

**AN EVALUTION OF THE CONTRIBUTION OF PRIVATE SECTOR TO  
REAL ESTATE DEVELOPMENT IN BENIN CITY**

**BY**

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**BEING A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF ESTATE  
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**CERTIFICATION**

We, the undersigned hereby certify that this project work has achieved its objectives both in scope and quality of the requirements for the award of Higher National Diploma (HND) in Estate Management and Valuation Department, Auchi Polytechnic, Auchi.

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### **DEDICATION**

I dedicate this project work to God Almighty, who has given me the grace, strength and wisdom to complete my HND programme.

### **ACKNOWLEDGMENTS**

I am thankful to God Almighty who has preserved my life and made it possible for me to achieve this academic feat. My sincere thanks go to my project supervisor **Mr. Dedegu U. I** for his wonderful contribution, advice and the fatherly role he played towards the success of my

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### ***Abstract***

*The study is aimed at evaluating the contribution of private sector to real estate development in Benin City. The survey research design was used in the study. Data was collected with the use of questionnaire administered to 265 out of which 219 were retrieved and found to be useful representing 77.4%. The data obtained from the field were presented and analysed with the use of simple descriptive statistics which involved frequency table and mean item score. Findings shows that the main level of private sector involvement in real estate development in Benin City were residential real estate, commercial real estate development and industrial real estate development, result shows that the major rationale for private sector involvement in housing in Benin City were for rental income, for efficiency and effectiveness housing delivery and investment, Findings shows that the Public sector (authorities) financial support private sector to enhanced property development in Benin City, Findings shows that the sources of finance available to private real estate investors in Benin City are through commercial Banks; Mortgage Banks, Personal saving, NHTF Mortgage Loans, Co-operative National Housing Fund Loan (CNL) among others. The study recommended that private sector must develop strong capacity in the area of Public Private Partnership in Real Estate Development and possibly begin to form a consortium so as to be bigger and better. This will enable them develop good expertise in PPP housing and Government policy on housing need to be changed for rapid development to take place in the real property market among others*

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the study**

The private sector in the housing delivery consists of the individuals and corporate organizations. The sector provides houses for their direct use, their staff, for rental or sale. The sector has been more efficient in the production of housing. That is why scholars have suggested that the government should only create the enabling environment for the private sector to meet the housing need of the people. For instance, the UN (2006) observes that if the national housing goals are to be met, government should encourage, orient and if necessary, supervise the private housing sector. In the same vein, Freedman (2019), suggests that housing delivery should be left to the private sector to manage. The private sector involvement goes beyond direct housing construction to manufacturing of all types of building materials, supply of labour and capital (Windapo, 2007). Contemporary developments worldwide seem to favour the private sector driven housing development.

The argument in favour of private sector is hinged on the efficiency and effectiveness of the private sector as well as the corruption and inefficiency of the public sector. The Nigerian government has identified with this view, and has in recent times introduced a number of reforms aimed at stimulating and assisting the private sector to play the leading roles in housing production and delivery. The reforms are in the establishment of Real Estate Developers Association of Nigeria (REDAN), Building Materials Producers Association of Nigeria (BUMPAN), the reduction of interest rates on national housing fund loan to members of REDAN and restructuring of the housing finance sub-sector to include the introduction of

secondary mortgage market. Generally, in most countries of the world, the housing sector is a blend of private enterprises and government activities. The point of emphasis in this presentation is that policy on private sector participation in housing delivery has to involve identifying the factors that militate against effective private sector performance. In assessing the performance of the private sector in housing provisions, it is necessary to look at the following, Cost of labour, Accessibility to land, Cost of building materials, Accessibility to housing finance facilities, Hindrances posed by government policies, regulations and bye-laws; Poor infrastructural provision, Inflation during the life of a project and Corruption/greed (Okupe, 2000).

The private sector falls into two categories, the informal private sector (not organized group) and the formal (organized) private sector. The private sector is expected to be the main financier of housing finance system by contributing mandatorily to the National Housing Fund. The integral parts of the formal private sector, which grant housing loans, are the financial institutions such as the primary mortgage institutions and commercial banks that are into property development. Availability of housing finance is fundamental to the provision of adequate housing (Olotuah, 2001).

## **1.2 Statement of the Problem**

The private sector remains the major developers of the real estate sector in Nigeria as with in some other developing countries. However, productivity in Nigeria is hampered by many factors, including high cost of building materials, difficulty in obtaining title to land, a weak mortgage financing sector, and delay in obtaining building permit. About 90% of total real estate development provision has traditionally been attributed to the private sector (Ajanlekoko 2001). However, Ogu (1999) noted that 54% of real estate development is being provided by individual private property developers; 22.7 percent by corporate developers; and 22.3 percent by



government. Considering their poor economic circumstances, the low income group, which comprises the vast majority of Nigerians, has to rely also on cooperative housing to meet their needs. Unfortunately, the private sector is saddled with numerous problems, which cause supply to always fall far short of demand and lead to lower production quality (Nubi, 2008). Constraints to private housing production include funds shortage/ high cost of funds, high cost of construction, delay in obtaining Certificate of Occupancy (C of O) and building plan approval, land acquisition, high cost of building materials, and general government policy. In Benin City, private developers are the key providers of real estate development as in other cities in Nigeria but the quantity and quality needs to be known. Most of the real estate developments provided by individual developers are not necessarily in the form of housing estates but as disparate individual units, hence such developers are sometimes referred to “accidental landlords”. Mass housing delivery in the form of estates is one major way of solving housing shortage globally and locally. This strategy is aimed at promoting accessibility to home ownership, reducing the affordability gap in home finance, and ensuring sustainable urbanization for the benefit of the citizens.

Hence it is against this background that this research seeks to assess the role of private sector in the provision of affordable housing to the public so as to device strategies for improving affordable housing provision in Benin City.

### **1.3 Research Questions**

The following research questions are raised for this study:

1. What is the level of private Sector Involvement in Real Estate Development in Benin City?
2. What is the rationale for private sector involvement in housing in the study area?

3. What are the Sources of finance available to Private Real Estate Investors in the study area?
4. What are challenges faced by private sector in real estate development in the study area?

#### **1.4 Aim and Objectives of the Study**

The aim of this study is to examine the contribution of private sector to real estate development in Benin City. The specific objectives are to:

1. determine the level of private Sector involvement in Real Estate Development in Benin City
2. determine the rationale for Private Sector involvement in Housing in the study area
3. ascertain the sources of finance available to Private Investors Real Estate Investors in the study area
4. Analyze the challenges faced by private sector in real estate development in the study area

#### **1.5 Significance of the Study**

The results of this study will educate the general public on the role of government public in private partnership and how it can be used as the instrument of development in residential housing Estate. The findings will sensitize the stakeholders in building construction and real estate management on the need for effective collaboration with the private sector to ensure speedy development and delivery of housing units all over the country noting that private partnership has facilitated development in housing delivery and maintenance in other advanced countries of the world. This research will also serve as a resource base to other scholars and researchers interested in carrying out further research in this field subsequently, if applied will go to an extent to provide new explanation to the topic.

## **1.6 Scope of the Study**

The scope of this study is limited to the contribution of private sector to real estate development in Benin City. The study will examine, determine the level of private Sector involvement in Real Estate Development, determine the rationale for Private Sector involvement in Housing, and ascertain the sources of finance available to Private Real Estate Investors, identify the challenges faced by private sector in real estate development; other relevant literatures related to the study will also be treated. The study will be limited to three geographical locations in Benin City; this includes, Ugbowo, Government Reservation Area (G.R.A) and Ekenwan.

