

**APPRAISAL OF THE PROBLEMS OF COMMERCIAL HOUSING  
DEVELOPMENT PROJECTS IN BAYELSA STATE. THE PRIVATE  
DEVELOPERS EXPERIENCE.**

**BY**

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## CERTIFICATION

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## **DEDICATION**

This project is dedicated to my late Mother, Late Mrs. Clarina Dorgu (nee Ogbofa)

## **ACKNOWLEDGEMENT**

I wish to express my appreciation to the following persons for their encouragement and support given me which made this work a reality.

Firstly, my unreserved appreciation goes to God Almighty for making it possible for me to overcome every challenge I came across in the realization of this dream.

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## **ABSTRACT**

This project is carried out with the aim of x-raying the difficulties experienced by private developers in providing commercial housing for the people of Bayelsa State. The primary data for the study were captured through structured questionnaires. The data were analyzed using Pie chart distribution and analysis of variance statistical methods.

The analyzed data were used to test the postulated hypothesis. The results showed that cost of site preparation and the terrain of the state are the major inhibiting factors to private developers in mass provision of commercial housing in Bayelsa State, and that transportation of building materials does not have a major impact on Housing Development in the state. Based on the finding it is obvious to conclude that the amount required to develop housing projects scares private developers from embarking on commercial housing projects. It is therefore recommended that the governments should alleviate this situation through interventions such as granting soft loans or directly getting involved in commercial housing development projects.

## **CHAPTER ONE**

### **1.0 INTRODUCTION**

#### **1.1 BACKGROUND OF THE STUDY**

Housing as we know is one of the basic needs of man, over the years despite the efforts of various tiers of Government, there is still a great inadequacy in housing development in Nigeria (Onibokun, 1971, Olu – Abiodun, 1976, Agunbiade, 1983, Wahab, 1995). The inadequacies are both qualitative principally in the rural areas and quantitative in the urban area (Wahab 1995). Housing development in Nigeria that would ensure sustainable housing system must therefore be qualitative, quantitative and other factors that are peculiar to different environment.

Housing entails more than shelter for human habitation it includes the physical structure that man uses for shelter, all necessary or desired for the physical and mental health and social well being of the family and individuals. It also includes sanitation, drainage, recreation facilities and all other economic and social activities that make life worth while (Nest, 1991, Otegbulu, 1996, Agbola, 2000).

Knowing fully well that a society's main economic and social characteristics are clearly depicted in the form of its housing, there is every need to address the housing need of its individuals with amount of seriousness and sincerity. Housing clearly reflects the economic and demographic structure of a society, its level of development, the distributions of population's growth, and the pace of urban expansion. Similarly, variations in the quality of

accommodation reveal much about a society's social priorities, power systems and the form of Government (Herbert and Johnson 1975).

It could be recalled that since the creation of Bayelsa State in 1996, the housing sector as it relates to mass commercial housing provision for the people has been a source of concern. No single commercial estate has been constructed by a private firm in the state for the purpose of out right sale or rentage to the public. The only owner – occupier's basis was constructed by the State Government which till now is not fully completed. But because of acute shortage of accommodation in the state, allottees have started occupying the buildings without the necessary facilities.

So, it is in this light, this project work seeks to examine the basic problems militating against the provision of mass commercial housing for the people of Bayelsa State.

Having acknowledged the importance of housing in the socio-economic life of a people, especially in Bayelsa State, this work (project) would critically examine the attendance developmental problems of mass commercial housing projects in the state, especially the experience of private developers (firms) commercial housing development programme for the purpose of this project work could be regarded as mass housing development projects meant for the public on owner occupier basis or rentage. It could be housing projects for office accommodation initiated by private sector or partnership with Government.

It is pertinent to note that since the creation of Bayelsa State in 1996, the bulk of commercial housing development has been on the state government. Even at that, the state government also has not done much on commercial housing development. To be more precise, the Bayelsa State Government since its creation has only succeeded in developing one commercial housing estate, called Ekeki Housing Estate sold to the public on owner – occupier basis. The Government has just started two residential housing estate projects: one purely for civil servants and other for the public all on owner – occupier basis. Commercial Housing Development is not expected to be one-way affair but should be a collective effort by the Government and the private developers. So, this project precisely is expected to research on the various limiting factors why private developers could not copartner with the government to deliver the bulk of commercial housing needs of the state.

## **1.2 STATEMENT OF THE PROBLEM**

The issue of inadequate commercial housing in Bayelsa State cannot be over estimated. According to Wahab (1998), the inadequacies in Housing Development generally in Nigeria are both quantitative and qualitative.

This problem has been perceived as an unsettling intellectual challenge, a matter of doubt, difficulty or dissatisfaction that one experiences when an unsatisfactory situation is encountered.

The problems of commercial housing development projects in the state can be likened to the situation of inadequate commercial housing in Bayelsa State that was created more than a decade ago.

The commercial housing needs of residents of the state are multidimensional for the few housing projects on ground the issue of quantitative and qualitative is so pronounced and glaring. But the problem this work wants to study addresses the inability of the private estate developers to provide commercial housing for residential, office accommodation and for other purpose in the state (Bayelsa). The development of any city should not be that of government alone. The private sectors have to foster the needed development al goals in all sectors, especially housing.

### **1.3 AIMS AND OBJECTIVES OF STUDY**

Researches are aimed at new discoveries or solving an identified problem. Any research that has no objectives to achieved the aim of the study is regarded as valueless. Considering the topic of this research work "Appraisal of the problems of commercial housing development projects in Bayelsa State: the private developers' experience" automatically suggested that the research is aimed at finding a solution to a problem.

Therefore, the main aim of this research work is to investigate into the factors militating against commercial housing development projects in Bayelsa State, as it affects the private estate developers. There inability to bridge the gap in the area of commercial properties development.

In order to achieve the main aim of this study therefore, the following objectives have to be followed.

- To investigate the factors responsible for the inability of private estate developers to provide commercial housing.

- To examine the size and status of private developers into housing.
- To analyze government involvement and level of assistance to private estate firms.
- To ascertain whether government have created the enabling environment.
- To proffer enduring solutions that are aimed at alleviating the identified problems.

## **RESEARCH QUESTIONS AND HYPOTHESIS**

### **1.4 RESEARCH QUESTIONS**

1. Does site preparation constitute a serious bottle neck to construction?
2. Does cost of transportation of building materials high in the state?
3. Is terrain a major factor hindering development in the state?

### **1.5 HYPOTHESIS**

Hypothesis can be defined as an assumption or statement made well in advance of the observation about what to be expected to occur under given conditions. These assumptions or statements when accepted to be true they form policy decisions and laws. It is also a link between what exist but not known and what is discovered.

**H<sub>01</sub>:** Cost of site preparation is not a significant factor of private developers in the investment of commercial housing development.

**H<sub>02</sub>:** High cost of transportation of building materials is not a significant factor for the inability of private developers to invest in commercial housing development.

**H<sub>03</sub>:** Terrain of the state is not a significant factor hindering private developer to go into mass provision of commercial housing.

## 1.6 **SIGNIFICANCE OF THE STUDY**

It is easy to observe that over 20 percent of Nigerians have poor housing quality in terms of the neighborhood (surrounding environment) while over 60 percent have theirs rated as poor (Onibukun, 1990). This shows that over 80 percent of Nigerians live in substandard houses. It is also an observable fact that many Nigerians live in substandard housing units, without basic amenities, like pipe-borne water, drainage system, good toilet facilities and good floor.

The resultant effect of inadequate housing which is the scenario in Bayelsa State would lead to its inhabitant living in substandard housing units without the necessary facilities mentioned above. All over the world private estate developers contributed adequately towards the provision of affordable housing in any given society. For Bayelsa State to satisfy the housing needs of its inhabitants, the present situation where commercial housing development is the exclusive reserve of the state Government should be addressed. The issues and factors militating against the smooth operations of private estate firms will be examined. That is why this study is important and timely. At the end of this exercise, those factors militating against the smooth operations of

private commercial housing developers would have been highlighted and solution proffered.

This study finally, will enhance the provision of adequate quantitative and qualitative housing in Bayelsa State.

Furthermore having ascertained that the study will enhance the provisions of qualitative and quantitative commercial housing in Bayelsa state, it is also expedient to highlight the economic, political, social and environmental importance of the study.

