Mortgage Institutions and Sustainable Affordable Housing Delivery in Nigeria: A Comparative Assessment Against Global Best Practices

Eucharia Chinyelu Omozokpia, Nasamu Gambo, Emmanuel Iwelaja Usman
Department of Business Administration, Nile University of Nigeria Abuja

doi: https://doi.org/10.37745/ijbmr.2013/vol14n84963 Published August 24, 2026

Citation: Omozokpia E.C., Gambo N., Usman E.I. (2026) Mortgage Institutions and Sustainable Affordable Housing Delivery in Nigeria: A Comparative Assessment Against Global Best Practices, *International Journal of Business and Management Review*, 14(8),49-63

Abstract: *Nigeria faces a severe and persistent affordable housing deficit, officially estimated at 14.925 million units as of 2025, exacerbated by low mortgage penetration and systemic inefficiencies within key institutions like the Federal Mortgage Bank of Nigeria (FMBN) and the Nigeria Mortgage Refinance Company (NMRC). This study examined the effect of targeted mortgage institutional reforms on sustainable affordable housing delivery, benchmarking Nigerian practices against global standards. The primary objective was to assess the impact of regulatory, financial, operational, and risk-management reforms on housing affordability, accessibility, sustainability, and supply. Employing a descriptive survey design, the research targeted a population of 150 mortgage sector stakeholders. A sample of 100 respondents was selected using stratified random sampling, and data were collected via structured questionnaires and semi-structured interviews. Analysis was performed using Ordinary Least Squares (OLS) multiple regression. The findings revealed that all four reform dimensions positively influenced sustainable affordable housing delivery. Regulatory reform ($\beta = 0.452, p < 0.001$) and financial reform ($\beta = 0.381, p < 0.001$) were the strongest and most statistically significant predictors. Operational reform also showed a significant positive effect ($\beta = 0.196, p = 0.014$), while risk-management reform had a marginal influence ($\beta = 0.138, p = 0.055$). The model explained 58.9% of the variance in the outcome variable ($R^2 = 0.589$). In conclusion, integrated institutional reforms are crucial for strengthening Nigeria's mortgage sector. The study recommends policy harmonization through the full implementation of the Model Mortgage & Foreclosure Law, the development of a secondary mortgage market with government guarantees to enhance liquidity, nationwide digitization of land and mortgage processes, and the adoption of innovative risk-sharing mechanisms to expand access for low- and middle-income households.*

Keywords: mortgage institutions, affordable housing, institutional reforms, sustainable housing delivery, Nigeria, secondary mortgage market.

INTRODUCTION

Nigeria's mortgage and housing finance sector has experienced gradual growth over the years, driven by increasing urbanization, rising demand for affordable housing, and evolving economic policies (Akinmoladun & Oluwoye, 2021; Olawuyi & Adedeji, 2023). Effective mortgage institutional reforms are essential for addressing systemic inefficiencies, reducing vulnerabilities in housing finance, and improving access to affordable housing for low- and middle-income households (Buckley, Kallergis & Wainer, 2020; Doling & Ronald, 2022). While mortgage reform is widely recognized as important, there remains a significant lack of empirical research on how specific reforms in Nigerian mortgage institutions impact sustainable affordable housing delivery.

In Nigeria, housing is a critical driver of social welfare, economic development, and urban growth. The mortgage sector plays a vital role in facilitating homeownership by mobilizing long-term savings, providing affordable credit, and supporting housing supply (Lea, 2021; Hoek-Smit & Diamond, 2023). A robust mortgage system not only enhances housing affordability and accessibility but also strengthens economic stability by promoting long-term investments and generating employment in the construction and real estate sectors (Olayiwola, Adeleye & Ogunshakin, 2025; Warnock & Warnock, 2023). Despite its importance, Nigeria's mortgage sector faces numerous challenges, including weak regulatory frameworks, fragmented governance, limited access to long-term financing, and inefficient operational practices, which collectively hinder sustainable affordable housing delivery.