## **1.7 Limitation of the Study**

✓ **Lack of funds:** The researcher encounter lack of funds for the execution of the project work due to the standard of living in the country which lead to high increase of goods and services. The implication of this is that it has affected the cost of transportation to seek relevant information for the research work.

✓ **Attitude of the respondent:** The attitude of the respondent, during the course of investigation was not encouraging enough; some were not willing to give useful information. This necessitates the researcher to pay several visitations to respondents before such information could be released to a researcher.

✓ **Difficulty in distributing and retrieving questionnaire:** The researcher was equally challenged with the task of distributing and retrieving questionnaire from respondents. So many of the respondents were not willing to accept the questionnaire while those who had accepted, delayed in making them available as at when required. This delayed in the distribution and

retrieving of questionnaire, nevertheless it is interesting to note that despite all these challenges, the comprehensive nature of the research study was not compromised.

## **1.8 Study Area**

Benin City is the capital of Edo State in southern Nigeria, its population is approximately 1,147,188 according to the population census of 2006, it is approximately 205 miles north of the Benue River, and it is situated 200 miles by road east of Lagos. Benin City is the center of Nigeria's rubber industry, but processing palm nuts for oil is also an important traditional industry, it has latitude of  $6.3350^{\circ}\text{N}$  and longitude of  $5.6037^{\circ}\text{E}$ . The original people and founder of the Benin Empire, the Edo people, were initially ruled by the Ogiso (kings of the sky) dynasty that caused the land Igodomigodo. The rulers of kings were community known as Ogiso, Goo and the first Ogiso welded much influence and gained popularity as good ruler. The Portuguese visited Benin City around 1485; Benin City grew rich during the 16<sup>th</sup> and 17<sup>th</sup> centuries due to trade within southern Nigeria as well as through trade with the European mostly in pepper and ivory. On the 17<sup>th</sup> February 1897, Benin City fell to the British in the punitive expedition, a 1200 strong British force under the command of admiral sir Harry Rawson, conquered and raid the city. The Benin bronzes, portrait figures were taken from the city and the merging of layer regional British conquest into the Niger coast protectorate of southern Nigeria and finally into the colony and protectorate of Nigeria.

As a growing capital City, in a third World Country. Benin metropolis is experiencing acute housing affordability problem, high rate of urbanization, lack of finance, as a result of non access to mortgage loans, high cost of building materials and high level of unemployment, are mostly the constraints to housing affordability in Benin City. It is recommended that government should play a pivotal role by taken steps that will open up rural areas, such as the provision of

good roads, electricity supply, good water supply, employment opportunities in order to stem the mass drift from rural areas to already over populated urban cities.

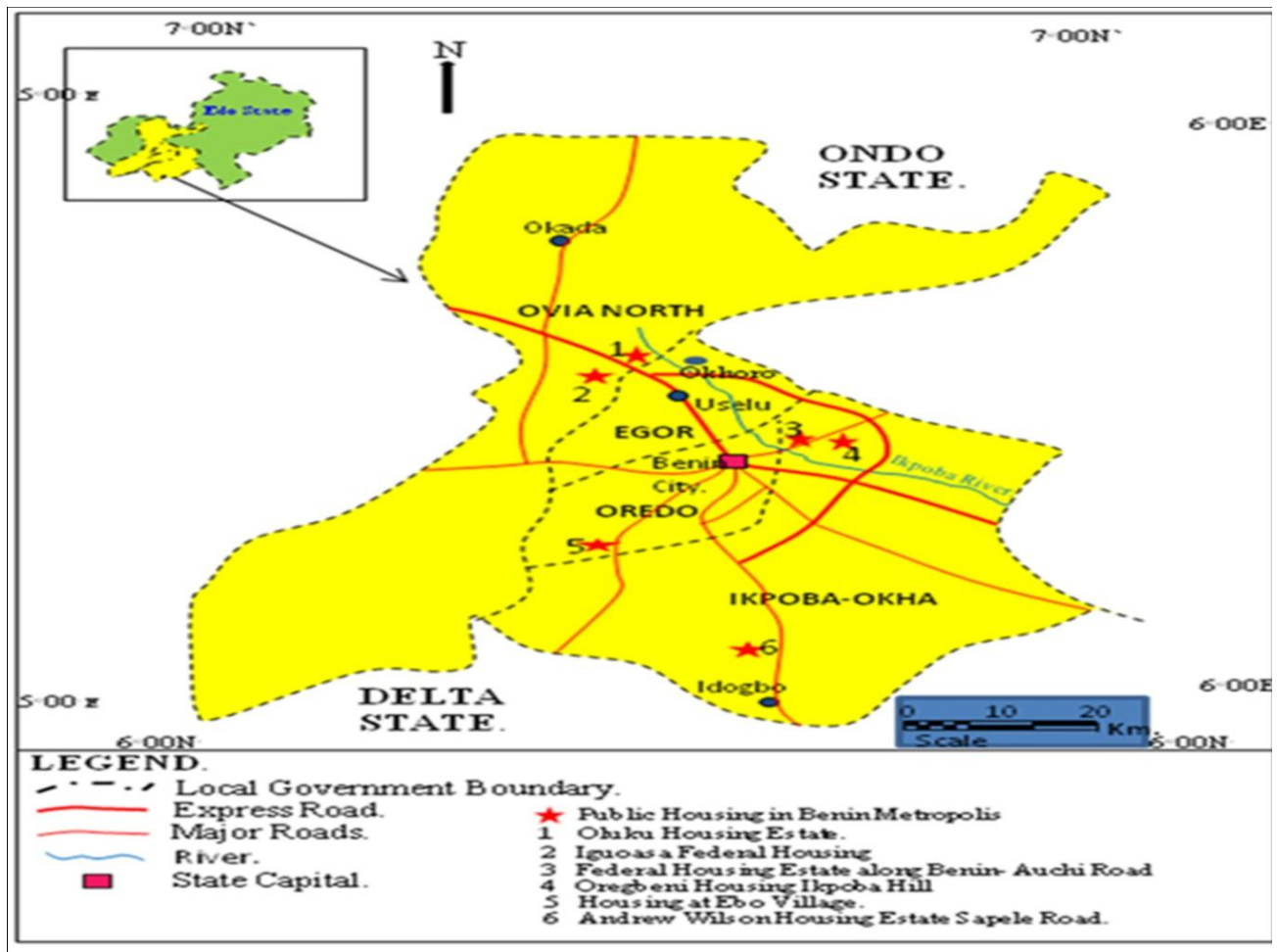


Figure 2: Study area in its Regional context

Sources: [www.wikipedia.com/maps/edostate](http://www.wikipedia.com/maps/edostate) (2015)

## 1.9 Operational Definition of Terms

Some terms that are going to appear frequently in the study will be defined to enhance easy understanding of the study.

**Real Estate:** The term 'real estate' is defined as land, including the air above it and the ground below it, and any buildings or structures on it. It is also referred to as realty. It covers residential

housing, commercial offices, trading spaces such as theatres, hotels and restaurants, retail outlets, industrial buildings such as factories and government buildings. Real estate involves the purchase, sale, and development of land, residential and non-residential buildings. The main players in the real estate market are the landlords, developers, builders, real estate agents, tenants, buyers etc. The activities of the real estate sector encompass the housing and construction sectors also (Loyford & Moronge, 2014).

