



A GEOGRAPHIC AND ECONOMIC SURVEY OF HOUSING AFFORDABILITY AMONG THE LOCAL GOVERNMENT WORKERS OF OYO FEDERAL CONSTITUENCY, OYO STATE, NIGERIA

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Abstract

This study examines the geographic and economic factors influencing housing affordability among the local government workers in Oyo Federal Constituency, Oyo State, Nigeria. This study sheds light on the important role of economic and geographic factors in determining housing affordability in Oyo Federal Constituency. The study area consists of all the four (4) Local Government Areas of Oyo Federal Constituency, Oyo State, Nigeria namely, Afijio, Atiba, Oyo East and Oyo West Local Government Areas. The local government workers were purposely selected based on the a priori knowledge that the workers in the local government areas are experiencing challenges in housing affordability. A survey research design, specifically cross-sectional was adopted in this study; and this involves reconnaissance survey and questionnaire administration. Data were collected from primary and secondary sources. Data collected were transformed into measurable forms and analyzed using descriptive and inferential statistical techniques to test for the three research hypotheses postulated for the study. The descriptive statistics involves the use of tables, charts, mean, median and mode; and the inferential statistics involves the use of Chi-square and Omnibus test of model coefficient tested at 0.05 significance levels. The finding revealed that finance (especially house rent) constitutes the major parameter for housing affordability among the local government workers in the study area. The study recommended that the government at all levels, individuals, policy makers, bankers and urban planners should ensure adequate provision of affordable housing to local government workers of Oyo federal constituency in particular and Oyo State in general.

Keywords: *Housing affordability, Geographic and economic survey, Local government workers, Oyo Federal Constituency*

Introduction

Housing has been acknowledged generally as a key human necessity. One of its problems is that, it is not affordable to ordinary Nigerian salary earners who, on account of their low earnings are now strongly depressed and unable to fulfill their fundamental necessities (Sakariyau *et al.*, 2021). Housing is more than mere just a place to sleep, but it involves all social services and utilities that create a home situation for a society or community (Mende and Sakariyau, 2023). However, the desirability of owning or living in decent homes by majority of Nigerians is as strong as the reality of its elusiveness. Housing affordability is ability of a household to appropriate certain percentage of its monthly income on housing which according to the general rule of thumb standard should not be more than 30%.

Housing affordability is a major challenge especially to low-income earners because of the need for other basic non-housing items and essentials

(Adeleke, 2023). Inability to afford this important asset is largely a root cause of the deficient housing condition in Nigeria. It is an established fact that, majority of households in the country today, live below the poverty line. Apparently, investigation has revealed that the largest percentage of Nigeria's workforce found in the public sector and earns their monthly salary of below one dollar per day (Godwin, 2011). Other challenges closely associated with housing and its affordability is high cost of building materials, inadequate financial status as well as poor managerial skill of our mortgage institutions.

Housing is one of the three fundamental human necessities; other two are food and clothing (Jiboye, 2013). Housing, together with its supporting infrastructure services such as water, power, motor ways, retail malls as a healthy environment need, is thus more than just a source of shelter (four walls and a roof), but a unit of convenience and comfort. *The capacity to afford or own a house has*

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testing of the research instrument. Questionnaire administration on the tenant civil servants will follow in an intensive field survey. *The population of the workers in the four local government areas forms the target population for the study, and the selected workers in each of the four LGAs in the Oyo Federal Constituency form target sample.*

The local government workers were purposely selected for the study based on the a priori knowledge that the workers in the study area are experiencing challenges in housing affordability. The study employed simple random sampling technique.

The tables 1.1 and 1.2 show the selected LGAs, their headquarters, number of questionnaire forms administered.

Table 1.1: The Selected Local Government Areas and their Headquarters

S/N	LGAs	Headquarters	Allocation of Questionnaire
1.	Afijio	Jobele	25
2.	Atiba	Ofa-meta	25
3	Oyo East	Kosobo	25
4.	Oyo West	Ojongbodu	25
Total	4	4	100

Source: Authors' Survey

Data collected will be transformed into measurable forms and be analyzed using descriptive and inferential statistical techniques to test for the three research hypotheses postulated for the study. The descriptive statistics involves the use of tables, charts, mean, median and mode; and the inferential statistics involved the use of Logistic Regression using Omnibus Tests of Model Coefficients.

