challenge for the deplorable situation of housing estates in Nigeria. Over the last three decades, Nigeria, like several developing countries, has emphasised public housing schemes, but with little success. This coincides with global paradigm shift from direct public

provision of housing to the enablement of private shelter initiatives and housing production. There is clearly an inefficient enabling environment, and a lack of support and incentives for housing initiatives and investments by governments. There is also a lack of an effective enabling strategy for housing finance, access to land, residential infrastructure, institutional regulations and building materials and related industry, particularly in the light of the need for the private sector to play greater roles in housing.

2.2.1. Local Trends and Recent Developments

By any standards, housing conditions in Nigeria are poor. Various studies have estimated that there is a shortage of 16 million housing units. According to the World Bank, most people, probably over 80 per cent of the population, live in informal housing - structures of varying degrees of permanence on land on which they have no ownership rights. The property is often very poor quality and lacks basic facilities.

The Land Use Act 1978 vests the ownership of all land in the Governor of each State. Governors allocate land for development. There is a Land Registry in each state, but the administration is poor and little effort have been made in computerization in most states. All transactions in property require the consent of Governors and registration with land registries. The process is time consuming and very costly, total fees being in the 20 to 30 percent range. While the culture of repaying debts and mortgage arrears seem low, the foreclosure procedures are cumbersome and slow. Given the difficulties of the judicial process, lenders use a number of devices including a power of sale which provides limited rights to the borrower and is at times enforced with some degree of force.

The Nigeria household survey 2004 showed that 61 per cent of the population had access to an improved water source. This average masks different positions in urban areas (83 percent) and rural areas (42 percent). Similarly, 60 per cent of the population had access to sanitation facilities; the average for urban areas was 72 percent and rural areas 50 percent.

Real estate contribution to the GDP rose from N219 billion to N444.68 billion between 2001 and 2004 while building construction increased from about N30.6 billion to N80.1 billion between 2001 and 2004. There are 90 PMIs with N36.7 billion available funds for investment.

Historical Perspective

Formal Housing developments started since the colonial era, but these developments have not yielded so much in almost eight decades. The stages of development can be classified as follows:



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- The African Staff Housing Loans scheme was introduced in 1929 when the Lagos Executive Development Board began to build houses for sale to African civil servants in Lagos. This has continued in various forms until today and is still reflected in the Federal Government Staff Loans Board Act. State Governments also ran schemes for providing loans for housing their staff.
- This continued during the period of internal self-government in the 1950s when the Regional Governments established Housing Corporations which not only constructed houses for sale, but gave out serviced plots for private housing development and provided mortgage finance for the first time to non- government members. The first formal mortgage institution, the Nigerian Building Society, was also established about that time in 1956, as a joint venture of the Commonwealth Development Corporation, the Federal Government and the Eastern Regional Government, with an initial capital of an equivalent of N2.25 Million.
- In 1977, the Nigerian Building Society was converted into the Federal Mortgage Bank of Nigeria (FMBN), with an authorized share capital of N20 Million, later increased to N150 Million in 1979. Until 1989, the FMBN combined the functions of a primary and a secondary mortgage institution. In that year, the Mortgage Institutions Act was passed formally, recognizing the two-tier system of housing finance with private sector institutions handling primary or retail mortgaging, and the FMBN made to operate essentially as a secondary mortgage institution. Its early primary mortgage functions were now transferred to the newly established Federal Mortgage Finance Limited. It soon became obvious that government funding was grossly inadequate to meet enormous demand by Nigerians seeking mortgage finance for their homeownership aspirations.
- Consequently, in 1992, Government passed the National Housing Fund Act requiring workers both in the public and private sectors earning more than N3000 per month to contribute 2.5% of their monthly salaries. The Federal Mortgage Bank of Nigeria was made the agency of government to collect and manage the fund.
- In the year 2000, a Presidential Committee on Housing and Urban Development was set up and it submitted its report late in 2001. This led to Government issuing a white paper outlining the broad scope of a new policy that set up the Presidential Technical Committee on Housing and Urban Development. The new policy provided that mass housing for Nigerians will be based on mortgage financing, while the role of government will be to provide the enabling environment. It also encouraged all real estate developers in the country to come under the umbrella of an association, which is known as the Real Estate Developers Association of Nigeria (REDAN).



This new role requires that real estate developers learn how to build houses to particular price targets, so that members of different income groups can aspire to the status of homeownership.

2.2.2. Current Plans and Programs of Nigeria

The current plans and programs for Nigeria are officially enumerated in the following national documents:

- The new National Housing Policy of 2006,
- The NEEDS 1 & 2 documents,
- The report of the Presidential Technical Committee on Housing and Urban Development of 2002,
- The Presidential Committee Report on Affordable Housing of 2007,
- The 7 Point Agenda of the present administration.

The purpose of all these policies is to ensure that all Nigerians own or have access to decent, safe and healthy housing accommodation at affordable cost.

These policies aim at reforming the nation's housing sector by ensuring that Nigerians have access to affordable and decent rental housing that would be achieved through a private sector led housing delivery system anchored on mass construction of houses and strong mortgage finance.

The New National Housing Policy provides an annual target of 1,000 housing units per annum by each state government.

Objectives of the Policies

1. Create the political will of Government for the provision of housing for all Nigerians.
2. Provide adequate incentives and an enabling environment for private sector participation in the provision of housing.
3. Strengthen all existing public institutions involved in housing at the Federal level.
4. Promote active participation of all tiers of Government in housing delivery.
5. Create necessary and appropriate institutional framework for housing delivery.
6. Promote the usage of certified locally produced building materials.
7. Make land for housing development easily accessible and affordable.
8. Improve the quality of rural housing, rural infrastructure and environment.

