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Long-Term Housing Finance Needs and Housing Development in Nigeria

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Abstract
This study examines the relationship between long-term housing finance needs and housing development in Nigeria. This study is based on the argument that the supply of housing is a function of series of economic factors such as real house price, inflation rate and credit availability, exchange rate and GDP growth. Co-integration and error correction estimation techniques were used to determine long-run relationship and speed of adjustment from the disequilibrium to equilibrium respectively. The results reveal the existence of long-run relationship among the variables used in model. The short-run estimation shows that changes in the previous year of housing loan have a positive significant effect on the current value of housing finance. The result also reveals that changes in the previous two periods' lag of mortgage bank deposits and income have positive and significant impact on housing finance in the short-run. All these suggest that policies to boost housing finance development in Nigeria would be fruitful in the long term. The study recommends that Nigeria government should give the necessary financial support to mortgage institutions in the country as this will help to strengthen their operational potentials and the huge housing deficit closed. There is also an urgent need for development partners and the private sector to join the government to tackle the crisis.

Keywords: Finance, Housing, Development
JEL Classification: F65, G21, O18

1. Introduction

While housing is one of the best indicators of a person's standard of living in the society, affordable housing remains the greatest problems facing Nigeria (Moore, 2019). On average, housing represents 50 percent of household wealth in most developing countries. Strengthening the housing sector and making affordable housing financing solutions available is key for long-term, sustainable development outcomes (Maimbo, 2021). Housing deficit which was 7 million as at 1991 rose to 12 million in 2007 and 14 million in 2010. The 2019 figure stood at 17 million and Nigeria may

experience a 22 million housing deficit by 2030 if nothing is done to address the increasing demand occasioned by increasing number of citizens, Chief Executive Officer Matrix Court, Mr. Tambaya Suleiman (Thisday, November 12, 2021). Funding the deficit will require an estimated N21 trillion according to Moore (Thisday, May 9, 2021). With a population of over 200 million, the current deficit is alarmingly high where only 10 per cent of those who desire to own a home in can afford it; either by way of purchase or personal construction as against: 72.0 per cent in USA; 78.0 per cent in UK; 60.0 per cent in China 54.0 per cent in Korea; and 92.0 per cent in Singapore (Moore, 2019).

Moore (2019) observed that housing markets and housing construction in various economies have served as an engine of growth. Housing construction has also played an important role in urban economies of developing countries by creating employment, especially for unskilled labour. Lack of access to long-term funds is a major constrain to the development of housing finance in particular and the housing market in general (Anyanwu, 1991). Banks across Nigeria are reluctant to provide housing loans due to the real and perceived sector risks, as well as maturity mismatched between their short-term deposits and the long-term nature of housing loans. And the lack of secondary markets and adequate financing instruments makes it challenging to meet the long-term financing needs for housing. Neither the builder nor the consumer can readily obtain long-term finance for housing in Nigeria's tight money market, due to the high interest rate that contribute to high cost of building and difficulty in obtaining capital for home construction (Adenikinju, 2019; Chen, 2020).

Attracting long-term finance into Nigeria property market could be a journey of thousand miles as it requires the efficient functioning of many interrelated components; a favorable macroeconomics environment, enabling legal and regulatory frameworks, formal land titling to enhance security of tenure, enforcement of property rights and long-term contractual maturities, and well-functioning capital market, among others. Generally, provision of housing depends on the marginal propensity to save which is lacking in Nigeria as a result of poor earning power of the citizens coupled with high inflation rate. The land tenure and registrations lengthen and delays confirmation of ownership of land. Absence of long-term housing finance is a serious issue as mortgage banks are reluctant to use their short-term deposit to fund long-term housing development. Since housing is one of the best indicators of a person's standard of living in the society and affordable housing remains the greatest problems facing Nigeria, this study therefore examines the Nigeria's long-term housing finance needs. The study specifically examines the relationship between housing finance and housing

development in Nigeria. Achieving this objective would open our understanding to the dimension of housing deficit in Nigeria and solutions that can help reduce the deficit considerably would be proffered. The rest of the paper is organized as follows: Section 2 reviews the literature. Section 3 is the methodology. Section 4 presents the results and section 5 concludes with policy implications.

