Impact of Urbanisation on the Housing Rent in the Lokoja Metropolis, Kogi State, Nigeria

Odaudu, Ugbede Sunday

Department of Architecture
Kano University of Science and Technology, Wudil, Nigeria
Email: arcodauduugbede@yahoo.com

ABSTRACT

Increase of Housing rent is a problem in Nigeria due to urbanisation and despite the Federal Government interventions on housing provisions, Nigeria's housing problems still remain intractable. This has led to research to be carried out on the impact of urbanisation on the housing rent in the Lokoja metropolis of Kogi State of Nigeria with the aim of assessing how the housing rent has been increasing from 1991 to 2017 in the Lokoja metropolis, in order to generate a solution that can reduce housing deficit in Nigeria. The unknown population of the study area in the following years: 1994, 1997, 2000, 2003, 2009, 2012, 2015 together with 2018 and 2021 (the projected years) were calculated using Census (1991) unified formula [$Pt = Po\,(1+r)^t$] for projecting the population of any part of Nigeria and the unknown population of the study area for the selected years were known. Then, oral interviews were conducted with inhabitants of the study area that are owners of 2-bedroom bungalow or residential buildings that contain a 2-bedroom flat. One owner of a 2-bedroom bungalow or a building that contains a 2- bedroom flat represents one inhabitant. The different amounts of the housing rent that tenants have been paying from 1991 till date (2017) were known from 100 owners of a 2-bedroom bungalow or building that contains 2-bedroom flat by using systematic random sampling method, which made it possible to calculate the average housing rent per the selected years. Then, the population of the Lokoja metropolis was compared with the average housing rent within a particular selected years starting from 1991 throughout the selected years to the projected years (2018 and 2021), in order to know how the housing rent has been increasing over the years and how will this increase be in future. The results showed a rapid increase of housing rent and suggested that, the government of Nigeria and the private developers should emphasis on the construction of more houses, since there is an urbanisation that led to a great need for housing magnitude in the study area.

Key Words: Urbanisation, Housing, Impact, Increasing, Rent.

INTRODUCTION

In developing countries, urbanisation is shifts from rural societies to urban societies, and it involves an increase in the number of people in urban areas (Cohen, 2004). This unprecedented movement of people is forecasted to continue with its intensity in the next few decades (Muhammed *et. al.,* 2015). The process of urbanisation is increasing in both the developed and developing countries. 7.0% of Nigerians lived in urban centres in the 1930s, and 10% in 1950s, by 1970, 1980 and 1990, 20%, 27% and 35% lived in the cities respectively (Okupe, 2002). Over 40% of Nigerians now live in urban centres of varying sizes (Bala and Bustani, 2009). Thus, rapid urbanisation has resulted to increase in housing rent to an extent that 60% of Nigerians can be said to be houseless persons (Federal Government of Nigeria, 2004). Although urbanisation is the driving force for modernisation, economic

