Urban Low-Income Housing Development in Ghana: Politics, Policy and Challenges

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Chapter

**URBAN LOW INCOME HOUSING DEVELOPMENT IN GHANA: POLITICS, POLICY AND CHALLENGES**

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**ABSTRACT**

Globally, the provision of adequate housing has become a huge challenge for national authorities in most developing countries. More people are becoming homeless, slums and squatter settlements are increasing as the provision of housing is left to the private sector. Urban low income housing provision has not been satisfactorily handled within the formal sector. Although governments have developed housing programmes with the view of addressing urban low income housing in Ghana, the end products have been taken over by the middle to high income groups. Moreover, urban low income housing development in Ghana is not aligned to any housing policy but rather crops up in political manifestoes. They end up being abandoned and urban low income households continue to suffer the most. These households have to depend on individual petty landlords to cater for their housing needs. Urban low income housing is now being ‘facilitated’ by government for the private sector to provide housing units. This system has not functioned effectively as the shortage of affordable housing in urban centres in Ghana keeps increasing. A qualitative research approach using reports, thesis, and population and housing censuses provided the information for this paper. It is recommended that urban low income housing should be handled proactively by policy makers without much political bias since it is households that suffer. Again, globally, urban low income housing is being considered as a social policy programme which calls for more involvement of the public sector. At best there should be a public-private partnership to efficiently address urban low income housing in Ghana and other developing countries. Innovative housing forms such as multi-habited dwellings should be developed to meet the budget of the low income household instead of the colonial single-family dwellings which are more expensive to own.

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Keywords: political economy, low income housing, multi-habitation, social housing, public-private partnership, Accra, Ghana

INTRODUCTION

Globally, the provision of adequate housing has become a huge challenge for national authorities in most developing countries. More people are becoming homeless, slums and squatter settlements are increasing and house prices continue to escalate. The United Nations (UN) estimates that the urban population will increase to about 5 billion in 2030 after a steady growth from 1 billion in 1960, 2 billion in 1985, and 3.3 billion in 2008 (UNSD, 2008). In 2011, the world population reached 7 billion (UNSD, 2011). Population growth of cities has profound implications for urban low income housing development which governments cannot neglect. The general trend seems to suggest that such population increases have not been matched by a corresponding supply of housing resulting in a huge backlog.

Housing issues continue to remain as one of the unresolved policies of governments in the world after several years of housing demand (Struyk, 1988). In African cities, prohibitive regulations and administrative barriers restricting housing supply contribute to increase housing demand (Boudreaux, 2008). Similarly, rural-urban migration has affectedly inflated the high demand for housing in cities (Chisholm, 1992). Over the years urban house prices continue to be unaffordable to a significant number of urban low income households. House-price-to-income ratios in Africa and Asia are typically seven to nine times average incomes (Majale & Tipple, 2007). Insecure and expensive urban lands coupled with high cost of construction have curtailed urban low income households’ quest to own a house in the urban centres (Buckley & Kalarical, 2005; Rono, 2007). Almost non-existing mortgage market coupled with discriminatory formal financing from banks prevents urban low income households from accessing housing finance. Urban low income rental housing has mainly been catered for by the private individual petty landlords in West Africa.

In Ghana (location shown in Figure 1), the housing backlog is estimated to be 1.5 million units as at 2012. Ghana’s current residential property demand stands at 150,000 units per annum, with a shortfall of over 100,000 housing units. Current production of residential properties averages only 35,000 units per annum (KMA, 2013). The census in Table 1 indicates that the average household size in Ghana is 4.4 persons, with about 1.6 households per house, and a total of 3,392,745 housing units nationwide (GSS, 2012). Housing in Accra has become expensive and increasingly pricing middle and lower income groups out of the private housing market (Buckley & Mathema, 2008). The result is the proliferation of petty landlords building substandard housing with congested living conditions for a large majority of the city’s residents in low income communities and in slums (Arku, 2012; Yankson, 2012b).

The World Bank Structural Adjustment Programmes in 1980’s tasked national governments to be facilitators of housing and not direct suppliers of housing. They were to create a stimulating environment through tax cuts for private housing developers, make available construction loans for developers and expand housing mortgage markets (Pacione, 2005). According to Renaud (1999), the World Bank advocated that priority should go to the development of well-structured housing markets with sound institutions and organized
professions, while avoiding policies that promote direct housing provision. Global trends of privatisation, partnerships, cost recovery, efficiency and productivity in housing provision was encouraged in the developing countries (Sengupta & Tipple, 2007). As part of World Bank economic policies, Ghana government was tasked to offer financial incentives to housing developers as bait for affordable housing investment and to encourage competitiveness within the housing market. According to Arku (2009), these measures were seen not only as a way to increase housing supply but also as a way to provide a platform for investment in the housing industry and, ultimately, to promote economic growth.

![Map of Ghana showing Accra]( Adapted from:www.mapopensource.com/Ghanadistricts).

Although the policy attracted a huge number of real estate developers under the umbrella of Ghana Real Estate Development Association (GREDA) with about 400 registered members, tax incentives for private housing development in Ghana has rather encouraged high cost housing instead of affordable housing (Buckley & Mathema, 2008). This is captured in the Graphic Business (2013) as “However, the sustained economic growth in the country, upsurge in foreign direct investments (FDIs) and an urge for money rather than service by most real estate companies have caused many members to build primarily for the middle to high income earners. That leaves those in the lower end of the market to fend for themselves or at best rent”. In addition, the lack of construction loans for private housing developers coupled with high interest rates from commercial banks have contributed to high cost buildings as funding for housing projects are solicited from the private financial markets. For example, the Bank for Housing and Construction (BHC), initially set up to give loans to private housing developers in Ghana, became liquidated in the year 2000 after it became bankrupt.
## Table 1. Stock of Houses and Households by Region, 2010

