

IZVESTIYA

JOURNAL OF VARNA UNIVERSITY OF ECONOMICS

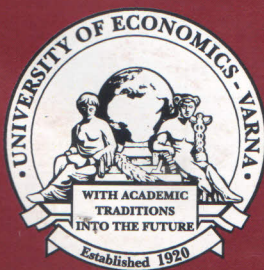
2017 • vol. 61 • №2

○ Post-Crisis Developments in Banking Products and Distribution Channels

○ Government Spending Effectiveness and the Quality of Fiscal Institutions

○ Public Private Partnership (PPP) for Housing Delivery

○ Key Factors Affecting Water Consumption in the Black Sea Region



IZVESTIYA

JOURNAL OF VARNA UNIVERSITY OF ECONOMICS

2017 · vol. 61 · №2

PUBLISHED SINCE 1957

RePEc

Google
scholar

ERIH PLUS
PROGRAM HEPERENKA IZVESHIAKOV
HUMANITIES AND SOCIAL SCIENCES

EE

Central and Eastern European Online Library



Academic
Resource
Index
ResearchBib



Scientific Indexing Services

DOAJ

DIRECTORY OF
OPEN ACCESS
JOURNALS

EDITORIAL BOARD

Editor-in-chief: Dancho Danchev, University of Economics, Varna, Bulgaria

Deputy editor-in-chief: Hristo Mavrov, University of Economics, Varna, Bulgaria

Operating editor: Yuliyana Todorova, University of Economics, Varna, Bulgaria

Editorial assistant: Rositsa Zarkova, University of Economics, Varna, Bulgaria

E-mail: sp.lzvestiya@ue-varna.bg

Phone: 0882 164 848

EDITORIAL BOARD

Abdel-Badeeh Salem, Ain Shams University, Cairo, Egypt

Ada Mirela Tomescu, University of Oradea, Romania

Adriyana Andreeva, University of Economics, Varna, Bulgaria

Anatoli Kovalev, Odessa State Economic University, Ukraine

Annibal Scavarda, American University, Shardjah, UAE

Fotis Missopoulos, University of Sheffield, UK

Galina Savina, National Technical University, Herson, Ukraine

Giovanni Lagioia, University Aldo Moro, Bari, Italy

Henrik Egbert, Anhalt University of Applied Sciences, Bernburg, Germany

Hristina Blagoicheva, University of Economics, Varna, Bulgaria

Hristo Mavrov, University of Economics, Varna, Bulgaria

Irina Brusakova, Saint Petersburg State University of Engineering and Economics, St. Petersburg, Russia

Ivan Zhelev, University of Economics, Varna, Bulgaria

Magdalena Kachniewska, Warsaw School of Economics, Warszawa, Poland

Marek Pawlak, Catholic University, Lublin, Poland

Mariya Stanimirova, University of Economics, Varna, Bulgaria

Nadya Kostova, University of Economics, Varna, Bulgaria

Nikolas Exadaktylos, School of Administration and Economics, Thessaloniki, Greece

Nikoleta Mihaleva, University of Economics, Varna, Bulgaria

Recai Aydin, International University of Sarajevo; Turkish National Police Academy

Renè Thieblemont, University of Savoy, France and Geneva University, Switzerland

Rosen Nikolaev, University of Economics, Varna, Bulgaria

Rossela Bardazzi, University of Florence, Italy

Rumen Kalchev, University of Economics, Varna, Bulgaria

Sabka Pashova, University of Economics, Varna, Bulgaria

Silviya Parusheva, University of Economics, Varna, Bulgaria

Silviya Svejnova, Copenhagen Business School, Copenhagen, Denmark

Slavi Genov, University of Economics, Varna, Bulgaria

Tanya Dabeva, University of Economics, Varna, Bulgaria

Tatiana Kostova, Moore School of Business, University of South Carolina, USA

Tsveta Zafirova, University of Economics, Varna, Bulgaria

Veselin Hadjiev, University of Economics, Varna, Bulgaria

Vladimir Sulov, University of Economics, Varna, Bulgaria

Zdzislaw Polkowski, Lower Silesian University of Entrepreneurship and Technology in Polkowice, Poland

