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**TITLE:** CHALLENGES OF RENTAL HOUSING AFFORDABILITY BY TEACHERS IN MINNA, NIGER STATE, NIGERIA.

### **Abstract**

Affordable housing has become a serious and considerable challenge especially for low incomes households which resulted from continue growth and expansion of the urban centre. There has been a serious threat to rental accommodation in the urban areas especially to certain grade of workers whose income in most cases are based on their salaries. The challenge becomes not only to provide the houses but to make the houses affordable to the average Nigerian worker. The study examined the challenges of rental housing affordability by teachers in Minna, Niger state, Nigeria. Data were collected from 927 teachers between grade levels 07-17 in 20 purposively selected public secondary schools within Minna metropolis. Information were obtained on the annual income, property rental value and challenges of rental housing affordability by teachers in the study area. Appropriate descriptive and inferential statistics were employed in analyzing data collected. The study revealed that there was a positive significant correlation between annual income and property rental value of the teachers, which implies that as long as there is increase in annual income of teachers, property rental value of teachers in the study area will increase. Lastly, high cost of building materials among others is the strongest predictor of rental value and thus a key contributor to explaining the level of rental housing affordability of teachers in the study area. Among other recommendations to reduce the rental values of properties occupied by teachers in the study area, government should implement existing staff housing programme. While implementing this programme, various income groups should be put into consideration. Emphasis should also be placed on low and medium housing units specific for teachers. This will reduce the housing cost thus making it more affordable to many teachers.

**Key words:** Rental Housing; Housing Affordability, Teachers; Nigeria

## **1.0 Introduction**

Housing is one of the basic needs of man after food and clothing, it constitutes the third necessity of life (Fadairo & Olotuah, 2015). Housing does not only provide shelter for a family but is seen as a centre of its total residential environment (Bujang, Zarin & Jumadi, 2010). It has a profound influence on the health, efficiency, social behaviour, satisfaction and general welfare of the community. Okedele, Mutizwa-Mangiza, and Moisseev (2011) opined that, in the evaluation of man's comfort, growth and development, it is inevitable that housing be considered as a critical element. Housing is an integral element of a nation's economy and its backward and forward linkages with other parts of the economy closely bond people's needs, demands and social processes. These linkages allow housing to act as an important engine for sustainable development and poverty reduction in both society and the economy, and without a functioning housing sector, urban centers cannot be established or developed. A functioning housing sector offers appropriate, affordable housing and sustainable patterns of urbanization which are critical for the future of our ever-urbanizing planet (Thomas, 2013).

Affordable housing has come to mean different things to different people. In its broadest sense, affordable housing refers to any housing that meets some form of affordability criterion. One version of this definition uses the concept of housing stress as its criterion for affordability; housing stress is described as a household paying in excess of 30% of net income. In this broad definition, affordable housing means any housing costing 30% or less than of income earners (Aribigbola, 2013). According to Diogu, Achimpong and Obuzor (2010) affordability is largely influenced by two critical factors, each with its own set of variables. One is the household incomes budgeted for housing consumption; the other is the cost of housing products and services that household prefer. Levels of affordability are affected by household's budgets for their housing preference; when budgets are higher affordability levels increase and vice versa. Higher budgets for housing consumption can be achieved through increase in households' earnings or financing leverage through borrowings and mortgages. However, affordability levels are equally influenced by the cost of the products or services. Affordability increases with decrease in the cost of housing, and decreases when housing cost increases.

The housing market is made up of different sectors which includes the rental sector. Rental accommodation has usually been associated with low income households but also become the main form of housing for middle-income households and new urban residents of all levels

(Acheampong, Ackom, & Adjei 2019). There is positive relationship between incomes of individuals and the price of houses. This is a further indication that with increasing demand for accommodation, most landlords set rents in response to the demand for their property and increase in incomes of their tenants which are sometimes unaffordable to the tenants (Egert & Mihaljek, 2007; Macro, 2008). The rental sector just like other sectors within the housing market have received minimal attention from both governments and private developers. The untapped potential of the rental sector which could be a livelihood to many Nigerians if properly managed, has not received much attention. The problem of affordability is faced by many Nigerians throughout the country and Niger State is not an exceptional. Based on the aforementioned this study seeks to examine the challenges of rental housing affordability by teachers in Minna, Nigeria.