Quantitative and qualitative commercial housing will play an important role in the economic development of a given state such as Bayelsa. In a state where building construction is going on, professional and artisans are gainfully employed. Those who provide services on building sites such as mobile food seller (mama put) as well as water sellers (in tanks) who supply water used for construction is known to make up as much as 20-30 percent of gross fixed domestic capital formation (Grimes, 1976). Housing is a stimulant to the national economy. It provides employment opportunities to wide range of professionals and artisans. It is a source of investment and the house itself (building) can be used as a collateral security in order to obtain loans/mortgage loans from banks and other financial institutions. A house or building is a fixed asset, its value appreciates over time i.e. as time goes on and it is capable of yielding a flow of income during its economic life.

The political importance of this study as it relates to the provision of commercial housing in Bayelsa State is of different dimension. The provision

of adequate housing in any political dispensation go a long way to portray the nature of government in place. Adequate housing translates to good government and consequently, will improve the quality of life of the people as shelter is one of the basic needs of man.

The social cultural significance of this study on provision of housing is that the way people build and live in some states or societies, serves as the best physical and historical evidence of civilization in such societies. Housing or houses depict their values, forms of (social or cultural) organization, technology and craft ingenuity, skills and so on. Even the way the houses are arranged, building patterns, agglomeration of houses makes for communal life. When people live in a neighborhood, they enjoy a lot of benefits or services provided by commercial effort or government.

The hallmark of housing provision is to achieve a functional, efficient and aesthetically pleasing environment for living, working circulation, recreation etc. Housing as been defined does not mean the physical house or building alone. But it includes all the necessary facilities inside the building and all the necessary infrastructures enjoyed in a given neighborhood such as roads, sanitation, recreation and a host of others. So, the environmental significance of this study is to achieve a functional, efficient and aesthetically pleasing environment for living working, circulation and so on.

### **1.7 SCOPE OF STUDY**

The provision of housing in a particular locality should not be the responsibility of Government alone. The private sector has to partner with

Government to provide the needed housing demand of its people. The question to answer here is whether these situations that are operational in other states are also achievable in Bayelsa State, if not what issues are responsible. There for this study would endeavour to X-ray the component factors militating against the provision of commercial housing, which includes residential, office accommodation, and other uses by private investors (Developers) in Bayelsa State and what can be done to alleviate the situation. This is the nature and scope of the study. Other complementary issues on housing are also touched as background information.

## CHAPTER TWO

### 2.0 LITERATURE REVIEW

The United Nations Ad-Hoc group of experts on housing and Urban Development defined housing as the physical environment in which a family, the basic unit in the society must develop. The group further contented that housing is not shelter or household facilities alone but comprise a number of facilities, services and utilities which links the individual and his family to the neighbourhood or community in which it evolves. From the above, it is easy to conclude that housing is not just a commodity but could be described as a bundle of goods and services that facilitate and enhance good living and business. It is a key to neighborhood quality and preservation. In other words, housing is conceptualized as a multidimensional package of goods and services extending beyond shelter itself consequently, environmental amenities such as waste disposal, water supply, neighbourhood roads and locational services implied by the special links between necessary economic and social infrastructure, such as education, health and recreation are all parts of the package of services designated as housing.

Decent housing could be regarded as the right of every individual yet a great proportion of the population of Nigeria live in sub-standard and poor housing, and deplorable unsanitary residential and business environments. The provision of good housing has a profound influence on the health, efficiency and well being of a society. The number of people living in slum and squatter settlement is one indicator of the magnitude of Urban housing shortages in many third world cities, a large number of families are squatters. More than 2 million of Calcutta's population, for example were living in

slums in 1980. More than million people were living in squatter settlements in Rio de Janeiro Jakarta Manila, Bogota, Lima, Casablanca and Istanbul (USAID, 1983).

In Nigeria, residential squatter slums are a common feature in the large Urban centres such as Lagos, Ibadan, Port Harcourt, Benin city, Enugu among many others (Onokerhoraye, 1985). According to a field survey on water front squatter settlements in Port Harcourt, Nigeria in 1993, the estimated residential population in forty-nine identified squatter settlements around the Port Harcourt area was put at 263,000 representing 64.74 percent of the total population of Port-Harcourt which the 1991 census population figures put at 406,738.

## **2.1. HOUSING PROVISION IN DEVELOPED COUNTRIES BRITAIN**

According to Ractcliffe in England since 1972 the district councils are the primary housing authorities, although the councils reserve powers, except in London, where the Greater London Council is a primary housing authority in its own right alongside with the 32 London Boroughs and the city of London. The powers exercised by local authorities in respect of their housing function are extremely wide, and include the provision of municipal housing through new building, acquisition and conversion, the inspection of properties to ensure the maintenance of satisfactory standards, the exercise of powers and duties relating to clearance areas, unfit houses, overcrowded houses in multiple occupation, and the improvement of dwellings, the provision of temporary accommodation for the homeless, the exercise of powers regarding housing associations and the like, the provision of mortgage finance,

and an array of duties in respect of the management of property, employment of direct labour, assessment and collection of rents, and the provision of a housing advisory services.

Apart from the district councils, there are housing associations. These voluntary housing movement or “third arm” of housing provides rented and co-operatively owned housing accommodation of different kinds. They rely principally upon public funds and operation within the public sector, their dwelling construction and conversion rate runs at about 30,000 to 40,000 units a year, and are said to have a particularly useful function to perform in the public section (Ractcliffe, 1992).

The private sector also provides housing in Britain. The supply in the private housing market could be distinguished thus: the development of new houses for sale and owner-occupation, and the letting of accommodation for rent by private Landlords. From the foregoing, it could be seen that in Britain the provision of housing is done mainly by the public sector and on rental basis rather than owner-occupier tenure. For example, in 1914 about 90 percent of the houses in Britain were privately rented. But recently, owner-occupied houses have reached 65 percent (Ractcliffe, 1992).

### **2.1.2 Hong Kong**

In Hong Kong, the provision of housing in the early year was basically left to the market forces in the private sector. After kowloon peninsula was coded to Britain in 1960, the demand for accommodation becomes increasingly acute. As living conditions of Hong Kong and Kowloon continued to remain in a

very unhealthy state after the opposition of property owners to the government's proposal to improve construction and health standards, the government responded by setting up a sanitary board in 1883 with wide powers to deal with insanitary houses, the inspection of premises, compulsory disinfection, and the removal of persons who were a source of disease (Pryor, 1983).

In 1952, a non-profit making organization (The Hong Kong Settlers Housing Corporation) was formed. It was financed partly by the government and partly by subscriptions from the public. The corporation was charged to build 1,500 cottages, which were subsequently owned by occupants who had paid monthly rental for a number of years. Also a voluntary organization the Hong Kong Housing Society was established to provide homes for lower-middle and middle-income households. Well in the 1950s, government housing was restricted to the resettlement of squatters cleared from land required for development. But under the backing of the new policies, the public housing programme reached a production level of 30,223 units in 1967 (Fong 1999). In the early 1970s the government became aware of the need for a comprehensive approach and an integral housing agency, and announced a ten year housing programme with an aim to tackle the problem of slum and squatter settlements, and resettlement estates. As a result of this, a new housing authority was set up. The Housing Authority, under the Housing Ordinance of 1973, was responsible for policy formulation while the Housing Department was in charge of implementing and monitoring housing programmes and managing public housing estates. In Hong Kong, public housing policies and programmes have had significant impact on urban

development. Considering the number of housing units that have been produced in Hong Kong, her public housing programme could be generally regarded as successful (Fong 1999).

## 2.2 THE THIRD WORLD HOUSING PROBLEM

The problem of providing decent housing for the masses in the third world is well known by now; the real fear is that it is likely to be exacerbated in the foreseeable future.

This is hardly surprising if we recall that national populations are, on the average, doubling within a generation, and that the centers are exploding at average rates in the region of 7-10% per annum (Todaro, 1979). Demographers attribute such historically unprecedented population growth is rapidly outstripping the availability of resources for the provision of public services; it is seemed that there may be an unabated deterioration in the quality of third world urban life.