<table>
<thead>
<tr>
<th>Region</th>
<th>Total population</th>
<th>No. of houses</th>
<th>No. of households</th>
<th>Distribution of Houses (%)</th>
<th>Rural share of Housing stock (%)</th>
<th>% increase in housing stock over 2000</th>
<th>Households per house</th>
<th>Population per house</th>
<th>Average household size</th>
</tr>
</thead>
<tbody>
<tr>
<td>All regions</td>
<td>24,658,823</td>
<td>3,392,745</td>
<td>5,467,136</td>
<td>100.0</td>
<td>57.7</td>
<td>60.1</td>
<td>1.6</td>
<td>7.3</td>
<td>4.4</td>
</tr>
<tr>
<td>Western</td>
<td>2,376,021</td>
<td>380,104</td>
<td>553,635</td>
<td>11.2</td>
<td>67.5</td>
<td>51.4</td>
<td>1.5</td>
<td>6.3</td>
<td>4.2</td>
</tr>
<tr>
<td>Central</td>
<td>2,201,863</td>
<td>346,699</td>
<td>526,764</td>
<td>10.2</td>
<td>61.8</td>
<td>60.8</td>
<td>1.5</td>
<td>6.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Greater Accra</td>
<td>4,010,054</td>
<td>474,621</td>
<td>1,036,426</td>
<td>14.0</td>
<td>13.0</td>
<td>73.4</td>
<td>2.2</td>
<td>8.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Volta</td>
<td>2,118,252</td>
<td>399,953</td>
<td>495,603</td>
<td>11.8</td>
<td>72.2</td>
<td>53.8</td>
<td>1.2</td>
<td>5.3</td>
<td>4.2</td>
</tr>
<tr>
<td>Eastern</td>
<td>2,633,154</td>
<td>431,697</td>
<td>632,048</td>
<td>12.7</td>
<td>64.1</td>
<td>54.1</td>
<td>1.5</td>
<td>6.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Ashanti</td>
<td>4,780,380</td>
<td>574,066</td>
<td>1,126,216</td>
<td>16.9</td>
<td>53.0</td>
<td>81.9</td>
<td>2.0</td>
<td>8.3</td>
<td>4.1</td>
</tr>
<tr>
<td>BrongAhafo</td>
<td>2,310,983</td>
<td>331,967</td>
<td>490,519</td>
<td>9.8</td>
<td>63.4</td>
<td>56.8</td>
<td>1.5</td>
<td>7.0</td>
<td>4.6</td>
</tr>
<tr>
<td>Northern</td>
<td>2,479,461</td>
<td>257,311</td>
<td>318,119</td>
<td>7.6</td>
<td>71.3</td>
<td>47.5</td>
<td>1.2</td>
<td>9.6</td>
<td>7.7</td>
</tr>
<tr>
<td>Upper East</td>
<td>1,046,545</td>
<td>114,034</td>
<td>177,631</td>
<td>3.4</td>
<td>79.2</td>
<td>30.4</td>
<td>1.6</td>
<td>9.2</td>
<td>5.8</td>
</tr>
<tr>
<td>Upper West</td>
<td>702,110</td>
<td>82,293</td>
<td>110,175</td>
<td>2.4</td>
<td>85.4</td>
<td>62.3</td>
<td>1.3 8.5</td>
<td>8.5</td>
<td>6.2</td>
</tr>
</tbody>
</table>

Source: 2010 Population and Housing Census.
Accra has its share of housing challenges. Being the capital city and the economic and administrative hub of the country, Accra has seen a considerable increase in population. In 2010, Accra had about 18% of its households residing in single family houses, 14.5% living in flats/apartments and semi-detached houses, while about 55.6% of the remaining households occupy multi-family dwellings (GSS, 2012). The 55.6% of the regions’ population occupying multi-family housing in 2010 is a decrease from 70% in 2000 and 85% in 1994 (Konadu-Agyemang, 2001b; GSS, 2005). Over 95% of all houses supplied in Ghana are from the private market while only 5% are government supplied buildings (Government of Ghana, 2013). The changing cultural practices and the ‘westernisation’ of family systems have created individualism leading to the construction of single family dwellings without considering the predominant multi-habited houses that has been a major source of housing provision among low income households (Peil, 1994; Tipple and Korboe, 1998; Tipple et al., 1998; Tipple et al., 1999; Konadu-Agyemang, 2001a). The situation is compounded by the construction of single family dwellings by government and private estate developers rather than multi-habited dwellings even though rental units from multi-habited housing continue to remain the prime method of accommodating urban low income households in Ghana (Peil, 1994).

Housing supply in Ghana is mainly from five sources; namely government sector, corporate sector, not-for-profit sector, individuals supply and informal sector. The corporate sector including Ghana Real Estate Developers Association (GREDA) supplies about 90% of the national housing stock. Habitat for Humanity and Peoples’ Dialogue, a community based NGO that was born out of the eviction crises that loomed over the residents of Old Fadama, a squatter settlement in Accra (Afenah, 2010) and others supply just a minimal fraction of the housing stock. However, low income housing supply is mainly achieved through middle and low income individual petty landlords who build incrementally and rent out rooms. According to the 2010 population and housing census, only 7.2% of all the house types supplied in Accra are owned by the government (GSS, 2012). The most common method of residential building is the incremental building method (Karley, 2008). Renaud (1999) commented that households building through the incremental method often rely on informal housing finance, personal loans and they contract small craftsmen and tradesmen to build. Projects are done in phases and are tied to the households’ income and could take an average of five years for a house to be completed (Tipple et al., 2004). The share of such mode of housing supply in Accra is estimated to be 80% of all houses built (Instiful, 2004). Table 2 gives a summary of the type of houses supplied in Accra in 2010.

History shows that the genesis of this housing deficit stems from the colonial era when comprehensive housing policy was not developed to effectively address urban low income housing supply (Yankson, 2012b: Addo, 2013).

Unfortunately, massive urban low income housing production has been critically tackled in just three eras of Ghana’s urban development. This paper reviews the public sector urban low income housing provision in Ghana since the colonial era by looking at the politics policies, and the challenges associated with urban low income housing development. It traces the provision of low income housing from the colonial days when health was the driving force behind such housing programmes to contemporary times when housing programmes are stalled because of political differences and inefficient land management systems. The chapter concludes with some policy directions to improve urban low income housing initiatives in the Twenty First century.
Table 2. Summary of house types in Ghana and Accra

<table>
<thead>
<tr>
<th>Type of dwelling</th>
<th>All regions (%)</th>
<th>All regions: number</th>
<th>Greater Accra region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separate house</td>
<td>28.7</td>
<td>1,670,392</td>
<td>197,062</td>
</tr>
<tr>
<td>Semi-detached house</td>
<td>7.1</td>
<td>412,329</td>
<td>88,215</td>
</tr>
<tr>
<td>Flat/ Apartment</td>
<td>4.7</td>
<td>270,642</td>
<td>70,201</td>
</tr>
<tr>
<td>Compound house (rooms)</td>
<td>51.5</td>
<td>2,997,508</td>
<td>605,902</td>
</tr>
<tr>
<td>Huts/buildings</td>
<td>3.8</td>
<td>221,260</td>
<td>14,435</td>
</tr>
<tr>
<td>Tent/ kiosk/containers/ living quarters</td>
<td>2.4</td>
<td>137,720</td>
<td>77,716</td>
</tr>
<tr>
<td>Uncompleted buildings</td>
<td>1.6</td>
<td>94,913</td>
<td>33,094</td>
</tr>
<tr>
<td>Other</td>
<td>0.2</td>
<td>12,843</td>
<td>3,772</td>
</tr>
<tr>
<td>Total houses</td>
<td>100%</td>
<td>5,817,607</td>
<td>1,090,397</td>
</tr>
</tbody>
</table>

Source: 2010 Population and Housing Census.

POLITICS AND POLICIES OF URBAN LOW INCOME HOUSING DEVELOPMENT IN GHANA

Colonial Era (before 1950)

The capital city of Ghana was first moved to Accra, a small fishing village, in 1877. Previously, Cape Coast was the capital city of Ghana where the colonial officers built and occupied the Cape Coast and Elmina castles. After relocating to Accra and establishing the political seat of government in the city, European officers were recruited from abroad to help modernize the city. These officers needed to be housed. This sparked the whole process of providing formal housing for officials. Houses were built around the Ridge areas and the Cantonments in central Accra, closer to the administrative areas and the Christianborg Castle, which was the seat of government. These official houses were described by Mabogunje (1978) as housing not too dissimilar from what the expatriates were used to in their home country having chimneys in this tropical weather. The hope was that the similarities in the houses constructed for the expatriates and what they left behind in England would reduce their sense of separation from home and alienation from their own society.