## **2.0 Literature Review**

### **2.2 Rental Housing**

Rental housing has come to help many people across the globe. Some of these people according to Acheampong et al., (2019) are described as tenants by constraints. These category of tenants are slum dwellers, workers who migrate for the purposes of employment and working families who have no access to credit facilities. They further stated that the rental sector is natural outlet for households that do not have sufficient to afford buying a home and do not have income that is formal enough to qualify for a mortgage. Rental sector according to Dzangmah, (2012) rental housing varies among countries and cities. Rental housing in some countries is provided mostly by the public sector, others by the private landlords or by both. It is extremely difficult and often impossible to generalize about the nature of rental housing. The kind of rental dealings largely arises from the nature of rental agreement, that is, personal agreement between landlords and tenants. Rents depends on the quality of accommodation which include the availability of facilities such as potable water, electricity toilet, kitchen among others and also environmental qualities (Boamah, 2010).

### **2.2 Housing Affordability**

Housing affordability relates more broadly to a household's ability to pay for their housing and is seen as a general goal across the housing market (AHURI, 2011). Stone, (2006) suggests that housing affordability directly expresses the challenges each household faces in balancing the cost of its actual or potential housing and its non-housing expenditure within the constraints of its income Stone also acknowledges that affordability is not a characteristic of housing it is a

relationship between housing and people. There is still debate surrounding the issues of when housing is considered to be unaffordable. However, a common measure of housing affordability is that households should spend not more than 30 per cent of their gross household income on housing costs (URI, 2011). It is when households spend more than 30 per cent on housing costs that they may start to experience housing stress (AHURI, 2011). However, even this seemingly simple measure of housing stress attracts much debate amongst not only academic researchers but also within the circles of policy makers across the nation as it excludes extremely low-income earners and may underestimate the number of people actually experiencing housing stress.

### **3.0 Methodology**

A questionnaire survey approach was adopted for this study, which allow data to be collected from a large number of potential respondents within a short period, less expensive for quantitative analysis to be carried out (Crosswell, 2014). The target population for this study are teachers in only public secondary schools having both junior and secondary schools within the grade level 07-17 in Minna Metropolis. This selection is done for the purpose of generalization of research work. The data were collected through a questionnaire survey self-administered to 927 teachers of 20 public secondary schools purposively selected in the study area. Questionnaire design sought for the respondents' annual income and rent paid on various residential properties occupied by the respondents in the study area. The questionnaire also asked the respondents to indicate their level of agreement with the challenges of rental housing affordability on a 5 point Likert scale ranging from 1= "strongly disagree" to 5 = "strongly agree" Therefore, variables with mean item score (MIS) of 3.0 and above were considered to be very significant. 927 questionnaires were distributed to the respondents within 20 selected public secondary schools and the whole 927 questionnaires were properly filled, returned and fit for analysis, representing 100% response rate. Data obtained through the questionnaire was analysed using both descriptive (frequency and mean item scores) and inferential statistics (Pearson Product Moment Correlation) with the use of the Statistical Package for Social Scientist (SPSS). Pearson Product Moment Correlation was used to test if there is significant relationship between the annual income and rental value of the respondents in the study area. Correlation is significant at the 0.05 level (2-tailed).

## 4.0 Results and Discursion

### 4.1 Category of the Respondent

The category of respondents in the research were grouped into ten, the groups are as follows: grade level 7; grade level 8; grade level 9; grade level 10; grade level 12; grade level 13; grade level 14; grade level 15; grade level 16 and grade level 17.

Table 4.1 shows that teachers on grade level 8 and grade level 7 are the highest category of the respondents in this research with 16.82% and 14.45% respondents respectively, while grade level 17 are least with 1.40% respondents.

**Table 4.1: Category of the Respondents**

Grade Level	Frequency	Percentage
GL-7	139	14.99
GL-8	156	16.82
GL-9	112	12.08
GL-10	76	8.19
GL-12	134	14.45
GL-13	110	11.86
GL-14	81	8.73
GL-15	69	7.44
GL-17	37	3.99
GL-17	13	1.40
Total	927	100

**Data Analysis, 2022**

## 4.2 Annual income and rental value of teachers in the study area

Table 4.2 shows the salaries and rents paid by majority of teachers in the ten grade levels of teachers in the study area. The annual salaries and annual rents paid by the respondents in all the groups were collected and grouped into appropriate grade level of teachers. These values give a clear representation of how much is collected as salaries and rents paid by substantial number of teachers from grade level 1-17.