Indeed in the fringe area of the burgeoning cities the presence of spontaneous settlements has testifies to the acute need fore shelter, and their squalor dramatizes the injustice and inequality of third world social condition. Whether we refer to the "shanty towns" of Lagos, the "Bustees" of Calcutta (India), the "Favelas" of Rio De-Janeiro (Brazil), or the "Barriales" of lima (Peru) the depressing conditions are comparable. Such manifestly unsatisfactory urban residential conditions have evoked various kinds of response from world organizations and agencies for instance, the World Bank now sponsors a number of urban residential development projects across the

third world. On its part, the United Nations organization has been urging third world policy-makers to include housing in their national development planning and has highlighted some economic and social welfare implications of a decent shelter and environment, such as (a) reduction in social pathological conditions (b) increase in self esteem, and (c) increase employment, production and savings (U.N2000). The United Nation has further pointed out that subsidized housing, especially for the poor, provides an acceptable and effective means for re-distributing income, and may also serve as a vehicle for re-distributing population in accordance with national objectives and regional development.

The housing problems appear nearly insoluble because of the huge gap, which exists between needs and resources. For instance, the World Bank estimates that a "basic needs" housing strategy for selected sub-Saharan African countries will require, on the average an annual investment equivalent to 5.4% of the government revenue, or 1.0% of GNP. (World Bank, 1980). Clearly, most third world government cannot match this level of investment, in the face of other compacting problems areas. Consequently, decision – makers appear to be caught in a policy Web: so nothing at all about housing and be accused of insensitivity to pressing problem, do the little you can and your efforts may be ridiculed as exercises in token seism and political points scoring.

It is against this backdrop that we examine the attempts by one Sub-Saharan African Nation –Nigeria (Specifically Bayelsa State) to grapple with the

housing problem, in order to see what recommendation and adjustments need to be made in policy – making in the right of the present realities.

## **2.3 HOUSING POLICY IN NIGERIA**

### **2.3.1 The Colonial Period**

The Britain Colonial rulers of Nigeria essentially left housing provision to the private sector. The public housing measures taken during that period may be summarized as comprising the provision of quarters for expatriate staff in Lagos and in other major administrative centers, as well as the creation of high quality residential layouts – the government residential areas (GRAS) – in such centers for the benefit of the colonial elite.

Other measure included the introduction of an African Staff Housing scheme (which had a limited impact because of insufficient funds, the establishment of the Lagos Executive Development Board (LEDB) in 1982 (after an epidemic of bubonic plague primarily to clear substandard housing and the establishment of a Nigeria Building Society in 1956 to provide limited mortgage financing.

### **2.3.2 The Post Colonial Period**

The first development plan (1962 – 1968) allocated 3.7 percent of total investment to town and country planning of which practically nothing went to housing apart from provision for the funding of Government Departmental staff housing schemes, and creation of housing corporations (mainly to oversee the building of middle class estates, and to grant housing loans to higher income civil servant).

Housing did not become a truly national issue until 1971, when a national council on housing was formed. A National Housing Programme quickly followed in 1972, setting a target of construction 59,000 dwelling units throughout the country, with 15,000 units to be sited in Lagos, and 4000 in each of the then 11 state capitals.

A Federal Housing Authority was created one year later to supervise the implementation of the programme.

Other notable housing related achievements of the second plan period (1970 – 1974) include:-The 1972 acquisition by the Federal Government of the shares of the common-wealth development corporation in the Nigeria Building Society. In order to make the latter a more active National Limited Liability Company. The establishment, also in 1972 of the Federal Government Staff Housing Board replacing the African Staff Housing Scheme of the colonial period. The Board was authorized to grant to “eligible” (most senior members of the public service housing loans amounting to five times the applicants annual salary, with a ceiling of N20,000.00. The latter was later raised to N40,000.00, with further request to increase it to N60,000.00.

In the third plan (1975 – 1980) Government accepted the provision of housing as part of its social responsibility and promised to participate actively in the provision of housing for all income groups during the plan period. In pursuance of the production of 60,000 dwelling unit in five years. In 1977, this target was increased to 202,000 unit comprising 80,000 units in each of the then 19 states and 50,000 in Lagos. In addition, State Governments were to

start their own housing projects aimed at supplying 4,000 housing units in each state, with Federal Government providing the associated infrastructure.

Other housing – related highlights of the third plan include (a) the establishment of Federal Mortgage Bank with an initial capital of N150,million, to replace the Nigeria Building Society (b) the promulgation of a land–use Decree in 1978 which in essence nationalized rights in land, with a view to facilitating public and private development of housing and other projects, (c) the Federal Government direction that public and private establishments employing more than 500 persons should develop employed housing schemes and (d) the creation of new Federal Ministry of Housing Urban Development and Environment to coordinate urban development issue throughout the country.

The implementation of the bold Government housing programme of the third plan did not match the stated objectives by 1980, only 25% of the construction targets had been achieved. Some of the reasons advanced for this failure include: (a) budget outback's, in responses to changing economic fortunes, (b) escalating costs "owing to unrealistic standards, expensive contractual procedures, lack of cost control, and inflation in labour cost,(c) inadequate capacity of the construction industry, (d) problems with land acquisition (the land-use legislation of 1978 being too young to have had any real impact) and (e) improper phasing of infrastructure and housing construction (Federal Ministry of Housing and Environment, 1980).

The early 1980s marked the beginning of the end of the oil boom era. The fourth plan (1981 – 1985) predictably placed more emphasis on cost – reduction and private initiatives in the housing sector. Government decided to adopt “modest” standards and “flexible” house designs to reduce costs and to make housing more affordable to the lowest income groups.

In any case, the major policy thrust of the fourth plan was not to be in the direction of direct public housing construction, but rather towards government efforts to stimulate private home construction.

Thus government planned to (a) make more serviced land available, (b) provide more funds for disbursement by mortgage institutions (c) liberalize commercial bank credit to the housing sectors, (d) set up self-help home ownership programmes at the local government level nation wide and (e) encourage local manufacture of building materials (such as clay bricks) as a strategy to conserve scarce foreign exchange. The foregoing consideration has shaped Government attitude to housing up to the present time still the recent new housing policy.

## **2.4 THE NEW NATIONAL HOUSING POLICY**

Realizing that the enormous public sector efforts have not effectively addressed an expanding housing deficit and escalating construction costs and that such effort must be substantially collaborative with the private sector government decided to establish a frame work within which such collaboration can effectively address the housing problems. This was articulated in the National Housing Policy in 1988. The policy attempts inter

alias, to create a new housing finance system, encourage the linkage of the National Housing sector to the capital market, establish a National Housing fund, and expand private sector role in the housing delivery system.

The most significant differences between the new policy and the previous ones are firstly, that housing is now seen in context of the overall national development. Previous policies had tended to regard housing as a social service and a natural fall-out of the national economic development. Secondly, the policy has identified the fact that different household both within and between income groups tend to have different demand for housing. This is evident from the ultimate goal of the policy, which is “To ensure that all Nigerians own or have access to decent housing accommodation at affordable cost. Thirdly, the focus of the policy seems to be to remove all barriers to the supply of housing and to provide incentives to all parties involved (Governments, private sector and individuals) in the housing delivery system.

## **2.5 NEW STRUCTURE FOR HOUSING FINANCE**

The new housing policy has established a two-tier housing finance structure, with FMBN as an apex institution and a decentralized network of Primary Mortgage Market Institutions such as building societies, housing co-operatives, home savings and loans association. This structure aims to streamline processes and organizational relationships within the housing finance system and encourage expansion in private initiative. In this regard, the legal framework for the organization and implementation of the apex role

of FMBN has been defined by the mortgage institutions Decree No. 53 of 1989.

## **2.6 NATIONAL HOUSING FUND (NHF)**

The National Housing fund was established in 1992. The concept of the National Housing Fund as entrenched in the National Housing Policy is to ensure a continuous flow of long term funding for housing development and to provide affordable loans for low-income housing.

The promulgation of the National Housing Fund Decree heralded the emergence and establishment of a battery of mortgage finance institutions in Nigeria. Good as the intention of the scheme appear, the technicalities and modalities of releasing the loan to the mortgage institutions to unlend to the members of the public have not been worked out and as such most potential client have been frustrated by the high interest rate and cost of funding.

Most of the mortgage institutions on their own have been mobilizing funds by accepting deposits and savings at very high interest rate in a highly competitive marketing environment. Most customers on the other hand are prepared to wait for the National Housing Fund than take loans at high interest rate, which is presently being dictated by the money market condition.

