

**\*\*Housing Equation: Public + Private = Sustainable\*\***

\*Why Lagos keeps building housing it cannot afford, in places it cannot protect s GDP. It is home to over 27 million people. And it cannot house them. Nigeria21 trillion (Olanrewaju & Akanji, 2025). Even middle-income families are priced out: a modest one-bedroom flat in Lagos rents for over nearly double the national minimum wage. Meanwhile, housing production limps along at fewer than 100,000 units annually against a need for 700,000 (Olanrewaju & Akanji, 2025).

I have spent the better part of a decade studying why housing public-private partnerships fail in contexts like this s housing crisis. The city has embraced PPPs as a vehicle for housing delivery, and there are genuine achievements to point to. But the gap between PPP ambition and PPP output remains enormous. And layered on top of the housing deficit is a climate exposure that makes the stakes even higher: the 2025 Lagos Climate Adaptation and Resilience Plan warns of potential three-metre sea-level rise, four-metre flood events, and nearly US\$40 billion in climate-related losses by 2050, with over 1.4 million people directly at risk (FSD Africa, 2025).

The question is not whether PPPs are a good idea. They are. The question is whether Lagos can build the institutional machinery to make them work at scale 28 million units s housing crisis is not primarily a supply problem. It is a system failure across five interlocking dimensions.

First, land and construction costs are structurally inflated. Rapid urbanisation, speculative land markets, imported building materials, and currency depreciation have pushed formal development costs to levels that exclude most of the population. The Land Use Act of 1978, designed to democratise access, has instead created bureaucratic bottlenecks that slow transactions and inflate prices.

Second, housing finance barely exists for most Nigerians. Mortgage penetration is among the lowest in Africa. Lenders face insecure land titles, macroeconomic volatility, and interest rates that make long-term lending prohibitively risky. Most households simply cannot access the financial products that would make homeownership possible.

Third, regulatory and planning systems actively discourage

private investment. Slow approvals, complex land acquisition procedures, and the absence of trunk infrastructure in development areas create risk profiles that only the most patient or politically connected investors will tolerate.

Fourth, the informal sector has become the default housing provider. Around two-thirds of Lagos residents live in informal settlements (Centre for Affordable Housing Finance in Africa, 2024). This is not a market failure in the conventional sense; it is the market inflation, exchange-rate volatility, energy costs s Renewed Hope Housing Programme has pledged to mobilise private capital and deliver millions of homes, with over s wetlands and biodiversity face destruction (FSD Africa, 2025).

What this means for housing is straightforward but uncomfortable: a significant share of what Lagos has already built sits in harms PPP Programme Has Actually Delivered

Credit where it is due. Lagos a total of 9,970 units over six years, with PPPs contributing roughly 60 per cent. A pipeline of 14,022 additional units is planned through projects including the Egan-Igando Mixed Housing Scheme, LagosHOMS Sangotedo Phase 2, and housing schemes in Epe, Badagry, and Ibeshe (Akinderu-Fatai, 2025).

### Egan-Igando: A microcosm of the promise and the problem

The Egan-Igando Mixed Housing Estate is the flagship. Governor Sanwo-Olu inaugurated Cluster One in June 2024, delivering 270 two-bedroom flats with integrated infrastructure: paved roads, drainage, power transformers, and a sewage treatment plant (Joseph, 2024). Beneficiaries who had fully paid were allocated units at no additional cost.

The project illustrates what PPPs can do well: the government provided land and facilitated approvals; private partners financed and executed construction; and the scheme included affordable units within a mixed-income model. But it also illustrates the scale challenge with uncomfortable clarity. Eight hundred and forty-six units is a genuine achievement for the families who benefit. Against a deficit of millions, it barely registers. The project was also long-delayed before private sector involvement accelerated completion, which raises questions about whether the bottleneck was ever really about private capital s capacity to manage projects in the first place.

### ### An honest assessment of PPP benefits and limitations

PPPs bring genuine advantages to housing delivery. They mobilise private capital, reducing fiscal pressure on a government with constrained revenues and competing priorities. They can accelerate delivery through private sector project management discipline and procurement efficiency. They distribute risk to the parties best positioned to manage it. And they create channels for technological innovation that public programmes rarely adopt on their own.

The rent-to-own model administered by the Lagos Mortgage Board, which has enabled 100 mortgagors to become full homeowners (Akinderu-Fatai, 2025), demonstrates that creative financing structures within PPPs can expand access.

But the limitations are equally real. Private investors require returns, which can push prices beyond the reach of low-income households unless subsidies or cross-subsidisation are built in. PPP contracts are complex instruments that require sophisticated regulatory oversight s governance environment does not consistently provide. Land acquisition for large-scale development is contentious, often displacing informal communities. And PPP housing projects that are not integrated with transport, schools, healthcare, and utilities risk creating isolated estates rather than functional neighbourhoods.

