

Housing Affordability among Civil Servants in Ekiti State, Nigeria

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ABSTRACT

Housing has been acknowledged generally as a key human necessity. One of its problems may be claimed that it is not affordable for the ordinary Nigerian worker, whose earnings and wages are now strongly depressed and unable to fulfill their fundamental necessities. From the perspective of the above, this study studied the affordability of government workers in the State of Ekiti, Nigeria. Purposive method of sampling was used to sample two government agencies and parastatals. A total of One Hundred and Twenty Six (126) government officials were picked. 94 questionnaires were retrieved. The questionnaire was used to collect the information required and analysed by descriptive and medium item score statistics. The findings indicated that government employees in Ekiti State could, on average, afford to pay rental housing since most employees spend less than 30 per cent of their yearly salary on rentals, especially in the medium and high income categories. In the study, public and private engagements were proposed, leading to affordable and sustainable state housing delivery.

Key Words: Housing, Civil Servant, Affordable, Rent, Ekiti State.

INTRODUCTION

Housing is more than just shelter because it includes all social services and utilities that provide a living environment

for a community or a neighborhood (National Housing Policy, 2006). Housing offers a mix of services, the first and most fundamental being the shelter that the living area offers. The share of housing spending is linked directly to the income level and vice versa (Roseland, 2012). Housing was a pillar of satisfaction for the person and was regarded 'as a factor of health and quality of life (Kayode, Muhammad & Bello, 2021). Housing is one of humanity's three fundamental necessities. Its performance should fulfill both technical requirements and general user pleasure. Home influences the lives of both people and the country; the function it plays in bringing about human convenience via nature and society is thus of significant importance (Musa, Bello, & Kayode, 2021). Residents' opinions of their community and living conditions impact their housing happiness. This indicates a low level of discontent and a high level of agreement between intended and actual conditions, as well as satisfaction of tenants' daily housing expectations (Alabi, Kayode, Misbahu, & Olaifa, 2021). Affordability is focused with ensuring that specific housing standards or other needs are met at a price or rent that does not impose an excessive burden on household incomes. The capacity of a household to cover housing costs while also meeting other basic living expenses is

referred to as "housing affordability (Mallach, 2020). Aribigbola (2006) said that housing affordability is widely acknowledged as a critical issue in establishing a sustainable built environment, particularly in developing global cities. As a result, worldwide efforts to satisfy human needs for shelter found expression in its inclusion among the goals of the Sustainable Development Goals and the Habitat Agenda agreed upon by the International Community in Istanbul, Turkey in 1996. The capacity of households to pay for housing is referred to as housing affordability. Since the colonial period, successive governments in Nigeria have been deeply concerned about the country's housing situation. The role of housing or shelter in a man's life is completely irreplaceable, as a lack of it can lead to a loss in productivity, resulting in bad economic growth of a nation. Inadequate affordable housing has a significant detrimental influence on residents' quality of life, health, happiness, and productivity (Angel, 2000).

Since the country's independence in 1960, the government has launched a number of housing initiatives at the federal, state, and local levels. A plethora of housing policies have also been developed, all with the goal of resolving the nation's housing crisis (Udoekem, 2013). The fight to end this scourge has not been left only to the federal government; state administrations have also launched housing-provisioning initiatives. Affordability refers to a household's capacity to pay for a dwelling without jeopardizing other requirements. This means that a household's discretionary income should be sufficient to cover the cost of a dwelling (Stone, 2010). Thus, affordability considers whether the form, technology, and cost of housing are compatible with the prospective consumer's income flow (Onu, & Onu, 2012). Given Nigerians' low per capita income and the rising cost of building materials, most Nigerians find it difficult to afford suitable home for themselves and their families, and

if this problem is not addressed, the housing crisis may spiral out of control. This study seeks to analyze home affordability in Ekiti State, Nigeria, within this backdrop.