## **2.7 EXISTING FINANCE FRAMEWORK**

### **2.7.1 Housing Finance Requirement**

Housing finance by its very nature is a capital –intensive venture which if it is to be financed through personal financial resources will require slow and

tedious accumulation of savings. However, since housing provides benefits over many years, long-term credit financing is a more logical option and it will spread the repayment burden. But this requires the availability of long-term funding, and for which must be institutional capacity, structure and mechanism that will allow a convenient and effective linkage between the savers / investors and the consumers of such funds.

Without an effective finance system, a policy can be effectively implemented. A financing framework which consists of institutions as well as their relationship and the processes involved. However, the emphasis in this review will be on relevant institutions and their activities. Indeed the framework. Must effectively reconcile the affordability limitations of households with viability requirement of financial institutions.

In Nigeria, housing is typically financed through a number of institutional sources:

Budgetary appropriations

Commercial / Merchant Banks

Insurance Companies

State Housing Corporations and

Federal Mortgage Bank of Nigeria (FMBU)

And now the newly established mortgage institutions all these constitute the formal institutions. In formal institutions such as thrift and credit societies and money lenders who have contributed and are still contributing substantially to the finance of housing construction also persist.

The impact of those informal institutions however cannot be properly quantified because they are largely uncoordinated, scattered and varied in scope and operational depth.

### **2.7.2 Budgetary Appropriations**

For various reasons, the expansion in the external sectors of the economy as well as the consequent expansion in the financial system did not translate into any significant improvement in the level of financial intermediation for housing finance. A major reason has been until very recently, the nature of Government intervention. With resources allocated by the various development plans, the public sector embarked on the direct construction of mass housing, major housing projects were financed directly from budgetary appropriations. This emphasis on budgetary appropriation has mainly during the oil boom periods of 1973 / 76 and 1980 / 81 little or no role was allowed the private sector in housing finance. The results were insignificant impact on housing need and attendant cost inefficiencies. There were few peculiar features of implementation in the respective periods of the plans which have had a direct bearing on housing finance activities.

Fiscal policy alternation between stringent and liberal control on imports, depending on the buoyancy of hard currency earnings. Given the import dependence on building materials, cost of housing construction oscillated.

Apart from its regulatory role, government at the federal and state level was also engaged in direct housing construction.

Although the third and fourth plans placed emphasis on a leasing sector, there was no adequate allocation of funds.

The institutional structure for mortgage finance did not evolve beyond rudimentary stage.

In the event, there was little evidence of financial presence from the private sector in public sector housing financial activities. In consequence, the operational dependency and supplication which a greater presence from the private sector could have induced in the Housing Finance system, did not take place. The situation was compounded by the strict regulations of credit expansion which, until the recent deregulation has compelled the financial institutions to remain largely in the short term end of the credit market.

In spite of their importance in financing the construction of housing, the commercial and merchant Banks have not gone beyond allocating 20% of their loans and advance into building construction for any year. This is because of the relative slow rate of returns and the interest rate and inflation risks inherent in long-term lending.

Indeed, with the deregulation of the financial system since 1986, the percentage share of real estate and construction in total loans advances has declined for Merchant Banks from 16.5% in 1985 to 12.3% in 1986 and 7.5% in 1987, while for commercial Banks it declined from 20.5% in 1985 to 12.1% in 1986, 16.5% in 1987 and 15.5% in 1988.

### **2.7.3 Insurance Companies**

Insurance companies have funds appropriate for financing housing construction. However, under the current insurance decree, only up to 25% of life and 10% of non-life policies can be invested in real estate. Life premiums are not only long term but relatively cheaper than deposits. However, the investment emphases of these institutions have been short-term due to the preference of these companies and to a lesser extent the legal restriction imposed. Indeed while percentage allocated to real estate declined since 1985 from 12.1% to 7.2% in 1986 that allocation to mortgage loans declined steadily since 1984 from 7.1% to 4.8% in 1985, 3.9% in 1986, and 3.6% in 1987.

### **2.7.4 Housing Corporations**

The various state Housing corporations operate largely as property developers and they depend mainly on Government budgetary allocations. The Housing units are usually sold outright as they usually do not provide mortgage finance to buyers. The number of housing units produced has not been significant relative to demand. Their role would have been effectively implemented if they were operating as financial intermediaries. It has been noted elsewhere that for reasons such as availability of government funding, housing corporations do not operate savings schemes, and those that have such schemes have marginalized them.

It was in realization of the enormity of the housing problem relative to declining resource capacity available to the public sector that the previous governments decided to facilitate construction by the private sector institutions. Consequently, the new National Housing Policy was established.

## 2.8 HOUSING IN THE NATIONAL ECONOMY

The gross housing delivery is a major factor in the nations gross domestic (GDP) and indeed this reflects the mirror and the barometer of the state of health of the nation economic activities is well known to encompass all aspects of human endeavour that are directed towards the creation of wealth. It is also known that one of the bases of human needs is to seek to enhance our self worth by improving our living standards.

Economic growth is therefore a natural pursuit in any human set-up as such improvement is expected to lead to increased wealth and prosperity both for individuals and the whole nation.

In order to moderate the acute shortage of shelters in the country, (Nigeria) the NHP for the period spanning 1994 to 1998 was expected to build 121,000 housing units. In addition primary mortgage finance institutions (LPMFI) rose from 251 in 1993 to 276 in 1994. However, by the end of 1998 it has declined to 115. Similarly housing increased by over 500 percent to N4,818.3 million in 1995 from N776.7 million in 1988, but declined slightly by about N722.0 million in 1998 (CBN 1994 and 1998). The federal and the state government were expected to spend N2.7 billion on housing provision during the 1996 – 98 NRP. Over N3.0 billion was expected to be spend by the two levels of governments during the 1991 – 2001 NRP (NPC, 1998 and 2000).

Despite all these intervention and huge investments in housing provision since the colonial times and to date, Nigerian housing problems still remain intractable. In fact, access to decent shelter has worsened for increasing

segments of the urban population in Nigeria. For instance, it was reported that out of 121,000 units slated to be built between 1994 and 1995, only 1,014 houses were complete (CBN, 1994 and 1998, and vision 2010 main report). Also it was estimated that about 85 percent of urban population lives in single rooms, and number of occupants per room range from 8 to 12 with adverse effect on sanitation and health. The deteriorating housing situation in Nigeria, especially at the urban centers is too critical to leave for government to redress alone.

Nigeria is the 6<sup>th</sup> largest producer of crude oil in the elite league known as OPEC, whose members account for over two-third of the world's total supply of this commodity. Also the country's estimated reserves of natural gas runs into billion of metric tones and the first train of the Liquefied Natural Gas (LNG) has recently being shipped out with the production of all fully committed to purchase from abroad. In terms of revenue earning capacity and potential, it is worth mentioning that Nigeria to date has realized billions from crude oil sales.

For a country that could boast of such huge amount of resources, it is very saddening and disturbing to note that very little of the earnings have been put into use to boost the fortune of the Housing Industry and Infrastructure; provision of large scale social housing creating and expanding new towns.

## **2.9 NATIONAL SITES AND SERVICES PROGRAMME**

The National sites and services programme was adopted by the Federal Government in 1986 as a viable alternative for housing delivery through

increased supply of serviced plots at affordable costs. The aim of the programme was to create easy access to develop land, which had for long hindered home ownership. The programme involves the provision of serviced land for housing development and commercial activities in a well laid out and planned environment. Such service in include roads, drains, water supply, electricity and other municipal services. Since the commencement of the prgoramme in 1986 only about 20,000 plots have been allocated in about 20 states of the federation. In the 2001 fiscal year, contracts were been awarded for Kuje and Awarinpa both in the FCT for the provision of roads and drains.

Summary of percentage (%) of work done as at the end of 1999.

<b><u>DESCRIPTION</u></b>	<b><u>% OF WORK DONE</u></b>
Site clearance and earth works	- 75%
Roads and car parks	- 20%
Storm water drainage	- 75%
Water supply	- 1.5%
Sewer main drain	- 56.6%
Electrical distribution & street lightly	- 2%
Telecommunication	- Nil
Layout and Demarcation of plots	- 90%

Amount estimated to complete all sites and services projects was put at N6.986 billion.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 INTRODUCTION**

It is very important for every researcher, especially a beginner, to identify the research method of design suitable for the problem to be investigated. As Keri Linger (1966) indicated, "Research design is the plan, structure and strategy of investigation conceived to obtain answers to research questions and to control variance.

