Title: Mortgage Financing in Nigeria: Challenges and the Search for Strategies Aimed at Achieving Global Competitiveness

Author(s): Oloyede, S.A.


Date: 2004

Abstract: Property developers are facing micro and macro-economic problems in their search for ways and means for ensuring sustainable growth. Issues, such as higher unexpected building period, building cost and interest charged on borrowed capital hinder this noble idea. Policies of various arms of government in Nigeria had been unstable over the years due to frequent changes in the polity. The main objective of this paper was to assess the acceptability of the National Housing Fund (NHF) programme by the populace from the view of their participation and evaluate the impact of the scheme on real estate development activities in the country as a whole. At the empirical level, the Federal Mortgage Bank of Nigeria (FMBN) was studied with respect to both Primary Mortgage Institutions (PMI) and Private Real Estate Developers (PRED) in the country. Current significant bottlenecks in real estate development identified by PMI and PRED in Nigeria were looked into in an attempt at offering workable solutions. The results of the study showed that for the populace to achieve maximum benefits accruable from the sustainability of NHF, FMBN should enhance its credibility by promptly considering mortgage loan applications forwarded. A situation, where mortgage loan applications are not considered on time or funds are not released to beneficiaries on time, can frustrate individuals. Once this is done, the national housing scheme would assist Nigerians to face the challenges of housing the masses squarely thereby achieving global competiveness.