Providing housing for the indigenous people was not part of the mandate for public housing provision but rather bolstered by the discourse of health, hygiene and disease. While the Europeans occupied well-constructed and durable houses of cement blocks in the ‘European’ townships, the people living in the ‘African’ or ‘native’ townships occupied traditional compound houses made from mud. Songsore et al. (2004) and Grant and Yankson, (2003) have both described the duality of the residential differentiation of the ‘native’ townships and ‘European’ towns claiming that the ‘European’ towns were located on elevated grounds (ridges) while the native indigenous settlements were located in the coastal plains. The housing and settlement patterns of the ‘African’ townships were described as thatched buildings arranged in ‘a haphazard manner and separated by narrow crooked streets’ (Stanley,
1874) with a few ‘large, better and in-good-state’ buildings belonging to wealthy merchants, which stood out above the rest (Dickson, 1969).

Housing provision was still not considered in the overall development of the communities even during the 1907 bubonic plague outbreak. Rather, the plague led to residential segregation between the Europeans and the Africans. The non-provision of housing continued until 1924 cholera outbreak in Kumasi which necessitated slum clearance programmes and re-housing of urban households in Kumasi and other parts of the country (Songsore et al., 2004; Songsore, 2003; Tipple & Korboe, 1998; Agyapong, 1990). The other two major events that required urban housing development were the return of veteran soldiers from the Second World War who needed to be housed and the devastating 1939 earthquake in Accra. The catastrophic earthquake set in motion the construction of estate houses in Korle Gondo, Christiansburg, Osu, South Labadi, Kaneshe, Sabon Zongo, and Abossey Okai by the colonial government for the affected households (Acquah, 1958).

These spontaneous interventions in the necessity-driven housing supply has been described by Hornsby-Odoi and Glover-Akpey (1988) as housing policies that did not hinge on the provision of mass housing but rather focused on the provision of rental bungalow housing for the colonial bureaucracy. Moreover, the early efforts of the colonial administration were not based on a detailed housing sector study and needs assessment (Acquaah-Harrison, 2004). According to Jones (2011), the segregation of urban space in colonial cities was the product of the fusion of scientific, racial and cultural theories. Not many other urban housing developments were undertaken till the establishment of self-government in 1950.

Major Housing Initiatives during Nkrumah’s Regime (1950 – 1966)

During the rule of self-government, the Convention Peoples Party (CPP), led by Dr Kwame Nkrumah as the Prime Minister, launched a Five-year Development Plan from 1951/52 – 1957 that led to the setting up of housing-related institutions such as the First Ghana Building Society, the Tema Development Corporation and the Ghana Housing Corporation for the delivering of housing. Prior to independence, under the advice of N. V. Schokbeton in the 1950’s, model prefabricated panel houses were constructed in Accra, Kumasi, Sekondi-Takoradi and Cape Coast as part of the slum upgrading schemes (Agyapong, 1990). However, these houses were expensive, costing about $7000 per house, and the contract was abrogated upon the advice of the United Nations Housing Mission in 1954 (Abrams et al., 1956). Just about 64 houses out of the 1698 houses were constructed (Agyapong, 1990).

A severe housing demand caused by the presence of both European and African officials and migrants in the city searching for housing to rent resulted in speculative builders taking advantage of the situation (Amoah, 1964). The increase in Accra’s population did not commensurate with increase in housing provision leading to expensive and unaffordable housing. The dire housing situation led to the creation and concentration of slums and the intensification of housing demand thereby raising land prices (Abrams et al., 1956). According to the Office of the Planning Commission (1964) the average occupancy rate by 1960 was 20 persons per house in Accra with 2.5 persons per room indicating overcrowding among the urban households. The government could not keep up with the high influx of
migrants into Accra that needed to be housed. The United Nation (UN) recommended that Ghana’s housing development be structured based on four levels (Agyapong, 1990; Office of the Planning Commission, 1964; Abrams et al., 1956). These were:

- Households earning more than 800 pounds per annum and could afford to build their own houses should be encouraged to do so;
- Households earning between 400 – 800 pounds and could not afford to build their own houses but could afford a hire-purchase contract should be provided with housing by government on hire purchase;
- At the lower level where incomes were low and the population could not buy houses and yet can afford to build their own houses incrementally, they should be supported by government through land bank development and financial aid in terms of building materials;
- Government was to construct houses and subsidise rents for the population that could not afford to occupy any sort of house in the cities without subsidy.

In 1957 under the leadership of Dr. Kwame Nkrumah’s CPP, Ghana attained independence. An extensive building scheme was launched in accordance with the CPP socialist agenda (Asabere, 1994). Government took up the challenge of providing subsidised housing for low income persons since housing was viewed as a fundamental human right of every Ghanaian. Though the housing policy bordered on social justice and service, this policy was defeated in terms of the inequality in quality and quantity of houses, households’ ability to pay, variations in the amount of subsidies and the fact that government ignored the demographic structure of households (Agyapong, 1990).

The First Ghana Building Society was to spearhead the disbursement of loans to households to achieve the suggestions of the UN Housing Mission. The roof loan schemes were developed to address the housing problems in the rural areas while the wall loan schemes served the urban centres. This category of loan schemes was to help low income households complete houses that were yet to be roofed. Self-help housing was also introduced as a means of helping the urban low income households acquire their own houses. The government was to provide materials, loans and serviced sites at moderate rents to this category of households. Unfortunately, this proposal did not achieve the desired results since households just kept accumulating building materials without any funds for construction.

According to Agyapong (1990), the loans schemes that were set up to support the low income households were also taken over by middle to high income groups and government officials used the loans to finance their personal construction. Most of the loans were also not repaid and this led to the collapse of the loan schemes. The financial demise of the country in the 1960s as a result of the drop in cocoa prices on the global market resulted in high economic inflation thus making it difficult to sustain the housing subsidies. Eventually, these subsidies were withdrawn and the subsidised housing programmes were stopped in 1962.

From 1963/64 – 1969/70 a Seven-year Development Plan for National Reconstruction and Development was commissioned (Office of the Planning Commission, 1964). This plan focused on the CPP’s theme of ‘work and happiness’ and the socialist society. It had one of its main goals as “a complete transformation of Ghana as a strong, industrialised socialist economy and society” (Office of the Planning Commission, 1964: vi). Housing provision was
targeted towards the formal working force that needed to be housed. It was projected that 25,000 housing units will be built in Accra, Tema and Kumasi each while 35,000 housing units will be built in Sekondi-Takoradi. A budget of 13.2 million Ghana pounds was budgeted for low income housing only. The housing programme was to be financed through private savings and investment in housing loans and mortgage facilities (Office of the Planning Commission, 1964). Unfortunately these housing programmes were not achieved since Nkrumah was overthrown in 1966.

Post Nkrumah Era (1966 – 1971)

After the overthrow of Nkrumah’s CPP government, socialist housing provision became virtually absent from the subsequent military governments. The National Liberation Council (NLC) came into power from 1966 – 1969 emphasising on the provision of low income housing under a liberal market economy. However little was done.

Dr. Busia’s civilian government, Progress Party (PP), came into power from 1969 – 1972 promoting the liberal market economy. Rural co-operative housing developments were introduced with the aim of mobilising capital for housing through building societies, housing co-operatives, banks and insurance companies and private financing was also established. An example is the Tema Housing Cooperative. The predominant policy was the aided self-help (Harris, 2003). According to Kumar (1996) an attempt was made to encourage home ownership among the urban low income households by legalising informal developments on illegal land through the self-help programmes in the 1980s. It was argued that home ownership economically empowers the household as part of the house or rooms are rented out or a business could be operated from the home (Kumar, 1996). Hence, owning a home by a low income household was considered a capital asset that will enable the household achieve their livelihood outcome. A new Ministry of Housing was established to improve upon the housing needs of both urban and rural dwellers. The Bank of Ghana set up a loan scheme from which public servants could borrow to build their own houses. Trustees of the Social Security Fund provided capital for the construction of low cost houses.