Results and Discussion

The outcomes of the field work show that one hundred and sixteen (59.2%) could not afford housing as a civil servant in the study area, while only twenty seven (13.8%) were able to afford. Also fifty three (53) (27.0%) were indifferent in their response. The implication of the finding shows that civil servants in the selected area could not afford housing either through own or rent age with their current salary except in Afijio Local Government Areas where the percentage number of respondents were able to afford housing due to moderate house rent to the local government workers and proximity to their work place.

The finding revealed the following parameters as basis for Housing affordability in the study area;

- Housing type:** Most of the respondents live in a two or three bedroom flat and bungalow in the study area.
- House Rent:** House rent constitute main parameter for housing affordability in all the four local government area under study.
- Facilities:** The finding reveals that, availability of the following for housing affordability: Rest room (Toilet types), water, modern kitchen, bathroom, and electricity.

The finding also revealed finance as a major affordability parameter among the local government workers in the study area. The following financial methods were identified as used by respondents in the means of housing affordability:

- Loan source from Cooperative and Thrift Society
- Loan from conventional commercial Bank, Micro finance bank and Fin-tech financial institutions
- Loan from informal financial contribution (rotating fund scheme-Ajo)

The findings also revealed that financial institutions were willing to give out loan to intending local government workers who wants to secure loan but at unaffordable rate. It was revealed that staff cooperative and thrift society by local government workers were the major source of loan to civil servants in the study area to secure accommodation. Besides, few of the respondents used rotating fund scheme for housing affordability in study area.

The finding revealed the follow socio-economic factors influencing Housing Affordability in the study area:

- Sex Distribution:** It was revealed that Female civil Servants constituted majority of request for accommodation in the study area than their male counterparts. This was found out that majority of local government workers that constituted the respondents were female and they were living alone.
- Level of Income:** Majority of the respondents' level of income ranges from #50,000 -#100,000 per month which is inadequate for housing affordability after taking care of other socio-economic need.
- Education:** Majority of the respondents have passed through higher Institution with OND, NCE and First Degree certificate. The result is also presented through **Logistic Regression using Omnibus Tests of Model Coefficients** and in-depth interview as presented in table 1:

**Table 1: Logistic Regression on Housing Affordability**

	B	S.E.	Sig.	Exp(B)
Age	-0.116	0.053	0.027	0.890
Sex: Female				
Male	0.221	0.803	0.783	1.248
Marital Status: Married				
Unmarried	-1.364	1.252	0.276	0.256
Educational Status: Tertiary				
Non tertiary	-22.251	12778.053	0.999	0.000
Is your house easily accessible in terms of motorable road: YES				
NO	0.020	0.888	0.982	1.021
Presently on loan repayment: Yes				
NO	-1.238	1.217	0.309	0.290
Belong to any cooperative society: YES				
NO	1.244	1.795	0.488	3.470
Belong to any society where you contribute on monthly basis: YES				
NO	-1.168	1.160	0.314	0.311
Distance (KM)				
From residence to work	3.325	1.288	0.010	27.801
From work to market	-1.692	1.241	0.173	0.184
From residence to childrens' school	0.238	0.873	0.785	1.269
Daily transportation cost to and fro Work	3.213	1.254	0.010	24.856
Market	-5.123	1.650	0.002	0.006
Children's school	2.451	1.373	0.074	11.605
Health institution	0.303	1.233	0.806	1.354
Recreation/tourist centre	0.701	1.534	0.648	2.015
Monthly Expenditure				
Food	4.968	1.824	0.006	143.677
Clothing	-3.080	1.825	0.091	0.046
Relations	-3.287	1.881	0.081	0.037
Children's School Fees	1.300	0.970	0.180	3.669
Social/recreation and tourism	-0.308	1.626	0.850	0.735
Electricity bills	-2.156	1.453	0.138	0.116
Security	1.939	1.329	0.145	6.953
Commuting To and FROM work	5.044	1.793	0.005	155.164
Commuting children TO and FROM school	-3.520	1.635	0.031	0.030
Sanitation	-0.644	1.289	0.617	0.525
N				
Others				
Current house rent per month	-2.379	0.857	0.006	0.093
Initial house rent per month	1.793	0.904	0.047	6.005
Constant	5.686	9.064	0.530	0.003

The Omnibus Tests of Model Coefficients evaluates whether the model is statistically significant. It shows that the combination of variables included in the model significantly improves our ability to predict whether or not someone can afford housing.