The fundamental question is not **but My research suggests the answer lies in execution capacity, not contractual design.**

### # Building for Sustainability, Not Just for Numbers

Delivering housing units is necessary but not sufficient. SDG 11 calls for safe, resilient, and inclusive settlements clinics, schools, markets s first EDGE-certified data centre, cutting energy use by 35 per cent and carbon emissions by 100 tons annually through water-efficient cooling and low-energy air-circulation systems (Azubuike et al., 2022).

PPP housing should follow this precedent. Energy-efficient materials, solar panels, rainwater harvesting, and passive cooling design all reduce operational costs for occupants while

easing strain on overburdened power and water infrastructure. The forthcoming Lagos State Building Code incorporates resource- and energy-efficient guidelines, and the IFC building cohesives communities with social safety nets, upgrading rather than demolishing existing settlements where possible, and involving residents in design and management.

International climate finance can help. Multilateral agencies can provide concessional loans, guarantees, or blended finance to de-risk green housing PPPs. Sources like the Green Climate Fund, the Adaptation Fund, and C40 Cities finance facilities are available, but accessing them requires what Lagos currently lacks: bankable project pipelines prepared to climate-finance standards (FSD Africa, 2025).

## # The Real Barriers to Scale

Lagos has proven that PPPs can deliver housing. What it has not yet proven is that PPPs can deliver housing at the scale the crisis demands. The barriers are not mysterious, but they are deeply entrenched.

## ### Institutional capacity is the binding constraint

Nigeria has made institutional progress a huge obstacle to homeownership returns that often price out the households who need housing most.

Resolving this tension requires layered interventions: tax breaks, land subsidies, and interest-rate support to bring costs down; rent-to-own and cooperative housing models to spread payments over time; cross-subsidisation within mixed-income developments; and the mobilisation of domestic institutional capital. Nigeria's 17 trillion. Allocating even a modest share to housing PPPs through real estate investment trusts or infrastructure bonds could unlock transformative funding. International investors will need hedging mechanisms and local-currency financing's track record with infrastructure procurement does not inspire confidence. PPP contracts are complex instruments, and without transparent processes, measurable performance indicators, regular audits, and genuine community

engagement, they risk becoming vehicles for rent-seeking rather than public benefit. Digital platforms and blockchain-based land registries can improve transparency, but technology is not a substitute for political will. Building public trust in PPPs requires demonstrated results, not just promises.

#### # What Needs to Happen: A Delivery-Focused Agenda

The recommendations that follow are not novel. Most of them are well understood by practitioners. The challenge is implementation s energy-efficiency requirements. Mandate elevated foundations, adaptive design, and drainage in flood-prone areas. Incentivise solar power, rainwater harvesting, and waste recycling.

- \*\*Design for inclusion, not just output. \*\*Structure PPPs to include a binding proportion of affordable units alongside market-rate homes. Deploy cross-subsidisation and public subsidies to reach low-income households. Prioritise rental and rent-to-own models.

- \*\*Unlock domestic and international finance. \*\*Develop bankable green housing project pipelines to attract climate finance. Blend concessional funding with private capital. Mobilise pension funds through REITs and infrastructure bonds. Expand mortgage-backed securities and guarantee schemes.

- \*\*Integrate housing with city systems. \*\*Coordinate housing projects with BRT and rail planning. Promote transit-oriented development along major corridors. Provide broadband and renewable energy infrastructure to create connected communities, not isolated estates.

- \*\*Protect communities and build trust. \*\*Conduct meaningful stakeholder engagement from planning through operation. Ensure fair compensation for land acquisition. Empower community associations. Make contract terms, costs, and performance indicators publicly available. Establish whistleblower mechanisms.

#### # The Equation That Matters

Lagos faces a dual challenge: an acute housing shortage and escalating climate risk. Traditional public housing programmes have fallen short. Private developers alone cannot bridge the gap. Public-private partnerships, properly designed and

institutionally supported, offer the most credible pathway to mobilise capital, accelerate delivery, and bring innovation into the housing sector.

The evidence from Lagos shows that PPPs have already delivered thousands of homes and could deliver tens of thousands more (Akinderu-Fatai, 2025). But the honest assessment is that this output remains a fraction of what is needed. Scaling from thousands to millions requires not just more PPPs, but better institutions, deeper financing structures, embedded climate resilience, and the kind of sustained political commitment that survives electoral cycles.

The equation in the title of this piece is aspirational, not descriptive. Making it true will require the hardest work in development: building the institutional capacity to execute at scale, transparently, and with genuine accountability to the communities these projects are supposed to serve. That is the delivery challenge. Everything else is commentary.

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