

Evaluating the Effectiveness of Community Land Trusts in Providing Affordable Housing Options for Minimum Wage Earners in Lagos State

by

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Abstract

The study explored the potentials of community land trust (CLTs) as the solution to the housing affordability crisis faced by minimum wage earners in Ikorodu Local Government Area of Lagos State. The design of the study was a mixed approach, the study gathered data through in-depth interview of focus group, and survey questionnaire for minimum wage earners, housing experts, government officials and community leaders, whose experts' opinions were germane to the study. A sample of 240 respondents were drawn from the entire population taking into cognisance the aforementioned stakeholders in this order: 120 minimum wage earners, 40 housing experts, 40 government officials and 40 community leaders, who were purposively selected. The instrument consisted of 38 item statements, with 4 points rating scale. The instrument was validated by three experts in Industrial Technical Education, University of Nigeria, Nsukka. Data collected were analysed using the mean and standard deviation. The findings revealed strong support for CLTs among respondents, who believe that CLTs can significantly reduce housing cost and provide long term housing stability. The study also identified several challenges: including legal barriers posed by land use act of 1978, cultural attitude favouring individual land ownership, and concerns about financial sustainability. Despite these challenges, opportunities exist for its successful implementation particularly through government support, public private partnership and community engagement. The study recommended policy reform, public awareness campaign and establishment of pilot CLT project in Ikorodu Area of Lagos State to demonstrate the feasibility and benefits of the model.

Keyword: Community Land Trusts, affordability housing, minimum wage earners, community development, land use act, and shared equity.

Introduction

Housing refers to the provision of shelter, safety, and warmth, as well as a place to rest. It is an important aspect of human existence, with different cultures and time

periods having their own interpretations and implementations of housing structures. In modern times, the shape of housing estates has changed significantly, impacting social bonds and the traditional cityscape.

Housing plays a crucial role in health disparities, with factors such as affordability, quality, stability, and neighbourhood opportunity influencing health outcomes. Mia, &Zull, (2020) The classification of housing are essential for housing policy development, statistical analysis, and understanding the relationship between housing and health equity. Overall, housing encompasses various dimensions, including physical structures, social dynamics, and health implications. Meen, (2018) claimed that ‘Affordability’ is a derivate of the word ‘afford’, it is the ability to pay without incurring financial difficulties. Buthow does one decide exactly when they are in financial difficulty? Often things are considered unaffordable even when someone’s income is clearly greater than the cost of an item.

Affordability, according to Been, Ellen, & O’Regan,. (2019) is not an inherent characteristic of housing, but rather a relationship between incomes and relative prices. Of course, this argument could easily be extended to any good or service. They believe that the physical construction costs of housing are a more sensible benchmark to compare with prices (Padley, Marshall, & Valadez-Martinez, 2019). However, this does not reconcile with our thinking of ‘afford’, which clearly indicates the relevance of income. It is the ability to pay, which is a crucial element of housing affordability, it is itself a relationship between income and relative prices. Also, when purchasing a house, the total cost (and benefit) can be spread over several years, more so than most other goods. To make housing more accessible to low income earners, the issue of community influence must be considered.

Community has been a central focus of social work practice since its inception. Crow, (2020) opined that Communities are one of the many social systems that touch peoples’ lives and shape their individual and group identities. People are born in social contexts, they grow, mature and learn about and form perceptions of social structures. They also develop

individual and group identities through associations that connect them to life-long community experiences. Testa, (2024). Community provides the context and setting for social work at all levels of intervention. A community is a group of two or more people who have been able to accept and transcend their differences regardless of the diversity of their backgrounds (social, spiritual, educational, ethnic, economic, political, etc.). This enables them to communicate effectively and openly and to work together toward goals identified as being. Galtung, (2019). described community as a relatively self-sufficient population, residing in a limited geographic area, bound together by feelings of unity and interdependency. Community is like society with fundamental concept and principles. Community life has existed throughout civilization.