Strategies of the Policies



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1. Strengthen and sustain the Federal Ministry of Works, Housing and Urban Development to harmonize and monitor housing delivery in Nigeria.
2. Set minimum performance standards in the building industry through relevant Government institutions.
3. Restructure and adequately capitalize the following institutions to effectively perform their statutory roles:
 - i) Federal Mortgage Bank of Nigeria (FMBN)
 - ii) Federal Housing Authority (FHA)
 - iii) Federal Mortgage Finance Limited (FMF)
 - iv) Urban Development Bank Limited
4. Establish and sustain a secondary Mortgage Market to enhance greater accessibility to long term housing fund for house ownership among all segments of the Nigerian population.
5. Grant fiscal incentives to small and medium scale local manufacturers of building materials.
6. Promote and encourage partnership between research institutes and private sector.
7. Ensure the enforcement by Government of the provisions of Professional Practice Acts in the building industry.
8. Encourage and fund the training of skilled manpower required for the building industry.
9. Devise simple and affordable techniques for up-grading existing housing stocks.
10. Encourage the establishment of co-operatives or housing associations to enable the rural dwellers have access to funds.
11. Embark on and sustain appropriate urban renewal programs for blighted areas.
12. Provide fiscal incentives and expeditious planning approval process to encourage private sector participation in housing delivery.
13. Establish land data management systems at all tiers of Government.
14. Provide sites and services scheme for housing nationwide.

Program of the Policies

1. Pursue private sector led housing construction nationwide of forty thousand (40,000) housing units per annum with at least 1,000 units in each state.
2. Provide grants-in-aid for urban infrastructural development and urban renewal projects through Urban Development Bank.
3. Complete all on-going and abandoned Government Housing Projects, especially the National Housing Program of Federal Housing Authority (FHA) and provide all complementary infrastructures.



2.3. Issues and Challenges

There are numerous issues and challenges affecting the housing situation in Nigeria. There is a genuine shortage of properties in the formal sector, and accordingly rents and house prices are very high. The market is predominantly in plots rather than in completed housing units. The problems faced by Nigerian Construction industry were identified and the factors hindering housing development are:

- Inefficient mechanisms for transferring property,
- The dearth of long term housing finance for home buyers,
- The absence of a clearly stated foreclosure law,
- Lack of adequate infrastructure,
- Inadequate urban planning system,
- Weak enforcement of development control covenants,
- Lack of adequate capital for mass housing projects
- Absence of enabling operational environment
- Lack of identifiable model/system of housing delivery that best suits Nigeria
- Most projects are not end user driven
- Lack of post construction management in planning projects
- Absence of basic standards for both specifications and building materials
- Over reliance on imported building materials as a result of inadequate development of local building materials
- Lack of adequate capital for mass housing projects
- Absence of enabling operational environment and
- Absence of basic standards for both specifications and building materials.

Another major factor relevant to housing finance is the ownership and management of land, which is encumbered by the administrative difficulties of issuance of Governor's consents, because of the impact on time, prices and mortgageability of property. This also helps fuel the informal sector by allowing unauthorized development which has a detrimental effect on property values.

2.4. Strategic Imperatives/Opportunities for Nigeria

The key priorities will be to build the effective demand for housing through the development of housing markets that will make housing finance available to the majority of Nigerians, and provide the legal and

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regulatory framework that will attract private investors to develop attractive housing products for that market.

If Nigeria is to meet its Housing needs, and also achieve its Vision 20:2020 objectives, it is imperative on government to design and implement policies and partnerships that will achieve the following:

- Provide the legal and regulatory environment that will attract public private partnership in Housing.
- Implement reform policies towards the development of a more effective land administration system.
- Work with states and local governments to produce and implement a unified and integrated infrastructure development for housing, to open up new layouts and provide sight and services for private sector to develop affordable and decent mass housing.
- Work with financial sector operators and regulators to develop an effective primary housing finance system, and facilitate linkage of that market to the capital market to provide long term affordable and sustainable liquidity for housing.
- Facilitate housing finance credit guarantees and provide targeted subsidies for home ownership to the needy.
- Expedite legislation for a clearly defined non judicial foreclosure law.
- Develop professional and skilled manpower, and build adequate capacity through training and skills acquisition to support the housing sector.
- Reduce the cost of houses by developing and promoting appropriate designs and production technologies for the housing sector.

2.5. Key Success Factors

Judging from the experience of the afore mentioned countries, and the analyses of different studies regarding the housing sector, the case for Nigeria is very overwhelming, and the government needs to confront and address the following key success factors:

i) Land Administration

Many studies have shown that the administration of the Land Use Act of 1978 has been a major impediment in the development of Housing in Nigeria. The pending legislative reforms should seek to



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confer secure, registerable and marketable title on land, establish an efficient and transparent land title transfer system, simplify existing land administration procedures for effective title and consent delivery, and develop an efficient Land Information System. The three tiers of government should computerize land registry systems to facilitate effective land administration.

ii) Legal and Regulatory Framework

Legal and regulatory reforms that are crucial to the development of a healthy private sector housing system are a prerequisite to the sector's growth. The establishment of a National Housing Commission to develop structures and control, monitor and regulate the Housing sector will go a long way into getting Nigeria to the promised land (*We don win oh*). Expunging the Land Use Act from the constitution, and the expedited passage of housing related pending and new bills at the National assembly will facilitate the establishment of institutions, systems and processes that will strengthen the legal and regulatory environment. The success of housing finance transactions lies among other things on the effective structures of lien registrations; property rights enforcements and clear foreclosure practices.

