An Assessment of Housing Demand in the Informal Housing Market in Ibadan Oyo State

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Abstract- ***Over the past decades, the rapid rate of urbanization in sub-Saharan Africa has accentuated a number of urban challenges especially in the area of housing and housing market. This study aimed to examine the demand in the informal housing market in Ibadan metropolis with a view of providing a possible way out to mitigate the negative impact. The research method uses both narrative and statistically descriptive in nature which will entails intensive literature review in the informal housing sector and the housing market. Both deceptive and inferential statistics was employed for analysis in this study. At the end the study expected to explain influence of market forces in the informal housing market and how Issues such as low income household constraints, tenure security, cross-market infiltration impacts the supply and demand of informal housing***

Indexed Terms- ***Demand, Housing, Housing Demand, Housing Market and Settlement***

I. INTRODUCTION

Human settlement is faced with a rapid and increasing spread of urban slums and squatter areas. The rapid expansion of population in cities throughout the world is accompanied by the equally rapid growth of informal settlements otherwise known as slums, which develop because local governments are unable to provide the required services and the formal housing market is unable to offer affordable solutions., while informal settlements have now become the dominant factor in the urbanization process and in the provision of housing for the urban poor. The settlement is viewed as part of the country's housing crisis but rather as the urban poor's contribution to its solution.

The Housing Market refers to the supply and demand for houses, usually in a particular country or region. IMF (2001) described the housing market as a heterogeneous market because of the mix series of geographical and sectorial submarket which are the formal and informal, more so the absence of a central trading market together with limited information that are often available on the market transaction. A key element of the housing market is the average house prices and trend in house prices. According to (Malpezzi, 2001) the markets to build, to rent, and to own houses are related, but they each involve something different. However, the informal housing market supply a valuable service to the community and to the labour market, providing dwellers a momentary accommodation from which they can access employment easily and cheaply. They also provide support accommodation when other housing is inadequate for urban growth or other changes within the households. Cheap rental housing is an essential component for a sufficient housing provision and for the existence of cheap urban labour forces (Frida Granbom and Emeli Ljunghusen.2011). The merit of rental sub-markets as observed by (Thomas Kweku Taylor1 *et. al.,* 2015) is that, they diversify the supply of low income housing, increasing the range of options available for poor households. Although not constituting ideal housing solutions, they certainly increase the possibility matching households‟ needs in certain moments of their lives. Nevertheless, the housing market has become an economic vehicle as it drives the understanding of the urban development process thereby shaping the built environment (Sun Sheng Han and Yong Wang, 2003). The above feature becomes important owing to the fact that the urban landscape harbour the concentration of economic activities in higher volume, and it is the most densely live space where social individual subjectivity is realized. Hence, this has necessitated the need to assess the impact of demand which is the informal submarket on the overall Ibadan housing market so as to develop a basis to reposition the housing market.

In recent decades, both the urban and semi-urban centres of Nigeria have witnessed the situation where housing demand is more than housing supply consequently leading to prevalence of shanties and slums in our towns and cities. Consequently, the Informal housing provides shelter for over 50% of the world's population, yet do not operate in a vacuum and can be influenced by variables like demand which impact housing markets More also this constraint in the formal housing market will push a different set of players, namely, middle income groups into the informal housing market, it creates a change in the dynamics of the informal housing market. (Sumila and Debabrata, 2008). These problems are closely interlinked with legislation, income and corruption and are a consequence of a non-functioning system (Frida Granbom and Emeli Ljunghusen.2011).

Most of the key authors both recent and past,e.g. (Agboola and Jinadu 2007), (Adams and Hastings, 2001), (Chan and Yung, 2004), (COHRE, 2006), to date has focused on political, legal, and urban planning perspectives. By contrast, systematic investigation the social impact of slum. However, hardly has any focus on the informal housing market. This study has been embarked upon to help fill this gap.

It is based on the foregoing that this study was designed with the aim to examine the housing demand in the informal market in Ibadan metropolis Oyo State. Towards this broad goal, the specific objectives are to:

1. Identify the characteristics of slum and the informal house market in the study area;
2. examine the factors that influence the demand in the informal housing market.