Zoya Mladenova, University of Economics, Varna, Bulgaria

1. Dan Co

Post-grad

and Dis

2. Aygun

College

of Econ

3. Sulaima

Post-grad

and Dis

4. Ralitsa

Key Fac

5. Snezhina

St. Petersburg

6. Radka V

St. Petersburg

and Dis

CONTENTS

RESEARCH PAPERS

1. **Dan Costin Nitescu, Irina Petkova Kazandzhieva-Yordanova**
Post-Crisis Developments in Banking Products
and Distribution Channels in Romania and Bulgaria103
2. **Aygun Garayeva, Gulzar Tahirova**
Government Spending Effectiveness and the Quality
of Fiscal Institutions128
3. **Suleiman Bolaji**
Public Private Partnership (PPP) for Housing Delivery
to the Low Income Civil Servants in Abuja, Nigeria144
4. **Ralitsa Stefanova Dimitrova**
Key Factors Affecting Water Consumption in the Black Sea Region158

REVIEW PAPERS

5. **Snezhina Kadieva**
Some Aspects of Reputation Management in the Hospitality Business174
6. **Radka Valerieva Nacheva**
Architecture of Web-Based System for Usability Evaluation
of Mobile Applications187



PUBLIC PRIVATE PARTNERSHIP (PPP) FOR HOUSING DELIVERY TO THE LOW INCOME CIVIL SERVANTS IN ABUJA, NIGERIA

Suleiman BOLAJI¹

¹ University of Ilorin, Nigeria. E-mail: bolajisule1960@gmail.com

JEL R2

Abstract

The aim of the paper is to relate the cost of two-bedroom houses to the income of low income civil servants and examine the possibility of acquiring PPP houses through the National Housing Fund (NHF) contributions in Nigeria. Structured questionnaires were sent to selected housing developers and the low income civil servants from the Federal Housing Authority (FHA) and mass housing department of the Federal Capital Development Authority (FCDA) Abuja and the data collected were analyzed using frequency analysis. Part of the finding is that institutional arrangement put in place is not strong enough. Therefore, the paper concluded among others that, with PPP arrangement that off-set the cost of land and basic infrastructures, N3m is adequate for a two-bedroom house in Abuja and elsewhere in the country. The study therefore, suggested full implementation of a strong market oriented PPP housing delivery.

Keywords:

Public Private Partnership,
Civil servant, Housing,
Low Income Earners.

© 2017 University of Economics - Varna

Citation: BOLAJI, S. (2017). Public Private Partnership (PPP) for Housing Delivery to the Low Income Civil Servants in Abuja, Nigeria. *Izvestiya Journal of Varna University of Economics*. 61 (2). p. 144 - 157.

Introduction

House ownership is a long dream of all civil servants regardless of status and since its acquisition involved huge finance, most low income civil servants build their houses incrementally with the passage of time as the number of families and their financial capabilities increase. Clark and Digha (2013) noted that between 35-45% of the monthly income of the low income earners were spent on accommodation (rent) against the 20% recommended by the United Nation. The inadequate income made it imperative for them to rely on public housing provision for decent accommodation and where it is not available they have to manage the expensive squalid private rented houses. In Nigeria PPP housing commenced in 2000 with the mass housing programmes of the Federal Government in Abuja. It was not until 2005 that the pro-

curement method got the legal backing or framework i.e. (Infrastructure Concession Regulatory Commission Act of 2005).

The study therefore, relates the cost of two-bedroom houses to the income of low income civil servants and examines the possibility of acquiring PPP houses through the National Housing Fund if accessed. The first comprehensive National housing policy came to being in 1991 and was reviewed in 2002, 2006, and 2012 as a result of difficulties in meeting the set goals and objectives (Ukwayi, et al. 2012). The policy framework outlined the major areas of development and improvement such as housing finance, land registration, building materials, legal, regulatory and institutional framework needed for a sustainable housing delivery in the country. Inadequate institutional framework and housing finance have long being identified as the most critical factors militating against affordable housing delivery to the low income earners in Nigeria. This issue however, is highly contentious, highly politicized by the governments, as every government has its own housing programme with none achieving the goal since independence in 1960. Various options have been adopted and the current approach in providing affordable housing for the majority of Nigerians who are the low income earners is the public private partnership.

An overview of housing delivery policies and programmes in Nigeria.

