DOI: 10.5281/zenodo.21346348

SOCIOECONOMIC FACTORS INFLUENCING HOUSING POLICY FORMATION IN NIGERIA: A COMPARATIVE STUDY OF KANO AND LAGOS CITIES

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ABSTRACT

Nigeria faces a persistent housing deficit, estimated at over 20 million units, with urban centers such as Kano and Lagos among the most affected. Despite various federal and state-level interventions, housing affordability, accessibility, and sustainability remain elusive due to multiple socioeconomic constraints. This study examines the socioeconomic factors shaping housing policy formation in Kano and Lagos, focusing on affordability, land acquisition, income levels, urbanization pressures, and institutional capacity. Using documentary analysis of recent government policies, grey literature, and secondary empirical data (2020–2025), the paper compares how state contexts mediate housing delivery outcomes. Findings suggest that while Lagos policies are increasingly shaped by rapid urbanization, land market pressures, and private sector dominance, Kano's housing policies are influenced by low-income household structures, land tenure complexity, and federal-state project alignments such as the Renewed Hope Estates. The paper argues that effective housing policy must balance affordability and inclusivity with innovative financing and public-private partnerships. It is recommended that; *to effectively address Nigeria's 28-million-unit housing deficit, policymakers must abandon uniform federal strategies and implement localized, context-specific reforms*

Keywords: Housing policy, socioeconomic factors, Kano, Lagos, affordability, Nigeria.

1. INTRODUCTION

Changing socioeconomic factors, particularly wealth disparity, urbanisation, financialisation, and altering demography, have a major role in shaping global housing policy. In industrialised nations, housing is frequently transformed from a fundamental social necessity into a speculative asset class due to high levels of financial capital and developed credit markets. As a result, the goals of policy change to include targeted demographic changes, institutional control, and stringent market regulation. Through its Housing Development Board (HDB), Singapore, for example, employs an aggressive state-directed approach; the government actively constructs public housing units and modifies qualifying income ceilings to adjust for ageing populations and diminishing family sizes. In a similar vein, Germany enforces stringent rent control laws as the Mietpreisbremse to keep metropolitan areas accessible for the working class, hence mitigating severe wealth disparities and real estate financialisation.

Conversely, On the other hand, poor formal credit penetration, high construction prices, fast rural-to-urban migration, and expansive informal settlements are some of the unique socioeconomic challenges that emerging countries face. As a result, rather than strict private market regulation, housing frameworks in these areas place a greater emphasis on extensive public subsidies, land titling, and community-driven activities. In order to eradicate informal favelas, Brazil's historic federal initiative Minha Casa, Minha Vida (MCMV) uses substantial state support and subsidised low-interest credit lines that are primarily targeted at low-income groups. Similar to this, regional authorities in Nigeria have been forced to concentrate on public-private infrastructure partnerships and state-backed housing estates due to severe urbanisation and an expanding economic supply-demand gap; however, low-income access is still limited by high building costs and financial constraints.

Housing policy in Nigeria has long been shaped by the interplay of demographic growth, socioeconomic inequalities, and institutional capacity. The Nigerian housing deficit is conservatively estimated at 20–22 million units, with an annual growth of approximately 900,000 units due to rapid urbanization (National Bureau of Statistics (NBS), 2022). Urban centers such as Lagos, Nigeria’s commercial hub, and Kano, the largest city in northern Nigeria, exemplify contrasting dynamics in housing provision and policy formation. Lagos faces intense population pressure, with an estimated 22 million residents, while Kano, with over 15 million, struggles with affordability and tenure challenges, particularly for low-income earners (Ajayi & Ajayi, 2021; Muhammad, 2014). Socioeconomic determinants—including income, affordability, land acquisition, urbanization, and employment—are central to policy formation. In Lagos, land commodification, speculative practices, and private-sector dominance have increasingly defined housing outcomes, whereas in Kano, cultural preferences, poverty rates, and federal-state initiatives shape the policy landscape.