The objectives of the study are:

1. To ascertain the relationship between public workers' yearly salaries and the rental values of properties in the Ekiti State.
2. To analyze the affordability of housing among public workers in the study area.
3. To investigate the housing affordability issues in the study area

2.0 LITERATURE REVIEW

2.1 Concept of Housing

The term "housing" has been interpreted variously by many professions in its role of providing security and comfort to its residents, but it is important to each definition (Dalil & Yamman, 2013). A shelter or lodge for human occupancy is what housing is commonly referred to as. It is a building built to house one or more people (Daramola, Alagbe, Aduwo, & Ogbiye, 2005). In the individual, local, and national economy, housing as an investment has a vital role to play. It constitutes the first significant capital outlay and life aspiration of individuals in most situations (Migdal, 2018). Housing is a substantial portion of a family's or business's budget, but the built environment is the most apparent material asset of a person in terms of private and governmental investment (Stone, 2010).

Housing is one of the three fundamental human necessities, along with food, that are required for physical life (Jiboye, 2014). A residential environment is the physical building used for shelter, as well as any relevant services, facilities, equipment, and gadgets required or wanted for the physical and mental health and social well-being of the family and people (Omole, 2010). To break it down, Housing, together with its supporting infrastructure, is thus regarded as more than just a source of shelter (four walls and a roof), but also as an evolving and participative approach. In terms of structure, there are more than four

walls and roofed structures. It also involves the development of infrastructure services such as water, power, motorways, retail malls, and housing, as a healthy environment need. Housing, together with its supporting infrastructure, is thus regarded as more than just a source of shelter (four walls and a roof), but also as an evolving and participative approach (Nazire, 2017).

2.2 The Need for affordable housing

Since the colonial period, successive governments in Nigeria have been deeply concerned about the country's housing situation. The role of housing or shelter in a man's life is completely irreplaceable, as a lack of it can lead to a loss in productivity, resulting in bad economic growth of a nation. Inadequate affordable housing has a significant detrimental influence on residents' quality of life, health, happiness, and productivity (Angel, 2000). After food, housing is widely recognized as the second most important fundamental human requirement. Housing, in its broadest sense, is more than just a place to live since it encompasses all of the social services and utilities that contribute to the viability of a community or neighborhood (National Housing Policy, 2006).

Individuals and families require decent, affordable housing for a variety of reasons, the most essential of which is shelter. Furthermore, adequate, inexpensive housing decreases stress, pollutants, and infectious illness, resulting in improvements in both physical and mental health. Affordable housing, in particular, liberates cash from families' tight budgets to spend on healthcare and food (Housing Virginia, 2018). This is especially essential in a country like Nigeria, which is classified by the United Nations Industrial Development Organization as a lower middle-income country. It is also a country with appalling poverty statistics: Between 45 and 62 percent of the population is regarded to be poor (Konadu-Agyemang, 2000). Housing is considered affordable in the literature if it

costs no more than 30% of the occupant household's income to meet its expenditures (Aribigbola, 2008). This is the standard in Western nations such as the United States and Canada, and it is the most widely accepted definition of affordable housing in the literature (Onu and Onu, 2012). Nigeria now has two types of low-income earners: those who are unemployed and those who are working. Most literature considers low-income earners to include junior public servants, dealers, craftsmen, and other employees in the informal sector. This research focuses on public servants in the state of Ekiti.

2.3 Affordability in Housing

Most writers agree on how to define affordable housing, although there are some minor variations of opinion. Celhay and Gil (2020) state that, affordable housing has a different connotation. Historically, the terms affordable housing and social housing have been used interchangeably. Celhay and Gil (2020) went further to define social housing in various contexts, statutorily according to Sections 68-71 of the Housing and Regeneration Act 2008 of England, social housing is defined as housing with accommodation rents set below market rates to allow for people whose needs are not adequately met by the commercial housing market. In the context of planning, there may be a need to implement legislation that cares for the low-income people; hence, affordable housing is described in that sense as social rental dwellings supplied to qualified households whose requirements are not satisfied by the market. Local income and home prices are used to assess eligibility.

3.0 METHODOLOGY

This study's population consists of Ekiti State public workers. Thus, among the identified institutions whose employees were given questionnaires were the Ekiti State Civil Service Commission and the Ekiti State Broadcasting Services. Purposive sampling is the sample strategy that the

researcher believes is acceptable for government officials in Ekiti State. This is done to ensure that every public worker has an equal chance of being chosen. Data for the study were gathered from primary sources using self-administered survey questionnaires. In order to fulfill the study's aims, descriptive and inferential statistics were used in the data analysis. Frequency count, percentage table, correlation, cross tabulation, Chi square and mean score was used.