- The first period (Pre-independence 1960)

Nigeria gained its independence from Britain in 1960. During this period, government efforts are seen in providing houses for the expatriate colonial masters and selected senior civil servants in police, army and railways in the Government Reservation Areas (GRA) which are in existence in Nigerian towns till today. There was no effort during this period to improve the housing condition of the low income civil servants. The first urban renewal attempt was the slum clearance after the bubonic plague of 1928-1929 in Lagos, the then capital of Nigeria and later the construction of additional houses in Surulere and other parts of Lagos in preparation for the independence. The establishment of Nigerian Building Society (NBS) in 1956 to provide mortgage loans to both public and private citizens, the introduction of African Civil Servants Staff Housing Fund and the regional governments establishment of housing corporations meant to provide housing for the people, were noticeable housing development activities during the period (Ikejiofor, 1998).

- The second period (Post-independence periods, 1960-1999)

Several researches indicate efforts by governments over the years to solve the housing problems with the ultimate goal of ensuring that all Nigerians own or have access to safe, decent and healthy housing at affordable cost, (Olotua, 2000, Agbola.

2006, Ibem, 2011). According to Taiwo (2009) housing delivery over the years has been plagued with the problems of availability, accessibility and affordability as the government for a very long time accepted the enormous responsibility of providing housing for the citizens. However, the provision of adequate shelter for the citizens require huge financial resources which the government alone cannot bear, because of the contradictions within the political economy - that is, the problem of matching resources with needs at all levels (Taiwo, 2009, Madawaki 2011). This may somehow be easier in the then former socialist countries where the state either owns or has the controlling shares in the construction companies and also where the state subsidizes housing inputs to provide affordable housing for its citizens (Andreyev, 1985). This is in contrast to the practice in capitalist and particularly mixed economy countries like Nigeria where licensed entrepreneurs freely initiate, finance and build houses for the public based upon suitable arrangements between the state and the licensees (Bhatia, 2008). The government in the past articulated and implemented various land and financial reforms capable of revolutionizing the housing sector in Nigeria, but these have not yielded the desired results. These include the Federal Government of Nigeria (FGN) acquisition of 100% ownership of Nigerian Building Society and its transformation into Federal Mortgage Bank, vide Decree 7 of 1977. The current re-engineering of Federal Mortgage Bank of Nigeria(FMBN) which resulted into a framework of two-tier financial structure, the FMBN on one hand and Savings Banks, Building Societies, Credit Union and Housing Corporation on the other. In addition, the land use decree 1978 had the intention of easing the land acquisition and distribution. In Nigeria the government has always been the provider of all basic amenities and infrastructures, such as Schools, Roads, Hospitals, Refineries, Housings etc, which are considered social responsibility and not economic per se. The public is under the illusion that the government must provide these amenities and infrastructures and where it fails, it serves as a barometer for judging the success or failure of the government.

In 1962, the first National Development Plan NDP (1962 – 1968) was introduced which was aimed at producing 24,000 housing units during the planed period. Unfortunately, only 500 housing units representing 2.10 % were built, before the outbreak of the civil war in 1967. Four years later in 1971, the National Council on Housing, consisting of all state commissioners for housing was established. The FGN planned to build 59,000 housing units between 1972 and 1973 from which 60% of the houses would be for the low income earners, 25% for the middle income earners and 15% for the high income earners. Out of 59,000 units 15,000 were to be built in Lagos and 4,000 each in the remaining 11 state capitals then. The FHA was

established in 1973 to directly construct and supervise the housing projects. The projects conceived housing delivery for all income strata of society and this marked the first significant and direct attempt by the FGN to provide houses for the low income civil servants. As part of the efforts to achieve this, the ROMCONSULT of Romania was engaged to study the housing situation in Nigeria and recommend a programme for its improvement. Part of ROMCONSULT's recommendations was the establishment a new housing estate with a coordinated and planned expansion of water, electricity, sewage, transportation, waste collection and disposal (Asiodu, 2001). The third National Development Plan (1975-1980) planned to build 202,000 housing units but like the previous one only 28,500 units representing 14.1% were built (Amao, et al, 2013). A plan was designed for the construction of 202,000 housing units annually. 46,000 units were planned for Lagos, 12,000 for Kaduna and 8,000 each for the remaining 18 state capitals. During the period the state governments were also asked to directly participate in the construction while the FHA was to provide the necessary infrastructures. The target groups were the low income earners whose annual income did not exceed N5, 000 p.a, for the one-bedroom houses and N8, 000 for three-bedroom houses, (medium income earners).

In an attempt to correct the failure in implementation and inadequacies of the past housing policies and programmes, FGN appointed a ten-man committee in 1990 to among other things, take positive steps to ensure that the less privileged members of the society have access to affordable houses. This resulted to formulation of a comprehensive National Housing Policy in 1991 which was revised in 2004 to take care of the problems encountered in its implementation. This policy was aimed at ensuring that all Nigerians own or have access to decent and safe housing at affordable cost by the year 2000. The strategies for achieving this were expected to be the restructuring of institutions, creating new structures and promulgation of new enabling laws.