**Private Sector** is the part of the economy, sometimes referred to as the citizen sector, which is owned by private groups, usually as a means of establishment for profit or non profit, rather than being owned by the government (UN-Habitat, 2011).

**Execution:** the carrying out of a plan, order, or course of action(www.dictionary.com, 2008).

**Housing:** Housing, literally is define as Buildings or other shelters in which people live, a place to live, a dwelling etc and to nations a critical component in social and economic fabric. Housing represents one of the most basic human needs. As a unit of the environment, it has a profound influence on health, efficiency, social behaviour, satisfaction and general welfare of the community (Onibokun, 2008).

**Housing Delivery:** The act of conveying a house (Microsoft Encarta dictionary, 2009).

**Land:** sometimes referred to as dry land or, is the solid surface of the Earth that is not permanently covered by water. The vast majority of human activity throughout history has occurred in land areas that support agriculture, habitat, and various natural resources (Ellickson, 2010)

**Urbanization:** Happens as a result of people migrating into urban areas seeking economic opportunities and improving their living conditions, especially in the developing countries (Heyer, 2008).

**Development:** Carrying of building or other operation in. on, over, or under land or making of any material change in the use of building or land and the subdivision of any land.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 The Nigerian Housing Market**

The housing market in Nigeria is composed of two distinct markets – the private sector market and the public sector market. The market is differentiated by tenure such as private owner occupation, private rented accommodation and public sector housing. The housing market in Nigeria could be equally differentiated by structural design (bungalow, flat, duplex etc); by density (high, medium and low); or by specialty (hostels, quarters, barracks). Conventionally, housing market is divided according to certain key characteristics such as income, type of structure, types of rights or tenure, price or rental, quality, size of household, social class (Agbola & Olatubara, 2007). It is important to understand the housing market classifications so as to know which of these submarkets do the private sector operates.

The housing market in Nigeria is dominated by the private sector stock of buildings. As at 2002, it was noted that the formal and informal private sectors have been consistently providing over 90 per cent of the housing stock in the country (FGN, 2002), but according to Olatubara, (2007), the private sector contribution is put at about 80 per cent of the total supply of housing. It is observed that the housing units produced by the private sectors are usually out of the reach of the low income families. Although, this has prompted the incursion of the government into the housing market, the performance of the government has been a monumental failure as noted in this paper. It should be noted that the housing market is made up of the two distinct activities and they are; the production and allocation of housing units. The production of housing comes from both the private and public sectors, while the allocation process differs



widely between the private and the public sectors. Access to the housing units produced by the public sector is influenced by the government allocation policy, which often discriminates against the low income households. On the other hand, access to housing units produced by the private sector is left entirely to the price system working through the interaction of demand supply to allocate housing between competing users. In the private sector housing market, where the price is the determinant of access, it has automatically excludes the low income earners (Agbola & Adegoke, 2007).

There is a wide gap between the housing need and supply. This is due to slow response of supply to demand. According to Rottenburg & Edel (2002), the housing market often suffers from lags in supply adjustment. This is so because it takes a long time to complete building a new house. The question is: how do we measure supply of housing? Do we take inventory of approved building plans from the local planning authority in the area? How reliable would that be? as many approved building plans never translates to completed building. More so, as so many new houses in the market are without approvals. In short, housing market is always at disequilibrium, since so much of aggregate stock is not of recent construction.

Housing market is unique, for it has a number of features that distinguishes it from other markets. The features are:

1. Immobility of housing units: this makes housing site specific, that is, the supply in one location can only meet the demand in such a location alone.
2. Durability: The durable nature of housing makes supply to be relatively fixed over a long period of time and prices of the standing stock and its allocation are determined by changes in demand condition

3. Heterogeneity: Housing is heterogeneous since it comes in different types, shapes, size and structural designs.
4. Huge capital outlay, which in most cases, cannot be purchased in smaller units like stocks and shares and the cost cannot be incurred from one's own pocket.
5. Capital appreciation: Housing investment is an hedge against inflation for its value increases as the cost of living increases.
6. Externalities: Housing investment always leads to spill-over effect, such as overcrowding, traffic congestion, slums and blighted environment
7. The filtering process: where houses are vacated by those in higher income groups, they are made available to those in the lower income groups

## **2.2 Private Sector Involvement in Real Estate Development**

Given the capital intensive nature of infrastructure projects, governments have been the biggest spender on infrastructure in Nigeria. The changing landscape of infrastructure financing on the African continent has, however, resulted in increasing focus on private sector participation, especially in form of Public Private Sector Participation (PPP). Private sector investment in residential real estate development in Nigeria has been one of the responses to the limited success of governments with provision of public housing since initial efforts by the Lagos Executive Development Board (LEDB) in 1928. Public housing provision in Nigeria has consistently not been able to satisfy the demand for housing, as almost 90% of the nation's housing stocks provided by the formal and informal private sector (FGN, 2002; UN-HABITAT, 2006; Olatubara, 2007). Analysis of the different public housing programs initiated by government between 1962 and 1999 shows that only about 14% of the planned housing units were actually completed (Ibem et al, 2011). The huge capital outlay committed into projects

undertaken by private estate developers means that houses built are only affordable to individuals in the high and upper middle-income class thereby excluding the low-income and urban poor from benefitting from such arrangement.

Specific reforms introduced by government to stimulate and assist the private sector to play the leading roles in housing production and delivery include support of the establishment of the Real Estate Developers Association of Nigeria (REDAN), Building Materials Producers Association of Nigeria (BUMPAN); the reduction of interest rates on national housing fund loan to members of REDAN and restructuring of the housing finance sub-sector to include the introduction of secondary mortgage market (Henshaw, 2010). The Real Estate Developer's Association of Nigeria (REDAN) is the principal agency of the organized private sector recognized by government and approved by the Federal Mortgage Bank of Nigeria. In south west Nigeria alone, 498 real estate property firms are registered with REDAN.

While the capacity to formulate sound public policies for urban development and housing is not lacking, consistent failure of institutions and political structures, corruption and corrupt practices have hindered the successful implementation and actualization of such policies in the country (Onakuse & Lenihan, 2007). Many builders' cut-corners to get their building plans approved, thereby neglecting the safety codes as enshrined in the building plan. Although bribes are not taken by planning officials to grant unlawful development permits, officials do tacitly overlook planning and building contraventions for pecuniary gains. The absence of standardized training for artisans engaged in the construction industry is another fundamental cause of construction defects which culminate in disaster risks. Eighty per cent of artisans in the construction industry are not certified and unskilled (Ede, 2011).

### **2.3 Sources of Funds Available to Private Investors for real estate development**

**Mortgage Banks:** Mortgage banking system in Nigeria comprises the Federal Mortgage Bank of Nigeria (FMBN) as the apex and regulatory institution with the primary mortgage institutions (PMIs) as the housing funds retailing institutions. By the provisions of the NHF Act No. 3 of 1992, the FMBN's mandate includes:

1. Collection and administering the National Housing Trust Fund (NHTF) as provided by the Act. Encouraging the emergence and promotion of the growth of viable PMIs to service the need of housing delivery in all parts of the country.
2. Mobilizing both domestic and offshore funds into housing sector.
3. Linking the housing market to the capital market through establishing and operating a viable secondary market.

