

EXPLORING THE FACTORS AFFECTING PROPERTY DEVELOPMENT AND HOUSING AFFORDABILITY IN ABUJA

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ABSTRACT

Real estate development and the issue of housing today it has taken a large dimension, as the housing is the second among the hierarchy of human need, the property development and housing affordability has been affected by several factors in the Abuja Nigeria. Depending on one's viewpoint, real estate development may arouse a variety of emotions. It is an exciting and oftentimes challenging pastime that makes more complicated use of scarce resources. It is fundamentally risky because to its high entrance hurdles, which are a reflection of the company's cyclical and equity nature, as well as its sometimes-lengthy accounting rate of return and largely indivisible and illiquid output. This study focuses on exploring the factors affecting property development and housing affordability in Abuja Nigeria. The study adopted quantitative research where 121 questionnaire was distributed to the real estate developers and 77 was retrieved and consider for analysis from the result of the study it was evidenced in their opinion that factors Affecting Residential Property Development revealed as follows; access to land, funding, exorbitant, building materials cost, corruption, government policy, high capital cost, high labor cost, knowledge of property development and consumer low purchasing power While. cost of land, interest rate of mortgage, construction cost, demography residential property price, household income, demand and supply, perception of buyer's lack of price control, and household expenditure. factors affecting affordability are reveals this above explored factors are mostly over the control of land owner but can be control by government so to proffer a measure for this factor's government have to strengthen the citizens welfare on housing.

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

INTRODUCTION

Real estate development may inspire a wide range of emotions, depending on one's perspective. It is a thrilling and occasionally frustrating hobby that uses limited resources in an ever-more-complex way. With steep entry barriers that reflect the capital-intensive and cyclical nature of the sector, a mostly fragmented and liquid product, and a typically long payback period, it is inherently dangerous (Ariffin, et al. 2022; Ezennia, & Hoskara, 2019). A multi-stage procedure, property development starts with commencement and goes through appraisal, design, and pricing before ending with disposal or management. On the other hand, the availability of land is essential to the development phase and must be properly followed (Maiyaki, et al., 2021). The product throughout real estate, unlike some other markets, entails a "change of land use" or a "alteration to an existing building" in addition to other productive resources, including labor (Gambo, 2019); materials (Jiburum, et al 2021); and financial services (Arudi, et al., 2021).

Ezennia, & Hoskara, (2021); Ezennia, (2022), in their previous research that "identified increase in construction costs, high cost of capital, the availability of land, sharp amortization of the Naira, access to mortgage lending facilities, amount of production, poor infrastructural requirement, extortion by federal officers, costs for building materials, and governmental policies," are cited by Maiyaki, et al., (2021) as saying that property or development of residential properties in Nigeria has recently faced many challenges. Access to suitable land, however, poses a substantial obstacle to the increases in real estate in this world region, which has an influence on project timetables, development expenses, and, therefore, development prices (Milala, et al., 2020; Ahmed, 2022). "In Nigeria, access to suitable land is seen as a key determinant of real estate development (Jiburum, et al., 2021). According to (Ahmed & Sipan, 2019), research the government's aim to use the land use act to make it easier to obtain land in Nigeria actually causes more difficulties than it resolves.

An increasing population and a changing demographics are to blame for both the growth in

housing demand and the rise in home prices. Given the abundance of public amenities and convenient transit alternatives in city centers, there has been a particularly high demand for housing there. In Nigeria, several housing programs have developed over time, carried out by the government and private partnerships at different levels, seeking to provide shelter for the country's people; nonetheless, housing issues have proved persistent, especially for the nation's public employees.

In most of our metropolitan regions, the housing shortage is not just one of quantity but also of poor quality, which shows itself in crowded dwellings and puts more strain on the available infrastructure, according to study by (Jiburum, et al., 2021).