II. LITERATURE/THEORETICAL UNDERPINNING

2.1 Housing

Housing is also a productive input as it contributes to household economic welfare by maximizing net income. Housing is not only a final consumption good, but also contributes to labour productivity. According toFass (1987), housing produces health, storage facilities, and work space. Increased housing improves the health of the household members and this in turn increases the labour productivity. If labour can work more days, earnings are increased and household income rises.

Housing can also be used as space for home or informal enterprises which raises the household's income. As Fass stated, "the demand for housing can be explained in two ways: in terms of things, it contributes as an intermediate good, or factor input, to a household's production of consumables that offer utility; and in terms of things it provides as a factor input to the production of earnings." (Fass, 1987) Under these conditions, investments in housing experience diminishing returns to household productivity. While this analysis is not restricted to informal housing, typical standards in formal housing are usually beyond the point where investments in housing improves the economic productivity (e.g. health) of the households.

2.2 Housing Market

The Housing Market refers to the supply and demand for houses, usually in a particular country or region. A key element of the housing market is the average house prices and trend in house prices. According to (Malpezzi ,2001) the markets to build, to rent, and to own houses are related, but they each involve something different. The market to build new houses determines the total physical supply of houses available (whether for owner-occupation or for renting), and is influenced by the price a house can be sold for, the cost of building a new house, and the cost of the land that the house is built on. The cost of building a new house and the cost of land are determined by a range of market and regulatory factors (Elizabeth Watson 2013).

Housing market outcomes can be influenced by a range of different factors. In the long run, house prices will tend to converge to the cost of new housing construction (including land). However, house prices, like all asset prices, can diverge from their justifiable long-run equilibrium for extended periods of time. Supply conditions which are influenced by a range of regulatory and geographic factors are a key determinant of housing market outcomes. Low housing supply responsiveness can result in volatile house price inflation and increases

in house prices that appear to be semi-permanent. Expectations of future capital gains, perhaps based on past experience, can amplify the impact of supply constraints – resulting in overshoots in house prices and driving a wedge between house price and rental inflation. Because house price and rental inflation often behave differently, it is important to diagnose supply conditions independent of rents (Elizabeth Watson 2013).

Property market has been identified as the most important sector of the market economy as it involves the institutional arrangement for the transaction and development of real estate also, the framework through which property interest exchange hands (Muller *et. al.*, , 2020). In a competitive setting, it encompasses a wide range of actors and experts in the transaction process who act to ensure the most efficient allocation of resources (D'Arcy and Keogh, 1999). Furthermore, property market has also been described as a heterogeneous market due to the mix series of geographical and sectorial submarket, with no central trading market coupled with limited information which should have been readily available in the open market where transactions occur (IMF, 2001 and Olaleye, 2007). The market is influenced by underlying economic factors that affect property value and does not work in isolation. Thus, these unique characteristics set the property market apart as a complex nature of the market.

Manuel *et. al*., (2018) noted that for every individual, establishments such as firms, health centers, force departments, government buildings and farms among others, they depend solely on the real estate market to physically exist Consequently, since the use and acquisition of space is an economic activity engaged in by virtually every member of the society, the property market has seemed to continually display its relevance as its plays a decisive role in the world economy. Olaleye and Adebara (2019) also noted that in 2016, the property market contributed an average of 5.4 percent to the UK economy. Over time, it appears that these contributions have resulted in an increase in cross-border investments. Furthermore, the property market has become an economic vehicle that drives the understanding of the urban development process which shapes the built environment (Han and Wang, 2003). These features have become important owing to the fact that the urban landscape accommodates the concentration of economic activities in higher volume as the densest location and where individual and societal subjectivity are fulfilled.

The Nigeria Residential property market occupies a big place in this region, as the most populous black nation with the biggest economy in the sub-Sahara Africa due to its large population of over 150 million people and a massive housing deficit of 14 million people. Obi *et. al.*,(2019) reported that, the Nigerian real estate industry to be among the fastest growing with several wave of challenges precipitating from infrastructural and basic amenities deficit such as such as roads, street lights, water, security among others (as government continue to struggle in meeting up it demand). The current situation has dragged the Nigeria property market into a mix pool of opportunities and challenges whereby an only optimistic investor will be able to convert the current situation into a viable investment opportunity.