growth and development not only in Nigeria but in different part of the world (Muhammed *et. al.,* 2015). However, there is increasing concern about effects of expanding cities which is principally on housing rent. Housing rent is the amount of money that one regularly pays for the use a house. Rapid growth in population creates demand pressure towards shelter (Bala and Bustani, 2009) and this leads to increase of housing rent. As more and more Nigerians make towns and cities their homes, the resulting housing rent challenges need to be urgently addressed (Rajab, 2008). The current housing policy in Nigeria has strongly shifted towards a more stringent pro-market emphasis than the previous policy it replaced (Okechukwu, 2009). However, this shift towards the market has raised doubt about the feasibility of the housing policy goal, which is to ensure that all Nigerians own or have access to decent, safe and sanitary housing accommodation at affordable cost with secured tenure (Federal Government of Nigeria, 2002). The skepticism feeds off the evident of increase in urban housing affordability problems and the decline in housing conditions for the majority of urban dwellers. This increasing concern underscores the need to rigorously assess the appropriateness of contemporary market-based housing policies and their underlying assumptions. This is especially so, when most countries seem to pursue the housing policy goal of provision of adequate shelter for all. Housing deficit is put at 15 million houses in Nigeria (Mabogunje, 2002). Home prices and rents, on the other hand, have grown ahead of general inflation. Making matters Worse, the composition of homes for sale and rent on the market has been inexorably shifting towards very expensive home (Nubi, 2008). Despite the Federal Government interventions on housing provisions, Nigeria's housing problems still remain intractable. Thus, it became important that a research is carried out on impact of urbanisation on the housing rent in the Lokoja metropolis of Kogi State, in order to generate a solution that can reduce housing deficit in Nigeria. When the rate of urbanization is more than the housing stock in any urban area, there will be an increase of the demand for more houses (Seidu, 2008). This means that, when there is an urbanisation and people are not building houses, there will be demand for more houses. Subsequently, when there is an increase of the demand for more houses, the housing rent will increase and when this increase of housing rent is regular, there will be a problem. Therefore, increase of housing rent is a problem. Nigeria is facing a regular increase in housing rent. The Federal Government of Nigeria has tried several ways of solving the problem of housing deficit (increase of housing rent over the money earned in a particular period of time) in the country over the years but could not succeed. One of these attempts was in 2003 when the Federal Government of Nigeria established the Federal Ministry of Housing and Urban Development, and Proposed a Housing Reform, in view of the fact that there were not many affordable houses in Nigeria but this attempt was in vain.

The aim of this study is to assess how the housing rent has been increasing in Lokoja metropolis from 1991 to 2017, in order to generate a solution that can reduce

housing deficit in Nigeria. The objectives of this study are: to determine the population of Lokoja metropolis between 1991 to 2017 when they were no censuses; to determine the projected population of Lokoja metropolis in 2018 and 2020; to evaluate how housing rent will be in 2018 and 2020; to ascertain substitutes by residents of the study area in view of the problem of housing deficit. The study was conducted in Lokoja. The capital City of Kogi State is Lokoja in Nigeria and it is located 7.80 latitude and 6.74 longitudes; it is situated at elevation 53 metres above sea level (World Atlas, 2017).

RESEARCH METHOD

For the purpose of this study, the unknown population of Lokoja metropolis in the following years: 1994, 1997, 2000, 2003, 2009, 2012, 2015, and 2018 and 2020 (the projected years) were calculated using census (1991) unified formula [$Pt = Po$ $(1 + r)^t$] for projecting the population of

any part of Nigeria and the population of Lokoja metropolis for the selected years were known. Then, oral interviews were conducted with inhabitants of the study area that are owners of 2-bedroom bungalow or residential building that contains a 2-bedroom flat. One inhabitant represents one owner of 2-bedroom bungalow or a residential building that contains a 2- bedroom flat. The different amounts of housing rent that tenants have been paying to owners of the selected buildings from 1991 till date (2017) were known from 100 owners of the 2-bedroom bungalows or residential buildings That contain a 2-bedroom flat by using systematic random sampling method, which made it possible to

calculate the average housing rent per year using the following years: 1991, 1994, 1997, 2000, 2003, 2006, 2009, 2012, 2015 and 2017. Thereafter, the population of Lokoja metropolis was compared with the average housing rent within a particular selected years starting from 1991 throughout the selected years, in order to know how the housing rent has been increasing over the years and how will this increase be in future.

RESULTS AND DISCUSSION

The population of Lokoja Metropolis was 39,524 in 1991 and later increased to 196,643 in 2006 (National Population Commission, 1991 and 2006). This means that, the population of Lokoja Metropolis has increased by 157,119 (196,643 minus 39,524) from the year 1991 to the year 2006. According to the National Population Commission of Nigeria in 2006, the major factor that contributed to the increase of population in Lokoja Metropolis is urbanisation, as a result of making Lokoja the capital of Kogi State on 27th August, 1991. Again, the Federal University Lokoja was established along with other eight new Federal Universities in Nigeria on the 16th February, 2011 following a pronouncement by the former Nigerian President Goodluck Ebele Jonathan (Official Website of the Federal University, Lokoja, 2017). With this immediate statement, it is expected that the population of Lokoja has significantly increased between 2011 till date (2017) because of the establishment of the Federal University which has in turn brought students and staff of the University to Lokoja Metropolis.