The present anticipated housing shortage in the country is 17 million units, and it has been anticipated that Lagos Metropolis will need roughly 40,000 new homes year, costing \$1 billion, to meet its growing population (Ahmed & Sipan, 2019). In Abuja, finding low-cost housing has become exceedingly challenging, leaving many individuals without a place to live or living in subpar conditions. Finding a solution to Abuja's housing crisis will be a huge success for both societal and financial endeavors. The cost of housing in Abuja, whether it be purchasing or renting, is one of the main issues. There are several issues in Nigeria's housing sector as a result of the country's careless approach toward real estate development.

Real estate development in the nation has seen a significant setback due to the procedure of purchasing land or a site. Real estate development is hampered by the cumbersome procedure of distributing and recording levies on land. Lax work ethics are the main culprit for unneeded delays just at land registry. A developer may lose his source of funds or pay a significant amount of interest on a loan he took out for development while his application is being handed from department to department for several weeks before the required permission is granted. This might sabotage the developer's business model, leading to astronomical building expenses and expensive development charges.

Additionally, Nigerian developers have a restricted number of funding options. It is inevitable that developers will need outside finance to accomplish their project because real estate construction demands a substantial sum of money. However, the hefty financing rates charged by commercial banks deter the majority of developers. It is depressing to

see how many developers are on the waiting list for Federal Mortgage Bank loans as well as other Federal Government financing. Alternative finance resources and indeed the procedures for getting international loans for construction of real estate are not well understood. The absence of monitoring and pricing monitoring, lack of mortgage organizations, lack of financial institutions, land value, government retreat from real estate development, economic forces, market economy for developers, etc. all have an impact on Abuja's housing crisis. The contributing elements are not just those mentioned above. Providing individuals with access to affordable housing is one strategy to alleviate the housing crisis. Against the background this study aimed at exploring the factors affecting property development and housing affordability in Abuja.

LITERATURE REVIEW

Concept Housing Affordability

It has proven challenging to define affordable housing, and there is no overall, accepted definition (Makenya, 1996). Affordable housing should evoke ideas of "normal" home that can be either large or small, employ affordable materials and goods, and give the facilities required for or requested by the renter. Low cost solely relates to construction systems and land use planning methods relevant to low-cost housing. Instead of the cost of the house, the accessibility or lack thereof is decided by the household income of the occupants (Wallace, 1995).

Affordable housing has been defined by factors such as household size, income level, and affordability (KPMG, 2010). Public, social, or low-cost housing have all been referred to as having "affordable housing" in the past. In order to estimate home affordability, Pahade and Khare (2015) divided the population into several income categories. Four types exist: lower income group (LIG), middle income group (MIG), economically weaker group (EWG), and higher income group (HIG) (HIG). The EWS, LIG, and MIG categories have the highest housing demand.

An industry standard for affordable homes is that housing costs shouldn't be more than 30% of average earnings. As was to be expected, the 30.0 percent criteria for family income had caused some debate among specialists. Shelter poverty is the term used by Hulchanski (2005) to describe a scenario where a household pays 30% of their income on housing yet cannot afford to satisfy

certain other basic demands for a lifestyle that is at least moderately pleasant. This situation arises when, despite the cheap cost of housing, the family's income is so low that, after spending 30% of its housing costs, it is unable to afford non-housing requirements.

Affordable housing Measurement

In English, the word "affordability" is often used, and most people agree on what it means. In fact, during the past 15 years or more, the phrase "housing affordability" has become more common. The definition of affordability is challenging, though. In this context, the word "afford" refers to the capacity to make a purchase without suffering a hardship. But how can someone tell when they are having money problems? It is typical for something to be labeled unaffordable even though a person's salary obviously surpasses the cost of the item.

Affordability not an intrinsic characteristic of housing, rather it is a correlation among income and relative costs, claims (Daniel et al., 2018). Naturally, this argument might be used to support any good or service. This is an illustration of the conceptual challenge that economists have when discussing the affordability of housing.