Effective targeted subsidy administration is another success factor in the development of mass housing for the lower income group, therefore, government should invest in a special research study to design, allocate and administer targeted subsidies through budgetary process, to facilitate home ownership to lower income groups. Mortgage and title insurance products should also be developed to mitigate credit risk. Land lord and tenant laws should also be reviewed to attract and facilitate investment in rental housing.

Urban infrastructure and rising cost of building materials among others have been the main bane for estate development in our country, and these have stalled the supply of affordable mortgageable homes. Government needs to prudently design and provide targeted subsidies and incentives that will assist low to medium income earners achieve their home ownership dreams. While the country waits the development of the bond market to finance urban infrastructure, we urge for a temporary and targeted intervention fund that will provide infrastructure for serious private sector estate developers, and some measures that will bring down the cost of building materials in the country.

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When these new laws have come into operation, they will boost investment in the housing sector and make Nigeria more mortgage friendly. While a perfect legal framework would be ideal, no country has yet achieved this and many have highly effective housing finance systems with a less than satisfactory legal framework. The existing legal framework is quite capable of supporting a massive expansion of mortgage lending; therefore the necessary reforms to the transaction process should not be held up while discussions take place on possible legislation. Rather, the legislation should be a separate work stream which can run at a different pace from the short term issues. The success of AGIS in the FCT and recent reforms by the World Bank for the mapping and streamlining of procedures in the ministries of Land in Lagos, Kano and Kaduna are examples in point, and results of these success stories should be expanded across the nation. This will expedite the multiplication of primary mortgage assets that will create the much needed demand for secondary market development.

iii) Housing Finance

The reform of the primary mortgage sector should be next in the sequence of financial sector reforms embarked upon by the Federal Government and the CBN, having launched the pension reform plan, banking consolidation plan and microfinance reform plan, to mention a few. The phenomenal successes the NEEDS program is not unrelated to the comprehensive, rigorous and empirical research that produced the facts, findings and insights that went into crafting the NEEDS program. The housing and housing finance sector deserves no less rigor, focus and attention. Results of empirical industry research/study should be the basis for reforms within the sector.

As large and as strategic as Nigeria is, and as important as this sector is to its macro-economic development and stability, policy makers and regulators should expand the development of housing and housing finance policies beyond the setting up of panels, conversations, assertions and opinions of arm-chair professionals and experts (outside the circles of housing finance experts and practitioners). They should tap from the available body of basic research and policy analysis with the professional, intellectual, and analytical framework that can be brought to bear on the design of housing and housing finance policies, institutions and structures that are thoroughly informed by the facts and findings from empirical study of our history, actual conditions and experiences, as they exist and operate across the country.

- Primary Mortgage Institutions and Microfinance Banks

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Housing sectors in developed economies have evolved through many years of primary market developments. It is true that in these markets, universal banks are mortgage originators, relying principally on market-based mortgage products and business processes, but there are important structural differences between these markets and ours, and therefore, wholesale import of their models may not be the solution to our problems. The nature of our markets (lack of reasonable supply of mortgageable homes, lengthy and expensive title transferability, weak judiciary, ineffective real estate service industry, growing middle class, high rate of rural to urban migration, poor urban infrastructure, etc) favours the development of a strong localised retail mortgage market, effective mortgage insurance mechanisms, and simpler risk management institutions and instruments for retail lenders such as the PMIs. We are not likely to realize the beneficial impact of secondary mortgage market innovations that we have witnessed in Western economies such as the USA, until we seriously fulfill the pre-requisites for primary mortgage market development. It is on record that there is no written success story of where commercial banks have developed the primary mortgage markets beyond the first top deciles in the income distribution, because development of a robust and broad-based primary mortgage market is long term, expensive, and not attractive to their business models. Banks become significant players only when the markets are more fully developed.

PMIs and Microfinance banks can play a critical role in mobilizing household savings for housing, and develop the required large scale primary mortgage asset portfolio that will create the necessary domestic demand for secondary market products. We believe that the current state of institutional development of primary mortgage markets in Nigeria compels the policy need to encourage the establishment of a wide range of specialized institutions from community based, state-based, regional-based and national-based that could collectively devote a focused attention to the essential task of mobilizing vast amount of resources from the household sector, as well as develop mortgage products that suit the demand from the mass and affordable market that remain grossly underserved today.

- The Secondary Mortgage Market

The frequent emphasis and energy that have been put into developing different forms of secondary mortgage market instruments seem misplaced; as this comes naturally by market demand once good quality mortgage portfolios are generated at scale. It is like starting to build a house from the roof. It is even more seriously misplaced when the emphasis is on mortgage securitization, which requires a level of complexity and sophistication that the legal and regulatory infrastructure and the financial markets in Nigeria do not presently possess. We should be focused, for now, more on the development of

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municipal bond market and a liquidity facility that could provide an interim step between having a fully functioning secondary market, and the need to extend the maturity of the liabilities base from deposit funding.

- Pension Fund Administrators (PFAs)

There are currently 26 PFAs with around ₦500 Billion (\$4.3 Billion) under management, about 4 per cent of the total assets of financial institutions, making them the second largest sector after the banks, and annual contributions are about ₦100 -120 Billion (\$850 Million - \$1 Billion). Government should facilitate reforms that will make it mandatory for a substantial part of these pension funds to be directly invested in mortgage assets.