According to National population of the unified formula for projecting the population of any part of Nigeria.
Where,
Pt = Future Population (Unknown).
Po = Base / Present Population (Known).
r = Annual National Population Growth Rate of 4%.
t = Time lag between base year and
Therefore, this unified formula for the housing rent in the Lokoja metropolis.

Recall that, $Pt = Po\ (1 + r)^t$.
Pt = Future Population (1994).
Po = 39524 (National Population Commission, 1991).
r = 4%.
t = 3 years.
$Pt = 39524\ (1 + 0.04)^3$
$Pt = 39524\ (1.04)^3$
Pt = 39524 × 1.124864
Pt = 44459.12474
Pt ≈ 44,459

FOR THE PROJECTION OF 1997 POPULATION OF LOKOJA METROPOLIS:

Recall that, $Pt = Po(1 + r)^t$.
Pt = Future Population (1997).
Po = 39524 (National Population Commission, 1991).
r = 4%.
t = 6 years.
Substituting these values in the unified formula for projecting the population of any part of Nigeria, 1997 projected population of the Lokoja metropolis will be:
$Pt = 39524\ (1 + 4\%)^6$
$Pt = 39524\ (1 + 0.04)^6$
$Pt = 39524\ (1.04)^6$

Nigeria (1991), "$Pt = Po(1 + r)^t$" is calculating projection of population of any part of Nigeria was used to calculate projection of the population of Lokoja metropolis for the following years: 1994, 1997, 2000, 2003, 2009, 2012, 2015, 2018 and 2021, in order to know how population in different years have affected expected year.

FOR THE PROJECTION OF 1994 POPULATION OF LOKOJA METROPOLIS:

Substituting these values into the unified formula for projecting the population of any part of Nigeria, 1994 projected population of the Lokoja metropolis will be:
$Pt = 39524\ (1 + 4\%)^3$

This means that, the projected population of the Lokoja metropolis in 1994 was 44,459.
Pt = 39524 × 1.265319018
Pt = 50010.46887
Pt ≈ 50,011
This means that, the projected population of the Lokoja metropolis in 1997 was 50,011.

FOR THE PROJECTION OF 2000 POPULATION OF LOKOJA METROPOLIS:

Recall that, $Pt = Po(1 + r)^t$.
Pt = Future Population (2000).
Po = 39524 (National Population Commission, 1991).
r = 4%.
t = 9 years.

Substituting these values in the unified formula for projecting the population of any part of Nigeria, the year 2000 population of Lokoja metropolis will be:

$Pt = 39524 \left(1 + 4\%\right)^9$

$Pt = 39524 \left(1 + 0.04\right)^9$

$Pt = 39524 \left(1.04\right)^9$

FOR THE PROJECTION OF 2003 POPULATION OF LOKOJA METROPOLIS:

Recall that, $Pt = Po \left(1 + r\right)^t$.

Pt = Future Population (2003).

Po = 39524 (National Population Commission, 1991).

r = 4%.

t = 12 years.

Substituting these values in the unified formula for projecting the population of any part of Nigeria, 2003 projected population of the Lokoja metropolis will be:

$Pt = 39524 \left(1 + 4\%\right)^{12}$

$Pt = 39524 \left(1 + 0.04\right)^{12}$

$Pt = 39524 \left(1.04\right)^{12}$

$Pt = 39524 \times 1.601032219$

$Pt = 63280.38314$

$Pt \approx 63280$

This means that, the population of the Lokoja metropolis in 2003 was 63,280.

FOR THE PROJECTION OF 2009 POPULATION OF LOKOJA METROPOLIS:

Recall that, $Pt = Po \left(1 + r\right)^t$.

Pt = Future Population (2009).

Po = 196643 (National Population Commission, 2006).

r = 4%.

t = 3 years.