Table 1 shows the socioeconomic characteristics of the respondents. Males made up the vast majority of responders in the study region. Similarly, the survey found that persons under the age of 30 made up almost half of the entire population. Furthermore, the vast majority of individuals who answered to the poll were married (63 percent). According to the occupation of the families, around 30.85 percent of the respondents work as public workers. Retirees, students, crafters, and artisans account for 69.15 percent of total respondents in the study area. This implies that the great majority of respondents in the research area have a source of income. In addition, according to a household income analysis, the majority of participants earn between N31,000 and N60,000. Furthermore, according to the report, the majority of respondents (51 percent) had 6-10 people in their households. Finally,

according to Oladiji, Kayode and Parakoyi's study, the Yoruba are the most populous tribe (2013).

Table1: Demographic Data of the Respondents

	Gender	
Male	75.3	80.2%
Female	18.7	19.8%
	Age	
Less than 30 years	50	53.19%
between 31-40 years	20	21.28%
between 41-50 years	18	19.15%
above 50 years	6	6.38%
	Marital status	
Single	31	32.98%
Married	63	67.02%
	Education	
Primary school	14	14.90%
O level	29	30.85%
OND/NCE	32	34.04%
HND	12	12.77%
BSC	5	5.32%
MSC	1	1.06%
PHD	1	1.06%
	Occupation	
Farming	17	18.09%
Civil Servant	29	30.85%
Business	9	9.57%
Retired	14	14.89%
Artisan	25	26.60%
	Religion	
Islam	82	87.23%
Christianity	12	12.77%
	Income	
Less than #30,000	27	28.72
#31,000- #60,0000	39	41.49
#61,0000-#91,000	18	19.15
#91,000 and above	10	10.64
	Household Size	
6-10	51	54.26
11-15	23	24.47
16-20	14	14.89
21 persons and above	6	6.38
	Tribe	
Yoruba	78	82.98
Hausa	10	10.64
Igbo	6	6.38

Source: Field survey, 2021

RESULT AND DISCUSSION OF FINDINGS

4.2 Relationship between the annual emoluments of civil servants and rental values of houses

Correlation matrix between public workers' yearly salaries and housing rental values.

		Annual Emolument	Rental Values
Annual Emolument	Pearson Correlation	.863*	1
	Sig. (1-tailed)		.000
	N	94	94
Rental Values	Pearson Correlation	.863**	1
	Sig. (1-tailed)	.000	
	N	94	94

Source: Field Survey, 2021

As seen in the correlation matrix above, the correlation coefficient (r) = 0.863** at a probability (p) of 0.05. This demonstrates that in this research, there is a

strong favorable relationship between yearly emoluments of government workers and rental prices of properties. As a result, the null hypothesis is rejected, while the

alternative hypothesis is accepted, leading to the conclusion that there is a substantial link between public officials' yearly salaries and property rental prices.

4.3 Obtaining information on the degree of home affordability among federal workers Distribution of Respondents by Percentage of Income Paid on Housing

According to table 4.3, 31.9 percent of respondents spent less than 20% of their income on housing, 5.3 percent spent between 20-30%, 47.9 percent spent between 31-40%, 8.51 percent spent

between 41-50%, and 6 percent spent more than 50%. It implies that the majority of respondents spent a relatively low percentage of their income on housing and can thus afford to spend on other essential requirements without worrying about housing.

	Frequency	Percentage
Below 20%	30	31.9
Between 20-30%	5	5.31
31-40%	45	47.9
41-50%	8	8.51
Above 50%	6	6.38
Total	94	100.0
Source: Field Survey, 2021		

4.4 Major Factors Affecting Housing Affordability in Ekiti State

Factors	Minimum	Maximum	Mean	Rank
High Interest Rate on Loans	1	5	3.87	1 st
Lack of Government intervention/incentive	1	5	3.84	2 nd
High Cost of Land	1	5	3.72	3 rd
Inefficient PMI Financing	1	5	3.66	4 th
Consistent Change in Government Policy	1	5	3.64	5 th
Household Income	1	5	3.43	6 th
Cost of Building	1	5	3.36	7 th