- The third period (the period between 2000-2015)

The presidential technical Committee on Housing & Urban Development was also set up in 2001 to address the new housing reforms given the current unsatisfactory performance and challenges and its recommendation includes the followings: Restructuring of Federal Mortgage Bank of Nigeria, Creation of Real Estate Developers Association of Nigeria (REDAN) and Building Materials Producers Association of Nigeria (BUMPAN). The FMBN was restructured to operate solely as a secondary mortgage institution, at the same time to serve as an agent of the National Housing Trust Fund and as an operator in the capital market. Hence, an estate development loan window has been created to provide loan to real estate developers in Nigeria.

To solve the problems of housing the low income earners according to Ukoje and Kanu 2014, the government adopted a more market oriented approach by initiating and inviting the private sectors in to mass housing development which started in Abuja in 2000. It has been shown that PPP is more efficient through a properly functioning housing market than through the public agencies (UNCHS, 1997 and Akintoye, 2006). The government then maintained the role of facilitator, enabler, regulator and not the provider of public houses as it was in the past.

The Federal Capital Development Authority (FCDA) embarked on housing development, specifically targeted at low and medium income earners, through the allocation of parcels of land to private developers, to build houses and sell to members of the public under the condition that they will make the low income earners the beneficiaries. The developers were given lands ranging between 5 and 100 hectares to develop housing estates (Table 1). With this the foundation of private sector led mass housing delivery was laid.

Table 1

**Land allocated to PPP developers for mass housing development
by district, 2000-2003**

District	Total allocation to developers	Lowest size allocated (Ha)	Highest size allocated (Ha)	Total Hectares	Av. size allocated (Ha)
Dakwo	20	5	20	204	10.20
Galadimawa	21	20	30	460	21.90
Kafe	26	15	100	567	21.81
Lokogoma	61	5	100	731	11.98
Mbora	10	10	25	170	17.00
Wunba	46	5	40	478	10.39
Total	184			2610	

Source: Jibril&Garba (2012).

Housing Institutions

i. Public Housing Delivery Agencies in Abuja

There are two public housing delivery agencies in Abuja: The Federal Housing Authority of Nigeria (FHAN) and the Mass Housing Department under the Federal Capital Development Authority (FCDA). The Federal housing authority is a federal agency established through Decree 40 of 1973, now CAP 130 law of the Federation

of Nigeria 1990, to implement Federal government housing policies and programmes. The Department of mass housing was established in 2005 to facilitate and regulate the mass housing scheme, to develop Federal Capital Territory (FCT), housing policies and regulations in line with the existing National and FCT Laws. The Department is also mandated to prepare manuals which will specify standards for planning, design and basic infrastructure in accordance with FCT regulations and National Building Codes, secure an assurance of the developer's managerial, technical and financial abilities and to establish benchmark and checklist for all developers which should be certified before the commencement of any mass housing development discussions.

ii. Federal Mortgage Bank of Nigeria (FMBN) and Housing Finance

The FMBN was established as a direct intervention by the government to develop houses for Nigerians. The bank is expected to expand and coordinate mortgage lending throughout the country, using resources from deposits mobilized and equity contribution by the Central Bank of Nigeria (CBN) and Federal Government at interest rates below the market rates (Sanusi, 2013). FMBN has the responsibility to promote mortgage lending and manage Nigerian housing policy as the apex mortgage institution. The bank raises its capital from the National Housing Fund (NHF). Applications for the loan are made to FMBN through the Primary Mortgage Institutions (PMIs).

Housing finance - Housing in Nigeria is financed formally by borrowing from corporate financial institutions (commercial banks, merchant banks, Federal Mortgage Bank of Nigeria, Primary Mortgage Institutions and the employer of labour) and informally through savings, borrowing or assistance from friends, relations and families. Currently the alternative procurement method PPP is embraced by the government of all nations, (Austin, 2008, Andrew and Allison, 2006). PPP by nature offers innovative finance alternative for the infrastructural services delivery and can be employed for sustainable housing development in Nigeria.