Substituting these values in the unified formula for projecting the population of

$Pt = 39524 \times 1.423311812$

$Pt = 56254.97606$

$Pt \approx 56255$

This means that, the projected population of the Lokoja metropolis in 2000 was 56,255.

any part of Nigeria, 2009 population of the Lokoja metropolis will be:

$Pt = 196643 \left(1 + 4\%\right)^3$

$Pt = 196643 \left(1 + 0.04\right)^3$

$Pt = 196643 \left(1.04\right)^3$

$Pt = 196643 \times 1.124864$

$Pt = 221196.6316$

$Pt \approx 221197$

This means that, the projected population of the Lokoja metropolis in 2009 was 221,197.

FOR THE PROJECTION OF 2012 POPULATION OF LOKOJA METROPOLIS:

Recall that, $Pt = Po \left(1 + r\right)^t$.

Pt = Future Population (2012).

Po = 196643 (National Population Commission, 2006).

r = 4%.

t = 6 years.

Substituting these values in the unified formula for projecting the population of any part of Nigeria, 2012 projected population of the Lokoja metropolis will be:

$Pt = 196643 \left(1 + 4\%\right)^6$

$Pt = 196643 \left(1 + 0.04\right)^6$

$Pt = 196643 \left(1.04\right)^6$

$Pt = 196643 \times 1.265319$

$Pt = 248816.1241$

$Pt \approx 248816$

This means that, the projected population of the Lokoja metropolis in 2012 was 248,816.

FOR THE PROJECTION OF 2015 POPULATION OF LOKOJA METROPOLIS:

Recall that, $Pt = Po(1 + r)^t$.

Pt = Future Population (2015).

Po = 196643 (National Population Commission, 2006).

r = 4%.

t = 9 years.

Substituting these values in the unified formula for projecting the population of any part of Nigeria, 2015 projected population of the Lokoja metropolis will be:

$Pt = 196643 (1 + 4\%)^9$

$Pt = 196643 (1 + 0.04)^9$

$Pt = 196643 (1.04)^9$

$Pt = 196643 \times 1.423311$

$Pt = 279884.145$

$Pt \approx 279884$

This means that, the projected population of the Lokoja metropolis in 2015 was 279,884.

FOR THE PROJECTION OF 2018 POPULATION OF LOKOJA METROPOLIS:

Recall that, $Pt = Po (1 + r)^t$.

Pt = Future Population (2018).

Po = 196643 (National Population Commission, 2006).

r = 4%.

t = 12 years.

Substituting these values in the unified formula for projecting the population of any part of Nigeria, 2018 projected population of Lokoja metropolis will be:

$Pt = 196643 (1 + 4\%)^{12}$

$Pt = 196643 (1 + 0.04)^{12}$

$Pt = 196643 (1.04)^{12}$

$Pt = 196643 \times 1.601031$

$Pt = 314831.5389$

$Pt \approx 314832$

This means that, the projected population of the Lokoja metropolis in 2018 will be 314,832.

FOR THE PROJECTION OF 2021 POPULATION OF LOKOJA METROPOLIS:

Recall that, $Pt = Po(1 + r)^t$.

Pt = Future Population (2021).

Po = 196643 (National Population Commission, 2006).

r = 4%.

t = 15 years.

Substituting these values in the unified formula for projecting the population of any part of Nigeria, 2021 projected population of Lokoja metropolis will be:

$Pt = 196643 (1 + 4\%)^{15}$

$Pt = 196643 (1 + 0.04)^{15}$

$Pt = 196643 (1.04)^{15}$

$Pt = 196643 \times 1.800942$

$Pt = 354142.6377$

$Pt \approx 354143$

This means that, the projected population of the Lokoja metropolis in 2021 will be 354,143.

Table 1 shows Population Distribution of the Lokoja metropolis from the above author's projected population. It also shows estimated population of the Lokoja metropolis by the National Population Commission of Nigeria (NPCN) in 1991 and 2001 respectively, and costs of the average rent of a 2-bedroom flat for all the selected years.