**NHTF Mortgage Loans:** FMBN grants this facility at 4% interest to accredited PMIs for on-lending at 6% to NHTF contributors over a maximum repayment period of 30 years. A contributor to the NHTF can obtain this facility through an accredited PMI to build, buy, improve or renovate own home after fulfilling the pre-qualification requirement of six months of continuous contributions. Yinusa (2011) remarked that the lending conditions attached to this window make it a paramount vehicle for affordable housing delivery in Nigeria.

**Estate Development Loan (EDL):** The EDL is granted by FMBN to Private Developers, State Housing Corporations and Housing Cooperatives at 10% interest and repayable within 24 months, subject to revision, for residential housing estate development only, for ownership by NHTF contributors on mortgage basis.

**Cooperative Housing Development Loan (CHDL):** The CHDL can be accessed by a Cooperative Society that has acquired a parcel of land to develop houses for allocation to its members. It carries the same conditions as the EDL.

**Co-operative National Housing Fund Loan (CNL):** This window is available to individual co-operative member to access mortgage loan to buy a housing unit developed through the CHDL or to renovate an existing house. The conditions are same as in EDL. Ural (2006) and Gomez (2006) noted that mortgage finance is one of the four universal sources of funds for Housing; but warned that people access this source of funds for housing with caution. This is because any act of mismanagement of the loan by the borrower would spell very distasteful consequences.

**Development Finance Institutions (DFIs):** Development banks such as Bank of Industry and Urban Development Bank of Nigeria Plc., can supply loans on long-term basis of up to 25 years for housing development among other purposes. However, their operations focused more on industrial, commercial, agricultural and infrastructural loans financing than housing finance.

**Nigerian Mortgage Refinance Company (NMRC):** Federal Government of Nigeria established this company in 2014 as a special mortgage refinancing vehicle to bridge the gap for mortgages and to promote the availability and affordability of housing to Nigerians. The company started operations in mid July 2014 with an authorized capital of N13.2 billion. The World Bank approved a concessional US\$300 million, 40 year International Development Association (IDA) loan at 0.75% interest rate to facilitate the execution of the housing finance programmes.

## **2.4 The Rationale for Private Sector involvement in Housing Delivery**

The history of housing development in Nigeria is that of the private sector driven. In short, the private sector contributes a larger proportion of housing stock in the country. The private sector in the housing delivery consists of the individuals and corporate organizations. The

sector provides houses for their direct use, their staff, for rental or sale. The sector has been more efficient in the production of housing. That is why scholars have suggested that the government should only create the enabling environment for the private sector to meet the housing need of the people. For instance, the UN (1976), observes that if the national housing goals are to be met, government should encourage, orient and if necessary, supervise the private housing sector. In the same vein, Freedman (1969), suggests that housing delivery should be left to the private sector to manage. The private sector involvement goes beyond direct housing construction to manufacturing of all types of building materials, supply of labour and capital (Windapo, 2007). Contemporary developments worldwide seem to favour the private sector driven housing development. The argument in favour of private sector is hinged on the efficiency and effectiveness of the private sector as well as the corruption and inefficiency of the public sector. The Nigerian government has identified with this view, and has in recent times introduced a number of reforms aimed at stimulating and assisting the private sector to play the leading roles in housing production and delivery. The reforms are in the establishment of Real Estate Developers Association of Nigeria (REDAN), Building Materials Producers Association of Nigeria (BUMPAN), the reduction of interest rates on national housing fund loan to members of REDAN and restructuring of the housing finance sub-sector to include the introduction of secondary mortgage market. Generally, in most countries of the world, the housing sector is a blend of private enterprises and government activities. The point of emphasis in this presentation is that policy on private sector participation in housing delivery has to involve identifying the factors that militate against effective private sector performance.

In assessing the performance of the private sector in housing provisions, it is necessary to look at the following

- i) Cost of labour ii) Accessibility to land
- ii) Cost of building materials
- iii) Accessibility to housing finance facilities
- iv) Hindrances posed by government policies, regulations and bye-laws;
- v) Poor infrastructural provision
- vi) Inflation during the life of a project (Okupe, 2000); and viii) Corruption/greed

### Implications of Private Sector Involvement in Housing Delivery

The key elements that should guide the private sector in housing delivery to the public are

**Affordability:** The main determinants of affordability are household income and price of housing. In the case of home ownership or rental, affordability is defined as owning a house with a value equal to slightly more than twice the household annual income or renting a house not more than 30 per cent of the household gross monthly income (Babade, 2007). The erroneous impression of the private sector is that poor/the low-income households cannot pay for accommodation, but researches have shown a high level correlation between low income earners and affordable housing (Olatubara & Agbola, 2012).

**End-User Driven Initiatives:** The private sector should encourage and support end-user driven initiatives in housing delivery through the use of cooperatives or organizations. Such organizations include the Nigerian Society of Engineers (NSE), the Nigerian Institution of Estate Surveyors and Valuers (NIESV), other professional bodies, social clubs, trade associations, etc.

**Target Group:** The private sector should target the low and the middle income groups in its housing provisions. These groups constitute the masses of this country and from about 90 percent of the country population (FGN, 2004).

**House Ownership/Rental Option:** Houses should be developed on both owner-occupied and rental basis so as to promote a vibrant housing market in the country. It is erroneous and unthinkable that all households need housing in owner-occupier basis. The point is that rental housing sector has been and shall continue to be the major provider of the bulk of housing for the low-income households. Hence, the private sector should take initiative. – Nay the N.S.E. (Nigeria Society of Engineers).

**Design/Construction:** A realistic and functional design that minimize cost and enhance utility should be adhered to by the private sector.

**Value Management** The objective of private sector involvement in housing development is to achieve value maximization in relation to the cost. Value maximization in projects such as housing could be achieved by: - completing the housing project within the estimated budget; - completing the housing project within the estimated time frame; and - completing the housing project according to specifications or standards required (Otegbulu, 2007).

It should be noted that value management is all about cost consciousness and has two aspects – value analysis and value engineering. Value analysis involves a critical examination or consideration of the design or of the evaluation of procedures and materials involved to produce the same value for less cost or better value at the same cost or even less cost. It is quite different from cost reduction which involves performing a given function at a lower cost by altering the material or methods without relating it to the value derived. Value engineering applies to value analysis and involves examining the costs, methods or construction and marketing at the early stage of the project so as to identify and eliminates unnecessary cost without reducing quality. This involves a team work of professionals in the building industry.



The private sector should apply the concept of value management in all aspects of housing development, such as: - Site selection/access to land - Design specification - Choice of material and equipment - Funds required/access to finance - Labour required.

## **2.5 Major Actors in Private Partnership in Nigeria**

The term private partnership in housing delivery means different meaning to different societies. In the western blocs, numerous groups of people can constitute the private partnership, but in Nigeria only very few with strong financial base feature as partners in housing provisions. These major players in the private sector partnership are no others, but the multi-nationalists. These actors include contractors include G. Cappa, Jr Boygues, Taylor Woodrow, Julius Berger and some indigenous contracting outfits. Recently, some large-scale estate developers (among others: HFP, CITEC, Aima Beach Estate Developers, and Seagate Estate Developers) have joined these in production of residential houses. They also develop serviced plots in Lagos, mostly for the high-income groups. There are quite a number of small-scale contractors that have contributed tremendously to the housing delivery process. Their efforts have been geared towards the production of housing for the middle- and low-income groups. There are, however, no data to substantiate their relative importance vis-à-vis other actors.