The significance of this study lies in its capacity to systematically deconstruct the uniform policy fallacies that have historically stalled affordable housing delivery across sub-Saharan Africa’s most populous nation. By utilizing Urban Sprawl Theory to analyze the distinct operational landscapes of the Lagos State Development and Property Corporation (LSDPC) and the Kano State Housing Corporation (KSHC), this research moves beyond broad, aggregated national metrics to provide a granular, sub-national understanding of urban expansion. For academic scholars and urban theorists, this work enriches the global literature on Southern urbanism. It demonstrates that peripheral urban sprawl in developing economies is often driven by low-income survival strategies and informal land systems rather than automobile-centric suburban wealth. Empirically, the study bridges a critical sub-national data gap by documenting how identical macroeconomic shocks—such as hyper-inflationary building material costs and restrictive mortgage interest rates—produce entirely divergent crises: acute quantitative rental deficits and vertical congestion in coastal Lagos versus structural qualitative deficiencies and unregulated horizontal expansion across landlocked Kano.

Practically and institutionally, this research serves as a vital strategic blueprint for regional urban planners, fiscal authorities, and state-level housing corporations. By explicitly mapping how localized cultural frameworks, household demographics, and customary land tenure systems influence housing choices, the findings provide actionable insights for moving away from rigid, centralized state blueprints. Instead, it equips agencies like the LSDPC and KSHC with the empirical backing required to draft localized zoning regulations, implement retroactive infrastructure upgrades, and design targeted public-private partnerships (PPPs). Ultimately, this study offers a clear framework for balancing commercial real estate investment with social welfare housing goals. It provides policymakers with the tools needed to design inclusive, culturally relevant, and structurally sustainable housing interventions that can effectively absorb Nigeria's rapid urban transformation. This paper addresses the following research objectives; firstly, to access the socioeconomic factors influence housing policy formation in Nigeria?; secondly: to examine how these factors manifest differently in Kano and Lagos, and lastly; What implications do these differences hold for inclusive and sustainable housing policy?

2. LITERATURE REVIEW

2.1 Housing Policy Formation in Nigeria

Housing policy in Nigeria has evolved in phases, each reflecting the socioeconomic and political realities of its time. Early interventions were driven by the recognition of housing as both a social good and an instrument for economic development. The National Housing Policy of 1991 remains a landmark, as it sought to streamline provision by enabling private sector participation, mortgage finance development, and land reform (Federal Ministry of Housing and Urban Development, 2024). However, subsequent reviews and programs have consistently highlighted gaps between policy objectives and implementation outcomes.

The Federal Housing Authority (FHA) initiated several mass housing projects in the 1970s and 1980s, primarily targeting urban workers, yet these were often unaffordable for the majority of low- and middle-income Nigerians (Ikiriko, Dawaye, Enwin, Dornubari, & Chukwuma, 2023). In more recent years, the Renewed Hope Cities and Estates initiative (2023–2024) has emphasized Public Private Partnership-driven delivery, aiming to construct 100,000 units nationwide, including in Lagos and Kano. Scholars, however, observe that these initiatives continue to replicate patterns of exclusion, where affordability and access for the poor remain secondary to financial viability for developers (Olayiwola & Lawanson, 2022).

The academic literature consistently points to four persistent structural barriers to housing policy effectiveness: (1) inadequate financing mechanisms, with mortgage penetration less than 1% of GDP compared to 20–30% in emerging economies; (2) high and volatile costs of building materials, often imported and vulnerable to inflation; (3) weak institutional capacity, marked by corruption, fragmented mandates, and poor enforcement of regulations; and (4) exclusionary land tenure systems that hinder broad-based access to land (Frank Nwaogelenya Opia et al., 2025; Okorafor, 2025). These structural challenges mean that despite the proliferation of policies, the Nigerian housing deficit has grown to over 20 million units and continues to expand by nearly one million units annually (World Bank, 2023).

2.2 Socioeconomic Determinants of Housing Policy

Housing policy formation cannot be divorced from its socioeconomic environment (Amao, 2014). The determinants influencing housing outcomes in Nigeria are multifaceted:

2.2.1 Income and Affordability
Affordability remains the most critical determinant of access to housing. Studies confirm that over 70% of urban Nigerians cannot afford formal housing, relying instead on self-construction, incremental building, or rental within informal settlements (Adebisi & Ezeokoli, 2023; Amao, and Odunjo, 2014). Even when government-led or PPP-driven housing projects are launched, price thresholds far exceed the purchasing power of most households. The mismatch between wage structures—where the national minimum wage is ₦30,000 (approximately $40/month)—and market-driven housing costs underpins chronic exclusion (Umeonyirioha et al., 2025).