**Table 4.2 Annual income and annual rental value of teachers in the study area**

Grade Level	Mean of Annual Income	Mean of Annual Rent	N
Level 7	517487.62	73064.75	139
Level 8	597237.54	81641.03	156
Level 9	657937.53	92946.43	112
Level 10	725537.53	118289.47	76
Level 12	837084.28	125283.58	134
Level 13	867055.09	137727.27	110
Level 14	935552.83	174320.99	81
Level 15	1236210.52	177391.30	69
Level 16	1926775.76	190810.81	37
Level 17	2662711.54	217692.31	13
Total			927

### Data Analysis, 2022

As shown in table 4.2, Grade level-7 paid annual income and annual rental value of 517487.62 and 73064.75, grade level-8 annual income and annual rental value are 597237.54 and 81641.03, grade level -9 annual income and annual rental value are 657937.53 and 92946.43, grade level-10 annual income and annual rental value are 725537.53 and 118289.47, grade level-12 annual income and annual rental value are 837084.28 and 125283.58, grade level-13 annual income and annual rental value are 867055.09 and 137727.27, grade level-14 annual income and annual rental value are 935552.83 and 174320.99, grade level-15 annual income and annual rental value are 1236210.52 and 177391.30, grade level-16 annual income and annual rental value are 1926775.76 and 190810.81 and finally grade level-17 annual income and annual rental value are 2662711.54 and 217692 respectively. This implies that a periodic upwards review of rent without a corresponding increase in annual salaries will result in an increase in the percentage of household income spent on rent.

### 4.3 Relationship between annual income and rental value of teachers in the study area

Table 4.3 shows the relationship between annual income of teachers and rental value of teachers in the study area. Pearson Product Moment Correlation analysis was employed to see if there is relationship between annual income and residential property values of teachers in the study area.

**Table 4.3: Relationship between annual income and rental value of teachers in the study area**

		RENT	ANNUAL SALARY
RENT	Pearson Correlation	1	.534**
	Sig. (2-tailed)		.000
	N	927	927
ANNUAL SALARY	Pearson Correlation	.534**	1
	Sig. (2-tailed)	.000	
	N	927	927

\*\* . Correlation is significant at the 0.05 level (2-tailed).

### Data Analysis, 2022

Table 4.3 revealed that there was a positive correlation between annual income of teachers and property rental value of teachers in the study area which was statistically significant ( $r = 0.534$ ,  $N=927$ ,  $p < 0.05$ ). In other words, there was a positive significant correlation between annual income of teachers and property rental value of teachers in the study area. This implies that as long as there is increase in annual income of teachers, property rental value of teachers in the study area will increase.

### 4.4 Factors affecting rental housing affordability by teachers in the study area

Table 4.4 Indicate factors affecting level of rental housing affordability by teachers in the study area.

**Table 4.4: Factors affecting rental housing affordability by teachers in the study area**

S/N	Item	N	Mean	Sd	Decision
1	High cost of building materials affect housing affordability in Minna for the teachers	927	3.49	1.246	Agree
2	High technological input affect housing affordability in Minna for the teachers	927	3.41	1.202	Agree
3	High standard designs affect housing affordability in Minna for the teachers	927	3.03	1.252	Agree
4	Durability affect housing affordability in Minna for the teachers	927	3.40	1.279	Agree
5	Safety affect housing affordability in Minna for the teachers	927	3.36	1.201	Agree
	Grand mean		16.69		

### Data Analysis, 2022

Decision mean = 3.0

As shown in Table 4.4, the mean values of factors affecting level of rental housing affordability by teachers in the study area ranging from 3.03 to 3.49 which is positive. The grand mean of factors affecting level of rental housing affordability by teachers in the study area is 16.69, this implies that, the factors affecting level of housing affordability by teachers in Minna is favourable since all the five items on factors affecting level of housing affordability show agreed based on decision mean of 3.0.

## **5.0 Conclusion and Recommendations**

The study is on challenges of rental housing affordability by teachers in Minna, Nigeria. Emanating from the study shows that, teachers on grade level 8 and grade level 7 are the highest category of the respondents in the study area with 16.82% and 14.45% respondents respectively, while grade level 17 are least with 1.40% respondents. Grade level 17 earned annual income of 2662711.54 and rental value of 73064.75 while in contrast teachers on grade level 7 earned 517487.62 and annual income of 217692. There was a positive correlation between annual income of teachers and property rental value of teachers in the study area, which implies that as long as there is increase in annual income of teachers, property rental value of teachers in the study area will increase. High cost of building materials, high technological input, high quality design, safety, durability are the factors affecting rental housing affordability by teachers in the selected location in Minna Metropolis. Lastly, high cost of building materials is the strongest predictor of rental value and thus a key contributor to explaining the level of rental housing affordability of teachers in the study area. Among other recommendations to reduce the rental values of properties occupied by teachers in the study area, government should implement existing staff housing programme. While implementing this programme, various income groups should be put into consideration. Emphasis should also be placed on low and medium housing units specific for teachers. This will reduce the housing cost thus making it more affordable to many teachers.

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