Civilization grows and develops in the context of a flourishing social environment. Tupy,& Pooley,(2022). Superabundance: the story of population growth, innovation, and human flourishing on an infinitely bountiful planet. Cato Institute. A well-known fact is that an individual cannot exist on his or her own without the help of others, it is impossible to be a member of multiple organisations at the same time. Because of this an individual chooses to live and form relationships with those who live in close proximity to him rather than those who do notTurkle, (2023). When more than one person lives in a specific location or in close proximity to one another, mutual relationships develop between them as a result of their shared environment (Mikołajczyk,(2021).). As a result, they develop common social ideas or interests that are shared by all, including having common community land trust. Based on this phenomenon, Sociologists coined the term Community land trust.

Community land trust (CLT), according to Gould, (2022).is an alternative model in which a non-profit corporation holds land in trust on behalf of a place-based community, provides long term stewardship,

and facilitates democratic community control over development. Beyond the basic purposes of land acquisition, stewardship, and community governance, the CLT is a flexible model that can serve a number of different purposes, depending on local context and needs Rosario, (2024). Providing housing that remains affordable in the long term is the primary focus of many CLTs today. Efforts to secure affordable housing and, by extension, reduce economic inequalities associated with homeownership are especially relevant in the context of the global housing crisis. In most countries today, growth in housing costs and rent continues to outstrip income growth; the result is that more and more families live in financial obscurity, and homelessness is on the rise.

CLTs are designed to respond to the failures of market-led solutions to housing-related issues. It is a form of social housing, which aims to insulate against market volatility, foster social equality, and encourage resident control. (Winston, 2022). CLTs use ground leases to ensure permanent housing affordability and prevent owners from profiting off of land value inflation. It can be used to address crises of affordability in both “hot” and “cold” markets. In “hot” markets, prices are high and gentrification is pervasive, meaning that property values rise as a result of development in traditionally affordable areas, which tends to displace lower-income residents. Ley (2023) claimed that, where prices are low, housing becomes unaffordable as incomes fall, and dis-investment increase, thus creating problems.

Minimum wage as stated by Adams, (2019) is the lowest remuneration that employers can legally pay their employees, the price floor below which employees may not sell their labour. Most countries had introduced minimum wage legislation by the end of the 20th century. According to economist, wages are broadly explained as any economic compensation paid by the employer to his labourers under some contract for the services rendered by them (Lazear, 2018). In

the actual sense which is prevalent in practice, wages are paid to workers which include basic wages and other allowances which are linked with the wages like dearness allowances, etc. Traditionally, in the absence of any bargaining power possessed by labourers, they did not have any say in the determination of wages paid to them. A minimum wage is one which has to be paid by an employer to his workers irrespective of his ability to pay (Dube. 2019). Minimum wage is the wage which must provide not only for the bare sustenance of life, but for the preservation of the efficiency of the workers. Minimum wage earner refers to individuals who are employed in jobs that pay the minimum wage set by the government. According to Kozák, & Picot (2021), minimum wages are determined by national collective agreements or legislation and are intended to provide a baseline level of income for workers. The existence of a minimum wage is considered essential for the proper functioning of society and the economy, but setting it at the right level is a challenge. Consequently, a fast-growing urban centre with socio-economic activities need to be used as a sample for CLTs, such as Ikorodu Local Government Area in Lagos State.

Ikorodu Local Government Area (LGA) is a thriving sub-urban region located in the northwest part of Lagos State, with a land area of approximately 394 square kilometres, it is a significant contributor to the state unique blend of economic opportunities and cultural diversity. It has a population of 3.2 million residents. The region is home to numerous markets and for its thriving manufacturing factors, with numerous costumers from across the state as argued by Bergman, & Feser, (2020). Despite its many advantages, Ikorodu LGA faces a significant need for housing prospect as one of the fast-developing districts in Lagos state.

Statement of the Problem

Despite various governmental initiatives aimed at addressing the housing crisis in Nigeria, affordable housing remains largely inaccessible to low-income earners,

particularly those earning minimum wage of Seventy Thousand Naira (70,000:00). Because 52% of Nigeria's population lives in inadequate housing conditions, including shanties and informal settlements, primarily due to escalating land prices, inadequate housing policies, and economic disparities. Minimum wage earners often face significant financial constraints that limit their ability to afford housing. The disparity between income levels and housing costs aggravates their vulnerability, pushing them into substandard living conditions. The rising cost of land, driven by speculation and inadequate regulation, further complicates the housing situation. This study having realised that rapid growth of populations has led to a shortage of housing options for minimum wage earners, believed that any successful implementation of CLTs could serve as a means of alleviating housing problems of these categories of workers in urban centres and could serve as a model for other urban areas in Nigeria, because CLTs offer a community-led approach to housing development, thus ensuring community engagement and participation. Based on the above, the researchers find it necessary to evaluate the effectiveness of community land trusts in providing affordable housing option for minimum wage earners in Lagos State.