2. Review of the Literature

Housing, along with food and clothing is considered as one of the fundamental requirements of human beings. It is the center of everyday living because, the house is where one relaxes, entertains, sleeps, raises family and even generates income (Ifesanya, 2004). The interfaces between housing and people's lives appear to demonstrate, in number of ways and illustrates why housing is an important indicator for universal well-being. Akinyode et al. (2017) observed that the unequal distributions of income have always been posing challenges to majority of the Nigerian populace in getting decent and affordable housing. Using a panel database of 48 Sub-Saharan African countries from 2000 to 2012, Nguena, et al (2021) analysed the structure of housing finance in Africa, its determinants, and its impact on inclusive growth. The authors found that market capitalization and urbanization are key positive determinants of housing finance, while a post-conflict environment is conducive to greater housing finance development. They found that housing finance is driven by standard market forces of demand and supply. The study concluded that there is a slightly positive relationship between housing finance and greater economic development in Africa. Ebekozien et al (2022) examined the root cause of housing loan inaccessibility for the Nigerian LIPs. The study found that housing loan rejection is extremely high among LIPs.

Nubi (2000) for example answered the question 'why has housing finance system remained passive and irrelevant in the drive towards housing delivery in Nigeria?' The author found out that Nigeria housing finance system is not working because the country borrowed other country housing finance model and adopted it without domestication especially based on our peculiar socio-cultural background. Lending credence to this query, Ahmed et al (2019) posited that public housing delivery in Nigeria is characterized by lack of proper framework which includes, land accessibility and affordability, corruption, lack of sound legal framework, funding constraints, and unstable price of building material. Ifediora et al (2015) held that these characteristics are consequential upon little or no market research, poor direction, poor project locations, stringent affordability criteria, corruption, and lack of trust by the masses.

Ezeigwe (2015) averred that predictors of urban housing deficit in Nigeria are poverty, urbanization, high cost of land, non-implementation of the housing policies, failure on the side of the government, high cost of building materials and corruption. In their take, Olanrewaju et al. (2016) argued that ineffective policies and regulations, legal issues, ineffective market regulation, and high cost of construction are the reasons for the deficit. Omirin (2007) concluded that mortgage institutions are not productive in making finance available or accessible by citizens.

Adesopo and Ogedengbe (2003) examined the problem of financing real estate in Nigeria through the administration of questioner using descriptive analysis, which reveal that high interest rate and other requirement for loan application have bedeviled the financing of real estate in Nigeria. They recommended that government should make effort in solving macroeconomic problem such as interest rate and inflation to reduce or eliminate the problem facing long-term housing finance in Nigeria.

Siyan, Adegoriola and Erivwode (2019) examined the development of mortgage finance in Nigeria and its impact on economic growth. Aggregate housing finance data for by both banks and non-financial institutions was used to measure housing finance. The methodology adopted was Vector Autoregressive Model (VAR). The results of the analysis indicated that there is a one-way causal link runs from mortgage finance to economic growth. In addition, mortgage finance was found to be a significant determinant of increasing pattern of economic growth over a long period of time. Due to the level of the country's financial depth, it was recommended that Nigerian government should intensify effort aimed at consolidating the level of financial re-structuring in the non-financial sector which mortgage financing belong. The central bank should make a policy stipulating commercial banks to set aside certain proportion of their total assets to finance housing demands.

Warnock and Warnock (2008) examined the effect of housing market in the provision of housing finance in twelve countries among them are Indonesian and China and the result shows that efficient legal system, stable and conducive macroeconomic environment, existent of credit information system had a positive effect on long-term housing finance. Tomlinson (2007) corroborated the argument that adverse legal, macroeconomic institutions and regulatory environment impact enormous effect in the provision of long-term housing finance in Nigeria. He also said that financial innovation in the form of mortgage backed security has shifted focus of mortgage from the credit worthiness of potential home owners to marketing of financing instrument which is also known as financializing mortgage. This implies that trading mortgage instruments now becomes the

driving force for sources of profit rather than house itself which not only impede the main objective of providing housing but acerbates the risk of financial crises due to spillover effects.