According to Daniel et al., (2018), the affordability criteria shouldn't take into account income since it conflates poverty with housing costs. They contend that a more acceptable standard is to compare house construction costs to pricing. The definition of affordability as it relates to housing and that of affordability as it relates to other products are similar. The apparent distinction is that a person could think that a certain property is relatively reasonable while thinking that a different item at the same price is incredibly expensive. This is made possible by the fact that our true priorities revolve on how much cash we have left over after a purchase and what we might need to use it for.

In the context of housing, the word "affordability" often refers to the continuous expenses associated with buying or renting a property. It unmistakably reflects many of the same elements that determine accessibility, and it might be impacted by legislative decisions. If everything else is equal, paying an accommodation supplement could increase the affordability of housing. Since access is practically denied to someone who cannot afford housing, it is implied that there is no discernible difference between the two conceptions.

Rental tenure affordability measurement

Rent is split by income over a certain length of time to get the OTI for renters (e.g. weekly, monthly). The percentage of homes having an OTI over a particular threshold may then be determined. Renting gets less and less inexpensive the more households there are over this income level. Alternately, we might divide it into the average income to determine the average rent. Averages are not always suitable; in certain circumstances, measurements like the median, third quartile, or 10th percentile may offer a more insightful picture. A high average OTI suggests that renting is comparatively expensive.

Simply put, a person's RI is their income less their total rent paid over a specified time period. Once more, we may determine the percentage of households that are below a particular cutoff point; a greater number denotes relative unaffordability. Additionally, an average RI may be calculated, with a low value suggesting a relative lack of affordability.

Homeowners' affordability measurement

For homeowners, it is more challenging to compute these metrics. The OTI is a measure of the mortgage payment to income for current homeowners.

The possible mortgage payments for prospective homeowners are significant expenses since they depend on their down payment, existing interest rates, and property prices. Then, income less the aforementioned mortgage payments represent the residual income gauge for both current and potential homeowners.

These parameters are different for current homeowners, first-time homebuyers, and seasoned homeowners. Higher loan rates are frequently encountered by property buyers, particularly when they have a small down payment. Long-term homeowners might well have significantly reduced monthly mortgage payments or have completely paid off their debt.

Property Development in Nigerian context

It is important to note that these phases of the development process are equally relevant to other emerging economies, even if one could claim that the passages on property development procedures are mostly centered on the circumstances in Western Europe and North America. The important elements to take into account for effective property development projects in Nigeria, for instance, are physical, legal, economic, technology, financing,

and government policy efforts. Feasibility studies are typical for every development project in Nigeria. According to Cadman and Topping, they can be linked to the different stages of development (1996).

Property development is facilitated in more developed economies, including the United Kingdom, by a generally supportive environment that is regulated by efficient legislation and supported by relevant institutions. However, because of the dynamic macroeconomic climate, the situation in Nigeria is very different (Ebohon et al., 2002; Madichie and Madichie, 2006). For the average Nigerian in the 1980s, property development meant simply homes (i.e., more desirable houses built regardless of who is building).

However, whether completely owned or rented, the average man's search for a "home" perpetuates a bad scenario that has just arisen. Because residential complexes are constructed first and subsequently rented out or sold, they are often not pre-let. Additionally, given the market's intrinsic instability, Nigerians have not taken to the idea of pre-let or sold development, which emphasizes the importance of the construction process sequence in real estate developments. Additionally, because the procedure has long been totally disregarded, Nigerian property growth is a severe worry and calls for deeper research (Okwuga, 1998).

ISSUES WITH PROPERTY DEVELOPMENT IN NIGERIA

Access to land

Two crucial components regulatory and ecological will be the main topics of our consideration of this production factor. Our major issue in the case of something like the former is the Land Use Decree of 1978, which hasn't been changed in over four decades despite numerous complaints that it doesn't take into account contemporary demands. Our observations show that the Land Use Decree has merely been rechristened Land Use Act (LUA), with both the following primary goals: ensuring that all Nigerians have the right to use and enjoy land; making it possible for Nigerians to benefit from the natural fruit and veggies of land in sufficient quantities; and safeguarding and preserving these rights.