Empirical studies on mortgage finance highlight the role of institutional reforms in improving housing outcomes globally. Countries with well-developed mortgage systems demonstrate the effectiveness of regulatory compliance, secondary mortgage markets, liquidity-enhancement mechanisms, and digital land administration in expanding affordable housing access (Doling & Ronald, 2022; Lea, 2021; Warnock & Warnock, 2020). In Nigeria, however, research has largely focused on descriptive analyses of housing deficits and institutional weaknesses, without systematically examining how targeted reforms in regulatory, financial, operational, and risk-management practices can improve mortgage penetration and housing delivery (Akinmoladun & Oluwoye, 2020; Olawuyi & Adedeji, 2020; Olayiwola, Adeleye & Ogunshakin, 2025).

Furthermore, the Nigerian mortgage sector faces structural risks and operational inefficiencies, such as inadequate credit risk management, weak governance, poor digitization of mortgage processes, and insufficient funding mechanisms, which significantly limit the sector's capacity to deliver affordable housing sustainably (Buckley, Kallergis & Wainer, 2020; Hoek-Smit & Diamond, 2023). Despite these challenges, there is a notable gap in empirical evidence demonstrating the direct relationship between institutional reforms and housing outcomes. This gap makes it difficult for policymakers, regulators, and mortgage institutions to design targeted interventions that are evidence-based and aligned with global best practices.

Therefore, more empirical research is needed to investigate the effect of mortgage institutional reforms on sustainable affordable housing delivery in Nigeria. By examining regulatory reform, financial reform, operational reform, and risk-management reform (the independent variables) and benchmarking them against international best practices, this study seeks to provide insights that can guide policy, improve institutional efficiency, and expand access to affordable housing. Addressing this gap will help mortgage institutions strengthen their operational effectiveness, improve housing affordability and accessibility, and enhance long-term sustainability in the sector, ultimately contributing to sustainable affordable housing delivery.

LITERATURE REVIEW

Housing remains one of the most critical sectors for national development, with affordable and sustainable housing being central to social welfare, economic growth, and urbanization management (CAHF, 2025). In Nigeria, the persistent housing deficit officially estimated at 14.925 million units as of 2025, with an additional 15.2 million structurally inadequate units underscores the importance of robust mortgage systems capable of delivering long-term housing finance (Federal Ministry of Housing and Urban Development, 2026; NMRC, 2025). The purpose of this review is to synthesize conceptual, theoretical, and empirical literature on mortgage finance, institutional reforms, and housing delivery, with a focus on aligning Nigerian mortgage institutions with global best practices. The review identifies core concepts, evaluates relevant theories, analyzes empirical findings, and highlights existing gaps that justify this research.

A mortgage finance system is a structured arrangement of institutions, policies, funding mechanisms, underwriting standards, and market infrastructure that collectively enable long-term housing loans (CAHF, 2025). Such systems are critical for converting savings into mortgage credit, providing liquidity, and expanding homeownership opportunities (Nwachukwu et al., 2025). Globally, successful mortgage systems are characterized by strong regulatory governance, secondary mortgage markets, liquidity-enhancement facilities, transparent reporting, digital land administration, sound underwriting practices, and government-backed guarantees (CAHF, 2025; OECD, 2021). Affordable housing, as defined in the literature, refers to housing that low- and middle-income households can access without compromising basic living standards, financial security, or social well-being (CAHF, 2025). In Nigeria, the failure to achieve widespread affordable housing delivery is often linked to inefficiencies in mortgage institutions, weak regulatory frameworks, fragmented governance, and insufficient access to long-term financing (CAHF, 2025; NMRC, 2025).

Mortgage Institutional Reforms

Regulatory Reform: Strong regulatory governance, including policy harmonization, compliance enforcement, transparent frameworks, and adoption of unified laws (such as the Model Mortgage & Foreclosure Law), remains a foundational element of effective mortgage systems globally (CAHF, 2025). In Nigeria, fragmented governance and regulatory inconsistencies continue to constrain mortgage market performance and housing delivery (NMRC, 2025). Recent efforts toward policy alignment and institutional coordination under the Federal Ministry of Housing and Urban Development demonstrate potential for improved enforcement and reduced bureaucratic barriers (Federal Ministry of Housing and Urban Development, 2026).

