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The Nexus of Land Availability, Land Affordability and the Housing Crisis in Nigeria

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This paper examines the interplay between land availability, affordability and the housing crisis in Nigeria, focusing on low and middle-income populations. It highlights that limited access to land significantly hampers housing affordability, exacerbating shortages, particularly in urban areas. The centralization of land control under the Land Use Act of 1978 has restricted supply, with rising land prices further limiting affordability, advocating for integrated land-use planning and financial support mechanisms. The study concludes by emphasizing the need for reform in land administration aligned with national frameworks to enhance the effectiveness of Federal initiatives, such as the renewed hope housing program. The study therefore recommends expediting constitutional amendments to the Land Use Act to fully implement the National Land Policy, ensuring tansparent procedures for land acquisition and protecting against exploitative practices. Ultimately, land reform should be priotized as a national concern for sustainable housing solutions.

Keywords: Affordability, Policy reforms, urban areas, Land Use Act

INTRODUCTION

Nigeria, one of Africa's most populous countries, is currently facing a significant housing crisis, a prominent issue in the Global South. This crisis underscores the urgent need for solutions to address the severe housing shortages affecting large segments of the population. With a population estimated at approximately 224 million, Nigeria is seeing demand for housing to continue to rise, driven by rapid urbanization and a youthful demographic. The country faces a substantial housing deficit, which has doubled from 14 million in 2010 to approximately 28 million in 2023(Centre for Affordable Housing Finance in Africa CAHF, 2025). Nigeria is one of the world's fastest urbanizing countries such that as more Nigerians move to cities, in search of jobs and opportunities, the gap between housing demand and supply continues to widen. Its urban population has grown from about 7 million people in 1960 to more than 128 million in recent times and nearly 70% of Nigerians could live in cities by 2050. Particularly in lagos, rapid growth has far outspaced the supply of affordable housing with 60% of urban residents, living in informal settlements (Oyeleke, 2026)

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Nigeria's housing crisis is primarily driven by limited access to titled and serviced land due to restrictive tenure systems and bureaucratic obstacles. This scarcity has led to high land prices, overcrowding, and a significant housing deficit. Effective solutions must focus on reforming the land market, improving accessibility, streamlining title registration, and aligning land policies with housing needs. The study investigates the connections between land availability, housing affordability, and the ongoing housing crises, with the goal of providing evidence-based insights to inform policy interventions. By analyzing these relationships, the research aims to contribute to effective policymaking that addresses the pressing issues surrounding housing access and affordability.

THE CONCEPT OF LAND AVAILABILITY AND AFFORDABILITY

Land availability as defined by Yii *et al* (2022), is the quantifiable supply of land transacted through formal leasing mechanisms, demonstrating that the land supply indicates the availability of land and is graphically related to housing price in negative direction. Their nonlinear autoregressive distributed lag (NARDL) model confirms that land scarcity operationalized as constrained land availability which reduces housing supply while raising prices, satisfying the classical supply and demand theory. The Federal reserve bank of Boston advances this conceptualization by distinguishing between the physical existence of land and its practical availability for residential development. Using parcel-level data across U.S. markets, the Bank demonstrates that "most buildable parcels are small, and large buildable parcels are scarce in most geographic markets," revealing that land availability is as much a function of parcel fragmentation and scale as it is of aggregate acreage. This insight is particularly salient for rapidly urbanizing contexts like Nigeria, where peri-urban land may exist in abundance but remains locked in small, informally held parcels that are unsuitable for large-scale housing development.

If land availability concerns the presence of developable land, land affordability concerns the economic accessibility of that land to households and developers. Guerrero (2024), defines affordability as "the ratio of the average income to average property price," enabling spatial and temporal comparisons across housing markets Vergara-Perucich (2025), in a study published in buildings (MDPI), refines this by noting that "the most common metric is the housing cost burden or affordability ratio, which typically defines unaffordability as housing costs exceeding a fixed 30% of household income.