Housing finance needs to be thoroughly examined given the significant role it plays in housing delivery, more so, as the majority of Nigerians cannot access loans from formal financial institutions because of high interest rates which is between 19% - 22% before the current economic recession, a situation that makes the contribution of formal financing to housing development less than 20%.

iii. Primary Mortgage Institutions (PMIs)

Up till mid-1980s the Federal Mortgage Bank of Nigeria remained the only mortgage institution in the country but it has little impact on housing delivery. The establishment of PMIs through the decree No 53 of 1989 provided an opportunity for

the private sector to participate and operate mortgage finance for private housing developers. Record shows that up till 2005 only 26 out of 36 states in Nigeria have PMIs and they are mainly in the south west (Madawaki,2011).

Table 2

Primary Mortgage Banks in Nigeria

S/N	State	Av. Mortgagor's G.ann. Income (Nm)	Unit cost of house (Nm)	Mean av. Cost	S/N	State	Av. Mortgagor's G. ann. Income (Nm)	Unit cost of house (Nm)	Mean av. Cost
1	Abia	6.00	3.10	-	14	Kano	6.00	2.70	-
2	Akwa Ibom	8.00	3.20	-	15	Katsina	6.00	3.20	-
3	Anambra	6.00	3.00	-	16	Kebbi	6.00	3.10	-
4	Bauchi	6.00	2.60	-	17	Kwara	6.00	2.80	-
5	Benue	6.00	2.40	-	18	Lagos	8.00	4.10	-
6	Cross River	8.00	3.40	-	19	Nassarawa	6.00	3.50	-
7	Delta	8.00	2.80	-	20	Niger	6.00	2.50	-
8	Eboyi	8.00	3.00	-	21	Ogun	6.00	2.90	-
9	Edo	8.00	2.90	-	22	Ondo	6.00	2.90	-
10	Enugu	6.00	3.20	-	23	Osun	6.00	2.80	-
11	FCT- Abuja	8.00	4.40	-	24	Rivers	8.00	2.80	-
12	Gombe	6.00	2.60	-	25	Taraba	6.00	2.60	-
13	Kaduna	6.00	2.90	-	26	Yobe	6.00	2.50	-
									3.01

Source: Culled from Madawaki, (2011).

Public Private Partnership Housing delivery for the civil servants

All National Housing Policies and Programmes are directed towards providing affordable housing for the low income earners who constitute the majority of population. It was in view of this that the national housing fund was established in 1992 to provide loanable funds to workers both in public and private organizations. The 1991 Nigeria Housing Policy established NHF through a mandatory contribution of 2.5% of the monthly salary of any worker earning more than three thousand naira (N3000), about eleven dollars (USD 11) then. The interest on this savings is 2%, repayable at the age of 60 or on death of a contributor. In addition to this, FMBN

received
company
contribu
a period
contribu
expand th
the N 5.0
the preva
FMBN th

• B
BOS
In B
develop
would w
will pro
supplied
FMBN's
develop
governm
land for
FMBN's
own. If
Finance
units pr
units de
savings
developm

The
2013 in
bedroom
between
qualities
FHA,
consultants
city home
NEHVA
civil serv

received contributions from the Federal Government, commercial banks, insurance companies and pension funds. The contributors to the NHF, after six months of contributions, are entitled to a long-term loan of five million Naira (N5,000,000), for a period of up-to 30 years, depending on age and the year of service of the contributor. The loan is to enable them to purchase a house, renovate, rehabilitate, or expand the existing ones, or to buy land and build houses on their own. However, if the N 5,000,000 is not enough for the contributor, an additional loan can be sought at the prevailing market rate through the PMIs. Applications for the loans are made to FMBN through the PMIs.

- Build-Own-Sell (BOS) method of public private partnership.

BOS is the most popular form of PPP housing arrangement for the civil servants.

In Build-Own-Sell model, the developer is the principal. If it is the public developer, the housing corporation would be the initiator of the programme and would work together with the ministries of housing and urban development which will provide the blue print for the scheme. The land for the building would be supplied by the government and the construction work would be financed through FMBN's secondary loans. If the initiator of the housing programme is a private developer that is an individual or a Primary Mortgage Institution (PMI), the government then becomes partner that facilitates, regulates and supplies the required land for the developments. The housing construction work may be funded through FMBN's secondary loans acquired by the individual developer or by the PMI on its own. If a PMI solely finances the housing scheme then the project is called Private Finance Initiative (PFI). Whichever the case, it is mandatory by the law that housing units produced through FMBN's funding must be sold to NHF-contributors only. The units developed would then be purchased through their savings alone or through the savings added to FMBN's loans. This method guarantees sustainable housing development for the civil servants if well structured, managed and implemented.