However, the housing market is thought to be divided into submarkets with varying levels of quality and price (Galster, 1996). Within the broader, general housing market, sub-markets are distinct but closely linked markets. Consumers looking for a low-cost, low-cost apartment are unlikely to be looking for a huge detached single-family home. Likewise, buyers looking for a large single-family house are unlikely to be interested in modest flats or linked units (Auran, 2010).

2.3 The Informal Market

In accordance with conventional market theory, consumers' capacity to exercise their residential choice is, at the very least, theoretically, possible because of the range of housing market possibilities available to them. Only when the consumers are the poorest groups are these possibilities often available in the informal segment of the market. In this perspective, it might be simplistic to reduce the market to the two categories of formal and informal, with the informal sector being viewed as a temporary malfunction induced by rapid expansion and inequities in the allocation of resources and income (Elizabeth Watson 2013).These sub-markets, each

have their own standards, costs, and operational procedures.

In informal settings, the majority of sub-markets coexist side by side in geographic locations like neighborhoods, blocks, or even specific homes, and they frequently cross paths. However, sub-markets are not always spatially contiguous entities; in fact, they frequently spread their boundaries across neighborhoods in several different locations. Informal housing and lack of tenure security Housing is considered as informal when it does not conform to regulatory frameworks and laws set up in the area of which it occurs. Therefore, the complex web of interrelated housing submarkets and the larger socioeconomic environment in which they function must be taken into account in any successful modelling of these submarkets.

One can observe formal parallels between the developed and developing countries housing markets after examining their respective actions. The behaviour of informal/untitled housing markets in the developing countries can now be studied. Despite being one of the most urbanized continents on the planet, Latin America still has a very outdated housing infrastructure. In Latin America and the Caribbean, informal settlements are home to more than one fifth of the population. Sadly, this number will rise dramatically in the years to come. The supply of services and tenure security are significant challenges that persons who live in unofficial housing must deal with (Lucia,2023).

2.4 Housing demand

Housing demand is the number of dwelling units that are actually needed by the people at a particular point in time, while housing supply is the number of residential units that are provided by the key players in the accommodation provision (Makinde, 2013). Housing demand in urban centre is a manifestation and reflection of different household desires to live in an urban centre (Todd, 2007, Akinyode and Tareef, 2013). The desire of people to live in an urban centre is increasing at an alarming rate. Various reasons have been attributed to an increasing taste for urban living and these reasons include employment opportunity, urban amenities and utilities consumption opportunities.

This situation has consequently led to housing shortage and most people are also found living in non-decent building apartment (Olayiwola*et. al.*, 2005) due to their socio-economic background which cannot cope with ever increasing price of decent house. Housing demand can be explained as the willingness and ability of housing consumer to pay for a particular dwelling depending upon such consumer's incomes, house type, location preferences and local prices (Welsh, 2002). Demand is the quantity of good or service that consumers are willing and able to buy at a given price at a particular given time period.

The main determinant of the housing demand is household composition while other factors such as income, price of housing, cost and availability of credit, consumer preferences, investor preferences, prices of the substitutes and price of the complement also play a role (Bourne and Hitchcock (1978). Demand is also influenced by several economic factors, such as increased economic activity that has led to increased demand for labour and rural–urban migration. The result is that there are 14 million units of housing deficit in the country. This is about a hundred per cent increase when compared to the deficit in 2001.