- The Federal Mortgage Bank of Nigeria (FMBN)

While the most logical role for the Federal Mortgage Bank of Nigeria should be that of the leader and facilitator for the development of the housing finance sector in Nigeria, its only role today remains that of the manager of the National Housing Fund.

As a matter of urgency and strategic priority, the FMBN should be privatized immediately, with a clearly defined charter that codifies a set of catalytic functions that it could perform as a second tier institution in the mortgage marketplace, to make it more efficient and developmental, just like the successful examples of Government Sponsored Enterprises (GSEs) in developed countries.

- Institutional Funds

This report urge for a policy that will strengthen the underlying mortgage product in such a way that pension and insurance funds are interested in participating in the mortgage sector. This will require the standardization of loan instruments and underwriting methods, and measures to mitigate credit risk e.g., improved foreclosure methods, or credit risk sharing by government. Government policies can significantly help build the required high quality primary mortgage assets to jump start secondary mortgage operations.

- Deposit Insurance

The NDIC should accord a preferential rate to PMIs on its deposit insurance premium pricing as an incentive, since these deposits will be utilized to create mortgage assets.



- Transaction Costs

Transaction charges and the cumbersome process of registration of titles are the major impediments to the perfection of legal mortgages. The cumulative charges of consent fees, capital gains tax, stamp duty, registration fees, etc cost as high as 40% of property value in some states of the Federation. While this makes mortgage origination difficult, it makes secondary mortgages even prohibitive. We must realize that lower transaction costs will encourage more of the populace to register their titles and this will earn more income for the various governments than they currently earn. These charges should not exceed 5% of the value of the property if we are going to achieve an effective housing finance system.

- iv) Skill and Capacity Building

The pool of skilled managers and field staff experienced in housing finance is limited in Nigeria, and so are the trained artisans in the building and construction industries. Government, the private sector and development partners should mobilize to rehabilitate all existing technical and vocational training centers, and build new ones to ensure sustainable production of skilled manpower for the housing industry. Likewise, facilities in relevant faculties and departments of institutions of higher learning as enumerated in the National Building Code should be rehabilitated and upgraded, and the teaching of housing finance should be introduced in our institutions of higher learning.

- v) Building Materials , Appropriate Design and Technology

Nigeria is endowed with natural resources, so government should take advantage and provide adequate funding for R&D to improve the availability and affordability of building materials and technologies. Policy makers should also promote the use of certified local and recycled building materials for housing construction in government sponsored mass housing projects, and engage our professionals to come up with appropriate and cost effective design of houses for different parts of the country, with a view to satisfying peculiar local considerations. The products of R&D of the Nigeria Building and Road Research Institute, and other allied institutes should be commercialized through the establishment of construction centres. States and FCT Development Control Agencies should be empowered to enforce the provisions of the National Building Code (NBC).

To reduce the cost of infrastructure and ultimately the cost of delivery of affordable housing, the development of multi storey and multifamily housing should be encouraged.



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Despite many well intentioned policies and programs from previous governments and the recognized economic and social importance of housing in Nigeria, this sector still remains under-developed. The importance of developing robust systems of housing finance is paramount as Nigeria struggles to cope with population growth, rapid urbanization, and rising expectations from a growing middle class.



3. Strategies for Housing

3.1. Vision, Objectives and Goals of Housing

The vision is **“to make the Housing sector one of the top 3 contributors to the nation's economy by adding 10 million decent and affordable homes to the national housing stock by the year 2020”**.

Six objectives were developed from the vision, and these objectives are as follows:

1. Develop an efficient land administration system to make land ownership available, accessible and easily transferable at affordable cost.
2. Create adequate and affordable housing finance by developing an efficient primary mortgage market.
3. Establish an effective legal and regulatory framework for the control and monitoring of housing delivery.
4. Develop professional and skilled manpower, and build adequate capacity through training and skills acquisition to support the housing sector.
5. Reduce the cost of houses by developing and promoting appropriate designs and production technologies for the housing sector.
6. Add 10 Million new homes to the National Housing Stock

OBJECTIVE 1: Develop an effective land administration system to make land ownership available, accessible and easily transferable at affordable rate	
GOALS/TARGETS	INITIATIVES
1. Confer secure, registrable and marketable title on land	Expunge the Land Use Act from the constitution to facilitate its wholesale amendment
2. Establish an efficient and transparent land title transfer system.	Delegate consent approval to Commissioners of land and mandate them to deliver in a maximum of two weeks
3. Simplify existing land procedures for effective title and consent delivery.	Request that the World Bank replicates the success stories of Lagos, Kano and Kaduna on the mapping and simplification of land administration procedures in all states of the federation

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4. Develop an efficient National Land Information System.	Ensure that states and FCT computerise their cadastral and survey departments, capture all existing land data electronically and adopt a uniform automated Land Information System that will give ownership to every piece of land in a unified National Land Registry.
5. Provide infrastructure for site and services to open up new urban layouts	Restructure and strengthen relevant departments at all tiers of government and provide requisite budgetary allocations for effective delivery of Site and Services to open up new layouts for housing, to be done by all tiers of government, led by the Federal government on the medium term

Objective 2: Provide adequate and affordable housing finance to all Nigerians by developing an efficient primary mortgage market

GOALS/TARGETS	INITIATIVES
1. Provide funding for a detailed empirical research study for the establishment of an efficient primary mortgage market.	Invite World Bank/IFC to conduct a detailed empirical research study for the development of an efficient Primary Mortgage Market in the country.
2. Enforce the NHF contributions as enshrined by the Act.	Enforce compliance with the National Housing Fund deductions and remittances at all levels as enshrined in the enabling Act
3. Recapitalize the PMIs to a minimum of N10 Billion.	Recapitalize PMIs to N10 Billion
4. Privatize the FMBN and FHA into Government Sponsored Enterprises (GSEs) that will provide a linkage between the mortgage market and the capital market.	Privatize FMBN and FHA to operate the secondary mortgage market
5. Direct PENCOR to invest part of their pension funds to invest in mortgage products.	Develop primary mortgage products that will be attractive to pension fund investment.
6. Encourage government ministries, departments, parastatals and agencies to place fund deposits with the recapitalized PMIs.	Direct MDAs to place fund deposits with the recapitalized PMIs.