The aided self-help programme instituted to promote home ownership in the urban centres targeted urban low income households with financing support from the government to help households build their personal homes. Harris (2003) and Chouguill (2007) have described it as unsuccessful because it left the lowest one-fifth of the population unattended.

Acheampong’s Low Cost Housing Provision (1972 – 1978)

Another milestone in the provision of low income housing was during the Acheampong era. After the civilian rule came another military rule, the National Redemption Council (NRC) and the Supreme Military Council (SMC I and II) under the leadership of Colonel Acheampong from 1972 – 1978 and General Akuffo from 1978 – 1979. It operated a laissez-faire economy. A low cost housing scheme was developed under a Five-year Development Plan (1976 – 1980) which led to the construction of 2300 experimental low cost houses in Accra, Kumasi and Sekondi-Takoradi by SHC. This was in an attempt to remove the social
and economic injustices prevailing in the housing sector and in recognition of housing as a social service (Agyapong, 1990).

The State Housing Corporation (SHC), the Tema Development Corporation (TDC) and the State Construction Company (SCC) were all tasked to construct about 2000 low cost dwellings in all the regional capitals in Ghana (Sarfoh, 2010; Agyapong, 1990). The houses were initially given out on rental basis but because of the rent control policies, market rents were not charged and that led to huge losses (Tipple, 1994). The capital base of the corporations depleted which led to the discontinuation of the social housing programmes. The large tracts of government lands that had been acquired for these housing projects were sold out to private developers. The houses were also sold out and they were acquired by the high to middle income households. The low income households could not afford to purchase them. The locations of these estate houses became attractive after a period of time inviting ‘raiding’ or gentrification from the higher income groups since the lower income groups could not afford to purchase them (Tipple, 1994; Mabogunje et al., 1978). In 2010, Social Security and National Insurance Trust disposed of 750 two bedroom housing units for about 25,000 Ghana Cedis ($13,0001) (Ghana News Agency, 2010).

The Bank for Housing and Construction (BHC) was established in 1974 with the mandate to mobilise and channel individual savings and resources into housing investment to promote house ownership and fund public housing. Similar to the other loan schemes, individuals and building contractors who borrowed money for construction defaulted in the repayment of loans. Operations of the bank were mixed with politics as government officials sought to seek loans for themselves as well as their relations (Agyapong, 1990). BHC was finally liquidated in year 2000. Since then, there have been several attempts by various governments to initiate social housing programmes but to no avail due to lack of political will and lack of operative housing policy in Ghana (Agyapong, 1990).

**Other Housing Policies and Programmes (1979 – 1982)**

In 1979, a coup-d’état, led by Flight-Lieutenant Rawlings under the Armed Forces Revolutionary Council (AFRC) came to briefly reinforce the rent control laws, establish State Houses Allocation Implementation Committee (SHAPIC) and seized properties with the notion that ‘one man one house’ policy should operate under a Marxist economy (Sarfoh, 2010).

No housing developments were carried out since the AFRC regime lasted for only three months then came Liman civilian government from 1979 – 1981. There was no initiation of new housing programmes. This political environment was not favourable to Rawlings who through another coup-d’état seized power from 1981 – 1992 under a military rule and changing to civilian rule from 1992 – 2000.

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1 The exchange rate of the United States of America Dollar to Ghana Cedi is now 1:2.4 (2014). However, in 2010, the exchange rate was 1:1.4.

The Structural Adjustment and Economic Recovery Programmes started in 1983 after the country had experienced deterioration in the macroeconomic base of the country (Yaro, 2004). The structural adjustment was to realign the economy, reduce the cumulative budget deficit and rehabilitate the economic and social infrastructure of the country (Sarris & Shams, 1991). President Rawlings, under the Provisional National Defence Council (PNDC) government initially operated the Marxist economy which gradually changed into the market-driven and laissez-faire economy. After the failure of the site and services approach to housing provision in the 1970s, international institutions including the World Bank advocated for a shift in housing policy in Ghana and other developing countries. Governments were encouraged by the Bank to adopt the ‘enabling environment’ approach by facilitating housing provision by the private sector and avoiding interventionist provision of public housing by the state (Keivani & Werna, 2001; Harris, 2003; UN Habitat, 2005). Luginaah et al. (2010) mentioned five neo-liberal housing policy changes in Ghana including:

- Withdrawal of government from direct housing production and financing;
- Stimulating growth of real estate sector (i.e., private sector);
- Liberalizing land markets and building material industry;
- Encouraging formal private sector to construct rental housing units;
- Reforming housing institutions.

According to the authors, the objectives of the policy reforms was to open the housing sector to competition, improve efficiency in housing finance system, and increase housing supply through commercial development, foreign investment, and self-building. By this approach, it was anticipated that the formal private housing markets will work more efficiently and produce affordable housing. However, Yankson (2012a) in a study on urban low income housing situation in Accra observed that economic liberalisation did not address the housing needs of low-income households in Accra. In a study of the housing conditions and socio-economic circumstances of landlords and tenant households it was observed that tenancy dynamics in Accra are conditioned by changing socio-economic circumstances of the country and that of the individual household (Yankson, 2012a). The highly privatized housing market did not determine the tenancy dynamics in the country. The author concluded that economic liberalization is not the solution to the housing needs of low-income households in Accra.

Attention was thus directed towards devising ways of providing the economic, financial, legal and institutional environment that was needed to support the housing sector (Choguill, 2007). Thus the Economic Reform Programme (ERP) and the Structural Adjustment Programmes (SAP) were put in place as part of the International Monetary Fund (IMF) and the World Bank conditionality. Ghana Real Estate Developers Association (GREDA) was formed in 1988 to encourage private participation in urban housing delivery.

Unfortunately the desired impact was not achieved since severe housing shortages are still experienced in Ghana and houses built by GREDA became unaffordable to many of the middle to low income households and the prohibitive policies prevented the low income
Irene Appeaning Addo

groups from accessing mortgages (Konadu-Agyemang, 2001c; Bank of Ghana, 2007). Erguden (2001) has described some of the challenges associated with the facilitative policy adopted by the public sector in urban low income housing provision after about 20 years of implementing such a policy. The author states that “despite considerable progress achieved in developing countries in the past two decades in policy formulation, facilitating a shift of the public sector’s role to strengthening of enabling strategies and focusing on the utilisation of the potential and capacity of informal sectors, there is a widening gap between policy formulation and the implementation process, and the status of low-income housing delivery is far beyond being satisfactory” (Erguden, 2001, p. 1). Constraints such as “lack of effective implementation strategies, poor promotion of security of tenure, inadequate supply of affordable land and infrastructure, inadequacy of housing finance systems, poor utilisation of local building materials and technologies, lack of support to small-scale construction activities, inappropriate standards and legislation, inadequate participation of communities in shelter development process and support to self-help, lack of focused research and experimental projects, poor utilisation of research findings, are amongst such major constraints” (Erguden, 2001, p. 1).