Section 2 of the Act, which mandates that all land in urban areas be placed under the authority and management of the governors, whereas all property

in non-urban regions be placed under the oversight and management of local authorities, has been a major source of contention. Oshio claims in his study on "indigenous property and land and renationalization of land in Nigeria" that property ownership appears to be a regional phenomenon. He goes on to state that the following is true for Nigeria (De Salvo, 1974).

Like in nearly all of the former British colonies in West Africa, conventional English-style land ownership is nonexistent. There, a group of people rather than a single person normally owns the land.

Issues with site acquisition can have a variety of negative outcomes. According to Omirin, signs of inadequate and unequal access to property in Nigeria include the ineffective the use land resources, unequal income distribution, poor living conditions, destruction of the environment, poverty intensification, and social disparity in social and economic development (2003). Adetokunboh (2011) further affirmed that, in such difficult circumstances, nearly all corporate real estate developers are forced to buy the same plot of land that is around the same size. Obviously, this has an impact on project schedule, development expenses, and product pricing.

The LUA's ambiguity on land use and for development purposes is its second significant flaw. Building homes in flood plains has repeatedly led to calamity, both in the north and the more flood-prone south. Indeed, localities like Agulu, Nanka, Ozuitem, Oko, Isuikwuato, and Orlu serve as examples of the gullies in eastern Nigeria, which have been recorded to make up about 1.6 percent of the region's total geographical area (Windapo, 2007). North of the nation looks to be developing a similar trend.

Finance

In Nigeria, national government programs like the Federal Mortgage Bank of Nigeria, founded in 1977, Federal Mortgage Institutions, the National Housing Fund, and Federal Mortgage Finance Limited, founded in 1989, 1992, and 1993, continue to be the primary sources of financing for commercial real estate and all stakeholders, especially those engaged inside the creation, occupation, and use of real estate (see Madichie and Madichie, 2009).

Tax and innovation initiatives can help to improve a situation that is certain to become more demanding in terms of environmental issues,

product quality, pricing, and timely delivery of goods (Alitheia Market Research, 2010). Developers are now operating in uncharted territory after decades of controlling the real estate sector because of a lack of funding, growing construction costs, and a decline in the number of clients seeking more from their offerings. Since there are more things to do and unoccupied, poor-quality properties, developers are being driven to think of alternatives. Altheia Market Research (2010); Birrell and Gao, 1997.

In addition to building expenditures, interest expenses are among a property developer's major expenses. Whether or whether the house was sold, interest on property loans must be capitalized and subtracted, just like other development expenditures (Arimah, 1999).

Cost of building Materials

One bag of cement cost 1,350.00 Naira in 2006 (Ebie, 2003), climbed by 37% to 1,850.00 Naira in 2009 (Ebie), and by N2,000.00 in 2015 during peak season (Elaigwu, 2009). The cost of construction materials is a significant challenge to both the housing market and the construction sector.

The retail price of cement in Nigeria varies at this time, depending on the manufacturer, region, and other factors, from 3,600 to 3,900 naira per bag. Additionally, depending on the manufacturer, the wholesale price (600 bags) ranges from 2,100,000 to 2,350,000 naira. You may see the most recent cement prices in Nigeria as of 2022 at <https://nigerianprice.com/>.

Fisher, (2005) previously demonstrated that rises in construction prices of materials have significant impacts on residential development, and Gbadebo, (2014). corroborated this claim by confirming that several projects were delayed owing to increased material costs. High building material costs are a significant barrier to Nigeria's efforts to improve housing standards, in addition to timely completion (United Nations 2019).

Housing provision in Abuja

With 2000 as the target year, the master plan Abuja predicted a population of three (3.2) million people. However, this demographic target was surpassed before the city's development was finished due to a population boom. There has been a significant inflow of individuals into the city as a result of social, economic, and political issues. Jiburum, (2021). The city's population is anticipated to reach

5 million NBS with less than half of the development project finished (2017).