HOUSING POLICY FORMATION IN NIGERIA

Housing policy formation in Nigeria has evolved through a series of national frameworks since independence, beginning with direct state provision under the 1979 constitution and crystallising into the first National Housing Policy of 1991, which formally established housing as a joint responsibility of federal, state, and local governments and launched enabling-strategy programmes such as the National Housing Fund (Richards, 2025). Successive revisions in 2002, 2006, and 2012 broadened this framework to incorporate public–private partnerships, mortgage refinancing, and slum upgrading, yet the fundamental architecture of policy has consistently privileged housing construction and finance while leaving land administration governed by the Land Use Act of 1978 largely untouched, a disconnect that recent analysis identifies as the core weakness of the policy tradition (Richards, 2025). Furthermore, Lanrewaju et al (2026) reviewed the socio-economic factors shaping housing policy formation in Kano and Lagos, focusing on affordability, land acquisition, income levels, urbanization pressures, and institutional capacity, Using documentary analysis of recent government policies, grey literature, and secondary empirical data (2020–2025), the paper compares how state contexts mediate housing delivery outcomes. In their findings, it was observed that, while Lagos policies are increasingly shaped by rapid urbanization, land market pressures, and private sector dominance, Kano's housing policies are influenced by low-income household structures, land tenure complexity, and federal-state project alignments such as the Renewed Hope Estate. Also, an empirical study by Oscar et al (2025) on National Housing Policy in Rivers State found a significant gap between policy objectives and actual delivery at the local government level, attributing it principally to insecure land access and weak institutional capacity. Similarly, Akinwande, (2024) study on evaluating affordable housing strategies for Nigeria's urban poor concludes that programmes repeatedly fail because they are formulated without resolving the underlying land constraints of cost, title, and supply on which affordable delivery depends. The trajectory of policy formation therefore reveals a recurring pattern ambitious national housing strategies layered onto an unreformed land regime that continues to define the current Renewed Hope Agenda and frames the central question of whether land reform will finally be integrated into housing policy or remain its missing foundation.

PROBLEMS OF AFFORDABLE HOUSING PROVISION

There are many views concerning the problems of affordable housing provision in mertropolitan cities in developed and developing countries that has been put together by different researchers (Ajayi 2019, Ogunbayo et al, 2022 & Owolabi et al 2022a). In Nigeria, Adeshina, (2019) & Ogunbayo et al (2022) attributed the problems of Affortable housing to high urban migration,

population growth, and high cost of building materials. Additionally, Enwin & Ikiriko (2023) pointed out the problems associated with housing affordability as limited government support and policy implementation, and high urban area land costs.

Furthermore, an empirical study by Ogundipe et al. (2024) identified thirty-seven factors that hinder affordable housing provision, which were categorized into seven main components: issues related to affordable land and security of tenure, socioeconomic constraints, challenges with conventional materials and technologies, unpredictable internal factors, the lack of an innovative framework and supply chain, insufficient community collaboration, and external factors alongside urbanization challenges.

The study emphasizes the importance of improving land tenureship, social inclusion, and collaboration among community stakeholders to address the affordable housing crisis in metropolitan areas. It highlights that land affordability is crucial for low and middle-income households, enabling them to purchase land without straining their finances. However, this affordability is threatened by speculative land hoarding, rising land prices on urban outskirts, and high costs associated with the formalization process. The findings advocate for the standardization of indigenous construction materials and technologies, alongside housing policy reforms, to alleviate the shortage of affordable housing. Dauda (2024) investigated the relationship between land access and housing affordability in Abuja, employing the 30% Benchmark through the Simple Housing Cost to Income Ratio to evaluate residents' housing affordability. The findings indicated that access to land is the primary factor influencing housing affordability in the area.

THE NEXUS BETWEEN LAND AVAILABILITY AND AFFORBABILITY IN NIGERIA

Nigeria’s housing crises is frequently described in terms of numbers, but the numbers alone do not capture its paradoxical character. The Federal Ministry of Housing and Urban Development estimates the National housing deficit at approximately 15 million units, while independent estimates place it as high as 28 million, with annual demand of roughly 700,000 new homes (Richards 2025). Yet in the same country, high end properties in Lagos and Abuja remains vacant, without buyers, because what is scarce is not housing in the aggregate but affordable, accessible housing (Oyeleke, 2026). This mismatch between what the market produces and what households can afford is he defining feature of the crises and it is increasingly understood to originate not on the construction side but on the land side.