During the PNDC rule a draft National Shelter Strategy (1987 – 1992) and a draft National Housing Policy and Action Plan (1987 – 1990) were drawn up. They were to address urban housing provision but none of them was passed as a working document (MWRWH, 2009). UN Habitat (2005) suggested the incorporation of housing within the wider economic environment rather than dealing with it as a special sector requiring attention out of welfare consideration. This whole sector approach to housing contributed to the establishment of the Housing Sector Reform Program by the World Bank. The World Bank funded Urban II - Housing Sector Reform Program (1990 – 1998) which was the only housing program that came into fruition since it had a donor funding attached (MWRWH, 2009).

The establishment of the Home Finance Company (HFC) in 1990 was to generate secondary mortgage funds to be accessed by middle to higher income households to promote home ownership. By the year 2000, approximately 2000 housing units out of the anticipated 4100 units were disbursed through mortgage funding (World Bank, 2000). As usual, the low income households were not included in the system since government’s urban low income housing finance has a high non-cost recovery component and the government was not in a position to carry the burden of heavy subsidies (World Bank, 2002). The number of mortgages disbursed over the years have been decreasing from 2402 mortgages at a value of 192 billion Cedis disbursed in 2001 to 1595 at a value of 260 billion Cedis in 2006 (Bank of Ghana, 2007).

The national shelter reform proposed that rental housing built by SHC and TDC should be sold out through mortgages from the HFC/SSNIT. It was cost ineffective for government to maintain the housing units while renters were not paying economic rents. Rents charged were less than the cost of maintaining the houses (Tipple, 1994, World Bank, 2000). Mass estate housing development, initiated in 1987 and ending in 2000, built by SSNIT, and of high quality had a highly subsidised interest rate which would have de-capitalised the Trust (World Bank, 2000). All these were to be sold out instead of renting. Moreover, it was estimated that inefficient and bankrupt housing parastatals (SHC and TDC) were sitting on valuable assets worth in excess of 2% of GDP, and that some fortunate civil servants were enjoying government housing benefits valued at several times their gross emolument (World Bank, 2000). In lieu of this some government houses were sold out.
The urban land administration also began under the URBAN II projects where land banks were to be created for government holding.

The SAP, which has been described as bringing untoward hardship on the population, at the same time fostered the liberalization of the economy which favoured the provision of housing for the middle – high income groups in the free urban housing market (Songsore et al., 2004; Boafo-Arthur, 1999; Barwa, 1995). On the other hand, the bottom 60 – 70% of the urban population who could not afford these costly housing became the losers as the state and private developers moved away from the unprofitable low income segment of the housing market (Songsore et al., 2004). The World Bank housing reform project did not cater for the provision of either housing finance or provision of housing units for the urban low income households since it was advocated that the government of Ghana would require too much subsidy to cater for that income group. According to Yankson (2012b), about 85 per cent of the national housing stock is provided by numerous small builders and individual owners and only 15 per cent is provided by quasi-public corporations, which operate like commercial developers, guided by the policy and programs of the government, and the private real estate developers who operate under the umbrella of GREDA.

In 1995, a 25-year National Development Policy Framework, developed under the NDC regime, codenamed ‘Ghana VISION 2020’ had an aim ‘to transform Ghana from a poor, undeveloped low income country into a vibrant middle income country within a generation’. The strategy was to implement this program over five-year periods. In this policy framework, low cost housing was to be directed towards improving the shelter conditions of the urban low income household. According to Acquaah-Harrison (2004), the framework provided for the introduction of a new facility under the Social Security Scheme allowed contributors to withdraw a part of their contributions to the fund for the purpose of purchasing a house. However, none of the housing strategies were implemented due to lack of funds, lack of private sector participation, lack of political will and change in government that resulted in a change in policy directions (Acquaah-Harrison, 2004).

**Contemporary Urban Low Income Housing Situation (2000 – present)**

When the New Patriotic Party (NPP) government took over from the National Democratic Congress (NDC) in 2000, the ‘Vision 2020’ was replaced with the ‘Ghana Poverty Reduction Strategy I (GPRS)’ in 2001. This policy was to address the provision of affordable low cost houses through labour intensive methods. Site and services land projects were also to be developed along the urban fringes for urban low income housing. This was to be led by the private sector while the government provides the necessary support with regards to basic infrastructure provision (National Development Planning Commission, 2002). As part of the GPRS I programme, slums were to be upgraded. However, constraints such as inadequate housing finance, costly and cumbersome land markets, lack of adequate physical planning and infrastructure, costly building materials, design and construction hampered the housing delivery efforts (Acquaah-Harrison, 2004). An ISSER report (2004) also stated the challenges in housing provision as; lack of adequate financing, high lending rates, high prices in land and building materials and lack of adequate land for large scale housing projects. In 2005, the estimated shortage of houses was 1.2 million and about 140,000 new units were required to be delivered annually (MWRWH, 2009). However, in 2005, only about 30,000
housing units were produced leaving a deficit of 110,000 (MWRWH, 2009). The actual number of houses produced could not be accurately accounted for because of ineffective and uncoordinated planning regulations (MWRWH, 2009).

As part of the agenda to address urban housing issues in Ghana, several draft housing policies have been drawn up including; the Draft National Housing Policy (2009) which is still in the offing, the National Housing Policy and Action Plan (1987 – 1990), the National Shelter Strategy Volumes 1 and 2 (1993), the ‘Istanbul Declaration and The Habitat Agenda’ (June 1996), the National Shelter Strategy Part Two (revised in June 2000) and the report on ‘Housing Programmes and Action Plan to Implement the National Shelter Strategy’ (2003). The goal of these policies was to provide adequate, decent and affordable housing that is accessible and sustainable with infrastructural facilities to satisfy the needs of the Ghanaian. The recent draft housing policy identified three major changes that needed to be addressed;

- Encourage the formal sector to serve a much larger segment of the income distribution,
- Build and finance housing for households with average incomes through inducements,
- Public sector housing solutions targeting households with incomes below average as a complement to informal individual housing provision and,
- Encourage Community Based Organisations and Non-Governmental Organisations to provide quality housing for the low income.

In line with the new draft national housing policy, 100,000 low cost houses were to be built at a unit price of GHC9000 ($9000) (Mahama & Adarkwa-Antwi, 2006). In year 2009, government officials were accused of taking up the few completed units for their families and themselves (Daily Graphic, 2009). The change in government in 2008 led to the reign of Prof. Atta-Mills as leader of the NDC party. The initial housing project started in year 2006 stalled and the new government sought a loan to implement a different 200,000 housing units STX (South Korea)-Ghana Government low income/public officials housing units. In this case, the proposed cost of houses ranged between $50,000 and $70,000 per unit making them highly unaffordable to both the low and middle income classes. In addition to these housing projects, the NDC government has also committed private housing developers, WALLTECH and KAMPAC, to build 100,000 and 10,000 low income houses respectively (Ghana Web, 2010). However, in December 2011, the STX-Ghana Housing deal was abrogated due to internal wrangling within the company (Daily Guide, 2012).