Purpose of the Study

The major purpose of this study is to evaluate the effectiveness of community land trusts in providing affordable housing options for minimum wage earners. Specifically, the study is designed:

1. To assess how Community Land Trusts can effectively provide affordable housing options for minimum wage earners in Lagos State.
2. To explore the barriers and challenges faced by Community Land Trusts CLTs in implementing effective housing option among minimum wage earners in Lagos State.

Research Questions

1. How do Community Land Trusts influence the affordability of housing option for minimum wage earners in Lagos State?
2. What are the barriers and challenges faced by Community Land Trusts in implementing effective housing option for low-income communities in Lagos?

Methodology

This study is aimed at assessing how low community land trusts affect provision of affordable housing in Lagos state. To achieve these objectives, the study adopts a mixed research approach of quantitative and qualitative methods which provides a comprehensive understanding of a research problem by allowing for an in-depth exploration of complex phenomena within a multiple context (Yin, 2018). The study adopted a descriptive survey design using a research questionnaire tagged 'Eliciting Information on Community Land Trust (EICLT)' was used to obtain opinion on the two research questions, each of 19 items statement. A 4-point rating scales was used; strongly agree (4), agree (3), disagree (2) and strongly disagree (1). The purposive sampling technique was adopted, the sample for the study consisted of 240 respondents in the following order: 120 Minimum Wage Earners, 40 Housing Experts and Real Estate Developers, 40 Government Officials from Ministry of Housing and Lagos State Land Bureau, and 40 Community Leaders. The instrument was face content validated by three experts in the department of Industrial Technical Education of University of Nigeria, Nsukka. The reliability coefficient of the instrument was 0.83 using Cronbach Alpha. The data obtained from the respondents were subjected to descriptive statistics using mean and standard deviation. For the decision rule, 2.50 was used. This implies that any mean from 2.50 and above is regarded as agreed, while any figure below 2.50 is disagreed.

Results

The results were presented in tables in line with the objectives and research questions.

Table 1: Influence of Community Land Trusts (CLTs) on the affordability of housing for minimum wage earners in Lagos

S/N	Items	Mean	SD	Remark
1	CLTs provide a mechanism for reducing land costs, thereby lowering overall housing prices for minimum wage earners.	3.40	0.96	A
2	By acquiring land and holding it in trust, CLTs can prevent speculative price increases that typically affect low-income housing.	3.38	0.99	A
3	CLTs often implement resale restrictions that maintain long-term affordability for future homeowners.	2.75	1.23	A
4	The model of sharing equity in CLTs allows minimum wage earners to invest in housing without facing prohibitive costs.	2.48	1.31	D
5	CLTs can leverage public and private funding to subsidize housing costs, making homes more affordable.	2.63	1.40	A
6	Community engagement in CLT governance ensures that housing developments meet the specific needs of low-income residents.	3.12	1.24	A
7	The presence of CLTs can stimulate local economies by creating jobs in construction and maintenance.	3.03	1.10	A
8	CLTs often prioritize sustainable building practices, which can reduce long-term living costs for residents.	3.57	0.74	A
9	Through cooperative ownership structures, CLTs can enhance community stability and reduce displacement.	3.67	0.51	A
10	CLTs can provide educational resources to residents about financial management and homeownership, increasing their capacity to afford housing.	3.53	0.62	A
11	The ability of CLTs to negotiate with local governments can lead to favourable zoning laws that support affordable housing development.	3.33	0.92	A
12	CLTs can create mixed-income communities, which can help to stabilize neighbourhoods and reduce socioeconomic disparities.	3.58	0.63	A
13	The long-term commitment of CLTs to their communities fosters trust and collaboration among residents and stakeholders.	3.16	1.15	A
14	CLTs can implement innovative housing designs that maximize space and minimize costs, making homes more affordable.	3.23	0.87	A
15	By focusing on community needs, CLTs can avoid the pitfalls of traditional market-driven housing developments that often neglect low-income populations.	3.53	0.83	A
16	The integration of social services within CLT developments can enhance the overall well-being of residents, making housing more liveable and affordable.	2.93	1.10	A
17	CLTs can advocate for policy changes that support affordable housing initiatives at the municipal level.	3.14	1.25	A
18	The collaborative nature of CLTs encourages local investment and participation, which can further enhance affordability.	3.28	0.88	A
19	CLTs can provide alternative financing options for low-income earners, reducing reliance on high-interest loans.	3.02	1.01	A
Cluster Mean and standard deviation		3.20	0.99	