Financial Reform: Access to long-term liquidity, development of secondary mortgage markets, liquidity-enhancement facilities, and government-backed guarantees are critical for expanding mortgage accessibility and affordability in emerging economies (CAHF, 2025). In Nigeria, NMRC refinancing activities and FMBN's National Housing Fund (NHF) at concessional rates illustrate the value of financial mechanisms, yet persistent high interest rates and limited funding sources hinder widespread impact (NMRC, 2025; CAHF, 2025).

International Journal of Business and Management Review, 14(8),49-63, 2026
Print ISSN: 2052-6393(Print)
Online ISSN: 2052-6407(Online)
Website: https://www.eajournals.org/
Publication of the European Centre for Research Training and Development-UK

Operational Reform: Digital land administration, streamlined governance, efficient underwriting standards, and process digitization are essential for reducing transaction costs and improving operational efficiency in mortgage systems (CAHF, 2025; OECD, 2021). In Nigeria, proptech adoption and digital integration show promise, but infrastructure gaps and limited scale continue to limit operational effectiveness (CAHF, 2025; Nwachukwu et al., 2025).

Risk-Management Reform: Sound underwriting practices, credit risk systems, collateral management, and default mitigation mechanisms are vital for reducing vulnerabilities and ensuring sustainable lending (CAHF, 2025). Incremental housing models and phased payment structures offer practical risk-reduction approaches for low-income borrowers in Nigeria, addressing traditional collateral and default challenges (Nwachukwu et al., 2025).

Sustainable Affordable Housing Delivery

Sustainable affordable housing delivery refers to the provision of housing that low- and middle-income households can access without compromising basic living standards, financial security, or social well-being, while ensuring long-term viability and scalability (CAHF, 2025). It is operationalized through four key dimensions: affordability (mortgage interest rates and repayment burdens), accessibility (loan approval rates and number of qualified beneficiaries), sustainability (loan recovery rates and long-term funding stability), and housing supply (number of units financed through mortgage products) (Nwachukwu et al., 2025). In Nigeria, systemic inefficiencies in mortgage institutions continue to limit progress toward these outcomes, despite incremental advances in refinancing and inclusive products (NMRC, 2025; CAHF, 2025).

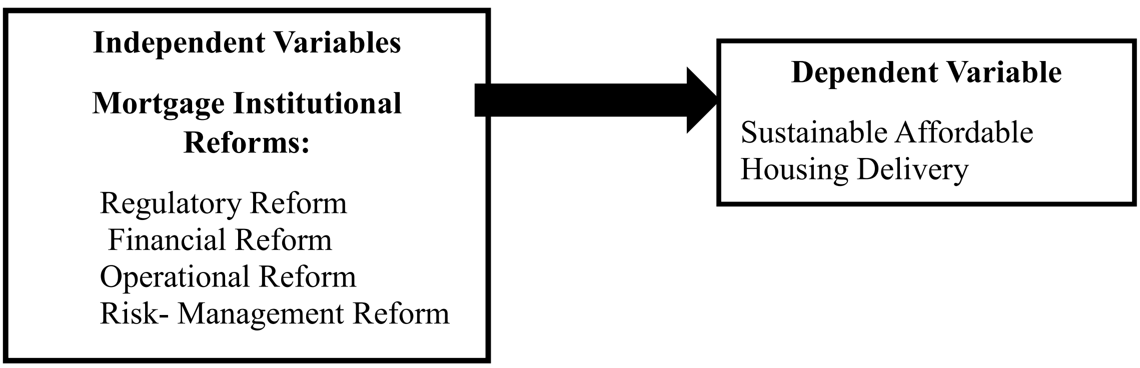

Figure: Conceptual Framework Source: Authors' Compilation, 2026

Theoretical Review

The theoretical grounding for this study draws on three key frameworks. Institutional Theory explains how governance structures, regulatory mechanisms, and organizational reforms influence the performance of mortgage institutions (North, 1990; Scott, 2001). According to this theory, institutions establish formal and informal rules that shape market behavior and enforce compliance, which is critical in stabilizing mortgage systems and enabling sustainable outcomes (CAHF, 2025). Financial