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Objective 3: Establish an effective legal and regulatory framework to enforce the control and monitoring of housing delivery

GOALS/TARGETS	INITIATIVES
1. Establish a National Housing Commission that will regulate and control the housing sector.	Sponsor and pass a bill to establish a National Housing Commission.
2. Provide targeted subsidies to facilitate home ownership to lower income groups.	Design, allocate and administer targeted subsidies through budgetary process, to facilitate home ownership to lower income groups.
3 Establish a mortgage and title insurance system that will mitigate credit risk.	Develop and establish mortgage and title insurance products to mitigate credit risk.
4 Establish an efficient foreclosure system that will give more guarantees to lenders in cases of default.	Sponsor a bill to establish an effective foreclosure system (devoid of judiciary encumbrances) that will give more guarantees to lenders in cases of default.
5 Encourage investment in affordable rental housing	Review land lord tenant laws to facilitate investment in rental housing



Objective 4: Develop professional and skilled manpower, and build adequate capacity through training and skill acquisition to support the housing sector

GOALS/TARGETS	INITIATIVES
1. Rehabilitate all existing technical and vocational training centers, and build new ones to ensure sustainable production of skilled manpower for the housing industry.	Conduct an audit of all vocational and technical institutions; study their level of deterioration, estimate the cost of, and implement the renovation and upgrade of their facilities, and construct new ones where applicable. Offer free technical education.
2. Revive the certification and registration of skilled manpower through Trade Test.	Ensure registration and certification of all classes of professionals.
3. Appoint qualified Housing industry professionals to manage housing ministries, departments, institutions, parastatals and agencies	Ensure the appointment of qualified Building and Housing Industry Professionals to head appropriate Housing agencies.
4. Restructure and fund the ITF to be more effective	Examine the structures and facilities of the ITF, restructure and adequately fund it.
5. Fund and upgrade facilities in relevant faculties and departments of institutions of higher learning as enumerated in the National Building Code	Assess the existing facilities of tertiary institutions, and upgrade and fund them adequately.

Objective 5: Reduce the cost of production of houses by developing and promoting appropriate designs and production technologies for the housing sector

GOALS/TARGETS	INITIATIVES
1. Provide adequate funding for R&D to improve the availability and affordability of building materials and technologies.	Increase budgetary allocation and involve private sector and development partners in funding R&D, to improve the availability and affordability of building materials and technologies.
2. Promote the use of certified local building materials for housing construction.	Enforce the use of certified local building materials in government sponsored mass housing construction projects.

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3. Commercialize the products of R&D of the Nigeria Building and Road Research Institute, and other allied institutes.	Establish construction centres in the housing sector as agents for the commercialisation of the R&D products.
4. Enforce the provisions of National Building Codes (NBC).	Adequately fund and empower development control agencies to enforce the provisions of the National Building Code (NBC).
5. Promote appropriate and cost effective design of houses for different parts of the country with a view to satisfying peculiar local considerations.	Engage building industry experts to design houses that will satisfy affordability criteria and peculiar local considerations.

Objective 6: Add 10 Million new homes to the National Housing Stock

GOALS/TARGETS	INITIATIVES
1. Build an average of one Million new homes every year.	Mobilize resources, budgetary and otherwise, and partner with the private sector in the provision of an average of one Million new homes every year, starting from 2010.
2. Ensure that at least 50% of the new homes are built in the urban centres, and the remaining in the rural areas	States and LGAs should provide land and infrastructure to encourage housing development in urban and rural areas.
3. Provide incentives to encourage public private partnership in mass housing development	Provide sites and services, and other targeted subsidies to needy families, for effective mass housing delivery.

4. Implementation Roadmap

4.1. Implementation Plan – Short term, Medium term and Long term

The implementation plan details how the various plans and programs//initiatives identified will be implemented.

OBJECTIVE 1: Develop an effective land administration system to make land ownership available, accessible and easily transferable at affordable rate.								
No	STRATEGIES	INITIATIVES	Short term	Medium term	Long term	Implementing Agencies	Collaborating Agencies	Funding Sources
1.	Confer secure, registrable and marketable title on land	Expunge the Land Use Act from the constitution to facilitate its wholesale amendment	2010			Presidency	Fed. Min. of Justice	Government
2.	Establish an efficient and transparent land title transfer system	Delegate consent approval to Commissioners of land and mandate them to deliver in a maximum of two weeks	2010			Presidency	State Governments	Government
3.	Simplify existing land administration procedures for effective title and consent delivery	Request that the World Bank replicates the success stories of Lagos, Kano and Kaduna on the mapping and simplification of land administration procedures in all states of the federation	2010			World Bank	World Bank	World Bank
4.	Develop an efficient National Land Information System	Ensure that states and FCT computerise their cadastral and survey departments, capture all existing land data electronically and adopt a uniform automated Land Information System that will give ownership to every piece of land in a unified National Land Registry.	2012			FMWHUD	State Counterparts	Government
5.	Computerize land registry system	Develop an efficient National Land Registry System	2010			Presidency	FMWHUD	Government
Objective 2: Provide adequate and affordable housing finance to all Nigerians by developing an efficient primary mortgage market								