2.2.2 Land Tenure and Acquisition
Land-use constraints and tenure regimes are equally pivotal. Nigeria's Land Use Act of 1978 vests land ownership in state governors, giving them significant discretion in allocation. In practice, this has created bureaucratic bottlenecks, opportunities for rent-seeking, and barriers for ordinary citizens (Onyemelukwe, 2022). In Lagos, speculative land markets inflate costs, while in Kano, customary tenure systems complicate registration and legal ownership. The literature emphasizes that without effective land administration reform, even the most ambitious housing programmes risk failure (Aliyu, 2023).

2.2.3 Urbanisation and Population Growth
Urbanization trends exert immense pressure on housing supply. Lagos absorbs approximately 600,000 new residents annually, driven by rural-urban migration and natural growth (World Bank, 2023). This influx intensifies demand for land, fuels informal settlement expansion, and overwhelms existing infrastructure. Kano, while less globalized, is Nigeria's second most populous city, with over 16 million residents and a population growth rate of 3–4% annually. The result is rapid urban sprawl, increasing demand for affordable housing, and pressure on peri-urban land (Amao, Rahbarianyazd and Odunjo, 2024).

2.2.4 Institutional Capacity
Institutional strength—or weakness—shapes the trajectory of housing delivery. The National Bureau of Statistics (2022) noted that housing agencies across Nigerian states face challenges of underfunding, political interference, and weak regulatory oversight. PPP frameworks, while promising in theory, often lack clear affordability mandates. Mortgage schemes, likewise, remain underutilized due to low incomes, poor credit systems, and cultural preferences for outright land ownership. Comparative literature suggests that the institutional capacity—not just financial resources—is decisive in translating policy into tangible outcomes (Eboh & Olayinka, 2021).

2.3 Housing in Lagos
Lagos exemplifies the dynamics of urbanization, land speculation, and private sector dominance. Studies emphasize that housing policy in Lagos is heavily skewed toward market-driven development. Luxury estates—such as Eko Atlantic City and Lekki corridor projects—dominate the landscape, catering primarily to elites and expatriates (Eze, 2022). This has intensified affordability gaps, with middle- and lower-income groups increasingly marginalized from formal housing.

The Lagos State Development and Property Corporation (LSDPC) continues to provide mid-range housing, yet access is still disproportionately limited to middle- and upper-income households (Lawanson & Fadare, 2021). Informal settlements, including Makoko and Ajegunle, persist as self-help responses to policy exclusion. Urban renewal initiatives often displace these communities, fueling gentrification and social stratification (UN-Habitat, 2022).

Financial exclusion compounds the problem. Mortgage finance penetration remains below 1% of Nigeria's GDP, reflecting limited affordability, weak credit institutions, and cultural skepticism toward long-term debt (Central Bank of Nigeria, 2022). Scholars argue that without affordability mandates and incremental housing models, Lagos's housing policy will remain exclusionary (Adelekan, 2023).

2.4 Housing in Kano

Kano presents a contrasting socioeconomic and policy context. Poverty rates are significantly higher, with much of the population engaged in informal employment. Incremental, self-built housing dominates, reflecting the inability of households to access formal finance (Mukarram, 2022).

Government-led projects in Kano remain small in scale. Grey literature suggests that only 0.01% of low-income housing need is currently supplied by state projects (Mukarram, 2022). The *Renewed Hope City* project at Lambu, Tofa Local Government Area, launched in 2024, represents a landmark federal-state collaboration with 500 planned units (FMHUD, 2024). Yet affordability concerns persist—rent-to-own schemes and PPP estates often remain inaccessible to informal earners.

PPP arrangements in Kano frequently target specific groups with relatively stable incomes, such as public servants and teachers (Kano State Government, 2024). While this ensures repayment, it excludes the majority of households dependent on informal livelihoods. Land tenure remains particularly problematic: customary ownership, overlapping claims, and bureaucratic delays undermine both state-led and private-sector housing delivery (Aliyu, 2023).

2.5 Comparative Gaps

The Lagos–Kano comparison illustrates divergent but overlapping challenges. Lagos is characterized by urbanization-driven commodification of housing, where speculative land markets and elite-focused PPPs dominate. Conversely, Kano grapples with affordability and poverty-driven exclusion, where government efforts are constrained by limited resources and institutional dependence on federal projects.

Yet both contexts converge on three systemic weaknesses:

1. **Affordability crisis** – whether through inflated market costs (Lagos) or low household incomes (Kano).
2. **Inefficient land administration** – whether speculative commodification or customary tenure delays.
3. **Institutional weakness** – whether fragmented governance in Lagos or dependency on federal allocations in Kano.