Intermediation Theory highlights the role of mortgage institutions in transforming short-term deposits into long-term housing loans, thereby bridging the gap between savers and homebuyers (Diamond, 1984; Levine, 2005). Housing Market Efficiency Theory emphasizes the importance of functional mortgage markets in reducing transaction costs, lowering financial risks, and improving access to housing finance, demonstrating how institutional efficiency translates into affordability and market stability (Lea, 2010; Hoek-Smit & Diamond, 2003). These theories collectively underpin the conceptual framework of this research, linking institutional reforms to sustainable affordable housing outcomes.

The mortgage finance system constitutes an interconnected arrangement of institutional structures, regulatory frameworks, funding mechanisms, underwriting standards, and market infrastructure that collectively facilitate long-term housing loans. Within global best practices, mortgage finance is typically strengthened through strong regulatory governance, efficient secondary mortgage markets, liquidity-enhancement facilities, digital land administration systems, sound underwriting and risk-management procedures, government-backed guarantees, and transparent financial reporting (CAHF, 2025; OECD, 2021). Affordable housing is generally conceived as housing that low- and middle-income households can obtain without compromising their ability to meet basic living standards.

Theoretical explanations relevant to mortgage sector reform draw from several frameworks. Institutional Theory emphasizes the influence of governance structures, regulatory frameworks, and institutional reforms on mortgage market performance. Financial Intermediation Theory highlights how mortgage institutions function as intermediaries that transform short-term deposits into long-term housing loans, while Housing Market Efficiency Theory focuses on how well-functioning mortgage markets improve affordability by lowering transaction costs and financial risks. Empirical studies offer further insights into mortgage sector dynamics across different contexts. Recent analyses confirm that countries with deeper mortgage markets typically possess stronger legal systems, improved creditor protections, and efficient land registries, concluding that institutional quality remains a major predictor of mortgage development (CAHF, 2025). Housing-finance systems in emerging economies continue to rely heavily on mortgage liquidity facilities, underwriting discipline, and government-backed guarantees to expand access to affordable lending (CAHF, 2025; Nwachukwu et al., 2025). In the Nigerian context, weak institutional capacity, inefficient land administration, and poorly structured financing mechanisms significantly impede effective housing delivery (CAHF, 2025). Fragmented governance and inconsistent regulatory frameworks constrain mortgage market performance in low-income countries (CAHF, 2025). Comparative studies reveal that institutional stability and proactive government intervention play essential roles in sustaining affordable housing development (CAHF, 2025). Liquidity-enhancement facilities and secondary mortgage markets remain critical components of successful mortgage systems (CAHF, 2025). Empirical investigations specific to Nigeria demonstrate systemic challenges: weak mortgage penetration and poor policy coordination exacerbate the housing deficit, while NMRC’s refinancing activities, although promising, continue to be limited by institutional bottlenecks and regulatory inconsistencies (NMRC, 2025).

As a means of reforming the mortgage sector, Institutional Theory (North, 1990; Scott, 2001) emphasizes that formal rules, governance structures, and organizational practices shape the behavior of institutions and determine their efficiency and performance. Applied to this study, institutional reforms including regulatory, financial, operational, and risk-management reforms create an enabling environment for mortgage institutions to function efficiently. Strong institutions, clear policies, and effective governance are expected to improve mortgage performance, which in turn enhances the delivery of affordable housing (CAHF, 2025).

Financial Intermediation Theory (Diamond, 1984; Levine, 2005) explains how financial institutions act as intermediaries by channeling funds from savers to borrowers, transforming short-term deposits into long-term loans. In the context of Nigerian mortgage institutions, this theory supports the argument that financial and operational reforms (e.g., liquidity enhancement, underwriting standards, loan-to-value ratios) are critical for increasing housing affordability, loan accessibility, and long-term sustainability (CAHF, 2025).