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	STRATEGIES	INITIATIVES	<i>Short term</i>	<i>Medium term</i>	<i>Long term</i>	Implementing Agencies	Collaborating Agencies	Funding Sources
1.	Provide funding for a detailed empirical research study for the establishment of an efficient primary mortgage market.	Invite World Bank/IFC to conduct a detailed empirical research study for the development of an efficient Primary Mortgage Market in the country	2010			FMBN	NPC MBAN REDAN	FGN
2.	Enforce the NHF contributions as enshrined in the enabling Act.	Enforce compliance with the National Housing Fund deductions and remittances at all levels as enshrined in the enabling Act	2010			Presidency	FMBN	Presidency
3.	Recapitalize the PMIs to a minimum of N10 Billion.	Recapitalize PMIs to N10 Billion	2010			CBN	NDIC MBAN	
4.	Privatize the FMBN and FHA into Government Sponsored Enterprises (GSEs) that will provide linkages between the mortgage market and the capital market.	Privatize FMBN and FHA to operate the secondary mortgage market	2010			BPE	MWH&UD	BPE
5.	Ensure that PENCOR invests sizeable part of the pension funds in primary mortgage products.	Develop primary mortgage products that will be attractive to pension fund investment.	2010			NPC	PENCOR MBAN	PMIs
6.	Encourage MDAs to place fund deposits with the recapitalized PMIs.	Direct MDAs to place fund deposits with the recapitalized PMIs.	2010			Presidency	FMF CBN	Presidency

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Objective 3: Establish an effective legal and regulatory framework to enforce the control and monitoring of housing delivery								
	STRATEGIES	INITIATIVES	<i>Short term</i>	<i>Medium term</i>	<i>Long term</i>	Implementing Agencies	Collaborating Agencies	Funding Sources
1.	Establish a National Housing Commission that will regulate and control the housing sector.	Sponsor and pass a bill to establish a National Housing Commission.	2010			FMWH&UD	FMJ	FMWH&UD
2.	Provide targeted subsidies to facilitate home ownership to lower income groups.	Design, allocate and administer targeted subsidies through budgetary process, to facilitate home ownership to lower income groups.	2010			Proposed NHC	F&S MF Budget and Planning	Presidency State Govts
3.	Establish a mortgage and title insurance system that will mitigate credit risk.	Develop and establish mortgage and title insurance products to mitigate credit risk.	2010			NAICOM	FMBN CBN	NAICOM
4.	Establish an efficient foreclosure system that will give more guarantees to lenders in cases of default.	Sponsor a bill to establish an effective foreclosure system (devoid of judiciary encumbrances) that will give more guarantees to lenders in cases of default.	2011			FMJ	NASS	Federal Govt
5.	Design and implement measures to encourage investment in affordable rental housing.	Review land lord tenant laws to facilitate investment in rental housing	2010			FMJ	FMW&HUD, NHC	FMWHUD

Objective 4: Develop professional and skilled manpower, and build adequate capacity through training and skills acquisition to support the housing sector.								
	STRATEGIES	INITIATIVES	<i>Short</i>	<i>Medium</i>	<i>Long</i>	Implement	Collaborat	Fundin

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			<i>term</i>	<i>m</i> <i>term</i>	<i>term</i>	ting Agencies	ing Agencies	g Source s
1	Rehabilitate all existing technical and vocational training centers, and build new ones to ensure sustainable production of skilled manpower for the housing industry.	Conduct an audit of all vocational and technical institutions; study their level of deterioration, estimate the cost of, and implement the renovation and upgrade of their facilities, and construct new ones where applicable. Offer free technical education.	2010			FMoE	MWH&UD	FGN
2	Revive the certification and registration of skilled manpower through Trade Test.	Ensure registration and certification of all classes of professionals.	2010			FMoE	FMWH&U D	FGN and State Govts
3	Appoint qualified building industry professionals to head housing ministries, departments, institutions, parastatals and related agencies.	Ensure the appointment of qualified Building Industry Professionals to head appropriate Housing agencies	2010			FMWH&U D	Profession al and Regulatory bodies	FGN
4	Restructure and fund the ITF to make it more effective	Examine the structures and facilities of the ITF, restructure and adequately fund it.	2010			FMT&I	NECA & NACCIMA	MT&I
5	Fund and upgrade facilities in relevant faculties and departments of institutions of higher learning as enumerated in the National Building Code	Assess the existing facilities of tertiary institutions, and upgrade and fund them adequately.	2010			FMoE	NUC, NBTE	MoE

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Objective 5: Reduce the cost of production of houses by developing and promoting appropriate designs and production technologies for the housing sector