Draft National Housing Policy (2009)

The 2009 draft national housing policy is currently the draft policy guiding the production of housing in Ghana. The policy sought to address the following issues in urban housing development in Ghana:

\[^2\] The exchange rate of the dollar to the cedi was 1:1 in 2006.
The aims for the housing policy include, first, to facilitate access to land for the low-income population to pave the way for an increase in housing stock through their own efforts and also assemble and allocate land so as to reduce overcrowding in slums and informal settlements and provide for new household formation. The second aim is to establish a sustainable housing process which will eventually enable all Ghanaians to secure housing with secure tenure, within a safe and healthy environment and viable communities in a manner that will make a positive contribution to a democratic and integrated society, within the shortest possible time frame. Under the overall aims the following specific objectives of the policy are:

- To accelerate home improvement, the upgrading and transformation of the existing housing stock;
- To improve the environment of human settlements with a view to raising the quality of life through the provision of good drinking water, sanitation and other basic services;
- To make housing programmes more accessible to the poor;
- To promote greater private sector participation in housing delivery by creating an enabling environment through the elimination of constraints and improving access to resource inputs;
- To create an environment conducive to investment in housing for rental purpose;
- To promote orderly consolidated urban growth with acceptable minimum provision of physical and social infrastructure;

These aims and objectives are guided by the following principles:

- Housing as a basic human right;
- The role of government;
- People centred development
- Freedom of choice;
- Urban and rural balance;
- Sustainability and fiscal affordability;
- Consumer protection and education
- Accountability and monitoring;
CHALLENGES IN URBAN LOW INCOME HOUSING DELIVERY IN GHANA

Housing Delivery Process

Although the 2009 draft housing policy spells out in detail the aims and objectives of housing development in Ghana, the processes involved in housing provision in Ghana is fraught with many challenges. According to Karley (2008), housing delivery in Ghana is characterized by high cost and cumbersome land acquisition, lack of mortgage financing, utility infrastructure issues, inability to procure building materials at lower costs and inadequacy of labour. The nuances associated with urban housing development defeats government objective of making housing programmes more accessible to the poor and improving the quality of life of the urban poor.

Access to Urban Land

The proportion for the cost of land is estimated to be around one fifth of the total cost of housing construction (Karley, 2008). For example, land prices in residential areas such as Cantonments, Labone and the Airport Residential Area ranged from US$250,000 to US$500,000 for about a 30metre by 25metre plot of land in 2013. Usually, cost of land in the urban peripheries is lower in price selling between US$1500 to US$5000 for a similar size of land. The price of land is dependent on the location and the infrastructure available. In addition to the high cost of land, the process of land acquisition in Accra is saddled with litigations as a result of multiple sales by different families claiming ownership over the same parcel of land. Litigations associated with land acquisition has led to destruction of houses, court cases over ownership of land and unreliable documents which financial institutions have rejected as collateral in sourcing for housing loans (Payne, 1997; Tipple & Korboe, 1998; Gough & Yankson, 2000; Karley, 2008). The issue of land litigations has not promoted greater private sector participation and a favourable environment for housing investment. Access to and ownership of urban formal land is effectively precluded to all but a minority of affluent and influential people (Rick, 2004). Urban low income households’ access to urban land in Accra is fraught with a myriad of challenges. Apart from the fact that urban lands within the central part of Accra are almost completely used up, the other areas are designated as high class residential areas while the price of available land in the urban peripheries is prohibitive to the urban low income household. Hence, urban low income households are compelled to buy cheaper lands in peripheries of Accra and non developed areas.

After acquiring a piece of urban land, the buyer has to satisfy both customary requirements and enacted legislation present (LAP Coordination Unit, 2007). This results in cumbersome land acquisition and registration. In a bid to streamline the problems associated with urban land acquisition, a National Land Policy was formulated to address the problem of land acquisition in Ghana.
Previously, registration of land in Ghana involved several departments until recently when the Land Administration Project (LAP) was established coordinating the various institutions involved in the registration of land in Ghana. Generally, land acquisition in Ghana has been described as laborious involving several complex processes (Gough & Yankson, 2000). The bureaucracy in land registration and the lack of transparencies have resulted in multiple registrations of lands in Ghana. Some officials working in the Lands Department, through corrupt practices, expunge the names of original land owners and introduce new owners in the lands records. While all these happenings are ongoing, the buyer with funds quickly develops the land asserting that ‘the one who builds on the land is the first to occupy the land’. With this knowledge, a number of households begin constructing their buildings as a sign of occupying the land before registering the lands at the Lands Commission. This is contrary to the requirements of the building regulations.

Accra is the hub of Ghana’s political and economic activities. It is the headquarters of both international and national organisations. By virtue of these administrative resources, individuals and organisations desire to own a piece of land in Accra. Very few lands in Accra are owned by Government while a majority is customarily owned by families and chiefs. Until recently, land in Accra was sold out as freehold as compared to lands in the Ashanti Region that are vested in the ‘Ashantihene’ stool. Hence, land in Kumasi is leased out and this has brought about some form of control and proper management. In the case of Accra, even vested lands owned by government are being sold out to individual politicians who may buy the state lands at reasonable prices and sell them at high prices (Daily Graphic, 2012).

Speculative buyers and real estate developers are also contributors of the high cost of land in Accra. These people acquire large tracts of land at cheap prices from the family heads or the chiefs and later resell them at very high prices. In some instances, individuals and speculative buyers have exchanged large acres of land for a car. After a period of time when families realise that family lands are almost sold out, then other family members try to resell the already sold out land to another person resulting in litigations. Multiple sale of land in Accra as a result of ‘disintegration’ and division of the family unit is a huge challenge in urban land management. Land in Accra has been monetised, attaching a high premium to it.

The phase one (2003 – 2008) of the Land Administration Project (LAP) had the following goals; (1) to harmonise land policies and the legislative framework with customary law for sustainable land administration, (2) to undertake institutional reform and capacity building for comprehensive improvement in the land administration system and (3) to establish an efficient, fair and transparent system of land titling, registration and valuation (LAP Coordination Unit, 2007). It was anticipated that this process would stall the litigations associated with land acquisition but that result was not achieved (Mahama & Adarkwa-Antwi, 2006). Recently it was recorded in the media that the Ghana Police had a clash with landowners in a suburb of Accra over the ownership of a piece of land (Daily Graphic, 2013).

Access to Housing and Mortgage Finance

The second major challenge associated with urban low income housing delivery in Accra is the lack of access to mortgage finance or housing loans. The housing finance situation

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3 The paramount chief of the Ashanti Kingdom
prevailing in Ghana defeats the policy objective of promoting private sector-led supply of affordable urban housing. An insignificant number of households purchased their houses in Accra because mortgage housing finance is inaccessible to the majority of the households especially the lower income groups. The haphazard planning of low income housing in Accra with less durable materials affects the financing options available to urban low income households. Renaud (1999) argues that cities are built the way they are financed claiming that the visual outlook of a community tells how housing units and neighbourhoods are financed. The 2009 draft housing policy identified that among the numerous difficulties associated with urban housing provision is the low capital base, absence of long-term borrowing options, high commercial lending rates and low household incomes (MWRWH, 2009).