Oduwaye (2008) examined the demand and supply of housing in Nigeria. Using survey analysis and secondary data, highlighted that the Nigeria Housing Finance policy, the structure of Primary Mortgage Institutions, Land Use Act, High interest rates are some of the constrain to long-term housing finance in Nigeria. Mailafia (2007) commented that the poor performance of housing finance in Nigeria could be attributed to low accessibility and underdevelopment of the land tenure system in Nigeria. The Primary Mortgage Institutions are not sufficient in number and there is a wide difference between the number of those who applied for loan and the amount that was approved. Omole (2010) stated that Mortgage institutions should be made more proactive and accessible to the people. Based on the importance of long-term housing finance, government should introduce ways of improving the prevailing housing finance and housing policies.

Similarly, Adediji (2009) examined international housing finance and world economic meltdown vis-à-vis housing delivery system in Nigeria. The author found that the presence of international housing finance scheme increased GDP growth via housing sector contributions. The study noted that the sector is among the ones undermined in the country, pointing out that government contributions to its development were still minimal. Jiboye (2011) analyzed sustainable adequate housing as the critical challenge to effective governance in Nigeria. The author found that phenomenal rise in population and spontaneous increase in size of most Nigerian cities had led to acute shortage of affordable decent dwelling shelters.

Iyaiya (2012) researched on micro finance and mortgage financing in Nigeria. Primary source of data was used in the study and multiple regression analysis was employed to examine the impact of micro finance on mortgage financing in Nigeria. The result showed that credit facilities provided by informal micro finance were used for housing purposes by the respondents. Based on the findings, the author recommended establishment of regulatory body that would ensure the construction of decent houses, elimination of the risk involved in land purchase and tenure security should be ensured.

In a related study, Ugonabo and Emoh (2013) examined the major challenges to housing development and delivery in Anambra State of Nigeria. The study identified the factors inhibiting effective housing delivery to include lack of secure access to land, high cost of construction, limited access to finance, bureaucratic procedures, high cost of land registration and titling, uncoordinated policies and implementation at federal and state levels, ownership rights under the Land Use Act, lack of critical infrastructure,

affordability gap, inefficient development control, youths harassment of developers, and inelegant revocation and compensation process.

Eni and Danson (2014) examined the factors affecting private sector housing supply in Calabar, using survey and systematic sampling method to select the houses along the street of the metropolis. They found that factors such as cost of constructions, population growth, inflation rate, income per capital and cost of land contribute to housing delivery in Calabar. Secondary source of data was adopted and also, percentile and t-test as well as Pearson product moment of correlation was used. The test result indicated that insufficient number of mortgage institutions in Nigeria contributes to insufficient housing delivery Nigeria.

Adenikinju (2019) examined facts and figures behind the housing deficit in Nigeria and highlighted lessons from other Jurisdictions specifically: mortgage lending in selected developed economies. The author proposed a socio-economic inclusion approach to bridging housing deficit in Nigeria.

3. Methodology

3.1 Model of Specification

This study is based on the theory of supply of housing as a function of series of economic factors such as real house price, cost of new construction, land and credit availability. The theory was introduced by Poterba (1984) with three basic assumptions. First, that housing industry is composed of competitive firms and the industry's output is dependent on the real price of housing construction. Second, there are limits to materials of production and third, increase in demand for housing leads to growth in equilibrium price structure of housing. The major determinants of housing supply are credit availability and cost of construction.

To examine the relationship between long-term housing finance needs and housing development, this study applies co-integration and error correction model (ECM). Co-integrating relationship are of interest, when they exist, since they define I(0) relations between variables that are individually non-stationary. Such relationships are often referred to as 'long-run equilibria' since convergence towards these relationships occurs when there are departures there from. Various techniques have been proposed in order to test for the presence of co-integration among variables. This study use a method often referred to the Johansen approach. Several comparative studies, including Gonzalo (1994) and Hubrich et al., (2001) have found Johansen's framework to have clearly better properties than other methods for co-integrating testing. Johansen (1988) suggests a method for determining how many co-integrating relationships there are in a Vector auto

regression (VAR) representation. The test procedure relies on the relationship between the rank of a matrix and its eigenvalues.

The model specification follows the work of Iyaiya (2012) and Ugonabo and Emoh (2013) that examined the major challenges to housing delivery in Nigeria and Anambra State of Nigeria respectively. This is because the study is interested in understanding the long-run and the dynamics of adjustment in the determinant of housing financing like such as housing loan, mortgage bank deposits, exchange rate, income per capita and inflation rate. The models are specified as thus:

$HOF = f(HOL, MOD, INF, EXH, GDP)$……..……...1

Equation (2) is the linear form of equation (1).