- The Chi-square value stands at 70.620. This value represents how well the independent variables (e.g., age, sex, marital status) together explain the variation in the dependent variable (housing affordability). A higher Chi-square value indicates a better model fit.
- The model has a significance value (p-value) of 0.000, which is less than the common threshold of 0.05. This indicates that the model is statistically significant overall, meaning that the independent variables collectively have a meaningful impact on predicting housing affordability.

Omnibus Tests of Model Coefficients

	Chi-	Df	Sig.
Step	70.620	28	.000
Block	70.620	28	.000
Model	70.620	28	.000

Model Summary

This section of the output provides additional details about how well the model fits the data.

- The -2 Log Likelihood value of 68.931, assess the model's goodness-of-fit. Lower values of -2 Log Likelihood indicates a better fit, as they suggest

the model's predictions are close to the actual observed outcomes. However, this value alone is not always easy to interpret, so it's often considered alongside other measures like R-square.

- The Cox & Snell R Square value is 0.490. This shows an estimate of how much of the variability in the dependent variable (housing affordability) is explained by the model. The Cox & Snell R Square value ranges from 0 to 1, with higher values indicating a better model fit. Here, 49% of the variability in housing affordability is explained by the independent variables.
- The Nagelkerke R Square value of 0.666, gives a higher estimate of the model's explanatory power. In this case, 66.6% of the variability in housing affordability is explained by the model this suggests a good fit.

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	68.931 ^a	0.490	0.666

The results from the Omnibus Tests of Model Coefficients and the R-square values collectively suggest that the logistic regression model is significant and has a good fit. The model explains a substantial portion of the variability in housing affordability, indicating that the chosen variables rightly explain the output.

In-depth Interview Result:

The report of the in-depth analysis (IDI) across the local government areas (LGAs) indicates that majority of the respondents (75%) could not afford housing due to the following summarized reasons:

- Location of Housing unit: Majority of the respondents (65%) claimed that the location of their residential houses is too far from their places of work, that high transportation cost is being paid to and fro their housing location.
- School fees of Children in higher institutions of learning: Out of the 200 respondents involved, 58% claimed that the high school fees being paid on their children in higher institution of learning is too exorbitant and prevent them to meet up with housing affordability bench mark.
- Abrupt increase in house rent: Only 45% of the respondents indicate that the house in which they live is no longer affordable to them due to annual increase in house rent which they have found difficult to meet. They claimed that they still owe like 3 to 6 months house rent unsettled.
- Expenses from the extended family members:



34% of the respondents indicate that expenses from their extended family members had choked them from meeting up with house rent, the expenses they cannot run away from.

- v. High cost of transportation: General movement to and fro place of work, markets, tourist centres, religious centres and visitations to friends, relations and social outings has been so difficult to the extent that anybody who does all these will not be able to afford housing.

Conclusion

This study aims at addressing housing affordability among the local government workers in Federal Constituency, Oyo State in Nigeria. Housing affordability problem stems from the inadequate supply of housing which had led to unaffordable housing among local government workers in the study area. The continuing rise in the cost of housing, high cost of land, high cost of living and increasing rents had made it difficult for the local government workers to afford housing adequately. At the end of this research work, it is expected that significant contributions will be made in the field of housing and its affordability, the outcomes of which include the following:

- i. Reveal the level of housing affordability among the local government workers in Nigeria at large and Oyo State in particular, thereby addressing one major problem of Nigerian workers, that is, housing problem.
- ii. Contributing to policy formulation in respect of "housing for all".
- iii. Addressing the eleventh sustainable development goal which aims at "providing shelter for all".
- iv. Give adequate insight to ensure adequate affordable housing is provided for the generality of government workers in the States of the Nigeria Federation.

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