The choice of which research method is to be used in any investigation depends on the purpose of the study and the type or nature of the problem to be investigated. The purpose of any research could be to describe a situation, compare identified variables, or evaluation purpose. Research studies can be classified by purpose and by method. Basics, applied, evaluation, action research and development are all forms of research by purpose. According to the classification, the overall strategy used by the researcher, in collecting and analyzing data, are called the research by method or the research design. Research methods usually used by researchers could be historical, descriptive correlation, causal comparative, and experimental.

#### **3.1 RESEARCH DESIGN**

Research design is all about the plan for the data collection and analysis. It is the general approach, which the researcher uses in carrying out his study. There are three conventional types of research design. They include – survey research design, experimental research design, comparative and descriptive research design.

In this research the following research designs have been adopted: basically, this research is based on the survey of the identified ten private firms involved in the provision of housing infrastructure in the state and also into real estate business. Furthermore, the commissioners for lands and housing ministry, the commissioner for works and infrastructure and the commissioner for utilities and the general manager, Bayelsa State Housing and Property Development Authority provided oral communication, whereas questionnaires were administered to the ten private firms that are into housing development.

The population size where the information will be extracted is the ten firm executives and commissioners. Bayelsa State is among the last states created by the military administration headed by the Late Gen Sani Abacha, and the state lacked companies or firms that are into commercial housing development except the few mentioned.

Finally, the data collected were analyzed using pie chart and a non – parametric test, analysis of variance (ANOVA). Others are by direct comparison since they were obtained through oral communication.

### **3.2 AREA OF STUDY**

The study was restricted to Bayelsa State as one of the last states created in the country. It is all about the appraisal of commercial housing projects development problems within the state especially the private developer's experience.

### **3.3 DESCRIPTION OF POPULATION**

Nwobi (1997) understands population as the term used to refer to group or aggregates of people for instance, the numerical number of all the people who occupy defined geographical region at specified time.

Bayelsa State is the specific geographical region the study was carried out. Within the state ten private firms that are into commercial housing development were identified for sampling. Furthermore, some government officials whose offices are involved in housing development activities in Bayelsa State were also added as part of the sampling population, because they as well provide commercial housing in the state.

### **3.4 POPULATION SAMPLE TECHNIQUE**

The sampling of this study is concentrated on the private firms identified that are into commercial housing development in the provision of commercial housing. The private firms identified are the firms in the state for now that are into housing development and on the part of government that is generated from the survey are critically analyzed and generalized.

The sampling technique used in this study is the purposive sampling method where the researcher simply hand picks the sample because to his judgments they are typical to what he wants in essence, the researcher selected a sample which simple satisfied his specific needs.

### **3.5 SAMPLE SIZE**

The sample for this study is one hundred (100) persons drawn from ten private firms that are into commercial housing development in the state. The target audience was the Chief Executive Officers of the company.

### **3.6 METHOD OF DATA COLLECTION**

The data used in this research work is primary. The primary sources were the administration of questionnaires to some identified private firms involved in housing project development. Also some government agencies involved in the provision of Housing were interviewed orally.

In order to ascertain the quality data, ten private firms that are into housing development were identified in the state, they include:

Morgan properties Nig. Limited

Fin –Don properties investment limited

Mega trend Nig. Limited

Bristol construction Nig. Limited

Home builders Nig. Limited

Zenefer Nig. Limited

Magin Nig. Limited

Alfa properties and investment Nig. Limited

Olotyl Ventures

Gordon’s properties investment company.

Each of the Chief Executives of those firms were administered the questionnaires. While the Commissioner for Lands and Housing Ministry

and the General Manager, Bayelsa State Housing and Property Development Authority were engaged in oral interviews.

Data so collected were analyzed and presented in tables from where the hypotheses were tested and inferences were finally drawn on interpretation of the results.

### **3.7 PRIMARY SOURCE (QUESTIONNAIRE)**

In this study questionnaires were only administered to the chief executive officers (C. E.Os) of the ten private firms identified as firms that are into commercial housing development activities.

### **3.8 METHODS OF DATA ANALYSIS**

The order of data analysis in this work followed the under listed sequence. First, examination of the questionnaires returned by the respondents to see whether they were complete and answered.

Secondly, these organized materials are coded and tabulated simple percentage arithmetic is used in analyzing the data. Each question asked in the questionnaire is properly judged and interpreted. The interpretation that is given to each of the questions in the questionnaire is dependent upon the number of answers offered by the respondents to that particular question owing to the options given.

Finally the hypothesis was tested with a non-parametric test analysis of variable (ANOVA) and decisions or deductions were made.

## CHAPTER FOUR

### 4.0 RESULTS AND DISCUSSION

#### 4.1 ADMINISTRATION OF QUESTIONNAIRE

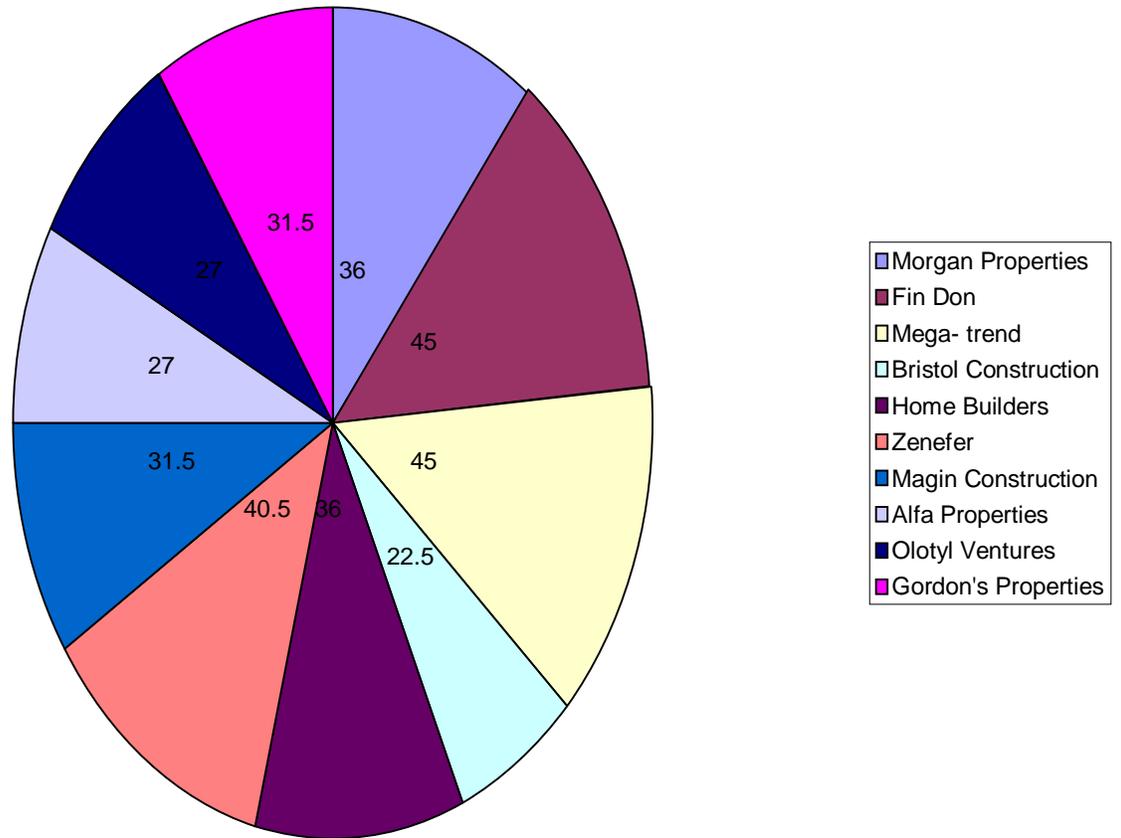
A total of one hundred questionnaires were administered to the ten private firms that are into commercial housing development projects in the state. Each company was given ten questionnaires to be responded to. The target audience were the Chief Executive Officers of the company that are saddled with the decision making process of the company and other staffs directly involved in construction. Out of the 100 questionnaires distributed 80 respondents returned their own which represents 80% while 20 did not return theirs representing 20% also.

The distribution of questionnaires took the form below.