	STRATEGIES	INITIATIVES	<i>Short term</i>	<i>Medium term</i>	<i>Long term</i>	Implementing Agencies	Collaborating Agencies	Funding Sources
1.	Provide adequate funding for R&D to improve the availability and affordability of building materials and technologies.	Provide more budgetary allocation and involve private sector and development partners in funding R&D to improve the availability and affordability of building materials and technologies.	2010			FMWH&UD	BRRI, Professional and Regulatory bodies	MWH&UD
2.	Promote the use of certified local building materials for housing construction.	Enforce the use of certified local building materials in government sponsored mass housing construction projects.	2012			FMWH&UD	MoE State & Local Govts, SON	MWH&UD
3.	Commercialize the products of R&D of the Nigeria Building and Road Research Institute, and other allied institutes.	Establish construction centres to commercialize the products of R&D products.	2012			FMWH&UD	BRRI, MST, SON, MIC	MWH&UD
4.	Enforce the provisions of the National Building Code (NBC).	Allocate more funding and empower development control agencies to enforce the provisions of National Building Codes (NBC).	2010			FMWH&UD	SON, Professional & Regulatory bodies, State DCAs	
5.	Promote appropriate and cost effective design of houses for different parts of the country, with a view	Engage Building Construction professionals to design and cost houses that will satisfy the affordability peculiar local considerations.	2010			FMWH&UD	Professional bodies	FMWH&UD

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	to satisfying peculiar local considerations.							
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Objective 6: Add 10 Million new homes to the National Housing Stock

	STRATEGIES	INITIATIVES	<i>Short term</i>	<i>Medium term</i>	<i>Long term</i>	Implementing Agencies	Collaborating Agencies	Funding Sources
1.	Build an average of one Million new homes every year.	Mobilize resources, budgetary and otherwise, and partner with the private sector in the provision of an average of one Million new homes every year, starting from 2010.	2010			Proposed NHC	Fed, States & LGAs, and private sector	
2.	Ensure that at least 50% of the new homes are built in the urban centres, and the remaining in the rural areas.	Mobilize for the production of at least 50% of the one million new homes per annum among the urban centres, and the remaining to the rural areas.	2010			Fed, States & LGAs	REDAN, PMIs, Banks, Prof & Reg bodies	Fed, State & LGAs
3.	Provide incentives to encourage public private partnership in mass housing development	Provide sites and services, and other targeted subsidies to needy families, for effective mass housing delivery.	2010			Fed, State & LGAs	PPP collaborators	Fed, State & LGAs



4.2. Implementation Monitoring Framework and Tools

S/N	Initiatives	Monitoring Agency	Monitoring Frequency	KPI	% Completion	Issues	Risks	Mitigation
OBJECTIVE 1: Develop an effective land administration system to make land ownership available, accessible and easily transferable at affordable rate								
1a	Expunge the Land Use Act from the constitution to facilitate its wholesale amendments	FMWH&UD	Quarterly	-Draft and present bill to NASS (QTR1 of 2010) -NASS to pass bill Dec. 2010				
1b	Amend the relevant sections of the LUA to guarantee secure, registrable and marketable title	FMWH&UD	Quarterly	Set up committee to review and recommend amendments to LUA (QTR1 2011) -Consider and approve recommendations and present bill to NASS (QTR2 2011) - NASS to pass LUA amendment bill (Dec.2011)				
2	Delegate consents	Governor's	Quarterly	Number of				

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S/N	Initiatives	Monitoring Agency	Monitoring Frequency	KPI	% Completion	Issues	Risks	Mitigation
	approval to Commissioner of Land and mandate them to deliver in a maximum of two weeks	office		States that comply				
3	Replicate the success stories of Lagos, Kano and Kaduna on the mapping and simplification of land administration procedures in all States of the federation and the FCT	National Planning Commission	Quarterly	Number of States achieving successful implementation				
4	Ensure that states and FCT computerise their cadastral and survey departments, capture all existing land data electronically and adopt a uniform automated Land Information System that will give ownership to every piece of land in a unified National Land Registry.	National Planning Commission	Quarterly	Number of States achieving successful implementation				
5	Develop an efficient national land registry system	National Planning Commission	Quarterly	Number of States that comply				
Objective 2: Provide adequate and affordable housing finance to all Nigerians by developing an efficient primary mortgage market								
	Invite World Bank/IFC or other Housing Finance Consulting firms to conduct a detailed empirical research study	National Planning Commission	Monthly	1. Definition of terms of reference by Nov 2009 2. Engage				

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S/N	Initiatives	Monitoring Agency	Monitoring Frequency	KPI	% Completion	Issues	Risks	Mitigation
	for the development of an efficient Primary Mortgage Market in the country.			nt of the consultant by December 2009. 3.Submission of interim report by March 2010. 4.Submission of final report. By April 2010 5.Implementation of report recommendations by Sept 2010 6. Emergence of an efficient Primary Mortgage Market in the country by Dec 2010.				
2	Enforce compliance with the National Housing Fund deductions and remittances at all levels as enshrined in the enabling Act	National planning Commission	Monthly	Monthly percentage increase in number and aggregate amount of		.		

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S/N	Initiatives	Monitoring Agency	Monitoring Frequency	KPI	% Completion	Issues	Risks	Mitigation
				NHF contribution to the fund.				
3	Recapitalize the PMIs to a minimum of N10 Billion.	National planning commission	Quarterly	Number of PMIs re-capitalized.				
4	Privatize FMBN and FHA to operate the secondary mortgage market	National Planning Commission	Monthly	1. Definition of terms of reference. By Nov 2009 2. Engagement of the consultant by Dec 2009 3. Submission of technical and financial bids 4. Announcement of successful investors				
5	Develop primary mortgage products that will be attractive to pension fund investment.	Proposed National Housing Commission	Monthly	Percentage of PF invested in primary mortgage products				
6	Direct MDAs to place fund deposits with the recapitalized PMIs.	CBN	Quarterly	Volume of MDA funds placed with the re-capitalized				