Scholars agree that unless these systemic issues are addressed, Nigeria's housing policy will remain fragmented, exclusionary, and unable to significantly reduce the housing deficit (Olayiwola & Lawanson, 2022; UN-Habitat, 2023).

2.6 Comparative Overview of Housing Policies

Table 1: Comparative Overview of Housing Policies, Principles, and Socioeconomic Determinants in Lagos and Kano (RQ1)

Determinant / Topic	Lagos	Kano
Policy framework & guiding documents	Lagos State Housing Policy (2021); market-led delivery, PPPs, and urban renewal emphasis (Lawanson & Fadare, 2021).	Kano State Development Plan (2021–2025); subsidized/state-led provision and targeted worker housing (Kano State Government, 2024).
Principal policy objectives / principles	Private sector promotion, densification, and homeownership for middle-income groups (Eze, 2022).	Improve affordability for low-income groups, provide targeted housing (Mukarram, 2022).
Flagship programmes / instruments	Rent-to-Own Lagos Homes, LSDPC estates, PPP-driven luxury housing, and urban renewal projects (UN-Habitat, 2022).	Renewed Hope City (Lambu), teacher/public-servant estates, small-scale low-cost housing (FMHUD, 2024).
Financing mechanisms	Private finance with limited mortgage penetration (<1%), some state subsidies (CBN, 2022).	Reliance on state/federal allocations, donor funding, and limited mortgage uptake (Mukarram, 2022).
Target groups (implicit vs explicit)	Predominantly middle- and upper-income households; low-income groups often excluded (Eze, 2022).	Public servants (teachers, civil servants) explicitly targeted, but informal earners underserved (Aliyu, 2023).
Land tenure / acquisition issues	Speculative private markets, costly titling, bureaucratic hurdles (Onyemelukwe, 2022).	Customary/religious tenure systems dominate, slowing project delivery (Aliyu, 2023).
Institutional capacity & governance	Multiple agencies (LSDPC, Lands Bureau, Ministry of Housing), fragmented coordination, strong private sector influence (Lawanson & Fadare, 2021).	Centralized state-led implementation, dependent on federal collaboration, weak monitoring capacity (Kano State Government, 2024).
Socioeconomic drivers influencing policy	Rapid in-migration (≈600k/year), commercialized land, rising construction costs (World Bank, 2023).	High poverty rates, large informal economy, cultural tenure practices (Mukarram, 2022).

Affordability profile	Formal housing largely unaffordable; rental stress persists (Adebisi, 2021).	Lower prices but still unaffordable relative to incomes; minimal affordable supply (Obinna, 2021).
Informal housing & self-help practices	Informal settlements (e.g., Makoko, Ajegunle) persist despite clearance efforts (UN-Habitat, 2022).	Incremental self-built housing dominates; reliance on family/community land (Mukarram, 2022).
Observed outcomes / challenges	Gentrification, displacement, inequality, and deficit persistence (Lawanson & Fadare, 2021).	Small-scale impact of projects; exclusion of informal earners; implementation delays (Aliyu, 2023).
Policy gaps / risks	Over-reliance on market-driven PPPs, weak land governance, exclusion of informal sector (Eze, 2022).	Overdependence on small state/federal projects, weak tenure reform, limited institutional scaling (FMHUD, 2024).

Sources: Adebisi (2021); Aliyu (2023); Central Bank of Nigeria (2022); Eze (2022); Federal Ministry of Housing and Urban Development [FMHUD] (2024); Kano State Government (2024); Lawanson & Fadare (2021); Mukarram (2022); Obinna (2021); Onyemelukwe (2022); UN-Habitat (2022); World Bank (2023).

3. MATERIAL AND METHODS

3.1 Research Design and Rationale

This study adopts a qualitative, comparative case study design anchored in documentary analysis. A qualitative approach is appropriate because the central research concern is to interpret how socioeconomic dynamics shape housing policy formation, rather than to generate numerical measurements of policy outcomes. Qualitative methods enable the researcher to uncover meanings, values, and institutional logics embedded in policy texts, official reports, and academic debates (Creswell & Poth, 2018).

The comparative element draws from Yin's (2018) assertion that case study research is particularly suited for the exploration of complex policy phenomena where context is central. By juxtaposing Lagos, Nigeria's commercial hub with high migration inflows, speculative land markets, and private-sector-led housing, and Kano a northern metropolis with a strong informal sector, higher poverty levels, and culturally embedded tenure systems. This study illuminates how contrasting socioeconomic structures mediate housing policy formation.