The 3rd ASO housing exhibition and conference were held on 11th-13th April 2013 in Abuja. The developers presented prices of one-, two-, three-, four- and five-bedroom houses to the conference. The price for two-bedroom houses ranged between 4 – 38million Naira, though the houses are on different locations, sizes, qualities and standard. These developers include the Federal Housing Authority (FHA), ASO Investment and Development Company, GREENGARDENS consultants limited, NET CONSTRUCT Nigeria Limited, NEWHAVEN cooperative city home owners, CITY VIEW estates limited. Among the developer's presentations, NEWHAVEN offers the lowest prices and conditions attractive to the low income civil servants, with the prices of 1, 2 and 3 bedrooms at 3,000,000 Nm, 4,000, 000

Nm and 5,000,000 Nm respectively, the equity contributions of 20%, the interest rate of 6% for the civil servants and 12% for none civil servants. Also the NEWHAVEN offered mortgage tenure of 10-25 years, subject to age of the prospective house buyer.

The civil service structures

The Nigerian Civil Service has its origins in organizations established during the colonial period. Britain has one of the oldest civil services in the world. The Nigerian civil service structure is tailored towards the British, its colonial master (Ujo 2001). It consists of employees in Nigerian government agencies other than the military. Most employees are career civil servants in the Ministry, Department or Agency (MDA) who are progressing based on promotion, qualifications and seniority. Four classes or cadres in the civil service in Nigeria were set up during the colonial administration and remained so till today. These are the minor manipulative class, clerical class, the executive class and the administrative class. The minor manipulative class is the civil servant within salary grade level 01 – 03. They are the labourers, messengers, cleaners, drivers etc. with entry qualification of First School Leaving Certificate. This class is no longer in existence in most federal establishments as their services had been contracted out to independent contractors. The clerical class is the civil servant within the salary grade level 04 – 06, with entry qualifications of secondary school certificate. They are clerical officers and the typists who keep records and assist administrative and executive officers with their preliminary work. The two classes represent the low-income civil servants (low income earners) and formed the majority.

The Executive class are officers on grade level 07-12. They carry out day to day activities of Government business. They are the Assistant Executive Officer (AEO), Executive Officers (EO), Senior Executive Officers (SEO), Higher Executive Officers (HEO) and Principal Executive Officers (PEO). They constitute the middle income earners. The administrative class are officers on grade level 13-17, like the Permanent Secretary who is the administrative head and the Directors. They are in charge of the overall administration of the ministries, they formulate policies and advice the ministers/commissioners (Taiwo, 2009).

Methodology of study

The study was carried out on the two public and few private housing delivery agencies in Abuja between September 2013 and February 2014 to relate the cost of PPP houses on offer with the amount the low income civil servants can afford and to see whether the maximum of five million Naira (N5000000) provided by the NHF loans is adequate for a two-bedroom house. It also examined the mortgage facilities

available to the civil servants. The study administered questionnaires to developers to elicit information on the cost of a two-bedroom house with a note that the capital cost of construction excludes the cost of land and primary infrastructures and that the building is of simple design, average standard of materials and finishes. A total of 75 questionnaires were administered on purposely selected staff of the organizations, out of which 36 questionnaires representing 48% were returned and analyzed using frequency analysis, (Table 3).

Table 3

Cost of a two-bedroom house from the developers in million naira (Nm)

Cost of a 2-bedroom house from the developers (Nm)	Frequency	%
1,500,000 – 2,000,000	5	13.9%
2,000,001 – 2,500,000	8	22.2%
2,500,000 – 3,000,000	12	33.3%
3,000,001 - 3,500,000	11	30.6%
Total	36	100

Source: Author's field work (2013).

Also, the list of low income civil servants was obtained from the payroll of the Federal Housing Authority and Mass Housing Department in FCDA from which a selection was made with the help of some technical assistants working with the agencies which distributed another set of 60 questionnaires to this category of civil servants out of which 31 representing 51.66% were returned. These questionnaires were equally analyzed using frequency analysis as shown in Table 4.