The city's population has expanded during a 26-year span (1991-2017), rising from 387,671 in 1991 to a predicted total of 4,984,381 in 2017 NBS (2017). Ahmed, (2019) is expected to expand at a 9.3 percent annual pace. Due to the sudden union membership of government contractors without enough housing and the ongoing flood of immigrants since 1991, Abuja is suffering from a serious housing crisis.

The development of 22,000 unit of housing in stages one (1) and two (2) as well as the Gwarimpa Housing Estate were projects in which the national government was involved. The FCTA hasn't been able to expand the city towards the point where it is able accommodate the owing to a shortage of finance, the population is moving at an exceptionally fast rate. As of year 2012, in December, the FCTA had a current infrastructure obligation of approximately N420 billion, with a budgetary commitment of N50 billion. (Ahmed, 2019).

The FCTA introduced the Mass Housing Scheme as part of its General populace Partnership (PPP) initiative in 2000 in an effort to alleviate the city's housing shortages and demands. The government will under this plan provide basic infrastructure and allot land to private developers, with the goal of fostering a more proactive private sector engagement. In exchange, private developers will construct and sell finished homes to people who are interested in buying in, as well as supply secondary and tertiary infrastructure. (Habibullah, et al., 2022).

Housing shortages and rising rents are caused by Abuja's status as the Federal Capital City (FCC) as well as the continuous stream of new occupants. Despite the Federal Government's attempts and promises to make housing cheap for residents through the granting of plots of property and loans for various Housing Schemes, the cost of lodging has continued to skyrocket in Abuja. Unfortunately, the gap between housing supply and demand has continued to grow significantly.

This study intends to investigate Abuja's housing affordability issue. The previously implemented strategies have suffered a serious blow, yet the housing crisis is continuously worsening.

Public private partnership

In the provision of homes, the private public partnership idea was developed. According to Collier, & Venables, (2015)., a private partnership is a particularly flexible type of privatization. Any action that lessens the responsibility of the government and increases the involvement of private entities in addressing public needs is referred to as privatization. He notes that there are other types of privatizations, such as delegation (where the government maintains control and accountability while handing off service delivery to the private sector), divestiture (when the government abdicates duty), and dislocation (that is A government activity is replaced by growing private sector activity).

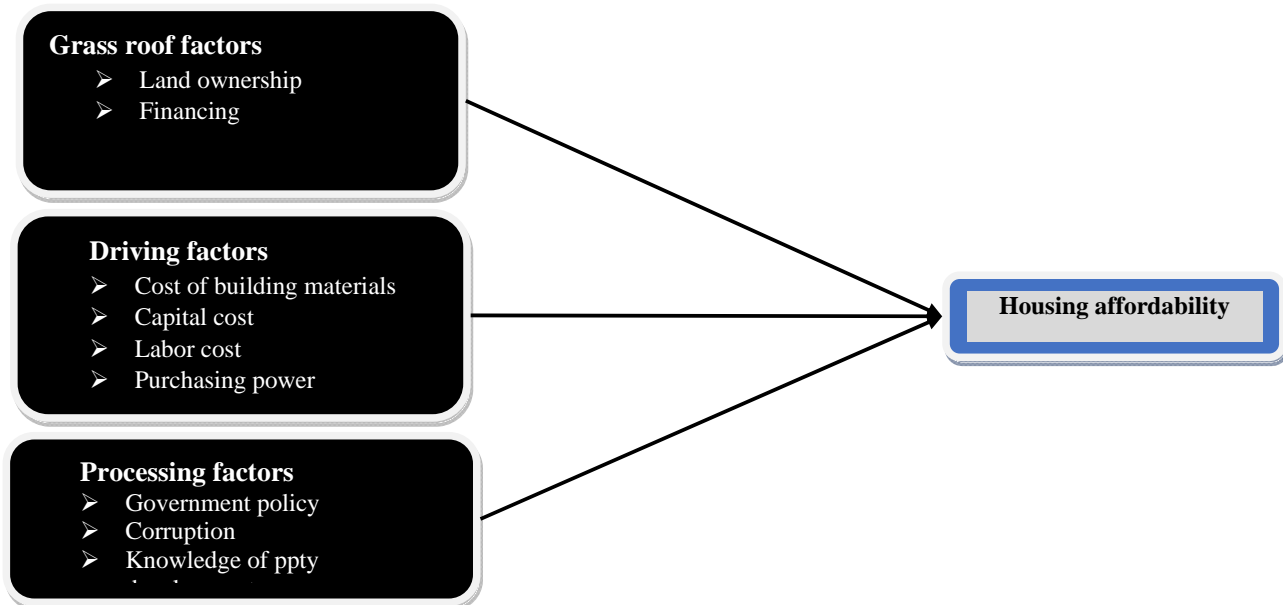
Without a doubt, housing PPPs belong in the first group. Transferring risks to the private sector is one benefit of public-private partnerships (Kalu, et al., 2021). The primary threat to the housing market is a shift in demand, whose, if it is lower than anticipated, might result in loan payback delays and higher interest and debt for investors (Ogunbayo, et al., 2021). Design, building, completion, and approval are all risky processes (Hadikusumo, 2021). Risk transfer is favorable since it improves