Key: X=Mean, SD= Standard Deviation. A= Agreed, D = Disagree

Table 1 shows that items 1-3, and 5-19 have mean score and standard deviation of 3.40 (.96), 3.38 (.99), 2.75(1.23), 2.63 (1.40), 3.12 (1.24), 3.03 (1.10), 3.57 (.74), 3.67 (.51), 3.53 (.62), 3.22 (.92),3.58 (.63), 3.16 (1.15), 3.23 (.87), 3.53 (.83), 2.93 (1.10). 3.14 (1.14), 3.28 (.88), 3.02 (1.01) respectively, except item 4 with mean score and standard deviation of 2.48 (1.31) which is less than 2.50

signifying that majority of the respondents did not considered the model of sharing equity as relevant in CLTs housing affordability without facing prohibitive costs and as such, the respondents regarded this item as disagreed. While others were agreed on as factors influencing CLTs.

Table 2: Challenges faced by Community Land Trusts in implementing effective housing solutions for low-income communities in Lagos

S/N	Items	Mean	SD	Remark
20	Limited access to funding and financial resources hampers the establishment and expansion of CLTs.	3.22	0.77	A
21	Bureaucratic hurdles in land acquisition and zoning can delay CLT projects.	2.84	1.04	A
22	Lack of awareness and understanding of CLTs among the community can lead to low participation rates.	2.27	1.10	D
23	Resistance from local governments and traditional developers may create obstacles for CLT initiatives.	2.89	1.17	A
24	Insufficient legal frameworks governing CLTs can complicate their operations and management.	3.16	0.90	A
25	High costs associated with land development and construction can limit the affordability of CLT housing.	2.89	1.07	A
26	Challenges in maintaining long-term community engagement can affect the sustainability of CLTs.	3.07	0.86	A
27	Competition with private developers for land can drive up prices, making it difficult for CLTs to operate.	3.22	0.90	A
28	The need for specialized administrative capacity to manage CLT operations can be a barrier to effective implementation.	2.87	1.08	A
29	Limited public awareness of the benefits of CLTs can hinder community support and involvement.	3.40	0.62	A
30	Economic instability and inflation can impact the affordability of housing provided by CLTs.	3.31	0.65	A
31	The complexity of governance structures within CLTs can lead to conflicts and inefficiencies.	3.39	0.70	A
32	Difficulty in measuring the impact of CLTs on housing affordability can affect funding and support.	3.04	0.84	A
33	Cultural barriers may prevent community members from fully engaging with CLT initiatives.	2.76	0.92	A
34	High costs associated with land development and construction can limit the affordability of CLT housing.	2.57	1.08	A
35	Challenges in maintaining long-term community engagement can affect the sustainability of CLTs.	2.96	1.00	A
36	Competition with private developers for land can drive up prices, making it difficult for CLTs to operate.	3.12	0.78	A
37	The need for specialized administrative capacity to manage CLT operations can be a barrier to effective implementation.	3.04	1.00	A
38	Limited public awareness of the benefits of CLTs can hinder community support and involvement.	3.49	0.51	A
Cluster Mean and standard deviation		3.03	0.89	A