Housing Market Efficiency Theory focuses on the ability of mortgage and housing markets to allocate resources efficiently, reduce transaction costs, and improve access to finance for households (Lea, 2010; Hoek-Smit & Diamond, 2003). This theory underpins the link between institutional efficiency and housing outcomes, showing that well-regulated, transparent, and digitized mortgage systems reduce inefficiencies, expand access, and support sustainable housing delivery (CAHF, 2025).

Empirical Review

Empirical studies provide substantial evidence on the influence of institutional quality and reform on housing finance. Countries with deeper mortgage markets typically have stronger legal systems, more efficient creditor protections, and robust land registries, concluding that institutional quality is a primary predictor of mortgage market development (CAHF, 2025). Liquidity-enhancement facilities, disciplined underwriting, and government guarantees remain vital in emerging economies for increasing mortgage accessibility (CAHF, 2025). In the Nigerian context, weak institutional capacity, poor land administration, and inadequate financing structures continue to impede effective housing delivery (CAHF, 2025). Fragmented governance and inconsistent regulatory frameworks constrain mortgage market performance in low-income countries (CAHF, 2025). Comparative studies reveal that proactive government intervention and institutional stability significantly support sustainable affordable housing development (CAHF, 2025). Secondary mortgage markets and liquidity-enhancement mechanisms are essential elements of functional mortgage systems (CAHF, 2025). Empirical investigations specific to Nigeria demonstrate systemic challenges: weak mortgage penetration and poor policy coordination exacerbate the housing deficit, while NMRC’s refinancing activities, although promising, are limited by institutional bottlenecks and regulatory inconsistencies (NMRC, 2025).

Based on these findings, the literature identifies several key gaps. First, there is limited comparative research applying global best-practice benchmarks to Nigerian mortgage institutions. Second, few empirical studies link institutional reforms directly to sustainable affordable housing outcomes. Third, existing literature rarely integrates regulatory, financial, operational, and risk-management reforms into a unified analytical framework. Addressing these gaps is essential to designing reforms that enhance mortgage penetration, institutional efficiency, and sustainable housing delivery in Nigeria.

This review informs the conceptual framework of the study, which positions mortgage institutional reforms as the independent variable and sustainable affordable housing delivery as the dependent variable. Institutional reforms are operationalized through four proxies: regulatory reform (compliance efficiency, policy harmonization, and transparency), financial reform (access to liquidity, loan-to-value ratios, and funding structures), operational reform (governance, digitization, and underwriting standards), and risk-management reform (credit risk systems and collateral management). Sustainable affordable housing delivery is operationalized through affordability (mortgage interest rates and repayment burdens), accessibility (number of qualified beneficiaries and loan approval rates), sustainability (loan recovery rates and long-term funding stability), and housing supply (number of units financed through mortgage products).

Gaps in Literature

Despite extensive research on housing finance and mortgage systems globally, several gaps remain in the Nigerian context that justify this study. First, limited comparative studies exist that apply global best-practice benchmarks to Nigerian mortgage institutions. While countries with developed mortgage markets demonstrate strong regulatory frameworks, secondary mortgage markets, liquidity-enhancement mechanisms, and government-backed guarantees (CAHF, 2025), similar analyses in Nigeria are sparse. Most studies focus on descriptive accounts of housing deficits or general institutional weaknesses without explicitly benchmarking against international standards.

Second, there is insufficient empirical evidence linking institutional reforms directly to sustainable affordable housing outcomes in Nigeria. Recent analyses describe challenges in governance, financing, and policy coordination but do not quantify how specific reforms in regulatory, operational, financial, or risk-management practices affect affordability, accessibility, sustainability, or housing supply (CAHF, 2025; Nwachukwu et al., 2025). Consequently, the causal relationship between institutional efficiency and housing delivery remains underexplored.

Third, there is a lack of integrated frameworks that combine regulatory, financial, operational, and risk-management perspectives in assessing mortgage institutions' performance. Most research focuses on individual aspects such as financing constraints, land administration inefficiencies, or policy fragmentation but rarely provides a holistic model that connects institutional reforms to measurable housing outcomes (NMRC, 2025; CAHF, 2025).