Table 4

Cost of a two-bedroom house from the low income earners million naira (Nm)

Cost of a 2-bedroom house from the low income earners (Nm)	Frequency	%
1,500,000 – 2,000,000	16	51.6%
2,000,001 – 2,500,000	12	38.7%
2,500,000 – 3,000,000	2	6.5%
3,000,001 - 3,500,000	1	3.2%
Total	31	100

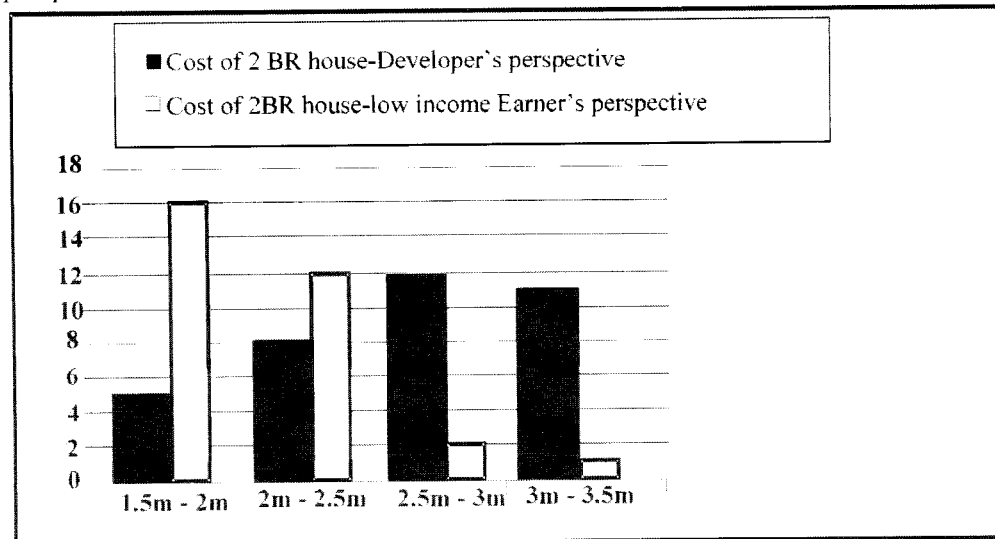
Source: Author's field work (2013).

On the possibility of acquiring PPP housing by the low income civil servants from the loans received from National Housing Fund (NHF), cost study of twenty two-bed room bungalows of different design, from registered Quantity Surveying firms were examined by the researcher.

Analysis of data and discussion

Table 3 shows that the majority, 33.3% of the developers agreed that a two-bedroom house can be built in Abuja with about N2.5m – N3m, 30.6% agreed that it will take between N3m-N3.5% to build the two-bedroom house when the land is given and primary infrastructures were provided at no cost. 22.2% agreed that it will cost N2m- N2.5m. The remaining 13.9% agreed that it will cost between N1.5m-N2m. This is in contrast to Table 4 where the majority (51.6) % of the low income civil servants wanted the 2-bedroom house at between N1.5m – M2m. 38.7% agreed the cost to be between N2m-N2.5m, while 6.5% and 3.2% of the low income civil servants agreed on between N2.5m- N3m and N3m –N3.5m respectively. This is not surprising as the prospective house owners will always want cheaper houses, figure 1.

Cost of 2 bedroom house-developer's perspective and Low incomes earner's perspective



Source: Author's field work.

Fig. 1. Cost of 2-bedroom houses from developer's perspective and low income earners perspectives.

Also in table 2, literature survey of cost of two-bedroom bungalow in the twenty six states of the federation that has primary mortgage banks gives a mean average of 3.01 million naira.

Therefore, the study revealed the mean average cost of about 3million Naira for the construction of a two-bedroom house.

Conclusion

Public Private Partnership (PPP) remained the only viable option for sustainable housing delivery to the low income earners in Abuja and elsewhere in the country because of its innovative finance ideas. In it the 2.50% monthly contributions to NHF qualify workers for a loan that can be used to build, buy, or renovate the existing building as the efforts of the governments over the years have not yielded desired result. Research has shown that with PPP arrangement where the land and basic infrastructures are provided free, a developer can build to an average standard a two-bedroom house for the low income civil servants with 3 million Naira which is less than the maximum of five million Naira (N5million) that can be accessed by the contributors of the National Housing Fund from the Federal Mortgage Bank of Nigeria.

Recommendations

- the Government needs to intensify effort in collecting the contributions to the National Housing Fund and ease the access of low income earners to the maximum loan of five million Naira (N5 million) allowed.
- Effort should be made to establish Primary mortgage banks in all states of the federation.
- the Government should consider PPP as an alternative procurement option that offers innovative finance alternatives and ensure its full implementation in housing delivery especially for the low income earners with proper legislation.