<b>Company</b>	<b>Distribution</b>	<b>Collection</b>
Morgan Properties	10	8
Fin- Don	10	10
Mega Trend	10	10
Bristol Construction	10	5
Home Builders	10	8
Zenefer	10	9
Magin Construction	10	7
Alfa Properties	10	6
Olotyl Ventures	10	10
Gordon's Properties	10	7
Total	100	80

**Source: Field Work**

## PIE CHART ANALYSIS



PIE CHART DISTRIBUTION OF QUESTIONNAIRES ANSWERED

## SECTION A: RESPONDENTS' PROFILE

Table 4.1: Gender:

<b>S/No</b>	<b>Gender</b>	<b>No of Respondents</b>	<b>Percentage %</b>
1	Male	68	85
2	Female	12	15
Total		80	100

Table 4.1 shows that 85% of respondent were male while 15% were female. Indicating that there are more males that are into private estate development than females in Bayelsa State.

Table 4.2: What is your marital status?

<b>S/No</b>	<b>Marital Status</b>	<b>No of Respondents</b>	<b>Percentage %</b>
1	Married	49	61.25
2	Singled	31	38.75
3	Separated	-	-
4	Divorced	-	-
Total		80	100.00

Table 4.2 shows that 61.25% of the respondents are married, while 38.75% of them are single.

Table 4.3 Which of the following age range do you belong?

<b>S/No</b>	<b>Age Range</b>	<b>No of Respondents</b>	<b>Percentage %</b>
1	15-20yrs	5	6.25
2	21-30yrs	11	13.75
3	31-50yrs	32	40.00
4	51-60yrs	23	28.75
5	61-70yrs	9	11.25
Total		80	100.00

Table 4.3 shows that 6.25% of the respondents within age range of 15-20yrs are into commercial housing development, 13.75% are within the age range of 21-30yrs, 40% within age range of 31-50yrs, 28.75% within the age range of 51-60yrs and 11.25% within age range of 61-70yrs.

Table 4.4 what is your educational background?

<b>S/No</b>	<b>Qualification</b>	<b>No of Respondents</b>	<b>Percentage %</b>
1	FSLC	2	2.50
2	WAEC/SSC	5	6.25
3	OND/NCE	10	12.50
4	HND/B.Sc	43	53.75
5	MASTERS & Above	20	25.00
Total		80	100.00

Table 4.4 shows that 2.50% of the respondents are holders of First School Leaving Certificate. 6.25% are holders of WAEC/SSC, 12.50% holds

OND/NCE, 53.75% holds HND/B.Sc and 25% of the respondents are holders of a Masters degree and above.

Table 4.5 what is your area of Study?

<b>S/No</b>	<b>Area of Study</b>	<b>No of Respondents</b>	<b>Percentage %</b>
1	Town Planning	15	18.75
2	Project Management	10	12.50
3	Civil Engineering	30	37.50
4	Estate Management	9	11.25
5	Others	16	20.00
Total		80	100.00

Table 4.5 shows that 18.75% of the respondents who are into commercial housing development projects are town planners, 12.50% are project managers, 37.50% are civil engineers, 11.25% are estate managers and 20% are other professional who are into housing development projects.

Table 4.6 when did your company starts operations in the state?

<b>S/No</b>	<b>Years of Operation</b>	<b>No of Respondents</b>	<b>Percentage %</b>
1	1-4 Years	35	43.75
2	5-8 Years	25	31.25
3	9-12 Years	20	25.00
Total		80	100.00

Table 4.6 shows that 43.75% of the respondents have been into commercial housing development projects for about 1-4 years, 31.25% of the respondents have been into it for about 5-8 years and 25% of them have been on it for about 9-12 years.

Table 4.7: Do you have office outside Bayelsa State?

<b>S/No</b>	<b>Response</b>	<b>Respondents</b>	<b>Percentage %</b>
1	Yes	25	31.25
2	No	55	68.75
Total		80	100.00

Table 4.7 indicates that 31.25% of the respondents have offices out the State where they are also into commercial housing development projects while 68.75% of the respondents carry such projects alone in the State.

Table 4.8: Is commercial Housing provision the major function of your company?

<b>S/No</b>	<b>Response</b>	<b>Respondents</b>	<b>Percentage %</b>
1	Yes	60	75
2	No	20	25
Total		80	100

Table 4.8 indicates that 75% of the respondents are strictly into commercial housing development projects while 25% of them are into other line of business.

Table 4.9: How long have you been in the business?

<b>S/No</b>	<b>No of Years</b>	<b>Respondents</b>	<b>Percentage %</b>
1	1-4 years	20	25
2	5-8 Years	25	31.25
3	9-12 years	30	37.50
4	12yrs & above	5	6.25
Total		80	100.00

In table 4.9, 25% of the respondents have been in the business of commercial housing development for about 1-4years, 31.25% have been in the business for 5-8 years, 37.50% of the respondents have been in the business for 9-12 years and 6.25% have stayed in the business for 12 years and above.

Table 4.10: Is your company an indigenous company?

<b>S/No</b>	<b>Response</b>	<b>Respondents</b>	<b>Percentage %</b>
1	Yes	60	75
2	No	20	25
		80	100

Table 4.10 shows that 75% of the respondents' firms are owned by indigenes while 25% of them says their companies are owned by outsiders who only came to do business in the State.

## RESEARCH QUESTIONS.

**Research Question 1:** Does site preparation constitute a serious bottle neck to construction?

Table 1

S/No	Responses	No of Respondents	Percentage %	Mean	Std Deviation
1	Strongly Agree	35	43.75		
2	Agree	42	52.50	3.3625	1.0443
3	Disagree	-	-		
4	Undecided	3	3.75		
	Total	80	100.00		

From the table above, people who responded to strongly agree were 43.75% and those for agree were 52.50 % with a total mean of 3.3625 and a standard deviation of 1.0443. 96.255% of the respondents agree with the fact that site preparation poses serious problems in construction.

**Research Question 2:** Does cost of transportation of building materials high in the state?

Table 2

S/No	Responses	No of Respondents	Percentage %	Mean	Std Deviation
1	Strongly Agree	38	47.50		
2	Agree	42	52.50	3.475	1.0103
3	Disagree	-	-		
4	Undecided	-	-		
	Total	80	100.00		

In table 2 47.50% of people responded to strongly agree and 52.50 % responded to agree on the question “Does cost of transportation of building

materials high in the state?”. An overall mean of 3.475 and a standard deviation of 1.0103 indicate that private developers spend more money on transportation of building materials to site.

**Research Question 3:** Is terrain a major factor hindering development in the State?

Table 3

S/No	Responses	No of Respondents	Percentage %	Mean	Std Deviation
1	Strongly Agree	28	35.00		
2	Agree	32	40.00	2.9375	0.9932
3	Disagree	7	8.75		
4	Undecided	13	16.35		
	Total	80	100.00		

In table 3, 28 persons making 35% of the total respondents agreed strongly that terrain is a major hindrance to development. 32 persons that make up 40% of the population also agree to that fact. 7 persons, that is, 8.75% disagrees while 16.35% were indifferent. The overall mean and standard deviation for these responses were 2.9375 and 0.9932.

## TESTING OF THE HYPOTHESES

### 4.1.1 Hypothesis One

**H<sub>01</sub>:** Cost of site preparation is not a significant factor of private developers in the investment of commercial housing development.

#### ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.867	2	1.433	0.966	0.035
Within Groups	1121.000	27	41.519		
Total	1123.867	29			

**Source: Field Work**

**Decision:** Since  $p=0.035$  is less than 0.05 we reject the null hypothesis and accept the alternative hypothesis which says Cost of site preparation is a significant factor of private developers in the investment of commercial housing development.

### 4.3.2 Hypothesis Two

**H<sub>02</sub>:** High cost of transportation of building materials is not a factor for the inability of private developers to invest in commercial housing development.

### ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	15.800	2	7.900	0.825	0.194
Within Groups	1101.400	27	40.793		
Total	1117.200	29			

**Source: Field Work**

**Decision:** Since  $p=0.194$  is greater than 0.05 we accept the null hypothesis, high cost of transportation of building materials is not a significant factor for the inability of private developers to invest in commercial housing development.

#### 4.1.2 Hypothesis Three

**H<sub>03</sub>:** Terrain of the state is not a significant factor hindering private developers to go into mass provision of commercial housing.

### ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.267	2	0.633	0.978	0.022
Within Groups	766.600	27	28.393		
Total	767.867	29			

**Decision:** Since  $p=0.022$  is less than 0.05 we reject the null hypothesis and accept the alternative hypothesis which says terrain of the state is a significant factor hindering private developers to go into mass provision of commercial housing.