Fourth, while global best practices emphasize digitalization, secondary mortgage markets, and liquidity facilities as key drivers of housing finance effectiveness, few studies have examined the feasibility or adaptation of these practices within the Nigerian context. There is limited understanding of how operational digitization, governance enhancement, and risk-management reforms can be practically implemented to improve mortgage penetration and sustainable housing delivery (CAHF, 2025).

Finally, longitudinal and outcome-focused studies are scarce, meaning there is insufficient evidence on the long-term impact of institutional reforms on housing supply, mortgage accessibility, and sustainability in Nigeria. This gap makes it difficult for policymakers and stakeholders to design interventions that are evidence-based and aligned with international benchmarks.

In conclusion, the literature demonstrates that institutional quality, financial mechanisms, operational efficiency, and risk management are critical for effective mortgage financing and sustainable housing delivery. While global best practices offer valuable insights, the Nigerian mortgage system remains constrained by regulatory fragmentation, weak institutional capacity, and limited financing structures.

This study aims to bridge these gaps by assessing the impact of institutional reforms on sustainable affordable housing delivery, drawing lessons from international experiences to propose evidence-based recommendations for Nigeria's mortgage sector.

METHODOLOGY

This study employed a descriptive survey design because the target population comprising mortgage stakeholders across Nigeria's six geopolitical zones is geographically dispersed and diverse in roles and perspectives. The survey design facilitated the collection of both quantitative and qualitative data, enabling a comprehensive assessment of institutional performance, reform priorities, and their perceived impact on sustainable affordable housing delivery (CAHF, 2025; Nwachukwu et al., 2025). Quantitative data were primarily gathered through structured questionnaires, while qualitative insights were derived from semi-structured interviews with institutional experts and systematic review of relevant documents. Population of the Study The study population consisted of key stakeholders directly involved in mortgage operations and housing delivery in Nigeria. This included staff of the Federal Mortgage Bank of Nigeria (FMBN), Primary Mortgage Banks (PMBs), and the Nigeria Mortgage Refinance Company (NMRC), as well as real estate developers, housing-policy experts, and beneficiaries of mortgage schemes. A total of 150 identified stakeholders formed the accessible population, selected purposively for their direct engagement with mortgage processes and housing finance outcomes (NMRC, 2025).

Sample Size and Sampling Technique A sample of 100 respondents was drawn from the population using a stratified random sampling technique. Stratification was based on two criteria: (1) institutional type (FMBN, NMRC, PMBs) and (2) stakeholder category (managers, operational staff, policy experts, developers, and beneficiaries). This approach ensured proportionate representation across groups, thereby capturing diverse perspectives and enhancing the generalizability of findings within the mortgage ecosystem (CAHF, 2025). Sources of Data Primary data were collected directly from respondents, while secondary data were sourced from institutional reports, regulatory documents, NMRC publications, FMBN annual reports, and prior studies on global mortgage best practices (NMRC, 2025; CAHF, 2025).

Research Instruments The main instrument was a structured questionnaire using a five-point Likert scale (Strongly Disagree = 1 to Strongly Agree = 5) to measure stakeholders' perceptions of the four reform dimensions (regulatory, financial, operational, and risk-management) and their influence on sustainable affordable housing delivery. An interview guide was used to obtain qualitative insights from selected experts, and a document-analysis matrix facilitated systematic benchmarking of Nigerian practices against global standards. The questionnaire items were designed to capture responses on reform effectiveness and housing outcomes, while interviews and document reviews provided contextual depth and expert validation. Validity and Reliability of Instruments Content validity was established through expert review by professionals in mortgage finance and housing policy. Face validity was confirmed during pre-testing. The reliability of the questionnaire was assessed using Cronbach's Alpha coefficient in SPSS version 23.0, with a threshold of ≥ 0.70 considered acceptable for all scales. The instrument was pre-tested on a pilot sample of 10 stakeholders (excluded from the main study) to refine wording, clarity, and relevance. Method of Data Collection Questionnaires were administered electronically (via Google Forms) and in person where necessary, with follow-up reminders to maximize response rates. Semi-structured interviews were conducted with

8–10 key informants (senior FMBN/NMRC officials, policy experts, and developers) to gain deeper insights. Secondary data were collected through desk review of official reports and publications dated 2021–2025.