According to a financial report prepared in 2009 by the Ghana Business News, macroeconomic instability, reflected by high and intractable inflation, high interest rates with huge spreads and a weak and volatile local currency, has characterized the Ghanaian economy over the past two decades thus creating disincentives for investments in long term instruments such as mortgages for sustainable housing development. The macroeconomic environment defeats government private sector involvement in affordable urban housing supply. The main strategy adopted by government currently is to provide greater access to credit particularly for the medium to low income groups through savings schemes (MWRWH, 2009). This was to be achieved through housing bonds by the locality, land for equity swap, incentives to encourage Non Governmental Organisations (NGO) and Community Based Organisations (CBO) committed to housing provision for the low income groups and improved incentives to housing developers to attract investors. Private estate developers have also developed ‘flexible’ terms of repayment where an individual interested in purchasing a house makes about 30 – 50% down payment while the house is delivered over a two year period. The remaining amount is spread over a 10-year period. A significant number of households are not able to raise the required deposit.

The collapse of the Bank for Housing and Construction in 2000 also stifled the housing construction and mortgage market for both contractors and prospective home owners. In recent years short to medium term financing are the main products given by the banks. Other non-conventional financing such as savings schemes and cooperatives also generate inadequate funding to begin a new project except to complete projects already started. In Accra, there are three main types of housing finance operating, namely the private commercial banks, the informal savings and loan schemes, and the state financing sources through work places.

Commercial banks, financial institutions and mortgage agencies, such as HFC, offer limited housing mortgagees targeting only high income households. Urban low income households do not have access to these mortgages because first, their income would not qualify them for a mortgage considering the stringent repayment procedures, second about 80% of low income households’ work in the informal sector without a defined monthly income. Fluctuating macroeconomic conditions and high inflation rates have resulted in high interest rates charged on loans. Loan disbursements are tied to formal employment systems. The Home Finance Company (HFC) was the main supplier of mortgages in the 1990s and 2000s until recently when their financial base decreased and they reduced the allocation. For example, in 2004 only 85 new loans were made by HFC (Tomlinson, 2007). In recent times a privately owned company, Ghana Home Loans (GHL) limited also disburses mortgages to the market for a repayment period of 15 years. GHL is a mortgage finance institution with key
aim of providing competitively priced long term mortgage finance to facilitate home ownership as described in Box 1.

However, the conditions required to access these mortgages for houses are stringent and prohibitive to both middle and low income households. For first time owners, applicants are required to contribute at least 25% of the cost of house with an additional $200 mortgage processing fee as at 2010. The company advertises houses built by private real estate developers and these houses are very expensive and unaffordable to low income households. The company also offers medium and long term mortgages for the completion, rehabilitation and upgrading of homes of mortgagees.

**Box 1. Ghana Home Loans housing mortgage financing**

First Time Home Buyers: Applicants looking to buy their very first home. These are typically individuals or young couples (joint applicants) looking to establish a home. Applicants will be required to contribute at least 25% of the property value towards the purchase.

Target: Borrowers looking to acquire their first property
Interest Rate: Fixed or Variable
Maximum Loan: subject to credit profile
Maximum Term: 15
Loan to Value: up to 75%
Minimum Deposit: 25%
Facility Fee: 1%
Processing Fee: $200 (or Cedi equivalent)
Conditions: The property must be owner occupied
Source: Ghana Home Loans website, 2010

In accessing such a facility, the home owner is required to provide registered documents of the land coupled with building approval documents. However, most of these documents are absent when a low income household decides to build. Litigations over urban land in Accra have propelled a number of developers to quickly establish their presence on the land before the necessary documents are processed. The absence of all these necessary documents coupled with the informality of the nature of businesses engaged by the urban low income household as well as the low income levels serve as points for disqualification in applying for housing finance opportunities. In addition, formal banking institutions also require households to provide addresses and other utility bills to indicate a permanent location which disqualifies a number of urban low income households renting from a compound house to open a formal account. Due to all these encumbrances, a number of urban low income households involved in informal businesses are turning to informal micro finance or ‘susu’ collectors. ‘Susu’ collectors are informal savings collectors who usually visit the low income individuals doing any informal job and collect monies from them daily with the intention that individuals will be saving. However, there have been incidents when the ‘susu’ collectors have bolted with the savings of individuals or have not been able to refund the savings of members.

Informal funds are generated from non-conventional microfinance sectors such as small scale savings, credit unions, cooperatives and Rotating Savings and Credit Associations.
(ROSCAS). Informal finance relies on small, very localized, mutual and irregular forms of finance which are pooled through ROSCAS (Renaud, 1999). This source of generating funds is not adequate for immediate housing construction but rather for incremental building and extensions where the house is built in phases over a period of time. Most of the private households in Accra, both lower and higher income households, do not use mortgages to finance their housing construction.

State financing of urban low income housing in Accra is minimal especially when governments have adopted the enabling housing market strategy. According to the 2010 Population and Housing Census, the share of government supplied housing in Accra was just about 7.5% of the total housing stock (GSS, 2012). This proportion is highly insignificant and the government built single family bungalows are inadequate with just about three bedrooms at most. Renaud (1999) describes such houses as being of high standards with very high cost but low value for occupants.

**Building Regulations and Standards**

The restrictive building regulations and standards limits the production of urban low income housing in the cities in Ghana. The National Building Regulations, 1996 (L.I. 1630), applies to ‘*the erection, alteration or extension of a building...*’. They set out regulations for constructing a building in Ghana with regards to design, permit, construction and requirements. In the case of a housing construction, it is expected that the developer submits detailed plans indicating floor plans, foundation details, sections, elevations, roof plans, structural drawings, electrical drawings and plumbing details to the planning authority. In addition to these plans, the developer has to submit a signed site plan by a Licensed Surveyor indicating the plot size and the layout on the ground before approval is given.

These detailed plans should be designed by an architect, a qualified engineer, a draughtsman, a licensed building surveyor or a building technician. However, the regulation also states that any house that is in excess of 120 square meters or a two or more storey building in the urban or metropolitan areas shall be designed by an architect in consultation with a qualified engineer but excludes the professional builders and draughtsmen. However, this requirement is overlooked by a considerable number of households especially in lower income groups since they cannot afford the services of the professionals. At best, most of the houses are designed by a draughtsman who pays for a chartered architect to sign the drawings they produce.

The building regulation stipulates that a minimum of three months is required for an applicant to get a building permit before construction. However, this time period can often extend to over one year even after much lobbying. The delay serves as an excuse for illegal construction without building permit. During housing construction it is expected that the building should not be located on a recently reclaimed site, flood prone areas, water courses and on a site area smaller than 450sqm (330sqm when bounded by roads on three sides) with a frontage not less than 15m. Recently urban land of 15 metres by 24 metres defeats the requirements of the building regulations. The building regulations require that a minimum of 2.4 metres is left at the sides and the back of the building. No building housing development on a plot of land should exceed 60%. The national building regulations stipulate site coverage for various types of houses as follows (National Building Regulation, 1996):
Single storey detached 50%
Two and three storey detached 40%
Single storey semi-detached 60%
Two and three storey semi-detached 50%
Two and three storey terrace 50%

**Building Materials**

Although the use of traditional building material is not banned in housing construction in Ghana, approval for use of unconventional building material such as mud and laterite in buildings is subject to the discretion of the district planning officer. This requirement in the building regulations is usually overlooked in informal housing construction. In Ghana, the suitability of a building material is standardised and regulated under the Ghana Standard Code of Practice (GSCP) derived from the British Standard Code of Practice (BSCP).