There has been an intractable gap between government's supply efforts and actual achievement over the years, worsened by a population growth from about 42 million in 1960 to more than 151 million in 2010. Supply of housing units in Nigeria can be viewed from the formal and the informal sectors. The formal refers to supply from the private sector and the various elements of the public sector (Enhancing Financial Innovation and Access 2008). Housing supply in Nigeria according to Makinde (2013) reflect that various authorities have offered strategies for improving housing delivery in Nigeria. Fasakin (1998) suggested the co-operative housing model; Oduwaye (1998) advocated a simple land allocation system;

Housing supply is not just a matter of new building. The substitutability of different houses on the market can also be important at times. If the types of houses demanded by renters and owner-occupiers are very different and houses cannot quickly be altered, then it

may take time for the market to adjust to changing preferences. And when the market is slow to adjust to changes in demand – either because substitutability of housing is low or new housing supply is inelastic – rents and house price inflation can diverge (Elizabeth Watson 2013). The housing supply is fixed on the short run and the increase in housing demand increases the equilibrium price on the long run (Agbola and Adegoke, 2007). However, residential property markets are also complex. Outcomes are determined by conditions in and interactions between a numbers of individual markets: the market to rent a house, the market to own a house, and the market to build a house (which is, in turn, affected by the market for land).

III. METHODOLOGY

The design used for this research work is a survey research (also called descriptive research). The study adopted the use of instruments such as questionnaires to gather information from groups of individuals. The exploratory research design, therefore, involves the collection of both primary and secondary data in order to explore the informal housing market in Ibadan metropolis Oyo state. The required data for this study was obtained from primary and secondary sources. Secondary data for this study was sourced from relevant literature on housing market, these sources will include but are not limited to dissertations, books, and journal form amnesty international, Centre on Housing studies, Human Rights Watch, World Bank, newspaper/magazine articles, ,real estate journal internet pages and file downloads etc. Primary data sources provided first-hand testimony or direct evidence concerning a topic under discussion. The major source of primary data for this study is questionnaires were administered on the residence as well as on the Estate agents who are key player in the housing market. The survey questionnaires used was structured into two sections; the first administered to the residence, (section A) which characterize the general information as regards the respondent i.e. socio-economic/demographic, building location, survey of current building, Estate agents and Local Property Agents section (section B) characterize the general information as regards the estate surveyors and agent, accommodation demand /supply, housing price and trend. The target population of the study consisted of 31 Estate agent in Ibadan North-Wes which make up the sample size.

IV. RESULTS/FINDINGS AND DISCUSSIONS

Background of Estate Agents/Surveyors or Respondents

Table 1: Background of Respondents

Gender	Frequency	Percent
Male	24	77.42
Female	07	22.58
Total	31	100

Table 1 show that all the estate agents/surveyors were male. This shows the dominance of men in the Estate Agents/Surveyors business**.**

Table 2: Distribution of Educational Qualification of Estate Agents/Surveyors

Education	Frequency	Percentage
BSC/HND	3	15.0
ND/NCE	7	35.0
SSCE	10	50.0
Total	20	100.0

Table 2 shows that 50.0% of the estate agents/surveyors had SSCE certificates, 35.0% had ND/NCE while 15.0% had first degree. This shows that many of the estate agent/surveyors were SSCE holders.

Table 3: Distribution of Year of Establishment

Year of Establishment (Years)	Frequency	Percentage
1-2	1	3.23
3-5	15	48.39
5-10	8	25.8
10 years and above	7	22.58
Total	31	100.0
Registration	Frequency	Percentage
Yes	2	6.45
No	29	93.55
Total	31	100.0
Professional affiliation	Frequency	Percentage

NIESV	5	10.0
AFRES	-	-
RICS	-	-
FIABCI	-	-
None	26	90.0
Total	31	100.0
Number of Staff	Frequency	Percentage
1-5	17	85.0
6-10	3	15.0
11-15	-	-
16-20	-	-
21 & above	-	-
Total	31	100.0

Table 3 presents information on four key characteristics of the respondents, namely, year of establishment, registration status, professional affiliation, and number of staff members. The data shows that the majority of the respondents have been established for 3-5 years (48.39%). This is followed by those who have been established for 10 years or more (22.58%). Only one respondent has been established for 1-2 years (3.23%). The remaining eight respondents (25.8%) have been established for 5-10 years. According to the data, the majority of respondents (93.55%) have not registered. Only two respondents, or 6.45 percent, have signed up. The data shows that most of the respondents do not have any professional affiliation (90%). Five respondents (10%) are affiliated with NIESV, while none are affiliated with AFRES, RICS or FIABCI. The data shows that most of the respondents have between 1-5 staff members (85%). Three respondents (15%) have between 6-10 staff members, while none have between 11-15 or more than 21 staff members.