References

1. Agbola, S.B. (2005) The housing debacle, Inaugural Lecture delivered at the University of Ibadan, Thursday August 4, 2005.
2. Akintoye, A. (2006) Public Private Partnerships for sustainable development of infrastructure in developing countries. In Okewole, I. A. et al. Eds., *Proceedings of International Conference on the Built Environment*, Covenant University, Nigeria, January 24-26, p. 433-445.

3. Amao, F. L. and Ilesanmi, A. O (2013).Housing delivery in Nigeria: Repark-aging for sustainable development. *International Journal of African and Asian studies – An open access international journal*. 1 p. 80-84.
4. Andreyev, I. (1985), *The Non- Capitalist Way: Soviet Experience and the librat-ed Countries*. Progress Publishers, Moskow (Russia). pp39-97. and 124-157.
5. Andrew, B. and Allison, O. (2006), The suitability of public- private partnership in the provision of suitable housing in China. *World review of Entrepreneurship Management and Sustainable Development*, 2(1/2)
6. Asiodu, L.P.C. (2001), The place of housing in Nigerian Economic and Social Development. The Quantity Surveyor.*Journal of Nigerian Institute of Quantity Surveyors*. 35 (2)p. 2-7.
7. Austin, P. M. (2008) Public Private Partnership for Funding Affordable Housing Developmentsin New Zealand. *Report presented to Waitaere City Council, New Zealand*.
8. Bhatia, H. L. (2008) (3rd Ed).*Public Finance*.Vikas Publishing Housing- PVT Ltd, New Delhi (India)
9. Clarke, T. and Digba, O.N. (2013). Housing problems of low income Group in Warri Metropolis, Nigeria. *Journal of Social Sciences and Public Policy*.5(1).p. 111-119.
10. Ibem, E. O. (2011). Evaluation of Public Housing Delivery in Ogun State (2003-2010). AnUnpublished PhD Thesis submitted to the School of Postgraduate Studies, Covenant University, Otta, Nigeria.
11. ICRC. Infrastructure Concession Regulatory Commission (ICRC) Act 2005.
12. Ikejiofor, C.U.(1998). Access to land, Development control and low-income housing in Abuja, Nigeria: Policy, Politics and Bureaucracy. *Planning Practice and Research*,13(3). 299-309.
13. Jibril, I. U.&Garba, K. T. (2012).Ministarial committee on mass housing 2008. The Challenges of Housing Development and Need in Abuja. FIG Working Week, Knowing to manage the territory, protect the environment, evaluate the cultural heritage. Rome, Italy, 6th-10th May.
14. Madawaki, M. N. (2011). *Performance Evaluation of Federal Mortgage Bank of Nigeria's Finance for Housing Project*. An unpublished PhD dissertation sub-mitted to the school of postgraduate, Ahmadu Belle University, Zaria, Nigeria.
15. Olotuah, A. O. (2000) Housing Low-Income Civil Servants in an Emergent State Capital- The Case Study of Ado Ekiti. An Unpublished PhD Thesis submitted to the School of Postgraduate Studies, FederalUniversity of Technology, Akure, Nigeria.

16. Sanu
- John
- and
17. Tara
- For
- sis S
- not
18. Up
- 61 –
19. UK
- Mass
20. UK
- na F
21. Unit
- the

16. Sanusi, J. O. (2003). Mortgage Financing in Nigeria: Issues and Challenges. 9th John Wood Ekpenyong Memorial Lecture, Nigerian Institute of Estate Surveyors and Valuers, January 2003.
17. Taiwo A. A. (2009). Public Private Partnership in Core Housing Development For Low – Income Public Servants in Akure, Nigeria. An Unpublished PhD Thesis Submitted to the School of Postgraduate Studies, Federal University of Technology, Akure, Nigeria.
18. Ujo A.A. (2001) Understanding Public Administration. Joyce Graphic, 4th ed. P. 61 – 78.
19. Ukoje, J. E. and Kanu, K. U. (2014). Implementation and the Challenges of the Mass Housing Scheme in Abuja, Nigeria. *America International Journal of Contemporary Research* 4(4). p. 209-218.
20. Ukwaiyi, J. K., & Eja, E. E. (2012). An Assessment of Housing Delivery in Nigeria: Federal Mortgage Bank Scenario, *Canadian Social Science*, 8. p.74-86.
21. United Nations Centre for Human Settlements, (1997), Overview of Progress on the implementation of HABITAT agenda. P.3-6.