The era of modernity has greatly impacted the housing construction industry in Ghana by having the market flooded with imported building materials such as floor and wall tiles from China and Spain, doors, ironmongery, roofing sheets and acrylic paints mainly from China. Although some of the components of the building have locally manufactured materials, the high import content of the raw materials such as ingots for roofing sheets and clinker for Portland cement increases the cost of production. In 2009, a communiqué issued at the end of a two day national housing conference in Accra, observed that there was about 65% import content in the construction industry. This percentage may be higher in 2012 when almost every building component is now imported from China. Currently, the dollar to cedi exchange rate is 1:2.4. This means that every item imported has to be sold about three times the cost price if taxes are factored into the overall cost. In 2009 the price of cement was sold for 10.50 Ghana Cedis ($4.00) but is now selling for 19.50 Ghana Cedis ($8.00) in January, 2014 in Accra. The over reliance on imported building materials has led to high cost of building in Ghana. The only two main building components that are accessed locally are sand and stone aggregates.

Although, Gidigasu (2005) suggests that 70% of Ghana land surface is covered with laterite and that the dominant lateritic materials in Ghana range from rocks, boulders, cobbles, pebbles, gravels, fine-grained sandy, silty, and clayey soils, use of traditional building materials such as laterite, clay and mud are almost absent in urban houses. The 2010 Population and Housing Census estimated that only 4% of the buildings in Accra are constructed out of mud/laterite-based material while about 60% of all the buildings are constructed out of cement-based material (GSS, 2012). Yeboah (2005) in a study comparing the cost of construction for different building materials showed major differences in construction cost in peripheral Accra as standards of materials and finishes vary. The UN Habitat in 2011 also compared the cost of construction for adobe, cement screed floor finish and Terrazzo finish and observed considerable differences (UN-HABITAT, 2011).
Other Constraints in Housing Provision

Other constraints in urban low income housing delivery in Accra include inadequacy of skilled labour leading to lower quality jobs (UN-HABITAT, 2011). In most newly developing urban areas, infrastructure provision lags behind building development. According to Songsore (2003), nationally about 74.2% of all households have access to improved water supply which includes 41% with access to pipe-borne water (including public outdoor pipes and water piped into dwelling), 26.3% with access to borehole water with 6.9% relying on protected wells. The remaining 25% rely on other sources of water supply.

CONCLUSION

Reviewing the political economy of urban low income housing provision since the colonial era, revealed that although urban low income housing provision was the centre of most housing policies, the governments have not had the political will and finance to implement such policies on a large scale. Tracing through the historical provision of urban low income housing provision in Ghana, it is obvious that urban housing development is spontaneous, unplanned, unmanaged and unsustainable. No proper housing policy has served as a roadmap for governments in Ghana with regards to urban housing production in Ghana. Programmes for urban low income housing are tied to political gimmick and not policy driven. Dr. Kwame Nkrumah, Ghana’s first president and Colonel Acheampong were the two political figure heads who attempted addressing urban housing challenges and especially for the low income households although most of the houses were taken over by the middle to high income households.

In addition to the lack of a housing policy in Ghana urban housing development, the housing sector is bedevilled with a myriad of challenges which need to be efficiently managed to achieve a sustainable urban housing supply in Ghana. Ineffective urban land administration, absence of housing mortgage finance, unfavourable macroeconomic environment affect both investors’ and individuals’ quest to develop a competitive housing market. They are saddled with land litigations and high interest rates due to increasing inflationary rates. The cost of housing construction in Ghana is relatively high compared to the income levels of households and the national minimum wage. The high component of imported building materials in Ghana’s housing construction has made the buildings expensive and at the same time stifled the small scale building manufacturing industries.

Again, urban households are faced with the high building standards and regulations that city authorities impose on them limiting efficient urban usage and creating expensive urban infrastructure. It is recommended that urban low income housing should be handled proactively by policy makers without much political bias since it is the household that suffers. Recent public housing programmes have demonstrated political bias by being abandoned by subsequent government and leaving them uncompleted. This situation is fuelled by the absence of a national housing policy. The recent draft policy is still in the offing and it has not been passed to law.
Challenges in Urban Land Management

Urban land should be managed efficiently by getting landowners and families partnering with government in the allocation of land to housing developers. A data base of urban land should be developed which will monitor the allocation of lands in the urban centres. A law should be passed to have all public and family lands logged in the data base. This will ensure that every parcel of land allocated is captured in the data base and prevent multiple sale of land. Monies accrued from the registration of such lands will serve as royalties for the families and the custodians of the land.

Unfavourable Financial Macroeconomic Environment

There is the need to stabilise the inflationary rates of Ghana into a single digit number. This will in turn lower interest rates on loans and mortgages to developers and mortgagees. The microfinance sector should be resourced to give reasonable loans to clients since these microfinance institutions serve about 80% of the population who make up the informal sector. Workers contribution to the national social security scheme could also be used as collateral for mortgages.

High Building Regulations and Standards

Innovative housing forms such as multi-habited dwellings should be developed to meet the budget of the low income household instead of the colonial single-family dwellings which are more expensive to own. Culturally, economically and socially, urban low income households dwell in multi-habited dwellings so as to take advantage of the low cost, informal social relations and family networks existing in such living arrangements. The informal social relations often play a key role in a household’s coping strategies as they strive to achieve their livelihood needs.

Use of Locally Available Building Material Instead of Imported Building Material

*Pozzolana* cement, clay bricks, stones and sand are locally accessed building materials that should be encouraged in urban housing construction in Ghana. Tibajuka (2009) observed that houses with high component of locally produced building material and low skilled labour creates employment for a majority of artisans compared to luxury building with industrialised building techniques.

Compact Urban Development Assisting Infrastructure Development

Compact urban development, according to Jenks & Burgess (2000) is the way forward in developing a sustainable urban form in developing countries. This form of development will ensure effective planning and efficient use of scarce urban land. This development will be achieved in Ghana if it is backed by an urban development policy that considers the totality of urban development as a whole and not as units. Peripheral and dispersed development is
characterised by poverty, reduced quality of life for the poor and environmental degradation as agricultural land is used up. In addressing compact urban low income housing, multiple level multi-habited accommodations should be provided which will increase densities but avoid overcrowding as found in most low income communities in Ghana. Multilevel multi-habitation should be included in Ghana’s urban low income housing development to ensure efficient urban land usage and infrastructure development.

Policy implications for both state and non-state interventions in urban low income housing development in Ghana are summarized in the table below.

**Table 1. Summary of the policy implications for state and non-state sectors**

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<th>Policy</th>
<th>Policy implications</th>
<th>State sector intervention</th>
<th>Non-state sector intervention</th>
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<tr>
<td>Land</td>
<td>Ensure access to secure land tenure. Provision of serviced urban land.</td>
<td>Allowing smaller land sizes</td>
<td>Subsidized land from government</td>
</tr>
<tr>
<td>Compact housing development</td>
<td>Provision of multihabited dwellings. Provision of supporting community facilities for the multihabited houses. Promote vertical development as against the horizontal development.</td>
<td>Mixed development with some shared facilities</td>
<td>Fraction of houses built for low income households as tax rebates</td>
</tr>
<tr>
<td>Housing Cost and Financing Options</td>
<td>Promotion of savings and credit schemes specifically for housing. Establish national housing fund. Mobilization of community resources.</td>
<td>Direct involvement of government in provision. Encourage hire-purchase through renting. Public-Private partnership. Formation of cooperatives.</td>
<td>MDAs to build for the lower levels (provident fund, end of service benefits) Access to housing finance by petty landlords</td>
</tr>
</tbody>
</table>
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