



Awareness of Estate Surveyors and Valuers in Kaduna Metropolis on Secondary Mortgage Financing in Provision of Housing Units

Salawu, Olukayode Adewuyi¹, Ebuga, Emmanuel Attah², Benson Polycarp³

¹Department of Estate Management & Valuation, Kaduna State University, Nigeria

²Department of Estate Management & Valuation Isa Mustapha Agwai I Polytechnic, Lafia, Nigeria

³Department of Urban & Regional Planning Isa Mustapha Agwai I Polytechnic, Lafia, Nigeria

E-mail address: ¹salawukay@gmail.com, ²emmanuelebuga@gmail.com, ³polycarpanddorcas@gmail.com

Abstract: This paper sought to examine the awareness of estate surveyors and valuers on secondary mortgage finance in the provision of housing units in Kaduna metropolis. The survey design was used to collect the experienced opinion of estate surveyors and valuers with the use of questionnaires. Data collected for the study was processed through the Statistical Packages (SPSS) version 25 and analysed using both descriptive statistics (frequency, percentage, mean and standard deviation). The results revealed that the types of housing finances available in Kaduna, Kaduna State, which is the study area are Personal savings that was rated 1st, Men's revolving loan scheme rated 2nd, Commercial banks that was rated 3rd, Federal mortgage bank of Nigeria that was rated 4th and Loan from traditional moneylenders that was rated 5th in ranking. This paper concludes that in the area of provision of housing units through secondary mortgage finance SMF, many estate surveyors and valuers in Kaduna metropolis are aware of SMF but majority have never benefited.

Keywords: Secondary Mortgage Finance, Estate Surveyors and Valuers, Provision of Housing Units.

1. INTRODUCTION :

Housing is generally believed to surpass shelter (Sisson & Chatterjee, 2021; Action Plan, n.d., World Health Organisation, 1988). It is one of (food, clothing and shelter) the trio basic human needs of which deprivation of any makes lives unworthy of living. Housing ranked next to food in the order of priority of every man's basic necessities of life: even though, food, shelter and clothing are paramount to human living (World Health Organization, 2018). Meanwhile, the provision of housing according to Federal Emergency Management Agency (FEMA, 2020) remains a prime concern to individual, the family, community and the nation at large due to its unique characteristics like necessity, importance, durability, spatial fixity, indivisibility, complexity and multi-dimensional heterogeneity, thinness of housing market, non-convexities in production, the importance of information asymmetries, the importance of transaction costs, and the near-absence of relevant insurance and future markets (Arnott, 1987).

Acquisition of housing units is a major undertaking that requires a huge sum of capital and it is usually the largest invest in the lives of individuals, corporate bodies and other organisations. In fact, many individuals source for fund via formal and informal means to acquire housing units with little awareness of secondary mortgage financing (SMF): an integral component of a mortgage financing system. SMF is an essential component of the housing market that did not exist in Nigeria until the 1990s, when Primary Mortgage Institutions (PMIs) Act of 1989 was promulgated. PMIs' Act of 1989 is the enabling law that gave birth to establishing of Mortgage Institutions (Ibuoye, 2021; Ebie, 2009). The SMFs are tasked with the provision of platforms for PMI-originated loans. The main objective of SMFs is to raise fund to finance long-term investments, particularly in housing. The SMF has made a substantial contribution to the socioeconomic development and physical growth in the advanced and rapidly rising economies, particularly in the housing sector.

SMFs in developed countries such as UK, Parts of North America, Germany and some Asian countries like Japan, Korea and Singapore with a well-organized and have effectively assisted in housing finance system (Ibuoye, 2021; Okoroafor, 2007). In United States of America for instance, market financing shows that the prime constituent of the internal



liability markets are mortgage liabilities. However, the economic meltdown has made developing countries scrambling with economic that has an undesirable impact on their financing through mortgage, resulting in poor mortgage market. These developing countries' mortgage financing is a recent phenomenon and prone to fundamental capacity in coping with the demand and need of the financial market in third world economies globally. Nigeria like other developing economic countries has not really felt the impact of SMF in the housing sector.

As a developing country, Nigeria is bedevilled with backlogged of housing deficits trending which no adequate measures instituted to avert the trending. Nigeria's housing deficit was at 7 million rose to 12 million in 2007, 14 million in 2010 and 20 million units as at the end of year 2019 (Moore, 2019). According to Federal Mortgage Bank of Nigeria (FMBN, 2021), the housing deficit in the country is at 28million.