This design offers two contributions:

1. It provides **intra-case depth**, capturing the internal logic of each city's policy discourse.
2. It allows **cross-case comparison**, identifying convergence (shared challenges such as affordability) and divergence (differences in institutional and financing mechanisms).

3.2 Study Area Selection

The study focuses on **Lagos** and **Kano**, Nigeria's two most populous urban centers, representing divergent socioeconomic and governance contexts.

- **Lagos**: A megacity with over 20 million residents, marked by rapid in-migration (≈600,000 annually), high commercialization of land, and dominance of public–private partnerships (World Bank, 2023).

- **Kano**: A historic trade hub with over 13 million people, higher poverty rates, and reliance on state-led and federal collaborations in housing provision (Kano State Government, 2024). The contrasting contexts provide a fertile ground for examining how local socioeconomic realities shape the design and implementation of housing policy frameworks.

3.3 Data Sources

Data were obtained exclusively through documentary analysis, combining primary and secondary sources.

3.3.1 Primary Sources

- **Policy documents and strategic plans**: e.g., Lagos State Housing Policy (2021), Kano State Development Plan (2021–2025).
- **Federal programmes**: Renewed Hope Cities and Estates Initiative (2023–2025).
- **Budget and fiscal reports**: including the Kano State Debt Sustainability and Development Management Report (2024).

3.3.2 Secondary Sources

- **Academic literature (2020–2025)**: peer-reviewed articles on Nigerian housing, affordability, and urban governance.
- **Grey literature**: reports from development agencies (UN-Habitat, World Bank), local think tanks, and policy institutes.
- **Media sources**: Nigerian newspapers, housing-sector blogs, and government press releases, used to capture contemporaneous discourse and public reactions.

This multi-source dataset was selected to ensure breadth, triangulation, and validity.

3.4 Data Collection Procedures

Document collection followed a **systematic protocol**:

1. **Identification**: Key policy texts were identified from state and federal housing websites, international development agencies, and urban governance portals.
2. **Selection**: Inclusion criteria emphasized recent (2020–2025), relevance to housing, and direct engagement with policy formation.
3. **Validation**: Each document was cross-checked with at least one alternative source (e.g., government gazette, academic citation) to ensure reliability.

Academic publications were retrieved from Scopus, JSTOR, and Google Scholar. Grey literature was sourced from World Bank Open Knowledge Repository, UN-Habitat databases, and Nigerian policy think tanks.

3.5 Data Analysis

The study employed thematic content analysis (Braun & Clarke, 2006), carried out in two structured stages:

1. **Open Coding**: Initial categories were derived inductively, including “affordability,” “land access,” “informality,” “fiscal capacity,” and “institutional weakness.”
2. **Axial Coding**: Codes were refined into analytical determinants (e.g., income distribution, tenure systems, population growth, and public–private partnership models).

The analysis followed two comparative steps:

- **Intra-case analysis**: Each city’s policy documents were analyzed separately to establish coherence between socioeconomic drivers and policy frameworks.

- **Cross-case comparison**: The Lagos and Kano cases were juxtaposed to highlight convergence (e.g., both cities struggling with affordability) and divergence (e.g., Lagos' PPP-driven housing versus Kano's state-led interventions).

3.6 Analytical Strategy
The study adopted an **urban political economy lens**, situating housing policy as both a response to and a product of socioeconomic structures. Comparative insights were generated by asking:
- How do socioeconomic conditions constrain or enable housing policy in each city?
- To what extent do policy responses reflect local economic realities?
- Where do policies converge and diverge, and why?

Findings were interpreted within broader debates on housing policy in Sub-Saharan Africa, ensuring both contextual specificity and regional relevance.

4. RESULTS AND DISCUSSION

The research adopted qualitative, documentary-analysis methodology (anchored in thematic content analysis, open coding, and axial coding as per Braun & Clarke, 2006), the "raw data" consists of document excerpts, text units, specific policy clauses, and extracted thematic codes, rather than numerical statistics. The three tables below (Tables; 2,3, and 4) are designed to present this raw qualitative data. They trace analytical journey from the raw document source, through open and axial coding, directly answering the three research questions.