## 4.2 DISCUSSION

From the findings in the test of hypothesis, the following results were obtained.

Cost of site preparation is a significant factor of private developers in the investment of commercial housing development.

Cost of transportation of building materials is not a significant for the inability of private developers to invest in commercial housing development.

The terrain of the state is a significant factor hindering private developers to go into mass provision of commercial housing.

Based on the result of the hypothesis, it is clear that preparing a site for construction in Bayelsa State takes quite a fortune. This is as a result of the bad terrain of the state. Taking these factors into consideration, private developers are always scared of embarking on commercial housing projects. The reason is that the amount of money used to embark on a project in Bayelsa State can be used to execute two or more projects in other states.

Secondly, the aim of providing commercial houses is for people to let and the providers to make profit, but the houses are supposed to be given out in a subsidized prices but since more cost is involve in the development of such projects, the end users are also scared of acquiring it.

Even though cost of transporting building materials to construction site is exorbitant, it is not really a problem that is responsible for private developers not to invest in commercial housing development. From observation it is obvious that the cost of transportation is as a result of the bad terrain. For

instance trucks conveying goods can not get to site, thereby dropping them half way for manual labourers to ferry goods down to site. In some cases trucks break down on construction site or along the road. In fact this has made construction to be seasonal in Bayelsa State. That is, construction is mostly done in the dry season, while every body goes to rest during the raining season.

#### **4.3 COMPARISON OF HOUSING DEVELOPMENT PROJECT IN DELTA, RIVERS AND BAYELSA STATE IN TERMS OF TERRAIN AND COST OF SITE PREPARATION**

Bayelsa state shares common boundaries with Rivers and Delta States. Therefore, it is pertinent to note that a lot of similarities are shared amongst these states. Notwithstanding, despite the whole lot of similarities shared, there are some features experienced when it comes to development of projects especially terrain and the issue of site preparation even though these states are situated within the Delta region.

Within the region (Delta) Bayelsa State sits at the bottom most part. That can be responsible for the present nature of the state where no part can be described as up land.

##### **4.3.1 Terrain Discrepancy**

Rivers State can mostly be described as upland because two third of its land mass is upland. Bayelsa was created out from Rivers State in 1996 and was regarded as part of the Riverine area. The upland areas of Rivers State covers Port-Harcourt the state capital where most of the commercial housing

development projects are carried out. Other Local Government Areas regarded as upland include Obio-Akpor, Khana, Gokana, Ahoada East, Ahoada West, Isiokpo, Bori, Oyigbo, Ogba/Egbema/Ndonni etc. these areas share a lot of advantages when it comes to development projects.

Site preparation for construction purpose has no problems in these areas. These are not water logged areas that need sand filling. Also transportation is easier compared to Bayelsa State.

For example, all the commercial Housing Estate is mostly located within the upland area of the State. The Elekahia Housing Estate, Iriebe Housing Estate are all situated within Obio-Akpor Local Government Area. The presidential Housing Estate, Marine base Housing Estate, Aggrey water front Housing Estate and Ndoki Housing Estate respectively are all located within the Port-Harcourt township. However, Marine Base, Aggrey and Ndoki Housing Estates are situated along water front. But the beauty of the scenario is that none of these areas where sand filled. This scenario can not be applicable and achieved in Bayelsa State. Most sand fill areas in Rivers State especially Port-Harcourt the State Capital is to create land from existing Creeks and Rivers but not as a result of water log condition.

Delta State also share similar features with Rivers State, that is most of its land mass is also upland. Its major cities where commercial Housing development project are carried out is within the upland area. For instance the state capital Asaba, Agbor even Warri and Ole, Sapele are all upland.

Transportation of building materials to site is always cheaper and convenient in all these places because materials are taken direct to site. Intermediate transfer of materials is not experienced as in the case of Bayelsa State. This is being facilitated by the nature of soil and the net work of roads found in these areas. In Delta State the Ijaw speaking areas have the same features and characteristic with Bayelsa State as a whole.

That is why all the major cities in the state are found in the upland area while the Riverine area can not boast of one major city, site preparation is no different from other factors in terms of cost while a simple bulldozer is used to clear construction site in most part of Rivers and Delta State, one will need a swarm boogey for such site clearing which is more expensive than using a bulldozer.

Bayelsa State from the study and practical observation is purely a Riverine State with creeks and lagoons, which also affect the state capital, Yenagoa. The construction period of Bayelsa State is from November to March. During the rain season no major development activities takes place in the State, Yenagoa inclusive. Due to the marshy nature of the environment laying foundations for building except, high technology is applied. It is more worrisome when flooding is experienced.

Virtually, all construction sites are sand filled before or after construction activities start. For instance, the Ekeki Housing Estate (the only Governemnt commercial Housing Estate) which comprises about two hundred semi-detached three bed room flats and fifty detached four bedroom flats whose

construction site was sand filled with the sum of one hundred and eighty million naira (N180 million) before actual construction of buildings by the construction giant Julius Berger Nig. Ltd started.

At this point, one is tempted to ask, do the residents of the State (Bayelsa) have the absorptive capacity to pay for commercial Houses when they are developed considering the high cost of site preparation?

I would rather say "No" to the posed question considering the findings of this research. For a typical example, if the Ekeki Housing Estate owned by the Bayelsa State Government would have been a private initiative, the one hundred and eighty million naira (N180 million) used for only sand filling of the site before the commencement of project will be virtually built into the final asking cost of the sale of the houses, which will increase the buying cost of the buildings as against normal condition in Rivers and Delta State.

Bayelsa State is more or less a civil service State, without multinational and high profile companies. It would be difficult for residents to afford the accommodation cost the commercial developers would be asking for.

The oil workers that have the capacity to afford such houses prefer living in Port-Harcourt. Most of them are lifted to and from Port-Harcourt by helicopters to their work sites in the Creeks. Oil companies refused to open offices in Yenagoa, the State capital of Bayelsa.

Therefore, among the three states, Bayelsa state is the worst affected in terms of difficulty in project development and management of commercial Housing. The terrain of the State to a large extent is quite different from those of Rivers and Delta States.

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATION**

#### **CONCLUSION**

This project is captioned the Appraisal of the problems of Commercial Housing Projects Development in Bayelsa State. The Private Developers' Experience.

The objective on the research work was to examine the Commercial Housing Development Projects problems in Bayelsa State as it affects the private estate firms. There inability to bridge the gap in the area of commercial properties development.

- To achieve this, the study formulated the following objectives.
- To investigate the factors responsible for the inability of private estate developers to provide Commercial Housing.
- To examine the size and status of private developers into housing provision in the State.
- To analyze government involvement and level of assistance to private estate firms.
- To ascertain whether government has created the enabling environment. And lastly, to proffer enduring solutions that are aimed at mitigating the identified problems.

This project is carried out with the aim of x-raying the difficulties experienced by private developers in providing commercial housing for the people of Bayelsa State. The primary data for the study were captured through

structured questionnaires. The data were analysis using Pie chart distribution and analysis of variance statistical methods.

The analyzed data were used to test the postulated hypothesis. The results showed that cost of site preparation and the terrain of the state are the major inhibiting factors to private developers in mass provision of commercial housing in Bayelsa State, and that transportation of building materials does not have a major impact on Housing Development in the state. Based on the finding it is obvious to conclude that the amount required to develop housing projects secure private developers from embarking on commercial housing projects. It is therefore recommended that the governments should alleviate this situation through interventions such as granting soft loans or directly getting involved in commercial housing development projects.

The provision of good housing has a profound influence on the health, efficiency and well being of a society. The number of people living in slum and squatter settlement is one indicator of the magnitude of urban housing shortages.

Since commercial Housing Development is not one-sided, but a collective responsibility between Government, private developers and Financial Institutions, these three should come together and declare a state of emergency on the housing sector to alleviate the shelter problems of the inhabitants of Bayelsa.

## **RECOMMENDATION**

The following recommendations were made in the course of this study.

Considering the terrain of Bayelsa State, Government should make adequate budgetary provisions for housing, since it cannot be left alone for private developers.

Other infrastructures such as roads and water are provided to enable private developers to carry out their jobs smoothly.

Government, private partnership in the housing sector should be encouraged. Long – term credit financing be provided for private developers.