It is against this backdrop that this study examined the level of awareness of Estate Surveyors and Valuers in Kaduna Metropolis on secondary mortgage financing in provision of housing units with a view of reduction in Nigeria housing deficits.

2. MATERIALS AND METHODS :

DESIGN AND SETTING

The research design was survey research and the primary sources of data were employed. A set of questionnaire (with close-ended, open-ended and Likert-scale questions) was as the instrument for data collection. Snowball (referral) sampling technique was employed because population of Estate Surveyors and Valuers in Kaduna are countable and hidden. Also, the difficulty of locating the offices of ESVs made snowball sampling technique the most appropriate.

Sample/participants

The target population included all members of Nigeria Institution of Estate Surveyors and Valuers (NIESV) in Kaduna, Kaduna State. According to Nigeria Institution of Estate Surveyors and Valuers (NIESV, 2021), Kaduna Metropolis of NIESV has One Hundred and Eighty-Two (182) Estate Surveyors and Valuers with Ninety-Three (93) Estate Surveyors' and Valuers' Offices within Kaduna Metropolis. These 182 ESVs is the sample frame. This research work has 93 sample units with each of the ESVs in Estate Surveyors' and Valuers' Offices within Kaduna Metropolis as the sample element, which is 51.10% of the sample frame. Out of Ninety-Three (93) questionnaires administered, eighty-seven (87) were retrieved giving the percentage retrieval to be 93.55%. They are registered and practising Estate Surveyors and Valuers in Kaduna Metropolis that have learnt and have years of experiences on different types of housing finance. They were gotten from the study area through snowball (i.e. referral) sampling method.

The inclusion criteria encompassed Associate members of Nigerian Institution of Estate Surveyors and Valuers that are Principal Partners, Managers and/or Partners of various Estate Surveyors' and Valuers' firms within Kaduna metropolis.

DATA COLLECTION

Pilot survey was conducted to ensure data reliability and data validity. Data reliability was conducted using retest method of 10 questionnaires. In this retest method, five (5) questionnaires were first administered to Estate Surveyors and Valuers in Kaduna Metropolis, Kaduna State and retrieved, while the same five (5) Estate Surveyors and Valuers in Kaduna Metropolis, Kaduna State were re-administered the same set of questionnaire after 10days of retrieving those earlier administered. Meanwhile, content validity was carried out for the validity test. The researchers made four (4) copies of the proposed questionnaire available to four (4) professionals in the field of valuation to assess the worthiness of the questionnaire before pilot survey and research survey. All the observations were effected before the questionnaire was administered for the pilot and field survey.

Data collection was performed using a two-section questionnaire. The first section collected the participants' demographic characteristics including the gender of the respondents in the study area, the profession professional grading of respondents, respondents' ages, the academic qualification of respondents, the professional qualifications of the respondents, number of years of becoming members of Nigerian Institution of Estate Surveyors and Valuers, the period of working with firms of Estate Surveyors and Valuers, numbers of ESVs in the firms. The second section was on finances available for housing provision with preference to secondary mortgage finance. This (second) section has questions on source of your education and level at which housing finance was taught, different types of housing finances available, knowledge about seminars attended on secondary mortgage finance and frequency of having access to secondary mortgage finance in the last 10 years.



Ethical concern was also given a priority by avoidance of ambiguous questions and none of the questionnaires has means of identity. The respondents remain confidential and anonymous throughout to avoid any problem that may be detrimental to these Estate Surveyors and Valuers.

STATISTICAL ANALYSIS

Data were analysed via SPSS version 25 using descriptive statistics (frequency, percentage, mean and standard deviation).

3. RESULT AND DISCUSSION :

RESULT

Table 1: Level at which education on sources of housing finance learnt

Level at which professional negligence was best learnt	Mean Score	Standard Deviation	Rank
Higher National Diploma	4.3400	2.12655	1
First Degree	4.0893	1.01096	2
Masters' Degree	3.5106	0.86705	3
Doctorate Degree	3.3050	1.01623	4
National Diploma	3.2368	1.10121	5
Self-Teaching	1.3947	0.67941	6
NOT AT ALL	1.3158	0.87318	7

Source: Author's Field Survey (2023).

Table 1 shows the mean score and standard deviation of levels at which Estate Surveyors and Valuers best learnt about housing finance during education. ESV that learnt best about housing finance at Higher National Diploma level had a mean score of 4.3400 and a standard deviation of 2.12655. First Degree has a mean score of 4.0893 and standard deviation of 1.01096. Masters degree has a mean score of 3.5106 and 0.86705, Doctorate Degree has a mean score of 3.3050 and standard deviation 1.01623, National diploma has a mean score of 3.2368 and a standard deviation 1.10121, self-teaching has a mean score of 1.3947 and a standard deviation 0.67941 while Not at all has a mean score of 1.3158 and standard deviation of 0.87318.