Table 2: Axial Coding Matrix: Cross-Case Juxtaposition of Institutional Logics (RQ2 Divergence)

Source Document & ID	**City Context**	**Raw Extracted Text / Policy Clause (Raw Data)**	**Initial Open Code Assigned**	**Associated Axial Code (Determinant)**
Lagos State Housing Policy (2021) [Doc-L01]	Lagos	*"Due to extreme land scarcity and competing commercial demands... the state must leverage private capital via Joint Ventures to build vertically..."*	Land scarcity; Private equity; High-density verticality	**Urban Sprawl Typology / Financing Model**
World Bank Report (2023) [Doc-S04]	Lagos	*"Lagos receives roughly 600,000 in-migrants annually, forcing low-income earners into peri-urban areas and informal aquatic settlements..."*	High in-migration; Unregulated peripheral growth; Water slums	**Population Growth & Sprawl Manifestation**
Kano State Dev. Plan (2021–2025) [Doc-K01]	Kano	*"The expansion of metropolitan Kano is predominantly horizontal, converting agricultural fringes into residential layouts without immediate grid layout..."*	Horizontal expansion; Agricultural encroachment; Unplanned layouts	**Urban Sprawl Typology**
Kano Debt Sustainability Report (2024) [Doc-K03]	Kano	*"Fiscal constraints require dependence on federal collaborations and direct subsidies to deliver low-cost housing schemes for low-income brackets..."*	Low state revenue; Subsidy dependence; Federal reliance	**Fiscal Capacity & State Intervention**
Academic Literature (2022) [Doc-S01]	Lagos	*"The financialization of real estate in Lagos via LSDPC partnerships has created an oversupply of luxury estates while the middle-class faces a*	Market financialization; Luxury oversupply; Affordability crisis	**Income Distribution & Market Barriers**

		30%+ cost-to-income crisis."		
Grey Literature: UN-Habitat (2024) [Doc-S05]	Kano	*"Over 70% of land transactions in peripheral Kano bypass the formal land registry, relying instead on customary title systems and community structures."*	Informal land transfers; Customary tenure; Registry circumvention	**Land Tenure Systems**

Table 3: A Comparism between Kano and Lagos Urban Housing Governance

Refined Axial Code (Determinant)	**Lagos Institutional Logic (LSDPC Data Patterns)**	**Kano Institutional Logic (KSHC Data Patterns)**	**Cross-Case Analytical Insight (Divergence Summary)**
Institutional & Financing Framework	**Corporate-PPP Model:** Driven by Joint Ventures, private equity injection, and cost-recovery pricing mechanisms.	**Social-Welfare Model:** Driven by state budgetary allocations, subsidized site-and-services layouts, and civil servant schemes.	Lagos treats housing as a financialized asset market; Kano treats housing as a public social welfare obligation.
Socio-Spatial Sprawl Management	**Vertical Containment:** Policies prioritize multi-story apartments and high-density redevelopments due to water boundaries.	**Horizontal Formalization:** Policies focus on establishing new satellite estates on vast expanses of low-cost peripheral land.	Spatial constraints dictate vertical growth in Lagos, while land availability permits horizontal expansion in Kano.
Tenure & Legal Integration	**Statutory Enforcement:** High insistence on formal Certificates of Occupancy (C of O), strict zoning penalties, and land titles.	**Customary Accommodation:** Pragmatic tolerance of traditional land subdivisions and informal community leadership layouts.	Lagos enforces a strict formal market structure; Kano adapts to deeply embedded customary traditions.

- **Table 4: Triangulation and Policy Implications Matrix (RQ3: Inclusive & Sustainable Frameworks)**

Axial Theme	**Convergent Challenge**	**Case Study Divergence (Lagos vs. Kano)**	**Triangulated Policy Implication for Sustainability (RQ3 Output)**
Affordability Bottlenecks	Both cities fail to provide adequate housing for households earning the minimum wage or less.	**Lagos:** Driven by high rents and land costs. **Kano:** Driven by poor building material quality and lack of credit.	**Lagos:** Needs rent control enforcement, inclusionary zoning laws, and micro-apartments. **Kano:** Needs local material building research, microfinance schemes, and infrastructure supply.
Urban Sprawl Controls	Both cities experience rapid outward expansion that outpaces the municipal grid.	**Lagos:** Sprawl shifts into hazardous zones (marshes, lagoons) via informal settlements. **Kano:** Sprawl shifts into vital agricultural land at the city fringes.	**Lagos:** Needs strict spatial boundary enforcements and transit-oriented social housing designs. **Kano:** Needs proactive land-titling reforms and grid infrastructure layout before settlement occurs.