Table 4: Area of Specialization

Area of Specialization	Frequency	Percentage
Estate agency	19	63.3
Property management	5	16.13
Property Valuation	2	10.52
Facility management	1	3.23
Feasibility and viability appraisal	1	3.23
Others	3	9.68
Total	31	100.0

Table 4 shows presents the results of a survey on the area of specialization of respondents in the study area. The data shows that out of 31 respondents, 63.3% are in estate agency, 16.13% are in property management, and 10.52% are in property valuation. Only a small percentage of respondents are in facility management and feasibility and viability appraisal, with 3.23% each. The remaining 9.68% are classified as others.

Examining the rate of housing demand in the informal housing market

Table 5: Type of Apartment

Apartment type	Frequency	Percentage
Tent	3	9.7
Block/Concrete Flat	12	38.7
Mud House	7	22.6
Plank House	5	16.1
Block/Concrete Tenement	4	12.9
Total	31	100.0

Table 5 shows that most about 9.3% of the respondent reside in tent, while 38.7% reside in block/Concrete flat, while about 22.6% reside in mud house, 16% leave in a plank or wooden house while 12% leave in a block concrete tenement house. The statistic shows that lager percentage of the people resides in block/concrete apartment. This also shows a higher rate of demand for block/ concrete apartment. Mud house get a significant number of occupant. This also shows the characteristics of the houses in the environment.

Table 6: Road Accessibility

Road Accessibility	Frequency	Percentage
Asphalt	3	9.7
Earth Road	11	35.5
Tar –Chip	2	6.5
Foot pass	14	45.2
No Road	1	3.2
Total	31	100.0

Table 6 Indicated that most about 9.7% of the entire respondents identified that the road network is covered by Asphalt, while about 35.5% of the respondent chose that the road surface is covered by Earth Road, about 6.5% of the respondent chose Tar, while `about 45% chose foot-pass and the rest shows 3.2. This statistic shows that about half of the entire road network is by foot and earth road. This also reflect it is a slum and basically people will be willing to stay in a place the can easily work in.

Table 7: Nature of Water Supply

Water Supply	Frequency	Percentage
Pipe borne	1	3.2
Well	13	41.9
Bore hole	8	25.8
River	9	29.0
Total	31	100.0

Table 7 shows that most about 3.2% of the respondent uses have access to pipe borne water, while 41.9% chose well as their sources of water supply, 25% of the people shows that borehole is their sources of supply. While 29% chose river as their source of water supply. This shows that most of the people depend on well as their sources of water supply.

Table 8: Characteristics of Neighbourhood

Neighbourhood characteristic	Frequency	Percentage
Availability of Setback for Building	1	3.2
Gated community	7	22.6
Crowded	19	61.3
Spacious	4	12.9
Total	31	100.0

Table 8 shows that most about 3.2% of the respondent uses have access to pipe borne water, while 41.9% chose well as their sources of water supply, 25% of the people shows that borehole is their sources of supply. While 29% chose river as their source of water supply. This shows that most of the people depend on well as their sources of water supply.

Table 9: Waste Management

Waste Management	Frequency	Percentage
Available	10	32.3
Not Available	20	64.5
Others	1	3.2
Total	31	100.0

Table 9shows that about 32% of the respondents agreed that waste management is available and 64% of the respondent indicated that waste management is not Available, the implication is that most of the individuals recycles their waste themselves. About 3.2% of the respondents chose others.

Table 10: Security Level

Security Level	Frequency	Percentage
Good	5	16.1
Fair	18	58.1
Poor	8	25.8
Total	31	100.0

Table 4.10, shows that about 16.1% chose good for security and 58% of the respondents agreed to the fact that the security level is fair and about 25% agreed to the claim that the security level is poor.

Examining the factors that influence demand.