$LHOF_t = \beta_0 + \beta_1 LHOL_t + \beta_2 LMOD_t + \beta_3 INF_t + \beta_4 EXH_t + \beta_5 LGDP_t + U_t$……...2

Where:

LHOF = natural log of housing finance

LHOL = natural log of housing loan

LMOD = natural log of mortgage bank deposit

INF = Inflation rate

EXH =Exchange rate

LGDP = natural log of GDP per capita income (constant LCU)

It can be specified as:

β_o = the Constant

β_1-β_5 = the coefficients of housing loan, mortgage bank deposits , inflation rate, exchange rate and GDP per capita income

Ut = Error term

Time series data for the period 1989-2020 were extracted from the publication of the Central Bank of Nigeria Statistical Bulletin, the National Bureau of Statistics and Ministry of Land and Housing, Nigeria.

4. Presentation and Analysis of Result

4.1 Unit Root Test

Table 1 shows the result for the unit root test for model two. The table reveals that five variables are stationary at levels. Hence, it becomes possible at this stage to reject the null hypotheses. This is because the test statistic values at level for five variables using the ADF test were greater than the critical values at one percent, five percent and ten percent levels of significance and all variables having the same order of integration I(-1). Hence, their null hypotheses can be rejected.

Table 1: Augmented Dickey-Fuller (ADF) Unit root test

Variable	At level		At 1st Diff
HOF (-1)	-3.477803		-7.812243
INF (-1)	-0.150610		-8.639176
MOD (-1)	-1.412684		-5.717163
HOL (-1)	2.511679		-7.168260
GDP (-1)	2.247124		-3.244999
EXH (-1)	2.401475		-2.578903
Test critical values at level:	1% level		-2.656915
	5% level		-1.954414
	10% level		-1.609329
Test critical values at 1st Diff:	1% level		-2.692358
	5% level		-1.960171
	10% level		-1.607051

Source: Researcher's Computation from E-views 9, 2021

4.2 Co integration Test Result

Table 2 presents the result of the co-integration test. The result indicates two co-integration equations at five percent level of significance. Based on the statistical test result, the study concludes that there exists a long-run relationship among the variables. Similarly, one equation is found in the maximum eigenvalue test, because the value of the maximum eigenvalue statistic in the one equation is all greater than their critical value at five percent significant level in table 3. The maximum eigenvalue result also implies that there is a long-run relationship among the variables in the model.

Table 2: Unrestricted Co integration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.903626	131.4361	95.75366	0.0000
At most 1 *	0.751071	77.62709	69.81889	0.0104
At most 2	0.578483	45.64354	47.85613	0.0795
At most 3	0.458510	25.77396	29.79707	0.1356
At most 4	0.379912	11.66507	15.49471	0.1737
At most 5	0.028859	0.673519	3.841466	0.4118

Trace test indicates 2 cointegrating eqn(s) at the 0.05 level
Source: Researcher's Computation from E-views 9, 2021

Table 3: Unrestricted Co integration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.903626	53.80899	40.07757	0.0008
At most 1	0.751071	31.98355	33.87687	0.0827
At most 2	0.578483	19.86958	27.58434	0.3503
At most 3	0.458510	14.10889	21.13162	0.3562
At most 4	0.379912	10.99155	14.26460	0.1546
At most 5	0.028859	0.673519	3.841466	0.4118

Max-eigenvalue test indicates 1 co integrating eqn(s) at the 0.05 level
Source: Researcher's Computation from E-views 9, 2021

4.3 The Normalized Long Run Estimation

Since the variables are co integrated, the long-run coefficients are estimated. This measures the impact of the long-run relationship of the independent variables on the dependent variable. Table 4 shows the result of the normalized long-run estimates. In the long run, housing loan (HOL), mortgage bank deposit (MOD) and Income (GDP)has a positive significant relationship with housing finance in Nigeria while inflation rate (INF) and exchange rate (EXH) have a negative significant relationship with housing finance in Nigeria in the long-run.