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**APENDIX 1**  
**PIE CHART ANALYSIS**

1)	Morgan Properties:	$\frac{8}{80}$	X	$\frac{360}{1}$	= 36°
2)	Fin – Don:	$\frac{10}{80}$	X	$\frac{360}{1}$	= 45°
3)	Mega - trend:	$\frac{10}{80}$	X	$\frac{360}{1}$	= 45°
4)	Bristol Construction:	$\frac{5}{80}$	X	$\frac{360}{1}$	= 22.5
5)	Home Builders	$\frac{8}{80}$	X	$\frac{360}{1}$	= 36°
6)	Zenefer:	$\frac{9}{80}$	X	$\frac{360}{1}$	= 40.5°
7)	Magin Construction:	$\frac{7}{80}$	X	$\frac{360}{1}$	= 31.5°
8)	Alfa Properties:	$\frac{6}{80}$	X	$\frac{360}{1}$	= 27°
9)	Olotyl Ventures:	$\frac{10}{80}$	X	$\frac{360}{1}$	= 27°
10)	Gordon's Properties:	$\frac{7}{80}$	X	$\frac{360}{1}$	= 31.5°

## APENDIX 2

### VAR00001

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	19	23.8	2.7875	.90977
Agree	32	40.0		
Disagree	22	27.5		
Undecided	7	8.8		
Total	80	100.0		

### VAR00002

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	22	27.5	2.9125	.84485
Agree	32	40.0		
Disagree	23	28.8		
Undecided	3	3.8		
Total	80	100.0		

**VAR00003**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	24	30.0	2.9500	.89866
Agree	34	42.5		
Disagree	16	20.0		
Undecided	6	7.5		
Total	80	100.0		

**VAR00004**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	31	38.8	3.0625	.91877
Agree	28	35.0		
Disagree	16	20.0		
Undecided	5	6.3		
Total	80	100.0		

**VAR00005**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	26	32.5	2.9750	.89972
Agree	31	38.8		
Disagree	18	22.5		
Undecided	5	6.3		
Total	80	100.0		

**VAR00006**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	23	28.8	2.9625	.84858
Agree	35	43.8		
Disagree	18	22.5		
Undecided	4	5.0		
Total	80	100.0		

**VAR00007**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	22	27.5	2.8750	.87692
Agree	30	37.5		
Disagree	24	30.0		
Undecided	4	5.0		
Total	80	100.0		

**VAR00008**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	27	33.8	2.9750	.91368
Agree	29	36.3		
Disagree	19	23.8		
Undecided	5	6.3		
Total	80	100.0		

**VAR00009**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	25	31.3	3.0000	.87149
Agree	35	43.8		
Disagree	15	18.8		
Undecided	5	6.3		
Total	80	100.0		

**VAR00010**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	32	40.0	3.1375	.86776
Agree	31	38.8		
Disagree	13	16.3		
Undecided	4	5.0		
Total	80	100.0		

**VAR00011**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	25	31.3	2.9875	.87863
Agree	34	42.5		
Disagree	16	20.0		
Undecided	5	6.3		
Total	80	100.0		

**VAR00012**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	27	33.8	3.0250	.87113
Agree	32	40.0		
Disagree	17	21.3		
Undecided	4	5.0		
Total	80	100.0		

**VAR00013**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	25	31.3	3.0500	.80975
Agree	37	46.3		
Disagree	15	18.8		
Undecided	3	3.8		
Total	80	100.0		

**VAR00014**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	31	38.8	3.1125	.88581
Agree	32	40.0		
Disagree	12	15.0		
Undecided	5	6.3		
Total	80	100.0		

**VAR00015**

Response	Frequency	Percentage %	Mean	Std Deviation
Strongly agree	30	37.5		
Agree	31	38.8	3.0750	.89690
Disagree	14	17.5		
Undecided	5	6.3		
Total	80	100.0		

### **APENDIX 3**

Federal University  
Of Technology  
P.M.B 1526, Owerri  
24<sup>th</sup> July, 2006.

#### **QUESTIONNAIRE**

This questionnaire is aim at seeking information on the “Appraisal of the problems of Commercial Housing Development Projects in Bayelsa State. The private developers experience” all a view to X-raying the factors militating against the development of commercial housing in Bayelsa State.

Here options are provided, kindly tick the ones you are convinced of please I request that you be as objective possible.

Thanks for the anticipated co-operation.

**KURO-AKEGHA DORGU**

*Researcher*

**SECTION A: RESPONDENT'S PROFILE**

1) Sex (a) Male [ ] (b) Female [ ]

2) What is your marital status?

(a) Married [ ] (b) Single [ ] (c) Separated [ ]

(d) Divorced [ ]

3) Which of the following age range do you belong?

(a) 15 – 20 yrs [ ] (b) 21 – 29 yrs [ ] (c) 30 – 49yrs [ ]

(d) 50 – 59yrs [ ] (e) 60 – 70yrs [ ]

4) What is your educational background?

(a) First School Leaving Certificate [ ] (b) WAEC / SSCE [ ]

(c) OND / NCE [ ] (d) HND / BSC [ ] (e) Masters / and Above [ ]

5) What is your area of study?

(a) Town Planning [ ] (b) Project Management [ ]

(c) Civil Engineering [ ] (d) Estate management [ ]

(e) if nay other (Specify)

6) When did your company start operations in the state?

(a) 2yrs [ ] (b) 5yrs [ ] (c) 8yrs [ ] (d) 10yrs above [ ]

7) Do you have office outside Bayelsa State?

(a) Yes [ ] (b) No [ ]

- 8) Is commercial Housing provision the major function of your company?  
(a) Yes [ ] (b) No [ ]
- 9) How long have you been in the industry?  
(a) 5yrs [ ] (b) 8yrs [ ] (c) 10yrs [ ] (d) 10yrs above
- 10) Are you an indigene of the state?  
(a) Yes [ ] (b) No [ ]

### **SECTION B**

1. Have you embarked on any project in the state?  
(a) Strongly agree [ ] (b) Agree [ ] (c) Disagree [ ]  
(d) Undecided [ ]
2. Is lack of finance a major cause?  
(a) Strongly agree [ ] (b) Agree [ ] (c) Disagree [ ]  
(d) Undecided [ ]
3. If your firm has not embarked on any project, do you think the fear of patronage for the products (Houses) is a major factor?  
(a) Strongly agree [ ] (b) Agree [ ] (c) Disagree [ ]  
(d) Undecided [ ]
4. Does site preparation constitute a serious bottle neck to construction? (a)  
Strongly agree [ ] (b) Agree [ ] (c) Disagree [ ]  
(d) Undecided [ ]

5. Do lack of proper drainage in the state increase cost of site preparation.  
(a) Strongly agree [ ] (b) Agree [ ] (c) Disagree [ ]  
(d) Undecided [ ]
6. Do you think the use of sand for filling roads and construction site increase cost of site preparation? (a) Strongly agree [ ]  
(b) Agree [ ] (c) Disagree [ ] (d) Undecided [ ]
7. Does cost of transportation of building materials high in the state (a) Strongly agree [ ] (b) Agree [ ] (c) Disagree [ ]  
(d) Undecided [ ]
8. Do you think youth restiveness in the state increase cost of transportation of building material and construction? (a) Strongly agree [ ] (b) Agree [ ] (c) Disagree [ ] (d) Undecided [ ]
9. Do you think labour generally increase cost of transportation of building material. (a) Strongly agree [ ] (b) Agree [ ] (c) Disagree [ ]  
(d) Undecided [ ]
10. Do you subscribe to the fact that terrain is a major factor hindering development in the state? (a) Strongly agree [ ] (b) Agree [ ]  
(c) Disagree [ ] (d) Undecided [ ]
11. Do you think generally construction cost is high in the state because of the terrain?  
(a) Strongly agree [ ] (b) Agree [ ] (c) Disagree [ ]  
(d) Undecided [ ]

12. Do you accept the view that lack of proper drainage system in the state contribute tremendously to bad terrain. (a) Strongly agree [     ] (b) Agree [     ] (c) Disagree [     ] (d) Undecided [     ]
13. What is the relationship existing between the Government and your company (a) Cordial [     ] (b) Not Cordial [     ] (c) Confliction [     ]
14. Do you think if government partner with private developers would the system improve tremendously (a) Strongly agree [     ] (b) Agree [     ] (c) Disagree [     ] (d) Undecided [     ]
15. Should Government assist private developers in the area of site preparation? (a) Strongly agree [     ] (b) Agree [     ] (c) Disagree [     ] (d) Undecided [     ]