Source: Field Survey, 2021

With a mean value of 3.87 on a Likert scale of 5, the biggest perceived obstacle to home affordability in the state is high interest rates on loans. This is reasonable given that most people in the country rely on themselves to supply the most basic necessities, such as shelter. Funding is a big issue, as real estate is renowned across the world to be capital intensive. When individuals are unable to rely entirely on their equity to finance an expense, they often turn to debt funding, in which case loans become the next viable alternative. The lack of government intervention/incentive ranks second to this factor, with a mean of 3.84. This is supported by prior replies in sections 4.3.3 and 4.3.4, when respondents reported as little as 7% government engagement in building affordable housing. With a mean of 3.72, the next highlighted problem was high land costs. This was followed by inefficient PMI financing with a mean of 3.66, changes in government policies with a mean of 3.64, family income with a mean of 3.43, unemployment with a mean of 3.43 and

construction costs, with a mean of 3.36. The respondents did not consider the cost of construction to be as essential as, instance, access to reasonable-cost loans or consistent government policies, implying that if funds were available at a reasonable cost, even in the form of debt financing, they would be ready to use them.

5. DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Discussion

The study looked at housing affordability among government workers in Ekiti State, and it was anticipated that there is a strong link between civil servant yearly emoluments and rental values of dwellings among Ekiti state civil officials. This hypothesis was backed by the fact that the correlation value of 0.863 is significant at the 0.05 level. The findings revealed a substantial positive connection between yearly emoluments and the rental values of residential properties held by Ekiti State public workers. Respondents also said that Ekiti State public servants can afford to pay

rent for specific types of residences as a consequence of their salary, regardless of their family size, the quality of such dwellings, or their proximity to their place of employment. Housing affordability is a function of a homeowner's capacity and desire to back up his other housing demand with the necessary financial resources (Jinadu, 2007). It has been suggested that a limit of 30% of household income spent on housing should be used as a yardstick for assessing housing affordability in Europe and worldwide (Heimberger, & Kapeller, 2017). However, what is referred to as an affordability concern in one location or nation may not be applicable in another, due to the dynamics of economic and social differences. Meanwhile, rising import prices for traditional building supplies, as well as a changing economy, are exacerbating the underlying problem of housing affordability (Gbadeyan, 2011). The Nigerian housing policy was primarily focused at providing cheap homes for Nigerians, however it was not properly implemented, according to a study of prior housing strategies. Not everyone spending more than a certain percentage of their income on housing has a housing problem; for example, a household may spend less than 30% of its income on housing but live in a low-quality neighborhood and incur additional transportation costs to work, whereas another household may spend more than 30% of its income on housing for sentimental reasons (change in social class, taste, and status). This does not convert into an affordability issue because it is a matter of choice. According to Lennartz and Helbrecht, (2019), a household can be considered to have a housing affordability problem if, after paying housing costs that satisfy socially-accepted norms of appropriate housing standards, they are unable to meet the living standards of individuals living in social housing.

5.2 Conclusion

The research looked at the problem of cheap housing and discovered that a

substantial number of public workers in Ekiti State city can afford to pay for leased housing with regard to the quality of the built environment. This is because the majority of employees, particularly those in the middle and upper echelons, spend less than 30% of their yearly income on rent. Workers in the lower cadres, on the other hand, spend between 26 and 30 percent of their income on rent and would have more conflicting requirements than those in the upper cadres. While a sizable proportion of public officials were homeowners, a sizable proportion was tenants. Respondents cited the difficulty of obtaining affordable loans as the most significant barrier to affordable housing in the state, implying that, while rents are relatively low, the majority of respondents desired to be home owners but were unable to do so due to cost constraints and high loan rates. Government investments in housing for public workers were likewise deemed insufficient.

5.3 Recommendation

The government should encourage the construction of affordable housing plans and provide the required structures for funding the acquisition of those homes. This will benefit a larger number of public servants. To improve availability and affordability, synergy of both public and private partnerships should be promoted and created in providing housing for federal workers. Lastly, a favorable investment environment, mortgage insurance, and infrastructure should be made available to the three levels of government.

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