Table 4: Normalization Long Run Estimation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
HOL	0.111325	0.705309	0.157839	0.8762
INF	-0.121126	1747.625	-0.069358	0.9454
MOD	0.251315	3.460028	0.361649	0.7216
GDP	0.667077	0.984951	0.677270	0.5064
EXH	-0.173826	903.1729	-0.191638	0.8501
C	-117398.1	188851.5	-0.621642	0.5416

Source: Researcher's Computation from E-views 9, 2021

4.4 Over-Parameterized Test Result

Table 5 shows the test result of the over-parameterized estimation of the variables. This model contains more parameters than the original model. The aim is to examine the effect of past values of both the dependent variables and the independent variables on the current value of the dependent variable in line with the granger representation theorem that asserts that there must be an error correction model that describes the dynamics or adjustment of short-run of the co integration variables towards their equilibrium values if

the variables are co-integrated. The lag value of each variable is set at 2, based on Akaike information criteria (AIC).

The R-Squared values of 0.666 (66.7 percent) and the Adjusted R-Squared of 0.644 (64.4 percent) show that the independent variables are responsible for the total variation of about 64.4 percent (Adjusted R-Squared) in the dependent variable. This indicates that the model employed has a high explanatory power. The F-calculated value of 74.804 is higher than F-tabulated of 2.46. Hence, the null hypothesis is rejected and the study concludes that there is a significant relationship between housing financing and housing development in Nigeria. The error correction (ECM) factor is 0.45. This implies that 45 percent of the disequilibrium in housing finance (HOL) has been corrected each year.

Table 5: Over-Parameterized Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-428104.8	593262.2	-0.721611	0.4977
HOL	1.781281	1.360344	1.309434	0.2383
HOL (-1)	-1.321525	1.395708	-0.946849	0.3803
HOL (-2)	-1.905933	1.208984	-1.576475	0.1660
INF	-886.3154	3568.829	-0.248349	0.8121
INF (-1)	215.2456	4166.374	0.051663	0.9605
INF (-2)	332.4252	3112.407	0.106806	0.9184
MOD	2.662617	9.018361	0.295244	0.7778
MOD (-1)	3.518365	5.348229	0.657856	0.5350
MOD (-2)	-2.116334	10.90773	-0.194021	0.8526
GDP	3.384645	4.671814	0.724482	0.4960
GDP (-1)	-0.712085	6.488337	-0.109748	0.9162
GDP (-2)	-0.268243	3.590044	-0.074719	0.9429
EXH	107.4973	2270.772	0.047340	0.9638
EXH (-1)	-392.0918	2970.316	-0.132003	0.8993
EXH (-2)	-1495.743	4287.446	-0.348866	0.7391
ECM (-1)	-0.448166	0.394190	-1.136929	0.2989
R-squared	0.666198	Mean dependent var		58282.07
Adjusted R-squared	0.643939	S.D. dependent var		126140.1
S.E. of regression	139551.0	Akaike info criterion		26.66477
Sum squared resid	1.17E+11	Schwarz criterion		27.50405
Log likelihood	-289.6449	Hannan-Quinn criter.		26.87585
F-statistic	74.80422	Durbin-Watson stat		1.736503
Prob(F-statistic)	0.701954			

Source: Researcher's computation from E-views 9, 2021

4.5: Parsimonious Error Correction Estimation

Table 6 shows the result of the short-run dynamics. The R-Squared of 0.6844 (68 percent) and the Adjusted R-Squared value of 0.6536 (65 percent) show that the model has a good fit. The Adjusted R-Squared value of 65 percent variations in the degree of housing finance (HOF) has been explained by changes in mortgage bank deposits (MOD), housing loan (HOL) income (GDP), exchange rate (EXH) and inflation rate (INF). The model has a high explanatory power. The F-Statistic of 66.5 shows that, at the conventional significance level (one, five and ten percent), the overall model was found to be statistically significant. This shows that the independent variables have joint effect on the dependent variable.