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S/N	Initiatives	Monitoring Agency	Monitoring Frequency	KPI	% Completion	Issues	Risks	Mitigation
				PMIs				
Objective 3: Establish an effective legal and regulatory framework to enforce the control and monitoring of housing delivery								
	1). Establish a National Housing Commission (NHC) that will regulate and control the housing sector.	FMWHUD	Quarterly	1. Drafting the Commission's functions, mandate, powers, structure, regulatory framework and sanctions regime by Dec 2009. 2. Discuss concept paper on proposed NHC with all stakeholders By March 2010 3. Sponsor NHC Bill to the National Assembly by June 2010. 4. Pass the Bill to law and Presidential assent by				

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S/N	Initiatives	Monitoring Agency	Monitoring Frequency	KPI	% Completion	Issues	Risks	Mitigation
				September 2010. 5. Constitute and inaugurate the Commission by Dec 2009.				
	2). Establish a mortgage and title insurance system that will mitigate credit risk.	FMWH&UD & FMF	Quarterly	1. National Insurance Commission (NAICOM) to develop regulatory framework to facilitate the establishment of mortgage and title insurance system by Dec 2009 2. Insurance companies to develop and offer mortgage and title insurance products by March 2010.				
	3). Establish an efficient foreclosure system that	FMJ	Quarterly	1. Sponsor a Bill to				

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S/N	Initiatives	Monitoring Agency	Monitoring Frequency	KPI	% Completion	Issues	Risks	Mitigation
	will give more guarantees to lenders in cases of default.			establish an effective foreclosure system by the Dec 2009.				
	4). Passage of pending housing related bills at NASS.	FMF, CBN	Monthly	Number of amended bills passed				
Objective 4: Develop professional and skilled manpower, and build adequate capacity through training and skill acquisition to support the housing sector								
1	Conduct an audit of all vocational and technical institutions; study their level of deterioration, estimate the cost of, and implement the renovation and upgrade of their facilities, and construct new ones where applicable. Offer free technical education.	NBTE	Quarterly	1.Number of schools rehabilitated 2.Number of new schools established				
2	Ensure registration and certification of all classes of professionals.	Housing Professional and Regulatory bodies	Quarterly	Number of professionals registered				
3	Ensure the appointment of qualified Building and Housing Industry Professionals to head appropriate Housing agencies.	Building and Housing Professional bodies	Annually	Percentage of compliance				

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S/N	Initiatives	Monitoring Agency	Monitoring Frequency	KPI	% Completion	Issues	Risks	Mitigation
4	Examine the structures and facilities of the ITF, restructure and adequately fund it.	FMC&I	Quarterly	1.Level of SIWES students passed through 2.Level of improvement of funding 3.Level of improvement of services				
5	Assess the existing facilities of tertiary institutions, and upgrade and fund them adequately.	NUC, NBTE, Professional & Regulatory bodies	Annually	Number of institutions upgraded by 2012				
Objective 5: Reduce the cost of production of houses by developing and promoting appropriate designs and production technologies for the housing sector.								
1.	Increase budgetary allocation and involve private sector and development partners in funding R&D, to improve the availability and affordability of building materials and technologies.	FMWH&UD, FMS&T & NPC	Quarterly	1.Increase in funding of R&D 2.Number of relevant researches published 3.Number of research products publicly exhibited				

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S/N	Initiatives	Monitoring Agency	Monitoring Frequency	KPI	% Completion	Issues	Risks	Mitigation
2.	Enforce the use of certified local building materials in government sponsored mass housing projects.	FMWH&UD & SON	Bi-annually	1.Level of local building materials content 2.Number of govt projects done using local building materials				
3.	Establish construction centres in the housing sector as agents for the commercialisation of the R&D products.	FMWH&UD	Bi-annually	Number of construction centres established				
4.	Adequately fund and empower development control agencies to enforce the provisions of the National Building Code (NBC).	FMWH&UD & State & FCT Dev Control agencies	Quarterly	1.Level of increase in funding 2.Level of compliance with Dev Control				
5.	Engage building industry experts to design houses that will satisfy affordability criteria and peculiar local considerations.	FMWH&UD & State and FCT equivalent ministries	Bi-annually	Number of houses built with those designs				
Objective 6: Add 10 Million new homes to the National Housing Stock								
1.	Mobilize resources, budgetary and otherwise, and partner with the	FMWH&UD, NPC, & Proposed	Quarterly	Number of houses built every quarter				

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S/N	Initiatives	Monitoring Agency	Monitoring Frequency	KPI	% Completion	Issues	Risks	Mitigation
	private sector in the provision of an average of one Million new homes every year, starting from 2010.	NHC						
2.	States and LGAs should provide land and infrastructure to encourage housing development in urban and rural areas.	NEC, NCS & FMWH&UD	Bi-annually	Number of developed sites				
3.	Provide sites and services, and other targeted subsidies to needy families, for effective mass housing delivery.	FMWH&UD, FMF & Budget Office, States & FCT	Quarterly	1.Number of sites & services provided 2. Amount of targeted subsidy disbursed				





Appendices

i) Minutes of all the six NTWG sessions.

ii) List of Abbreviations

CBN	Central Bank of Nigeria
EDL	Estate Development Loan
FIRST	Financial Sector Reform and Strengthening Initiative
FMBN	Federal Mortgage Bank of Nigeria
MBAN	Mortgage Bankers Association of Nigeria
NDIC	National Deposit Insurance Corporation
NHTF	National Housing Trust Fund
PenCom	National Pensions Commission
PFA	Pension Fund Administrator
PMI	Primary Mortgage Institution
FHA	

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