Other private-sector actors include commercial banks like the United Bank for Africa, the Union Bank Nigeria etc. They also include insurance companies like British American Insurance Company PLC and large-scale department stores and trading organizations like United African Company, SCOA etc. Some oil companies have also engaged in the provision of residential houses, either for their staff or for commercial rental purposes. These actors normally cater for the middle-and high-income groups and absolutely no plans for the general masses.

## **2.6 Private-Sector Participation in Housing Delivery in Nigeria**

The private sector's participation in housing in Nigeria comprises both the formal and informal segments. The informal segment, which could be referred to as the popular sector, has produced 70–90 per cent of the houses in the country, as posited by Daramola et al (2005) and Federal Republic of Nigeria (1994). Small-scale private landlords in rental housing dominate the informal-sector supply of urban housing, as noted by (Awoseyila, 2015). The greater part of the houses produced by this sector is non-conventional; their construction does not comply with established procedures and frequently contravenes existing legislation (Olotuah, 2005). The formal segment of the private sector consists of corporate institutions that are involved in the direct large-scale production and delivery of housing units. They have until recently only been involved in the provision of staff quarters for employees and, when otherwise engaged, the supply is targeted towards high-income groups.

A substantial collaborative effort between this sector and the government is pervading the country, a trend that is currently being experienced in most countries of the world. These are joint ventures in which the private sector and government cooperate to develop a project more quickly and more efficiently than government could accomplish on its own (Akintoye et al. 2006). It is generally believed to be beneficial. As Li and Akintoye (2003) and Austin (2008), among others, have noted, public–private partnership enhances government capacity to develop integrated solutions; it facilitates creative and innovative approaches, thus reducing the cost and time spent to implement a project; it transfers a certain amount of risk to the private project partner; it encourages larger productivity and attracts more sophisticated bidders to projects; and it provides an avenue to access skills, expertise and technology.

### **2.6.1 Implications of Private Sector Involvement in Housing Delivery**

The key elements that should guide the private sector in housing delivery to the public are:

**Affordability:** The main determinants of affordability are household income and price of housing. In the case of home ownership or rental, affordability is defined as owning a house with a value equal to slightly more than twice the household annual income or renting a house not more than 30 per cent of the household gross monthly income (Babade, 2007). The erroneous impression of the private sector is that poor/the low-income households cannot pay for accommodation, but researches have shown a high level correlation between low income earners and affordable housing (Olatubara & Agbola, 1992).

**End-User Driven Initiatives** The private sector should encourage and support end-user driven initiatives in housing delivery through the use of cooperatives or organizations. Such organizations include the Nigerian Society of Engineers (NSE), the Nigerian Institution of Estate Surveyors and Valuers (NIESV), other professional bodies, social clubs, trade associations, etc

**House Ownership/Rental Option:** Houses should be developed on both owner-occupied and rental basis so as to promote a vibrant housing market in the country. It is erroneous and unthinkable that all households need housing in owner-occupier basis. The point is that rental housing sector has been and shall continue to be the major provider of the bulk of housing for the low-income households. Hence, the private sector should take initiative. – Nay the N.S.E. (Nigeria Society of Engineers).

**Design/Construction:** A realistic and functional design that minimize cost and enhance utility should be adhered to by the private sector.

**Value Management** The objective of private sector involvement in housing development is to achieve value maximization in relation to the cost. Value maximization in projects such as

housing could be achieved by: - completing the housing project within the estimated budget; - completing the housing project within the estimated time frame; and - completing the housing project according to specifications or standards required (Otegbulu, 2007).

## **2.7 Private-sector Participation in Nigeria's Housing Policies**

Private-sector participation has been a highlight of Nigeria's housing policy. The 1991 National Housing Policy, which was the nation's first housing policy document, had among its objectives the mobilization of the private sector as the main instrument through which the severe shortage of shelter will be tackled (Awoseyila 2015). Effective implementation of the private sector's presence in the policy was, however, stalled by a number of problems. As Buckley et al. (2014) noted, key measures advocated in the policy counteracted private sector development.

A new housing policy evolved in 2002 from the document produced by a Presidential Committee on Housing and Urban Development. The extant policy had the primary goal of ensuring that all Nigerians own or have access to decent, safe and affordable housing accommodation. The features of the policy influenced the establishment of an institutional apparatus such as the Federal Ministry of Housing and Urban Development (FMHUD), the restructuring of the Federal Mortgage Bank of Nigeria (FMBN), a review of critical laws relevant to housing, and so on.

A novel policy feature which points in the direction of serious private-sector involvement was the formation of the Business Development Department in the Federal Ministry of Housing and the establishment of the Real Estate Development Association of Nigeria (REDAN). The former is the division that deals with partnership issues while the latter is an umbrella body consisting of various individual players in private-sector housing development. State governments across the country also evolved institutional frameworks to facilitate partnership with the private sector. A

public–private partnership is therefore set up to engage in projects where the public sector (government) should merely play the role of a collaborator, facilitator, supervisor etc.

This paradigm shift in policy initiative came in response to propositions by various scholars and stakeholders. Government's earlier direct-provider approach had been criticized in terms of meeting the need of target groups, transparency in project implementation, scale of production achieved (Keivani & Werna 2001), financial constraints, affordability and cost recovery. Igwe (2019) reviewed habitat policies while Omenge and Udegbe (2000) examined the governments past programmes in housing. There was a unanimous position on the inability of the government to operate as the sole provider of the needed housing stock; hence the proposal and emergence of the private sector as the suitable partner. (Federal Government of Nigeria (2004) opined that housing delivery could be left to the private sector to manage, while the United Nations (2016) recommended an integration of both the private and public resources in a policy framework for encouraging private-sector participation. Nubi (2006) affirmed that the government should resist the urge to engage directly in housing construction but instead provide leadership in creating a conducive macroeconomic environment and encourage the active involvement of the private sector by providing incentives. Ogu (2001) noted that the government functions best when seeking to provide an enabling environment for the private sector.

## **2.8 Challenges Faced by Private Sector in Real Estate Development**

**Financial Constraints:** Ferguson (2009) posited that characteristics of traditional mortgage market do not suit conditions of low or moderate income households. The quest to finance decent housing affects estate developer and consumer of the housing unit. Neither the builder nor the consumer can readily obtain affordable housing finance in a country; many housing developers have difficulty obtaining funding for their projects (Quayson, 2007).

At least three major reasons can be singled out for the inability of majority of the population in developing countries to get access to housing loans. These are: absence of good collateral, informality and instability of income and lack of information on borrowers. Banks tend to offer short term credit to large enterprises with better information and financial strength. Instability in income combined with long maturity makes housing finance a very risky business for Commercial Banks (Erhard, 1999)

**Building Standards** Choguill (1985) observed that imposition of high standards in housing makes it difficult for low income groups to meet repayment requirements under full cost recovery policies; a factor which puts their properties in jeopardy. Moreover, these standards are designed along western lines and are not modified to suit local requirements.