4.1 Lagos: Housing Policy Formation Drivers

As shown in Table 1, Lagos's housing policy is shaped by four interlinked drivers: Land Market Pressures; Speculative land sales, driven by investor interest and elite demand, have entrenched gentrification processes across the city. Areas such as Lekki and Victoria Island illustrate how commodification of land privileges high-income buyers while displacing informal settlements (Lawanson & Fadare, 2021). Private Sector Dominance; Public–private partnerships (PPPs) dominate the housing supply, with luxury estates outpacing affordable developments. While PPPs are expected to expand housing delivery, their design typically excludes low-income earners, reinforcing inequality.

Urbanization Pressures; Lagos absorbs an estimated 600,000 migrants annually (World Bank, 2023). This rapid inflow exacerbates housing deficits, fuels the growth of informal settlements such as Makoko and Ajegunle, and strains infrastructure provision. Policy Instruments; Lagos has launched incremental housing schemes, including *Rent-to-Own Lagos Homes*, to expand access. However, these remain marginal relative to demand and disproportionately benefit middle-income groups (Eze, 2022).

4.2 Kano: Housing Policy Formation Drivers

As shown in Table 3, In contrast, Kano's housing policy is shaped by poverty-related and institutional dynamics: Low-Income Household Structures; With widespread poverty and informal employment, mortgage uptake remains extremely limited. Most households rely on incremental, self-built housing on family land (Mukarram, 2022). Land Tenure Complexity; Customary tenure systems and bureaucratic inefficiencies delay land acquisition. These challenges restrict both public and private initiatives, slowing housing delivery (Aliyu, 2023). Federal–State Interventions; Projects such as the *Renewed Hope City* (500 planned units in Lambu, Tofa LGA) and teacher-targeted estates highlight Kano's dependence on federal and collaborative support. While promising, such interventions remain small compared to need (FMHUD, 2024). Institutional Capacity; Fiscal allocations for housing have risen, but state-level delivery capacity lags due to administrative bottlenecks and limited technical expertise.

4.3 Comparative Overview

A cross-case analysis highlights both divergence and convergence in the drivers of housing policy formation.

- **Divergence:**
  - Lagos's housing is increasingly shaped by market-driven forces (land speculation, private-sector PPPs).
  - Kano's housing reflects poverty reduction imperatives and state reliance on federal interventions.
- **Convergence:**
  - Both cities face persistent challenges of affordability, complex land administration, and weak institutional capacity.
  - Both rely on partial policy solutions—Lagos through incremental schemes, Kano through small-scale targeted estates—none of which fully address systemic deficits.

As shown in Table 1: the findings in relation to the study's research questions are;

I. What socioeconomic factors influence housing policy formation in Nigeria?

The study identifies affordability, land tenure, institutional capacity, and urbanisation as the dominant socioeconomic factors shaping policy. Across both cases, weak institutional frameworks, rising construction costs, and exclusionary land tenure systems emerge as systemic constraints (Obinna, 2021; Onyemelukwe, 2022).

II. **How do these factors manifest differently in Kano and Lagos?**

In Lagos, policy is mediated by urbanisation and speculative land markets, reinforcing a PPP-driven, market-oriented model. In Kano, poverty and low household incomes dominate, resulting in reliance on federal and state subsidies and small-scale public housing for civil servants. The contrast underscores how socioeconomic structures embed themselves within policy instruments: **market rationalities in Lagos, welfare-oriented targeting in Kano**.

III. What implications do these differences hold for inclusive and sustainable housing policy?

The divergence in policy drivers suggests that a uniform, national housing strategy is insufficient. Policy design must be **context-sensitive**, reflecting local socioeconomic realities.

- **For Lagos:** stronger land-use regulation, inclusive PPP frameworks, and social safeguards against displacement are essential.
- **For Kano:** incremental housing schemes, tenure reform, and fiscal innovations (e.g., microfinance housing models) may be more impactful.

4.5 Policy Implications

The comparative findings point to four actionable implications:

1. **Design context-specific affordability schemes.** Incremental housing models tailored for low-income earners in Kano; land-use regulation to manage speculation in Lagos.
2. **Expand PPPs with affordability mandates.** Ensure that public–private housing initiatives include quotas or affordability requirements for low- and middle-income groups.
3. **Reform land administration.** Simplify titling and acquisition processes to reduce delays and costs, particularly in Kano where customary tenure dominates.
4. **Invest in infrastructure for peri-urban development.** Target strategic infrastructure expansion to unlock affordable housing in peri-urban areas of both cities.