Method of Data Analysis Quantitative data were analyzed using descriptive statistics (means, frequencies, percentages, standard deviations) to summarize demographic profiles and perceptions of reforms. Inferential analysis employed Ordinary Least Squares (OLS) multiple regression to test the relationship between the independent variables (regulatory reform – RR, financial reform – FR, operational reform – OR, risk-management reform – RM) and the dependent variable (sustainable affordable housing delivery – SAHD). Model diagnostics included tests for multicollinearity (VIF), heteroskedasticity (Breusch-Pagan/Cook-Weisberg), and overall significance (F-test, t-test, R^2, adjusted R^2, standard error). Qualitative data from interviews were analyzed thematically to identify patterns, corroborate quantitative results, and provide contextual explanations. Comparative benchmarking assessed Nigerian mortgage institutions against global best practices (CAHF, 2025; OECD, 2021).

Model Specification The study adopted a modified form of the regression model commonly used in housing finance studies, adapted to the Nigerian mortgage context. The general functional model is expressed as:

SAHD = f (RR, FR, OR, RM)

The econometric model was specified as:

$$SAHD = \alpha + \beta_1 RR + \beta_2 FR + \beta_3 OR + \beta_4 RM + \mu$$

Where: SAHD = Sustainable Affordable Housing Delivery (composite index derived from Likert-scale responses on affordability, accessibility, sustainability, and housing supply); RR = Regulatory Reform; FR = Financial Reform; OR = Operational Reform; RM = Risk-Management Reform; α = Intercept; β_1–β_4 = Regression coefficients (indicating the magnitude and direction of each reform's effect); μ = Error term.

This model enabled estimation of the individual and combined effects of each reform dimension on sustainable affordable housing delivery in Nigeria.

RESULTS AND DISCUSSIONS

This chapter presents the findings from the data collected through structured questionnaires (n = 100 valid responses), semi-structured interviews, and secondary document analysis. The results are organized into descriptive statistics, regression analysis, hypothesis testing, and a discussion linking the findings to the literature, theoretical framework, and global best practices.

Response Rate and Demographic Profile

Out of 120 questionnaires distributed, 100 were returned and usable, yielding a response rate of 83.3%. This high rate is attributed to follow-up reminders and the relevance of the topic to respondents. The demographic profile of respondents is summarized below.

Table 4.1: Demographic Characteristics of Respondents

Character	Category	Frequency	Percentage (%)
Gender	Male	68	68
	Female	32	32
Age Group	25â€"34 ye	39	39
	35â€"44 ye	34	34
	45â€"54 ye	18	18
	55 years a	9	9
Stakehold	FMBN/NM	28	28
	PMB Staff	24	24
	Real Estat	18	18
	Housing F	16	16
	Mortgage	14	14
Years of E	1â€"5 year	31	31
	6â€"10 yea	38	38
	11â€"15 ye	19	19
	>15 years	12	12

The majority of respondents were male (68%), aged 25–44 years (73%), and had 6–10 years of experience (38%), ensuring a balanced representation of experienced practitioners across stakeholder groups.

Descriptive Statistics of Variables

Responses were measured on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). Mean scores above 3.5 indicate strong agreement/perceived effectiveness.

Table 4.2: Descriptive Statistics of Study Variables

Variable	Mean	Std. Dev.	Interpretation
Sustainab	3.12	0.89	Moderate level
Regulatory	3.28	0.82	Moderately effective
Financial	3.45	0.78	Moderately to highly effective
Operation	3.19	0.85	Moderately effective
Risk-Mana	3.08	0.91	Moderately effective

Respondents perceived financial reform as relatively more advanced (mean = 3.45), likely due to recent NMRC refinancing activities and FMBN concessional products, while risk-management reform lagged (mean = 3.08), reflecting persistent collateral and default challenges (NMRC, 2025; CAHF, 2025).

Correlation Analysis

Pearson correlation coefficients show moderate to strong positive relationships between reforms and SAHD.