The structural root of land inaccessibility in Nigeria is the Land Use Act of 1978, this Act has been a significant factors in Nigeria’s housing crisis, originally intended to streamline land administration for economic growth. However, the centralization of land control under the governor, has hindered housing developments efforts. This shifts grant the state government authority over essential land decisions, which negatively affects occupancy rights, land transactions, urban planning, and compensation distribution. Consequently, rather than resolving land use issues, the Act has become a barrier to progress in housing development in Nigeria (Anoba 2023). The issue of land titling is a thing of concern because, in Nigeria, over 90% of land remains unregistered, resulting in households lacking legally recognized collateral. This

situation contributes to an estimated 458 trillion (approximately US$300 billion) in dead capital, as reported by the Federal Ministry of Housing and Urban Development. The failure of land titling exacerbates economic challenges for many households by preventing them from accessing financial resources and opportunities (CAHF, 2025).

The affordability dimension follows directly from land scarcity. In prime lagos locations, land prices have risen sharply from about 1.4 million to 2.1 million per square metre on Banana Island and from 1.2 million to 1.9 million per square metre in Victoria Island while mortgage lending remains below 1 per cent of GDP and lending rates exceeds 20 percent (CAHF, 2025). Land costs are inevitably capitalized into final house prices, so when land is scarce, untitled, expensive, housing becomes unaffordable even for formally employed households. Nwachukwu, (2025) emphasizes that housing affordability in Nigeria should be evaluated in terms of land costs and financing, rather than solely building expenses. Methodologically, this perspectives supports the application of price-to –income distribution measures, specifically the Pareto-based ratio developed by Vergara-Perucich, (2025), as a means to quantify the affordability gap effectively.

The human consequences are concentrated in Nigeria's rapidly growing cities. In Lagos alone, roughly 60 per cent of residents live in informal settlements, where tenure insecurity and rent shocks are constant realities and where women, only about 11 per cent of whom own or co-own housing, bear a disproportionate burden. Policy responses have multiplied, from the federal Renewed Hope Cities and Estates programme to Lagos State's LSDPC affordable-housing scheme and the proposed monthly rental framework, alongside the Land Reform Task Teams of 2025–2026 (Richards, 2025; CAHF, 2025). However, most of these interventions target the housing side construction, finance, and tenure of buildings while leaving the underlying land regime substantially intact.

CONCLUSION

The nexus between land availability, land affordability, and housing crises in Nigeria demonstrates that the national housing problem is, at its foundation, a land problem. The centralized control of land under the Land Use Act of 1978, entrenched in the constitution and only partially mitigated by the National Land Policy, has constrained supply, inflated prices, and perpetuated informality outcomes at odds with the objectives of national housing policy and Nigeria’s commitments under SDG 11 and New Urban Agenda. Until land administration is reformed in line with these national frameworks, Federal interventions such as renewed hope housing programme and the National Development Plan’s shelter targets will continue to underperform. Land reform must therefore be elevated from a sectoral concern to a central pillar of national housing and development policy.

RECCOMENDATIONS

1. There is the need to institutionalize land reform within national policy by expediting the constitutional amendment of the Land Use Act. This amendment aims to fully implement the National Land Policy, establishing clear timelines, transparent procedures for obtaining governors' consent, and protections against opportunistic rent-seeking behaviors.

3. The National Land Registration Programme aims to enhance land governance through systematic titling and digitised cadastral records across the nation. Federal and state governments are encouraged to collaborate on this initiative, focusing on urban and peri-urban areas to achieve the Decade of Action 2021–2031 targets.

4. There is need for federal government to work on the implementation of fiscal and regulatory measures to ensure land prices align with national affordability objectives, introducing land value taxation on underdeveloped urban land and enforcing developement obligations on designated plots will enhance land supply in a manner that supports the affordability goals.

5. Federal and State housing projects should only advance on secured, titled and serviced land. It is essential to implement land administration performance indicators to enhance the effectiveness of housing delivery in national development monitoring and evaluation

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