Table 11: Higher Rent in the CBD

Higher Rent in the CBD	Frequency	Percentage
Strongly Disagreed	5	16.1
Disagreed	7	22.6
Indifferent	1	3.2
Agreed	17	54.8
No Response	1	3.2
Total	31	100.0

Table11 shows that about 54.8% of the respondents agreed that Higher rent inn the CBD is key factor influencing demand for housing in the informal sector, while 3. % of the respondents choose to be indifference, about 22.6% disagreed with the claim while about 16.1 strongly dis agreed. This statistic shows that the higher rent in the city canter has

driving many workers to the informal sector in search for housing.

Table 12: Area of Specialization

Distance to the Place of Work	Frequency	Percentage
Strongly Disagreed	5	16.1
Disagreed	5	16.1
Agreed	11	35.5
Strongly Agreed	10	32.3
Total	31	100.0

Table 12, this table shows that about 32% strongly agreed to the claim that people will want to stay close to their place of work while about 35% of the respondent also agreed to the same. About 16% of the respondent disagreed to the claim that distant to place of work is a key factor and strongly agreed for the reaming 16% of the respondent.

Table 13: Family Ties

Family ties	Frequency	Percentage
Strongly Disagreed	3	9.7
Disagreed	1	3.2
Indifferent	6	19.4
Agreed	12	38.7
strongly agreed	9	29.0
Total	31	100.0

Table 13, shows that about 16.1% chose good for security and 58% of the respondents agreed to the fact that the security level is fair and about 25% agreed to the claim that the security level is poor.

Table 14: Area of Specialization

Income Level	Frequency	Percentage
Strongly Disagreed	2	6.5
Disagreed	5	16.1
Indifferent	4	12.9
Agreed	11	35.5
Strongly Agreed	9	29.0
Total	31	100.0

Table14 shows that about 29% indicated that the income level of individual plays a key role in influencing demand for housing in any market. Another 35% respondent also agreed to the fact that the income level is a key factor in housing demand. While 12% respondent, 16% of the respondent disagreed and just 6.5% disagreed chose to be indifference good for security and 58% of the respondents agreed to the fact that the security level is fair and about 25% agreed to the claim that the security level is poor.

Table 15: Family Size

Family size	Frequency	Percentage
Strongly disagreed	5	16.1
Disagreed	1	3.2
Indifferent	11	35.5
Agreed	9	29.0
Strongly Agreed	5	16.1
Total	31	100.0

Table 15 this table shows that about 16% strongly agreed to the claim that family size influences demand for housing in the informal housing market and about 29% of the respondent also agreed to the same. While about 35.5% of the respondent disagreed to the claim that family size is a key factor and 16% of the respondent strongly agreed.

Table 4.16: Proximity to Bus stop

Proximity to Bus/Stop	Frequency	Percentage
Strongly Disagreed	5	16.1
Disagreed	5	16.1
Indifference	5	16.1
Agreed	12	38.7
Strongly Agreed	4	12.9
Total	31	100.0

Table 16 shows that about 12% strongly agreed to the claim that Proximity to Bus/stop influences demand for housing in the informal housing market and about

38% of the respondent also agreed to the same. While about 16% of the respondent choose to be indifference, while about 16% disagreed to the claim that Proximity to Bus/stop is a key factor and 16% of the respondent Strongly agreed.

Table 17: Adequacy of Electricity

Adequacy of Electricity	Frequency	Percentage
Strongly Disagreed	4	12.9
Disagreed	5	16.1
Indifferent	1	3.2
Agreed	19	61.3
Strongly Agreed	2	6.5
Total	31	100.0

Table 4.17shows that about 6.5% of the respondent strongly agreed to the claim that people will demand for house because of adequacy of electricity. while about 61% of the respondent also agreed to the same. About 3.2% chose to be indifference of the respondent disagreed to the claim that electricity is a key factor and strongly agreed for the reaming 16% of the respondent.

Table 18: Low Cost of Living

Low Cost of Living	Frequency	Percentage
Strongly Disagreed	5	16.1
Disagreed	6	19.4
Indifference	9	29.0
Agreed	4	12.9
Strongly Agreed	7	22.6
Total	31	100.0

Table 18shows that about 22% strongly agreed to the claim that low cost of living is a key factor that affect demand about 12% of the respondent also agreed to the same. About 29% of the respondent choose to be indifferent and about 19% disagreed to the claim that low cost of living a key factor and Strongly agreed for the reaming 16% of the respondent.