the amount of engagement from the private sector (Collier, & Venables, 2015).

The goal of the Mass Housing Programme was to create an environment that would encourage the private sector to participate more actively. It aimed to address the considerable gap between the supply and demand of housing stock in the City of Abuja and its vicinity. Despite several challenges, the program does provide some positive outcomes. Although the residential development program was established to guarantee that there would be enough housing to accommodate the residents of Abuja, a number of issues, including poor planning, have hindered the program's effectiveness. In Abuja, private developers are permitted to construct houses.

The Master Plan, which is based on the "Neighborhood Concept," has several stipulations that were broken. The threshold population in each neighborhood is around 5,000 individuals. A neighborhood center is often supplied to serve this threshold population, and this center in turn offers the following amenities: a clinic, a police headquarters, a school, recreational parks, a retail center, a fire station, a public hall, a postal service, a public library, and numerous other services.

Conceptual framework of the study



Source; researcher’s work

The conceptual framework depicts the independent variables, which are the factors affecting property development, and the dependent variable, which is housing affordability. The conceptual framework also depicts the linkage between the housing

FIG 1.8: Construction Framework

affordability and factors, with an arrow showing the direction of the relationship between the factors and the housing affordability variables.

METHODOLOGY

This study with the aim of exploring the factors affecting property development and housing affordability in Abuja the study adopted quantitative research design where questionnaire survey was administered to the real estate developers, the study used simple random sampling techniques in the process of distribution of questionnaires to real estate developers for in the process of this research. This method was chosen for the study because it is based on probability, which means that each sample has an equal chance

of being chosen; thus, this method would provide an adequate representation of the population under study. The study employed descriptive statistical analysis in exploring factors affecting property development and housing affordability in Abuja Nigeria.

RESULT AND DISCUSSION

Analysis of administered questionnaire

The analysis of questionnaire distributed was presented on the table below

Table 4.1 Analysis of questionnaire

S/N	Respondents	Frequency	Percentage (%)
1	Total number of questionnaires distributed	121	100
2	Number of returned questionnaires	77	63.63
3	Number of copies not returned	44	36.36

Source: Field Survey, 2022

Based on the research objectives, there is one group of respondents (residential property developers), the questionnaires were distributed at random, 121 questionnaires representing 100% was

administered, 77 representing 63.63% were answered and returned, 44 representing 36.36% were not returned.

Analysis of Factors Affecting Residential Property Development

Table 4.7 Access to land

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

Source; Field Survey, 2022

Access to land is a variable impacting property development in Abuja, according to a significant majority of respondents, as evidenced by the research data in table 4.7 above, which shows that (45) respondents, or 58.44 percent, strongly agree,

and (21) respondents, or 27.27 percent, agree with the statement.

The data suggest that access to land is a major factor affecting property development in the study area.