Confused State of Land Tenure and Delays in Land Title Registration According to a report by Centre for Democratic Development (CDD) in Ghana, lack of uniformity, administrative requirements and dualism in land tenure is risky for an effective housing finance market (CDD Report, 2000). The 2004 World Bank Report estimated that registering formal ownership/lease over a piece of unencumbered land in Ghana is the third longest registration process in the world (World Bank, 2004).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **Introduction**

This chapter describes the methodological framework that will be used in attaining the stated aim and objectives of the study area. The chapter also showed how the researcher were empirically determined and examined the relevant methodological approaches adopted in the study.

#### **3.1 Research Design**

The research study will be designed based on simple descriptive method of research. The descriptive research method describes and interprets the conditions that exist, the opinion that are held, impact that are made, facts that are evident as well as trends that are evolving. The choice of this research method will be predicated on this basis, as the method utilizes survey studies to obtain data amongst other instruments of data collection.

##### **3.1.1 Population of the Study**

The population of this study is private investors who according to Olanrewaju (2010) are private developers who established companies or firms who operate and registered with Real Estate Developers Association of Nigeria (REDAN) in Benin Metropolis. They consist of different professionals with knowledge regarding the real estate development. The population frame is 356, registered with REDAN in the study area, retrieved from Edo State Ministry of works and Housing (2022). Their primary function is to engage in production of housing and other landed properties.

##### **3.1.2 Sample Size and Sampling Technique**

Although, there is no proper official documentation of private developers around Benin Metropolis record from Edo State Ministry of works and Housing (2022) Benin City officially shows that there are three hundred and fifty six (356) private developers around the area. This is

taken as sample frame. 60% of the sample frame is taken as the sample size. This is 265 respondents. The study will adopt simple random sampling techniques for the administration of questionnaire.

### **3.1.3 Methods of Data Collection**

The questionnaire will be used to collect data from the respondents. A total of 265 copies of the questionnaire will be administered personally to the respondents with an expected response rate of 60%. The questionnaire will be randomly distributed to landlords, in the study area. A well-constructed questionnaire will be designed to elicit information from the respondents. It will be made of two sections: Section A (Personal Data) and Section B relating to the researcher problem questions. The questions numbering will be designed to seek information that will offer answers to the three research questions formulated for the study. A 5-point response scale of strongly agree, agree, Undecided, disagree, and strongly disagree will be used for the study.

### **3.2 Method of Data Analysis**

The data obtained from the field survey will be analyzed using descriptive and inferential techniques. Data analysis will be carried out using Statistical Package for the Social Sciences (SPSS Version 21) software. The descriptive statistics such as percentages, frequency tables, mean ranking, and inferential statistics will be employed to explain and amplify the results of the research.



## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### 4.1 Data Presentation and Analysis

This chapter present the data collected with the questionnaire and the presentation of response and interpretation of data obtained. This enabled the researcher to arrive at a reasonable interpretation and discussion in order to make the necessary conclusion and recommendations.

Based on the population of the study, the researcher administered 265 questionnaires to respondents out of which 219 were duly completed and returned representing 77.4% retrieval.

**Table 4.1 Respondents Socio Economic Characteristic**

<b>Demographic</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Sex</b>		
Male	139	63.5
Female	80	36.5
<b>Total</b>	<b>219</b>	<b>100%</b>
<b>Marital Status</b>		
Single	85	38.8
Married	134	61.2
<b>Total</b>	<b>219</b>	<b>100%</b>
<b>Educational Qualification</b>		
FSLC/SSCE	-	-
ND/NCE	62	28.3
HND/B.Sc	125	57.1
M.Sc	32	14.6
PhD	-	-
<b>Total</b>	<b>219</b>	<b>100%</b>

**Source: Field Survey, 2022**

Table 4.1 above examined the personal data of respondents. 139 respondents representing 63.5% are males while 80 respondents representing 36.5% are females. It is thus clear that males constituted the greatest number in the sample of respondents who participated. 85 respondents representing 38.8% are single while the remaining 134 respondents representing 61.2% are married. This shows that majority of the respondents are married. 62 respondents representing 28.3% are ND/NCE holders; 125 respondents representing 57.1% are HND/B.Sc holders while 32 respondents representing 14.6% are M.Sc holders. From the analysis it can be deduced that majority of the respondents are HND/B.Sc holders.

**Table 4.2: Level of Private sector Involvement in Real Estate Development in Benin City**

S/N	Level	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Residential Real Estate Development	105(47.9)	87(39.7)	18(8.2)	7(3.2)	2(.9)	4.31	1 <sup>st</sup>
2	Commercial Real Estate Development	119(54.3)	73(33.3)	11(5.0)	14(6.4)	2(.9)	4.28	2 <sup>nd</sup>
3	Industrial Real Estate Development	107(48.9)	69(31.5)	34(15.5)	7(3.2)	2(.9)	4.24	3 <sup>rd</sup>
4	Agricultural land use development	120(54.8)	68(31.1)	12(5.5)	17(7.8)	2(.9)	4.24	3 <sup>rd</sup>
5	Public/Semi Public utility lands	102(46.6)	76(34.7)	20(9.1)	11(5.0)	10(4.6)	4.23	5 <sup>th</sup>
6	Recreational Real Estate Development	112(51.1)	53(24.2)	24(11.0)	19(8.7)	11(5.0)	4.14	6 <sup>th</sup>

**Sources:** Field Survey 2022

Table 4.2 above examined the level of Private sector Involvement in Real Estate Development in Benin City; among the variables residential real estate development was ranked 1<sup>st</sup> with a mean score of 4.31; followed by commercial real estate development and industrial real estate development with mean scores of 4.28 and 4.24 and ranked 2<sup>nd</sup> and 3<sup>rd</sup> respectively while Public/Semi Public utility lands and recreational real estate development were the least ranked with mean scores of 4.23 and 4.14 respectively.

**Table 4.3: Rationale for Private Sector Involvement in Housing in Benin City**

S/N	Rationale	SA (%)	A (%)	U (%)	D (%)	SD(%)	Mean	Rank
1	For rental income	92(42.0)	79(36.1)	14(6.4)	14(6.4)	14(6.4)	3.95	1 <sup>st</sup>
2	For efficiency and effectiveness Housing delivery	92(42.0)	51(23.3)	54(24.7)	15(6.8 )	7(3.2)	3.94	2 <sup>nd</sup>
3	Investment	83(37.9)	76(34.7)	32(14.6)	18(8.2)	10(4.6)	3.93	3 <sup>rd</sup>
4	Affordability	62(28.3)	83(37.9)	50(22.8)	15(6.8)	9(4.1)	3.79	4 <sup>th</sup>
5	To meet the housing need of the people	51(23.3)	74(33.8)	50(22.8)	27(12.3)	17(7.8)	3.52	5 <sup>th</sup>
6	Prestige (social gains)	31(14.2)	45(20.5)	90(41.1)	30(13.7)	23(10.5)	3.14	6 <sup>th</sup>
7	Reduction of overcrowding	53(24.2)	16(7.3)	22(10.0)	85(38.8)	43(19.6)	2.77	7 <sup>th</sup>

Table 4.3 above examined the Rationale for Private Sector Involvement in Housing in Benin City, For rental income was considered the highest with a mean score of 3.95; followed by For efficiency and effectiveness Housing delivery and Investment with mean scores of 3.94 and 3.93 and are ranked 2<sup>nd</sup> and 3<sup>rd</sup>. while Prestige (social gains) and reduction of overcrowding mean scores of 3.14 and 2.77 were the least ranked

**Table 4.4: Rate of Private Sector Involvement in Property Development**

S/N	Options	Frequency	Percentage %
1	Very High	49	22.4
2	High	60	27.4
3	Moderate	78	35.6
4	Low	32	14.6
	<b>Total</b>	<b>219</b>	<b>100</b>

**Sources:** Field Survey, 2022

Table 4.4 above examined the rate of Private Sector involvement in property development, 49 respondents representing 22.4% said Very high, 60 respondents representing 27.4% said high, 78 respondents representing 35.6% said moderate, while 32 respondents representing 14.6% said

low. It is thus clear that majority of the respondents who participated in the study rate Private sector involvement in property development in Benin City Moderate.