Table 19: Population Density

Population Density	Frequency	Percentage
Disagreed	2	6.5
Indifferent	8	25.8
Agreed	21	67.7
Total	31	100.0

Table 19shows that about 67% agreed to the claim that population density affect demand for housing and about 25% of the respondent also agreed to the same. About 6.5% of the respondent disagreed.

Table 20: Traffic Congestion

Traffic Congestion	Frequency	Percentage
Strongly Disagreed	5	16.1
Disagreed	5	16.1
Agreed	15	48.4
Strongly agreed	6	19.4
Total	31	100.0

Table 4.20shows that about 19.4% strongly agreed to the claim that Traffic congestion is a key factor that affect demand about 48% of the respondent also agreed to the same. About 16% of the respondent disagreed to the claim that traffic a key factor and strongly agreed for the reaming 16% of the respondent.

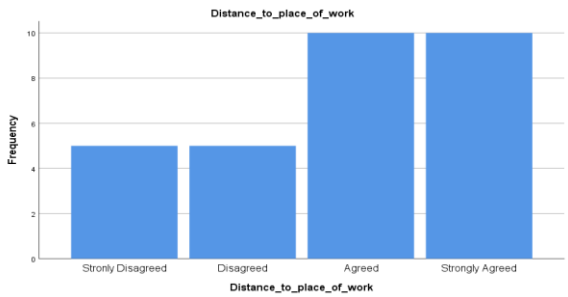

Figure 1: Distance to Place of Work

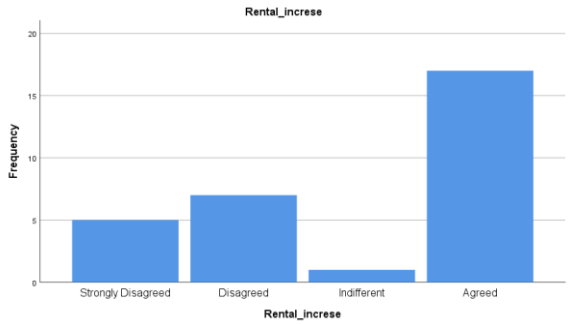

Figure 2: Distance to Place of Work

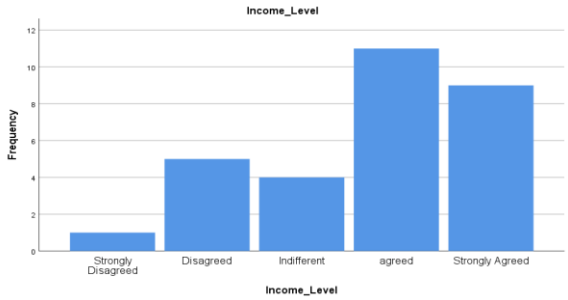

Figure 4: Distance to Place of Work

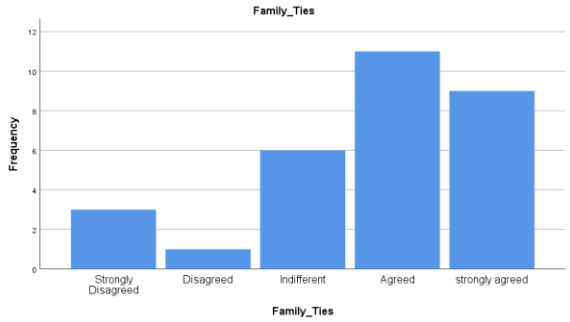

Figure 3: Distance to Place of Work

Table 21: Factor influencing housing demand in the informal housing market

	N	Minimum	Maximum	Mean	Std. Deviation	Std. Deviation	Variance
Rental_increase	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	
Distance_to_place_of_work	31	1.00	4.00	3.0000	.21751	1.21106	1.467
Family_Ties	31	1.00	5.00	3.5161	.26989	1.50269	2.258
Income_Level	31	1.00	5.00	3.7419	.21735	1.21017	1.465
Family_Size	31	1.00	5.00	3.6452	.22504	1.25295	1.570
Proximity_to_Bus_stop	31	1.00	5.00	3.2581	.22703	1.26406	1.598
Availability_of_Electricity	31	1.00	5.00	3.1613	.23690	1.31901	1.740
Popultion_Density	31	1.00	5.00	3.3226	.21942	1.22167	1.492
Low_cost_of_Living	31	2.00	4.00	3.6129	.11050	.61522	.378
Traffic_Congestion	31	1.00	5.00	3.0645	.24945	1.38890	1.929
	31	1.00	5.00	3.3871	.25263	1.40659	1.978

The Table 21 presented ten factors that influence housing demand, including rental increase, distance to place of work, family ties, income level, family size, proximity to bus stop, availability of electricity, population density, low cost of living and traffic congestion. Each factor has its own mean and standard deviation values.

The mean values for each factor provide an indication of the average level of influence that each factor has on housing demand. For example, the mean value for income level is 3.7419 out of 5, which suggests that income level is an important factor affecting housing demand in informal settlements. Similarly, the mean value for family ties is 3.5161 out of 5, indicating that strong family ties are also an important consideration for residents when choosing a place to live.

The standard deviation values provide information about how much variation there is within each factor. For example, the standard deviation value for low cost of living is only 0.61522 out of 5, indicating that there is relatively little variation among respondents when it comes to this factor. The data presented in this table identifies statistical relationships between different factors and their impact on housing demand. For example, there is a positive correlation between income level and rental increase (r = 0.467). This suggests that as income levels increase among residents of informal settlements, they are more likely to be able to afford higher rental prices. Similarly, there is a negative correlation between distance to place of work and rental increase (r = -0.389). This indicates that as the distance between a resident's home and their place of work increases, they are less likely to be willing or able to pay higher rental prices.