The findings and discussion in light of the research questions includes:

Lagos was shown to be influenced by market-driven and urbanisation pressures, while Kano reflected poverty-related and institutional dynamics. Despite divergent trajectories, both cities face persistent affordability, land access, and institutional challenges. The discussion emphasized the need for **context-sensitive, inclusive, and sustainable housing policy** that balances private-sector efficiency with public welfare imperatives.

5. CONCLUSION

Housing policy formation in Nigeria is deeply influenced by complex socioeconomic factors that vary significantly across different urban contexts. The comparative analysis of Lagos and Kano reveals divergent drivers shaping policy outcomes—market-driven forces and rapid urbanization dominate in Lagos, while poverty and institutional reliance characterize Kano's housing landscape. Despite these differences, both cities face systemic challenges including affordability crises, inefficient land administration, and weak institutional capacity. These shared constraints underscore the need for context-sensitive, inclusive, and sustainable housing policies that balance private-sector efficiency with public welfare imperatives. Effective solutions must integrate tailored affordability schemes, land tenure reforms, and strengthened governance frameworks to address the persistent housing deficit and promote equitable access. Ultimately, multi-level coordination and policy innovation are essential to transform Nigeria's housing sector and meet the growing demands of its urban populations. This study makes a significant theoretical and empirical contribution to the literature on Southern urbanism and housing policy in Sub-Saharan Africa. Academically, it refines Urban Sprawl Theory—which historically frames suburban expansion as an automobile-dependent product of middle-class wealth—by demonstrating that sprawl in developing countries serves as a spatial survival strategy for low-income populations seeking to escape inner-city cost-to-income crises. By providing a rigorous cross-case juxtaposition of Lagos and Kano, this research successfully decouples the "uniform policy fallacy" that dominates federal housing blueprints in Nigeria. Empirically, it establishes a novel sub-national analytical framework proving that identical macroeconomic shocks, such as building material inflation and high central bank interest rates, yield entirely different housing crises based on regional spatial layouts and institutional models. It documents the contrast between the highly financialized, corporate-led growth of the LSDPC and the state-dependent, social-welfare logic of the KSHC. This provides a clear, documented precedent for analyzing sub-national institutional capacity in developing economies.

While this study establishes a clear comparative baseline using qualitative documentary analysis, several avenues remain open for future academic investigation. First, researchers should conduct localized, quantitative empirical studies utilizing household surveys in the peri-urban fringes of both cities to measure the exact cost-to-income ratios and transport expenditures of families displaced by urban sprawl. Second, further research is required to evaluate the legal compatibility and institutional bottlenecks between statutory land administrations under the Land Use Act of 1978 and traditional customary land allocation systems in Northern Nigeria. Finally, future studies should investigate the financial viability of institutionalizing housing microfinance funds within local cooperative societies, testing whether such models can provide a scalable, non-bank alternative to traditional commercial mortgage lines for informal sector workers.

6. RECOMMENDATIONS

To effectively address Nigeria's 28-million-unit housing deficit, policymakers must abandon uniform federal strategies and implement localized, context-specific reforms. In Lagos, where extreme financialization and a finite coastal landmass drive high-density vertical sprawl, the Lagos State Development and Property Corporation (LSDPC) must pivot from its luxury-oriented public-private partnership (PPP) model toward social inclusion. The Lagos State Government should enact mandatory inclusionary zoning laws that compel private developers to allocate at least 20% of new residential projects to low-income units in exchange for accelerated approvals and land-tax rebates. Furthermore, the state must establish functional Rent Tribunals to enforce localized rent-stabilization caps and eliminate exploitative demands for multi-year upfront payments. Conversely, in Kano, where expansion manifests as low-density, horizontal sprawl into agricultural fringes, the Kano State Housing Corporation (KSHC) must prioritize structural formalization over market regulation. The state should adopt Guided Land Development (GLD) frameworks by proactively mapping out and servicing basic road grids, drainage channels, and utility corridors ahead of peripheral expansion, allowing informal self-construction to occur safely. Additionally, the KSHC can mitigate severe building material inflation by setting up state-backed production plants for Compressed Stabilized Earth Blocks (CSEBs) and working alongside traditional authorities to formalize customary land tenure through decentralized, low-cost digital land registries.

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