Table 2: Types of housing finances available

Types of Housing Finance	Mean Score	Standard Deviation	Rank
Personal savings	3.8736	1.27411	1
Men's revolving loan scheme	3.8161	1.13638	2
Commercial banks	3.7011	1.52586	3
Federal mortgage bank of Nigeria	3.6782	1.44266	4
Loan from traditional moneylenders	3.3333	1.16805	5
Individual moneylenders	3.2644	1.33347	6
Pension fund	3.2414	1.23858	7
Merchant banks	3.2069	1.47173	8
Esusu and Ajo	2.8506	1.37696	9
Town union of people living outside their place of birth	2.8391	1.46964	10
Voluntary housing movements	2.6782	1.31622	11
Social club contributions	2.5862	1.25338	12
Village development scheme	2.5287	1.03248	13
Specialized development banks	2.4943	1.37142	14
Age grade association	2.4598	1.22763	15



Labour contribution (Aaro or Owe)	2.3218	1.05096	16
Insurance companies	2.2184	1.26146	17

Source: Author's Field Survey (2023).

From the table above, types of housing finances available to Estate Surveyors and Valuers in the study area were analysed. Personal savings have a mean score of 3.8736 and a standard deviation of 1.27411. Men's revolving loan scheme has a mean score of 3.8161 and a standard deviation 1.13638 while Commercial banks have a mean score of 3.7011 and a standards deviation of 1.52586. Also, Federal mortgage bank of Nigeria has a mean score of 3.6782 and a standards deviation of 1.44266 while Loan from traditional moneylenders have a mean score of 3.3333 and a standard deviation 1.16805. Individual moneylenders have a mean score of 3.2644 with a standard deviation of 1.33347.

Meanwhile, Pension funds have a mean score of 3.2414 and a standard deviation of 1.27411, Merchant banks have a mean score of 3.2069 with a standard deviation 1.47173 while Esusu and Ajo have a mean score of 2.8506 and a standards deviation of 1.37696. Similarly, Town union of people living outside their place of birth has a mean score of 2.8391 and a standards deviation of 1.46964 while Voluntary housing movements have a mean score of 2.6782 and a standard deviation 1.31622. Consequently, Social club contributions have a mean score of 2.5862 with a standard deviation of 1.25338 and Village development scheme is with a mean score of 2.5287 and standard deviation of 1.03248.

Furthermore, specialized development banks have a mean score of 2.4943 with a standard deviation of 1.37142 while Age grade association has a mean score of 2.4598 with a standard deviation of 1.22763. However, Labour contribution (Aaro or Owe) is with a mean score of 2.3218 and a standard deviation of 1.05096 whereas Insurance companies have a mean score of 2.2184 and standard deviation of 1.261146.

Table 3: Seminar, Workshop and/or MCPD on secondary housing finance attended

Options	Frequency	Percentage (%)
NONE	49	56.32
1-5TIMES	26	29.89
6-10TIMES	10	11.49
ABOVE 10TIMES	2	2.30
Total	87	100.00

Source: Author's Field Survey (2023).

Table 3 shows that 49 of the respondents, which is 56.32% had attended never any seminar workshop and/or MCPD on secondary mortgage finance. Estate Surveyors and Valuers that had attended seminars, workshops and/or MCPDs between 1-5times on secondary mortgage finance are 26, which signifies 29.89%, ESVs that had attended seminars, workshops and/or MCPDs between 6-10times on secondary mortgage finance are 10, which signifies 11.49% while 2 respondents signifying 2.30% had that had attended seminars, workshops and/or MCPDs between on secondary mortgage finance for a period more than 10times.

Table 4: Learning of Secondary Mortgage finance attended during Industrial Attachments

Options	Frequency	Percentage (%)
Never	63	72.41
Rarely	14	16.09
Sometimes	5	5.75
Often	3	3.45
Always	2	2.30
Total	87	100.00

Source: Author's Field Survey (2023).

Table 4 shows the rate at which ESVs learnt about on secondary mortgage finance during their industrial training. Meanwhile 63 of the respondents, which is 72.41% had never learnt about on secondary mortgage finance during their industrial training. Estate Surveyors and Valuers that rarely learnt about on secondary mortgage finance during their industrial training are 14, which signifies 16.09%, ESVs that sometimes learnt about on secondary mortgage finance during their industrial training are 5, which signifies 5.75% while 3 respondents signifying 3.45% often learnt about on



secondary mortgage finance during their industrial training. Also, 2 respondents, signifying 2.30% always learnt about on secondary mortgage finance during their industrial training.