Table 1: The Population Distribution of the Lokoja Metropolis with the Costs of the Average Rent of a 2-Bedroom Flat.

YEAR	NPCN ESTIMATED POPULATION	AUTHOR'S PROJECTED POPULATION	COST OF THE AVERAGE RENT OF A 2-BEDROOM FLAT (IN NAIRA)
1991	39,524	——	25,311
1994	——	44,459	41,476
1997	——	50,011	53,211
2000	——	56,255	75,441
2003	——	63,280	90,665
2006	196,643	——	150,333
2009	——	221,197	185,390
2012	——	248,816	215,922
2015	——	279,884	250,488
2017	——	——	273,798
2018	——	314,832	——
2021	——	354,143	——

Source: The National Population Commission of Nigeria (1991 and 2006), Author's Projected Population and Field Work (2017).

Table 1 show that there is big gap between the authors's projected population of the Lokoja metropolis in 2003 and NPCN estimated population of Lokoja metropolis in 2006. This affirmed the earlier statement which states that, the major factor that contributed to the increase of population in Lokoja metropolis is urbanisation, as a result of making Lokoja the capital of Kogi State on 27th August, 1991 (National Population Commission of Nigeria in 2006). Nevertheless, the author's projected population of the Lokoja metropolis remains significant to this study.

From the author's field work (2017), when the estimated population of Lokoja was 39,524 in 1991, the average rent of the 2-bedroom flats was ₦25,311 (₦ is equal to Nigerian Naira). In 1994, when the population of Lokoja was increased to 44,459 as projected, the average rent of the 2-bedroom flats increased to ₦41,476. In 1997, when the projected population of Lokoja increased to 50,011, the average rent for the 2-bedroom flats increased to ₦53,211. In 2000, when the projected population of Lokoja increased to 56,255, the average rent of the 2-bedroom flats increased ₦75,441. In 2003, when the projected population of Lokoja increased to 63,280, the average rent for the 2-bedroom flats increased to ₦90,665. In 2006, when the estimated population of Lokoja increased to 196,243, the average rent of 2-bedroom flat increased to ₦150,333. In 2009, when the population of Lokoja increased to 221,197 as projected, the average rent of the 2-bedroom flats

increased to ₦185,390. In 2012, when the projected population of Lokoja increased to 248,816, the average rent of the 2-bedroom flats increased to ₦215,922. In the year 2015, when the projected population of Lokoja increased to 279,884, the average rent of the 2-bedroom flats increased to ₦250,488. This year (2017), the average rent of the 2-bedroom flats has increased to ₦273,798. Finally, in 2018 and 2021 (the future years), the projected population of Lokoja will be 314,832 and 354,143 respectively, and this rapid increase of housing rent will be worse, if it is not tackled as a matter of urgency.

SUMMARY OF FINDINGS

The rapid increase of population in the Lokoja metropolis due to urbanisation is the cause of rapid increase of housing rent. The study also showed un-uniformed rate of increase of housing rent and it means that, the migration of people to the study area is not uniformed throughout the whole three years intervals of the migration; it also means that, the cost of building new houses due to the economy of a nation at a particular year also affect the housing rent. In the future years (2018 and 2021), the rapid increase of housing rent will be worse, if it is not tackled as a matter of urgency.

CONCLUSION AND RECOMMENDATIONS

Nigeria is facing the problem of regular increase of housing rent due to increase of housing demand as a result of urbanisation and inadequate building of new houses to meet up with the housing demand. The Federal Government of Nigeria has tried several ways of solving this problem in the country over the years but could not succeed. Housing is one of the basic needs of man and a vigorous/buoyant housing sector is an indication of a strong programme of national investment and is indeed the foundation of and the first step to future economic growth and social development. Urbanisation is the movement of people from the rural area to the urban area especially in search of jobs and education and it is one of factors that contribute to the increase of population of any urban area.