**Table 4.5: Importance of private sector involvement in property development in Benin City**

S/N	Options	Frequency	Percentage %
1	Very important	117	53.4
2	Important	75	34.2
3	Moderate important	27	12.4
4	Not important	-	-
	<b>Total</b>	<b>219</b>	<b>100</b>

**Sources:** Field Survey, 2022

Table 4.5 above examined the importance of private sector involvement in property development in Benin City, 117 respondents representing 53.4% said Very important, 75 respondents representing 34.2% said importance, 27 respondents representing 12.4% said Moderate important, It is thus clear that majority of the respondents who participated agreed that private sector involvement in property development is Very important.

**Table 4.6: Do you think public sector (authorities) give financial support to private sector to enhanced property development?**

S/N	Options	Frequency	Percentage %
1	Yes	159	77.6
2	No	60	27.4
	<b>Total</b>	<b>219</b>	<b>100</b>

**Sources:** Field Survey, 2022

Table 4.6 above examined Public sector (authorities) financial support to private sector to enhanced property development in Benin City, 159 respondents representing 77.6% said yes while 60 respondents representing 27.4% said no. It is thus clear that majority of the respondents

agreed that public sector give financial support to private sector to enhanced property development in Benin City.

**Table 4.7: Sources of Finance Available to Private Real Estate Investors in Benin City**

S/N	Sources of finance	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Commercial Banks	105(47.9)	84(38.4)	23(10.5)	5(2.3)	2(.9)	4.30	1 <sup>st</sup>
2	Mortgage Banks	101(46.1)	94(42.9)	12(5.5)	12(5.5)	-	4.29	2 <sup>nd</sup>
3	Personal saves	113(51.6)	72(32.9)	24(11.0)	10(4.6)	-	4.27	3 <sup>rd</sup>
4	Cooperative Housing Development Loan (CHDL)	112(51.1)	68(31.1)	29(13.2)	10(4.6)	-	4.26	4 <sup>th</sup>
5	Development Finance Institutions (DFIs)	102(46.6)	70(32.0)	32(14.6)	10(4.6)	-	4.23	5 <sup>th</sup>
6	Nigerian Mortgage Refinance Company (NMRC):	88(40.2)	107(48.9)	12(5.5)	7(3.2)	5(.2.3)	4.21	6 <sup>th</sup>
7	Estate Development Loan (EDL)	92(42.0)	87(39.7)	20(9.1)	18(8.2)	2(.9)	4.13	7 <sup>th</sup>
8	NHTF Mortgage Loans	112(51.1)	68(31.1)	29(13.2)	10(4.6)	-	4.12	8 <sup>th</sup>
9	Co-operative National Housing Fund Loan (CNL)	82 (37.4)	96(43.8)	19(8.7)	12(5.5)	10(4.6)	4.03	9 <sup>th</sup>

**Sources:** Field Survey 2022

Table 4.7 above examined the sources of finance available to private real estate investors in Benin City, among the variables Commercial Banks was considered the highest with a mean score of 4.30; Mortgage Banks and Personal saves with mean scores of 4.29 and 4.27 were ranked 2<sup>nd</sup> and 3<sup>rd</sup> respectively while NHTF Mortgage Loans and Co-operative National Housing Fund Loan (CNL) with a mean scores of 4.12 and 4.03 were the least ranked.

**Table 4.8: Challenges faced by Private Sector in Real Estate Development in Benin City**

S/N	Challenges	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Financial Constraints	112(51.1)	68(31.1)	29(13.2)	10(4.6)	-	4.29	1 <sup>st</sup>
2	High cost of building materials	113(51.6)	72(32.9)	24(11.0)	10(4.6)	-	4.27	2 <sup>nd</sup>
3	High cost of land	92(42.0)	87(39.7)	20(9.1)	18(8.2)	2(.9)	4.13	3 <sup>rd</sup>
4	Poor accessibility	112(51.1)	68(31.1)	29(13.2)	10(4.6)	-	4.12	3 <sup>rd</sup>
5	Difficulty in obtaining building permit	84(38.4)	84(34.4)	44(20.1)	5(2.3)	2(.9)	4.01	5 <sup>th</sup>
6	Multiple land taxes	55(25.1)	87(39.7)	54(24.7)	13(5.9)	10(4.6)	3.74	
7	Land Use Decree	51(23.3)	74(33.8)	50(22.8)	27(12.3)	17(7.8)	3.52	6 <sup>th</sup>
8	Challenges from LGA Agents	31(14.2)	45(20.5)	90(41.1)	30(13.7)	23(10.5)	3.14	7 <sup>th</sup>

**Sources:** Field Survey 2022

Table 4.8 above examined the challenges faced by Private Sector in Real Estate Development in Benin City. Study indicates that Financial Constraints was ranked number 1<sup>st</sup> with a mean score of 4.29; high cost of building materials and high cost of land with mean scores of 4.27 and 4.13 were ranked 2<sup>nd</sup> and 3<sup>rd</sup> respectively while Land Use Decree and Challenges from LGA Agents With mean scores of 3.52 and 3.14 were the least ranked.

## **4.2 Discussion of Findings**

Data were analyzed based on the responses gotten from the questionnaires distributed. 265 questionnaires were administered while 219 were retrieved representing 87%. 63.5% of the respondents were males while 36.5% of the respondents were females. It is thus clear that males constituted the greatest number in the sample of respondents who participated. 38.8% of the respondents were single while 61.2% of the respondents were married. This shows that majority of the respondents are married. 28.3% of the respondents were ND/NCE holders; 57.1% of the

respondents were HND/B.Sc holders while 14.6% of the respondents were M.Sc holders. From the analysis it can be deduced that majority of the respondents are HND/B.Sc holders.

**Using descriptive statistical analysis as illustrated in table 4.2** findings shows that the main level of Private sector Involvement in Real Estate Development in Benin City are residential real estate, commercial real estate development and industrial real estate development while Public/Semi Public utility lands and recreational real estate development were the least ranked.

**Using descriptive statistical analysis as illustrated in table 4.3** findings shows that the major rationale for Private Sector Involvement in Housing in Benin City are for rental income, for efficiency and effectiveness Housing delivery and Investment while Prestige (social gains) and reduction of overcrowding were the least ranked

**Using frequency distribution table in table 4.4** findings shows that the rate of Private Sector involvement in property development in Benin City is Moderate.

**Using frequency distribution table in table 4.5** findings shows that the importance of private sector involvement in property development in Benin City is Very important.

**Using frequency distribution table in table 4.6** findings shows that the Public sector (authorities) financial support private sector to enhanced property development in Benin City,

**Using descriptive statistical analysis as illustrated in table 4.7** findings shows that the sources of finance available to private real estate investors in Benin City are through commercial Banks; Mortgage Banks, Personal saving, NHTF Mortgage Loans, Co-operative National Housing Fund Loan (CNL) among others.