Table 5: Rate of having access to Secondary Mortgage Finance in the last 10 years

Options	Frequency	Percentage (%)
Never	62	71.26
Rarely	11	12.64
Sometimes	11	12.64
Often	2	2.30
Always	1	1.15
Total	87	100.00

Source: Author's Field Survey (2023).

From the above table, 62 of the respondents indicating 71.26% of Estate Surveyors and Valuers in the study area never have access to Secondary Mortgage Finance in the last 10 years. However, 11 respondents signifying 12.64% had rarely have access to Secondary Mortgage Finance in the last 10 years. Notwithstanding, 11 respondents indicating 12.64% sometimes have access to Secondary Mortgage Finance in the last 10 years while 2 respondents indicating 2.30% often had access to Secondary Mortgage Finance in the last 10 years. Also, 1 respondent indicating 1.15% always had access to Secondary Mortgage Finance in the last 10 years.

4. DISCUSSION :

The survey research conducted revealed that majority of Estate Surveyors and Valuers in the study area had formal education on sources of housing finance at their Higher National Diploma level of education, during their first degree and master' degree level and they were ranked the 1st, 2nd, and 3rd respectively. According to Okorie, Dabara and Abdullahi (2012), Estate surveyors that are respondents in their research on mortgage investment in Osun State and mostly Higher National Diploma holders. This finding is also similar to the findings of Enhancing Financial Innovation and Access and FinMark Trust (2010) where Higher National Diploma qualifications dominated the employees in housing finance sector in Nigeria. Meanwhile, this is not the same with the findings of Ezimo, Onyejiaka and Emoh, that Estate Surveyors and Valuers with ideals on real estate finance on development of real properties are mostly with Masters of Science (M.Sc.) and PhD degrees. Nonetheless, the finding of this research is upheld.

Also, the types of housing finances available in Kaduna, Kaduna State, which is the study area are Personal savings that was rated 1st, Men's revolving loan scheme rated 2nd, Commercial banks that was rated 3rd, Federal mortgage bank of Nigeria that was rated 4th and Loan from traditional moneylenders that was rated 5th in ranking. This negates the findings of Ebekoziem, Aigbavboa, Aigbedion, Ogbaini and Awe (2022) that stated that majority of housing finance comes from external finance sources. Similarly, Mitlin (2008) was of the opinion that most people finance their housing projects from low income mortgages and loans available in their respective communities. Dissimilar to the aforementioned, National Bureau of Statistics NBS (2022) was of the opinion that 60% of the new houses developed each year are financed through personal income and savings. Meanwhile the finding of this research which aligns with the view of National Bureau of Statistics is maintained.

Meanwhile, 49 of the Estate Surveyors and Valuers, which is 56.32% had attended never any seminar workshop and/or MCPD on secondary mortgage finance, while 26 of ESVs, which is 29.89% of the respondents had been to seminar workshop and/or MCPD on secondary mortgage finance for a period not more than 5 (five) times. This is a wide gap that must be urgently attend to as seminars and workshops have a serious impact on awareness of professional such as Estate Surveyors and Valuers so as to acclimatised to trending issues. This related with the findings of Salawu, Iekoin, Abah and Bhadmus (2020), Mizell (n.d.), Bello (2016), Kearns. and Mancilla, R. (2016) and Oni (2013).

Nevertheless, 63 of the respondents representing 72.41% Estate Surveyors and Valuers in Kaduna metropolis had no teaching of Secondary Mortgage finance attended during Industrial Attachments, while the remaining 24 respondents representing 27.59% learnt of Secondary Mortgage finance attended during Industrial Attachments. This is another gap that bodies regulating trainings in Estate Management and Valuation students need to urgently include in the curriculums of Industrial Attachments.



On the rate of having access to Secondary Mortgage Finance in the last 10 years, 62 ESVs representing 71.26% (i.e. the majority) of Estate Surveyors and Valuers in the study area never had access to secondary mortgage finance in the last 10 years, while 25 ESVs representing 28.74% had access to Secondary Mortgage Finance in the last 10 years. This is related to the findings of Ibuoye, Ogunleye and Oladapo (2021).

5. CONCLUSION :

This study work examined the level of awareness of estate surveyors and valuers in Kaduna metropolis on secondary mortgage financing in provision of housing units. The study also reveals that many Estate Surveyors and Valuers in the research study area are aware of the SMF but close to the majority of the population have not benefited from SMF.

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