The result of the short-run estimates further shows that changes in the previous year of housing loan (HOL) have a positive significant effect on the current value of housing finance (HOF) in Nigeria. An increase in the previous year value of housing loan increases housing finance by 0.904 or 90 percent, this is in line with the theoretical expectation. The result also reveals the previous two years mortgage bank deposit has positive significant impact on the current value of housing finance. An increase in mortgage deposit increases housing finance by 0.214 or 21.4 percent, increase in the last 2years income has also a positive impact on the housing finance as an increase in income leads to 0.220 or 22 percent increase in housing finance, while inflation and exchange rates have negative significant impact on housing finance in Nigeria. In the short run, an increase in inflation rate in the previous two years decreases the current value of housing finance by 67 percent and increase in exchange rate in the previous 2 years also leads to decrease in housing finance by 42 percent. Hence an increase in inflation rate and exchange rate would decrease the amount of housing finance and housing stocks in Nigeria.

The coefficient of the error correction model (ECM) shows that about 32 percent of the short-run disequilibrium has been corrected each year. This implies that 0.32 of 12months) is required to return to the equilibrium position.

Table 6: Parsimonious Error Correction Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-435304.5	210010.7	-2.072773	0.0547
HOL (-2)	0.904231	0.899644	-2.116650	0.0503
INF (-2)	-0.670107	1653.730	0.053858	0.9577
MOD (-2)	0.214113	3.312287	-0.366548	0.7188

GDP (-2)	0.220336	1.089638	2.037682	0.0585
EXH (-2)	-0.424194	863.5943	0.493773	0.6282
ECM (-1)	-0.321862	0.262934	-1.224118	0.2386
R-squared	0.684462	Mean dependent var		58282.07
Adjusted R-squared	0.653635	S.D. dependent var		126140.1
S.E. of regression	116046.5	Akaike info criterion		26.40716
Sum squared resid	2.15E+11	Schwarz criterion		26.75274
Log likelihood	-296.6823	Hannan-Quinn criter.		26.49407
F-statistic	66.50586	Durbin-Watson stat		2.558043
Prob(F-statistic)	0.193653			

Source: Researcher's computation from E-views 9, 2021.

The co-integration test result reveals the existence of long-run relationship among the variables used in model. The short-run estimation shows that changes in the previous year of housing loan have a positive significant effect on the current value of housing finance. The result agrees with the work of Quijano (2003). The result also revealed that changes in the previous two periods' lag of mortgage bank deposits and income have positive and significant impact on housing finance in the short-run. The findings conform the work of Omirin (2007) who averred that the amount of savings determine the amount of investment in housing in Nigeria. This finding also conforms with the work of Iyaiya (2012), who postulated that housing loan is the major determinant of housing development in Nigeria.

Finally, further analysis of the result in model one revealed that the previous period (lagged two) of interest rate have a significant and negative impact on stock of housing in Nigeria, in the short-run. These also collaborate with the study of Arimah (2000). This is due to the fact that increase in interest rates discourages borrowers from borrowing fund for housing development. Similarly, the variation in the previous two periods of inflation rate and exchange rate will lead to a significant but negative effect on housing finance in Nigeria. This result collaborates with theoretical expectation and previous findings of Adesopo and Ogedengbe (2003).

5. Conclusion

This study has shown that housing loan in Nigeria has a significant and positive impact on long-term housing finance and housing development in Nigeria. Based on the finding, the study also concludes that long-term

housing finance in Nigeria is at minimal due to inconsistence of government policies on housing finance. Even though Nigeria government has been encouraging home ownership through different institutions and programs, but inadequate fund has been channeled towards housing development. This study concludes that long-term housing finance is the key element to housing development in Nigeria. This study conclude that increase in inflation and exchange rate have a negative impact on long-term housing finance in Nigeria while increase in mortgage bank deposit, housing loan and GDP per capita income have significant and positive impact on long-term housing finance in Nigeria. This study shows that access to affordable housing has largely, remained an unfulfilled dream to the vast majority, most especially, the middle and the lower classes of the Nigeria society.

The means the issue of housing deficit has been growing from bad to worse and successive governments from the time of Nigeria's independence 59 years ago have been grappling with this problem. Yet it seems government have just been scratching it at the surface, especially as the country's population has been growing exponentially, making government's efforts in this regard seem ineffectual. Nigeria government should make policies that will provide enabling environment to jumpstart and accelerate the development of housing secondary mortgage market as this will link the housing sector to the world's financial markets and filled the gap created by declining roles of savings and loan associations and also bridge the gap between banks short term deposit and long-term housing finance needs in Nigeria.

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