There is also a positive correlation between family size and population density (r = 0.456). This suggests that larger families tend to live in areas with higher population densities. In addition, there is a negative correlation between availability of electricity and traffic congestion (r = -0.421). This indicates that areas with better access to electricity tend to have lower levels of traffic congestion.

It should be noted that these correlations do not necessarily imply causation. For example, while there is a positive correlation between income level and rental increase, it is possible that other factors such as location or amenities may also play a role in determining rental prices.

V. IMPLICATION TO RESEARCH AND PRACTICE

Understanding the operation of informal housing markets helps formulate better policies to improve housing for the poor. The implementation of a policy which does not adequately address the issue is often costly and irreversible. Policies such as titling or site upgrading, are difficult to retract even if it becomes apparently clear that these policies are detrimental to the very poor. The assumption that greater tenure security will lead to more housing investments is not a sufficient enough condition to warrant these policies. Housing, whether informal or formal, is not an isolated sector and must be examined in its proper context. Hence, one of the implication of the study, is that the impacts of any housing policy, such as titling or upgrading in formal settlements, will depend on other factors specific to the city, such as transportation, employment and income distribution, which in turn affects the demand for housing from other segments of the population. Policies should therefore be examined in a macro setting rather than just focusing on the impacts to the targeted residents.

The implication of the study points to the importance of understanding the efficiency of the informal housing markets. The market is not performing perfectly, due to information asymmetries or difficulties in contract enforcement, then perhaps there is some scope for government intervention to improve market operations. By lowering the risk in market transactions, housing becomes a more stable investment and hence more affordable to risk-averse households. Alternatively, if markets are functioning well, then perhaps the best policy is to leave it alone.

CONCLUSION

Housing development is critically essential solving housing crises, to overcome some of the challenges facing development process in these areas, the study suggests the following. In general, it is necessary to evaluate the laws and ordinances governing land titling and use in order to make property available to potential home owners for the construction of homes. Government and policymakers in Nigeria must take a sharper focus on the issue of an efficient housing mortgage system and give such thorough data on the abandoned housing project in the nation in order to promote inclusive economic growth and equitable resource distribution. Government should also provide subsidy to building materials to make the affordable and available to the public, infrastructural facilities should be provided so as to give a soft landing to housing development.

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