Table 4.8 Finance/Funding

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

Source; Field Survey, 2022

A considerable majority of respondents, or 31 respondents, or 40.26 percent strongly agree, and 22 respondents, or 28.57 percent agree, with the assertion that financing or funding is a factor

impacting property development, according to research data from table 4.8 above. the Abuja. The data suggest data funding/finance is a major issue affecting property development in the study area.

Table 4.9 Cost of Building Materials

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

Source; Field Survey, 2022

Research data from table 4.9 above shows that a significant majority of the respondents' i.e. (53) respondents representing 68.83% strongly agree and (18) respondents representing 23.38% agree with the statement Cost of building materials is a

factor affecting property development. in Abuja. The data above suggest that majority of property developers in the study area subscribed to the fact that cost of building materials is a major factor affecting property development in the study area.

Table 4.10 Corruption

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

Source; Field Survey, 2022

Analysis of the table 4.10 above shows that most of the respondents i.e. (25) representing 32.46% of the respondents are neutral on whether corruption affect property development in Abuja, while (17) representing 22.08% strongly agree, (12) representing 15.58% agree, (13) representing

16.88% disagree and (10) representing 13.00% strongly disagree.

The data above suggest that reasonable number of respondents are undecided, while majority suggest data corruption affect property development in the study area.

Table 4.11 Government Policies

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

Source; Field Survey, 2022

Analysis of the table 4.11 above shows that most of the respondents i.e. (23) representing 29.87% of the respondents agree on Government policies affect property development in Abuja, while (18) representing 23.38% are neutral, (14) representing

18.18% disagree, (15) representing 19.48% strongly agree and (7) representing 9.09% strongly disagrees Hence, the data suggest that government policies affect property development in the study area.

Table 4.12 High cost of Capital

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

Source; Field Survey, 2022

An analysis of table 4.12 above indicate (6) respondents representing 7.79% strongly disagree and (8) respondents representing 10.39% disagree that high cost of capital while (23) respondents

representing 23% agree and (30) respondents representing 38.96% strongly agree respectively.

Hence the data suggest that property developers in the study area see high cost of capital as a factor that affect property development in the study area.

Table 4.13 High cost of labor

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

Source; Field Survey, 2022

Analysis of table 4.13 above revealed that (21) respondents, or 27.27 percent, agree, and (10) respondents, or 12.99 percent, strongly agree. In contrast, (21) respondents, or 27.27 percent, disagree, (18) respondents, or 23.38 percent,

disagree, and (5) respondents, or 6.49 percent, are neutral. The statistics indicate that most real estate developers in the study region stated that the high cost of labor is not a significant obstacle to real estate development there.

Table 4.14 Knowledge of property Development

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

Source; Field Survey, 2022

Analysis of table 4.14 above shows that (21) respondents representing 27.27% strongly disagree with the statement, (16) respondents representing 20.78% disagree, (8) respondents representing 10.39% are neutral, (13) respondents representing 16.88% agree, while (19) respondents representing

24.68% strongly agree. These findings revealed that; knowledge of property development is not a major factor affecting property development in the study area that it also suggests that it can be a factor.

Table 4.15 Consumer low purchasing power

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

Source; Field Survey, 2022

Data from table 4.19 above revealed that consumer low purchasing power is one of the major factors affecting property development. This is because only (3) respondents representing 3.90% disagree

while the majority i.e. (34) respondents representing 44.16% agree, (31) respondents representing 40.26% strongly agree respectively.

Analysis of factors affecting Housing Affordability in Abuja

Table 4.16 Cost of Land

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

Source; Field Survey, 2022

The data in table 4.16 above shows that, cost of land has a major effect on housing affordability in the study area with (38) respondents representing 49.35% strongly agrees, while (28) respondents

representing 36.36% agree and only (3) respondents representing 3.90% strongly disagree with (6) respondents representing 7.80% disagree.