Impact of urbanisation on the housing rent in the Lokoja metropolis of Kogi State of Nigeria was studied and the aim of the study is to assess how the housing rent has been increasing from 1991 to 2017 in the Lokoja metropolis, in order to generate a solution that can reduce housing deficit in Nigeria. Results showed a rapid increase of housing rent and recommended that the government of Nigeria and the private developers should emphasis on the construction of more houses, since there is an urbanisation that led to a great need for housing magnitude in the study area. For a housing rent to be rapidly increasing over the years, it also means that, the housing demand is rapidly increasing but the estimated number of houses to be built have not been established in this work. Therefore, it is finally recommended in future research of this nature that, the estimated number of houses that are to be built per year, in order to solve the problem of housing deficit in Nigeria should be addressed.

REFERENCES

Bala, K. and Bustani, S.A. (2009). A Review of Housing Delivery

Efforts in Nigeria. Department of Building, Faculty of Environmental Design, Ahmadu Bello University, Zaria, Kaduna State, Nigeria.

Cohen, B. (2004). Urban growth in developing countries: A Review of Current Trends and a Caution Regarding Existing Forecasts. *World Development* 32 (2004) (1), pp.23–51. Article | PDF (490 K) | View Record in Scopus | Cited By in Scopus (62).

Federal Government of Nigeria (2002). Government White Paper on the Report of the Presidential Committee on Urban Development and Housing. The Federal Government Printer, Lagos.

Federal Government of Nigeria (2004). National housing Policy Draft. Abuja, Nigeria.

Mabogunje, A. (2002). Housing Delivery Problems in Nigeria. Punch, Wednesday, May, 2002.

Muhammed, S.N., Sabiu, N. & Khalil, M.S. (2015). *An Overview of Urbanization and its Challenges on Sustainable Development in Nigeria.* Dutse Journal of Pure and Applied Sciences 1(1) June 2015, Pp 19 – 29.

National Population Commission of Nigeria (1991). The Result of 1991 Population Census. Office of the National Population Commission of Nigeria, Lokoja, Kogi State, Nigeria.

National Population Commission of Nigeria (2010). *Population Distribution by Sex, State, Local Government Area and Senatorial District.* Priority Table, Volume III. The Result of 2006 Population and Housing Census of the Federal Republic of Nigeria.

Nubi, O.T. (2008). Affordable Housing Delivery in Nigeria. The South African Foundation International Conference and Exhibition. Cape town, October 22, pp 1-18.

Official Website of the Federal University, Lokoja (2017). Establishment of the Federal University Lokoja. The University Online Historical Archive. http://www.fulokoja.edu.ng/our-history.php. Retrieved on 13-07-2017

Okechukwu, J.N. (2009). Urban Housing Affordability and Housing Policy Dilemmas in Nigeria. An Unpublished PhD Thesis Submitted to the Centre for Urban and Regional Studies, School of Public Policy, University of Birmingham.

Okupe, O. (2002). Problem of Real Estate Developers in Nigeria. A paper presented at a workshop organised by the Nigerian Institute of Quantity Surveyors, Abuja.

Rajab, A. (2008). Public and Private Developers as Agents in Urban Housing Delivery in Sub-Saharan Africa. An Unpublished M.Sc. Thesis, Department of Urban and Regional Planning, Faculty of Environmental Design, Ahmadu Bello University, Zaria, Kaduna State, Nigeria.

Seidu, J. K. (2008). Urbanisation and Housing Type in Minna: A Study of Kpakungu Community. An Unpublished M. Tech.

Thesis. Department of Urban and Regional Planning, Faculty of Environmental Studies, University of Nigeria, Nsukka, Enugu State, Nigeria.

Ugbah, T.T. (2007). Assessment of Building Contravention in Kpakungu Area of Minna, Niger State. An Unpublished B. Tech. Thesis. Department of Urban and Regional Planning, Federal University of Technology, Minna, Niger State, Nigeria.

World Atlas (2017). Where Is Lokoja, Nigeria? Location of Lokoja on a Map. http://www.worldatlas.com/af/ng/ko/where-is-lokoja.html. Retrieved on 12-07-2017.