Key: X=Mean, SD= Standard Deviation. A= Agreed, D = Disagree

Table 2 shows that items 1-2, and 4-19 had their means and standard deviation of 3.22, (.77), 2.84 (1.04), 2.84, (1.17), 3.16 (.90), 2.89, (1.07), 3.07 (.86), 3.22 (.90), 2.87 (1.08), 3.40 (.62), 3.31 (.65), 3.39 (.70), 3.04 (.84), 2.76 (.92), 2.57 (1.08), 2.96 (1.00), 3.12 (.78), 3.04 (1.00), 3.49 (.51) respectively, excluding item 3 with mean score and standard deviation of 2.27 (1.10) which is less than 2.50 signifying that majority of the respondents did not considered lack of awareness and understanding of CLTs among community that can lead to low participation rates. and as such, the respondents regarded this item as disagreed. While others were agreed on as barriers and challenges facing

CLTs in implementing effective housing solutions for low income wage earners.

Discussion of Findings

In view of the finding in table 1, it was revealed that community Land Trust (CLTs) can influence the affordability of housing for minimum wage earners in Lagos State through provision of mechanism for reduction of land costs which will eventually lowered overall housing prices for minimum wage earners. Some of the benefit of Community Land Trust is the prevention of speculative price increase as it typically affects low-income housing, it was also found out that (CLTs) can foster community cohesion and social stability. This support the principle of Community

development, which emphasised the importance of local empowerment and participatory governance which supported the argument of Mikołajczyk, (2021) .More so, The strong support for CLTs among respondents indicated that the model resonate with the housing need of minimum wage earners in Lagos over the conventional rental option which is consistent with the argument of Eke, (2021). This implies that CLTs can be effective in maintaining housing affordability and prevent displacement in other urban contexts.

Following the finding on table 2 in respect of barriers and challenges CLTs faced ineffective housing solution for lower income earners, it was found that lack of awareness and understanding of CLTs among community lowered the participation rates. The major hindrance, is the legal and land acquisition challenges which needed significant policy reforms to enable the successful implementation of CLTs in Ikorodu Local Government Area of Lagos State. This is further supported by Landes, (2021) who noted that the Land Use Act of 1978, which vested land ownership in the State, posed a major obstacle to community-based land ownership models like CLTs need immediate legal reforms. The concern about financial sustainability is valid, especially in a context where housing initiatives often rely on external funding. CLTs needs to get into effective partnership with the private sectors, NGOs, and government agencies. The finding supported the argument of Gould (2022) that with the right collaboration, the financial challenges of CLTs can be over-come.

Furthermore, the study's findings on the potential for community empowerment through CLTs provide a localised perspective that highlights the unique social dynamics of Lagos and how CLTs can not only provide affordable housing, but also contribute to broader social goals, such as reducing urban poverty and enhancing social cohesion that enhance the overall well- being of residents, making housing more liveable and affordable.

Conclusion

This study provides important revelation in to the potential of community land trust (CLTs) to address the housing affordability crises in Lagos, Nigeria. The findings suggest that while CLTs Could provide viable solution for minimum earners facing housing insecurity, their successful implementation will require overcoming significance legal cultural and financial challenges. With the right policy support, public awareness, and strategic partnerships, CLTs can play a transformative rule in providing affordable housing and empowering communities in Lagos and beyond.

Recommendations

The following recommendations were made in line with the above discussion:

1. Increase community awareness and educational programmes should be launched to improve awareness and understanding of CLTs among local communities. This could include workshops, seminars, and informational materials tailored to different stakeholder groups to increase greater engagement and participation.
2. Advocate for legal and policy reforms, policymakers should work assiduously to reform the Land Use Act of 1978 to facilitate community-based land ownership models. This may involve proposing amendments or new legislation that allows for greater flexibility and support for CLTs in acquiring and managing land.
3. Develop and formalise partnerships with private sector companies, NGOs, and government agencies to address financial sustainability issues. Collaborative efforts could include securing funding, sharing resources, and using expertise to enhance the existence of CLTs.
4. Implement pilot CLT projects in selected areas of Lagos, such as Ikorodu Local Government Area, to demonstrate the model's effectiveness and address any site-specific challenges. These pilots can provide valuable awareness and serve as a

proof of concept for broader implementation.

5. Establish and support local governance structures within CLTs to ensure that community members have a meaningful

role in decision-making processes. This can enhance local empowerment, promote participatory governance, and ensure that the CLT model is in conformity with community needs and goals.

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