**Using frequency distribution table in table 4.8** findings shows that the challenges faced by Private Sector in Real Estate Development in Benin City are Financial Constraints; high cost of

building materials, high cost of land, Land Use Decree, Challenges from LGA Agents among others.



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary of Findings**

1. Findings shows that the main level of Private sector Involvement in Real Estate Development in Benin City are residential real estate, commercial real estate development and industrial real estate development while Public/Semi Public utility lands and recreational real estate development were the least ranked.
2. Result shows that the major rationale for Private Sector Involvement in Housing in Benin City are for rental income, for efficiency and effectiveness Housing delivery and Investment while Prestige (social gains) and reduction of overcrowding were the least ranked
3. Findings also show that the rate of private sector involvement in property development in Benin City is Moderate.
4. Findings show that the importance of private sector involvement in property development in Benin City t is Very important.
5. Findings shows that the Public sector (authorities) financial support private sector to enhanced property development in Benin City,
6. Findings shows that the sources of finance available to private real estate investors in Benin City are through commercial Banks; Mortgage Banks, Personal saving, NHTF Mortgage Loans, Co-operative National Housing Fund Loan (CNL) among others.
7. findings shows that the challenges faced by Private Sector in Real Estate Development in Benin City are Financial Constraints; high cost of building materials, high cost of land, Land Use Decree, Challenges from LGA Agents among others.

## **5.2 Conclusion**

It is a fact that the government alone cannot fill this gap, hence the need for the private sector to take active role in Real Estate Development. Hence, the focus of the presentation is to evaluate the Contribution of Private Sector to Real Estate Development. The Private sector has no doubt made significant contributions to the development of the Nigeria Housing Market despite those constraints that are serving as challenges to its tangible efforts. Specifically, the private sector should participate in the construction of housing for all categories of the population either for sale or rent, manufacturing and supply of building materials in the housing construction sector, infrastructure development for human settlements and encourage members of communities to improve their living environment through community participation in projects. It has become obvious that a ‘provider’ position by the government is more bound to be ineffective.

The future of providing quality Real Estate Development especially in developing countries cannot be separated from private sector participation; in fact the government should encourage this approach by proper funding. The Private sector has no doubt made significant contributions to the development of the Nigeria Housing Market despite those constraints that are serving as challenges to its tangible efforts. There are a lot of opportunities in the Nigeria housing Market if the Private sector is ready to explore and make the best use of them. However, the following recommendations are offered as a way of bringing about better and effective housing delivery services to the people.

### **5.3 Recommendation**

Based on the above findings, the following recommendations are put forward:

1. The private sector must develop strong capacity in the area of Public Private Partnership in Real Estate Development and possibly begin to form a consortium so as to be bigger and better. This will enable them develop good expertise in PPP housing.
2. Government policy on housing need to be changed for rapid development to take place in the real property market.
3. There should be no delay in getting title registration on land and Government also need to encourage the Private sector and Primary Mortgage Institutions in their bid to provide more housing delivery services to the people, by making funds available to them
4. Federal Mortgage Bank of Nigeria must be reorganized to enable her collaborate with Nigerian Building for regular funding of research into cheaper building materials and development of the building industry in Nigeria.

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## APPENDIX I

Auchi Polytechnic, Auchi,  
Department of Estate Management and  
Valuation  
School of Environmental Studies,  
P.M. B. 13,  
Edo State.

Dear Respondents,

I am a student of Estate Management and Valuation Department, Auchi Polytechnic, Auchi. I am currently carrying out a research work titled, “**Contribution of private sector to real estate development in Benin City.**”

I humbly request your assistance towards the success of this study by objectively completing this questionnaire. Please, be assured that every information supplied will be treated in utmost confidence. Note also that this research is purely for academic purpose and would not under any circumstance be used otherwise.

Thanks.

Yours faithfully

**ATTAH AMBROSE**  
**Researcher**

**Instruction:** Please, tick [☐] where appropriate.

**Section A: Personal Data**

1. **Sex:** (a) Male ( ☐ ) (b) Female ( ☐ )
2. **Marital Status:** Single ( ☐ ) Married ( ☐ ) Separated ( ☐ )
3. **Educational background:** FSLC/SSCE ( ☐ ) ND/NCE ( ☐ ) HND/B. Sc. ( ☐ ) M.Sc. ( ☐ ) PhD ( ☐ )

**SECTION B:**

Listed below are the research questions of the study. Please indicate your opinion on these questions.

**The following have been identified as level of private Sector Involvement in Real Estate Development in Benin City:** Rate your level of agreement using the Likert scale of 1- 5, where 5= strongly Agree, 4 = Agree, 3= Undecided, 2 = Disagree, 1 =strongly Disagree.

S/N	Level of Private sector Involvement in Real Estate Development in Benin City	5	4	3	2	1
1	Industrial Real Estate Development					
2	Recreational Real Estate Development					
3	Residential Real Estate Development					
4	Commercial Real Estate Development					
5	Public/Semi Public utility lands					
6	Agricultural land use development					

**The following are the rationale for Private Sector Involvement in Housing delivery in Benin City:** Rate your level of agreement using the Likert scale of 1- 5, where 5= strongly Agree, 4 = Agree, 3= Undecided, 2 = Disagree, 1 =strongly Disagree.

S/N	Rationale for private sector involvement in housing in Benin City	5	4	3	2	1
1	Affordability					
2	For rental income					
3	Investment					
4	To meet the housing need of the people					
5	For efficiency and effectiveness Housing delivery					
6	Reduction of overcrowding					
7	Prestige (social gains)					



**How would you rate private sector involvement in property development?**

- a) Very High ( ) b) High ( ) c) Moderate ( ) d) Low ( )

**How important is private sector involvement in property development?**

- a) Very important ( ) b) important ( ) c) Moderate important ( ) d) Not important ( )

**Do you think public sector (authorities) give financial support to private sector to enhanced property development?**

- a) Yes ( ) b) No ( )

**The following are the Sources of finance available to Private Real Estate Investors in Benin City.** Rate your level of agreement using the Likert scale of 1- 5, where 5= strongly Agree, 4 = Agree, 3= Undecided, 2 = Disagree, 1 =strongly Disagree.

S/N	The Sources of finance available to Private Real Estate Investors in Benin City	5	4	3	2	1
1	Mortgage Banks					
2	Cooperative Housing Development Loan (CHDL)					
3	Estate Development Loan (EDL)					
4	Co-operative National Housing Fund Loan (CNL)					
5	NHTF Mortgage Loans					
6	Development Finance Institutions (DFIs)					
7	Nigerian Mortgage Refinance Company (NMRC):					
8	Personal saves					
9	Commercial Banks					

**The following are the Challenges faced by Private Sector in Real Estate Development in Benin City.** Rate your level of agreement using the Likert scale of 1- 5, where 5= strongly Agree, 4 = Agree, 3= Undecided, 2 = Disagree, 1 =strongly Disagree.

S/N	Challenges faced by Private Sector in Real Estate Development in Benin City	5	4	3	2	1
1	Financial Constraints					
2	Poor accessibility					
3	High cost of land					
4	Land Use Decree					
5	Difficulty in obtaining building permit					

6	Challenges from LGA Agents					
7	High cost of building materials					
8	Multiple land taxes					