Table 4.17 Interest rate on mortgage

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

Source; Field Survey, 2022

Table 4.17 above shows that (22) respondents representing 28.57% strongly disagree with the statement that interest rate on mortgage affect housing affordability in the study area, with (18) respondents representing 23.38% disagreeing, while

(15) respondents representing 19.48% agree with the statement, and (14) representing 18.18% of the respondents strongly agree. The data shows that, interest rate on mortgage do not affect housing affordability as much.

Table 4.18 Construction Cost

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

Source; Field Survey, 2022

Research data in table 4.18 shows that (38) respondents representing 49.35% strongly agree that construction cost affect housing affordability in the study area, while (25) respondents representing

32.47% agree, with only 4 respondents representing 5.19% disagreeing. The data shows that construction cost has a major effect on housing affordability in the study area.

Table 4.19 Residential Property Price

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

Source; Field Survey, 2022

The table 4.19 above indicate that, (36) respondents representing 46.75% strongly agree with the statement, (32) representing 41.56% agree, and

only (3) respondents representing 3.90% disagree with the statement that residential property price has effect on housing affordability in the study area.

The data presented strongly suggest that, residential property price has effect on housing affordability in the study area.

Table 4.20 Demographics

S/N	Options	Frequency	Percentage (%)
1.	Strongly Disagree	22	28.57
2.	Disagree	13	16.88
3.	Neutral	4	5.19
4.	Agree	17	22.08
5.	Strongly Agree	21	27.27
	Total	77	100

Source; Field Survey, 2022

Analysis of table 4.20 above shows that (22) respondents representing 28.57% strongly disagree with the statement, (13) respondents representing 16.88% disagree (17) respondents representing

22.08% agree, while (21) respondents representing 27.27% strongly agree. These finding suggest that demographics has effect on housing affordability but it is not a major effect.

Table 4.21 Household income

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

Source; Field Survey, 2022

The data in table 4.21 above shows that, Household income has a major effect on housing affordability in the study area with (43) respondents representing

55.84% strongly agree, while (31) respondents representing 40.26% agree and only (2) respondents representing 2.60% disagree.

Table 4.22 Demand and Supply

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

Source; Field Survey, 2022

An analysis of table 4.22 above shows that a good proportion of the respondents i.e. (27) representing 35.06% strongly agree (25) representing 32.47% agree while (8) respondents representing 10.39%

disagree and (13) respondents representing 16.88% strongly disagree.

The data shows that demand and supply have effect on housing affordability in the study area.

Table 4.23 Perception of buyer

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

Source; Field Survey, 2022

The majority of respondents in the study region were found to have a neutral opinion of the proposition that buyer perception affects home

affordability there, according to the research. This is due to the fact that the neutral option has the majority in the table.

Table 4.24 Lack of Price Control

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

Source; Field Survey, 2022

An analysis of table 4.24 above indicate that (18) respondents representing 23.38% strongly disagree and (22) respondents representing 28.57% disagree that lack of price control has effect on housing affordability while (15) respondents representing

19.48% agree and (14) respondents representing 18.18% strongly agree respectively.

The result shows that lack of price control does not have effect on housing affordability.

Table 4.25 Household Expenditure

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

Source; Field Survey, 2022

One of the key elements determining home affordability, as shown by the data from table 4.25 above, is household expenditure. This is due to the fact that just two respondents, or 2.60 percent, strongly disagree, compared to the majority, which is made up of forty-two respondents, or 54.54 percent strongly agree, and twenty-eight respondents, respectively.

Residential Property Development revealed as follows; access to land, funding, cost of building materials, corruption, government policy, high cost of capital, high cost of labor, knowledge of property development and consumer low purchasing power While. cost of land, interest rate of mortgage, construction cost, demography residential property price, household income, demand and supply, perception of buyer's lack of price control, and household expenditure. factors affecting affordability are reveals this above explored factors are mostly over the control of land owner but can be control by government so to proffer a measure for this factor's government have to strengthen the citizens welfare on housing.

CONCLUSION

This study with aimed at exploring the factors affecting property development and housing affordability in Abuja. Employing quantitative research design in achieving this study, from the data collected from the real estate developers it was evidenced in their opinion that factors Affecting

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