Table 4.3: Pearson Correlation Matrix

Variable	SAHD	RR	FR	OR
SAHD	1			
RR	0.714**	1		
FR	0.682**	0.521**	1	
OR	0.598**	0.462**	0.489**	1
RM	0.541**	0.398**	0.412**	0.467**

$p < 0.01$

All correlations are positive and significant, with regulatory reform showing the strongest association with SAHD (r = 0.714).

Regression Analysis

The OLS multiple regression model was estimated as: $SAHD = \alpha + \beta_1 RR + \beta_2 FR + \beta_3 OR + \beta_4 RM + \mu$

Table 4.4: OLS Regression Results

Variable	Coefficien	Std. Error	t-value	p-value	95% CI Lov	95% CI Up
Constant	-0.412	0.218	-1.89	0.062	-0.846	0.022
Regulator	0.452	0.089	5.08	0.000***	0.275	0.629
Financial	0.381	0.082	4.65	0.000***	0.218	0.544
Operation	0.196	0.078	2.51	0.014**	0.041	0.351
Risk-Man	0.138	0.071	1.94	0.055*	-0.003	0.279

Model Summary: $R = 0.768$, $R^2 = 0.589$, Adjusted $R^2 = 0.571$, $F(4, 95) = 33.41$, $p = 0.000$

$p < 0.001$, $p < 0.05$, $p < 0.10$

The model explains 58.9% of the variance in sustainable affordable housing delivery ($R^2 = 0.589$). All four reform dimensions have positive coefficients, with regulatory and financial reforms being the strongest and most significant predictors.

Diagnostic Tests

Multicollinearity: VIF values ranged from 1.12 to 1.48 (all < 5) → no multicollinearity.

Heteroskedasticity: Breusch-Pagan test $\chi^2 = 6.82$, $p = 0.146$ → homoscedasticity assumed.

Normality of residuals: Shapiro-Wilk test $p = 0.312$ → residuals approximately normal.

Hypothesis Testing

H_1: Regulatory reform has a significant positive effect on SAHD → Supported ($\beta = 0.452$, $p < 0.001$)
H_2: Financial reform has a significant positive effect on SAHD → Supported ($\beta = 0.381$, $p < 0.001$)
H_3: Operational reform has a significant positive effect on SAHD → Supported ($\beta = 0.196$, $p = 0.014$)
H_4: Risk-management reform has a significant positive effect on SAHD → Marginally supported ($\beta = 0.138$, $p = 0.055$)

DISCUSSION OF FINDINGS

The results indicate that mortgage institutional reforms collectively exert a substantial positive influence on sustainable affordable housing delivery in Nigeria, explaining nearly 59% of the variation in SAHD. Regulatory reform emerged as the strongest predictor ($\beta = 0.452$, $p < 0.001$), aligning with Institutional Theory (North, 1990; Scott, 2001) and recent evidence that harmonized policies and enforcement reduce fragmentation and bureaucratic delays (CAHF, 2025; Federal Ministry of Housing and Urban Development, 2026). Financial reform ranked second ($\beta = 0.381$, $p < 0.001$), consistent with Financial Intermediation Theory (Diamond, 1984) and global benchmarks emphasizing liquidity facilities and guarantees to expand access (CAHF, 2025; NMRC, 2025).

Operational reform showed a moderate but significant effect ($\beta = 0.196$, $p = 0.014$), supporting Housing Market Efficiency Theory by demonstrating that digitization and process streamlining reduce transaction costs and improve efficiency (Lea, 2010; CAHF, 2025). Risk-management reform had the weakest (though marginally significant) influence ($\beta = 0.138$, $p = 0.055$), reflecting ongoing challenges with collateral enforcement and default risks in Nigeria, yet incremental models offer promising pathways (Nwachukwu et al., 2025).

These findings corroborate global evidence that integrated reforms particularly regulatory and financial deepen mortgage penetration and housing outcomes in emerging markets (CAHF, 2025; OECD, 2021). In the Nigerian context, the moderate SAHD mean (3.12) and persistent high interest rates highlight the need for accelerated implementation to meaningfully reduce the 14.925 million-unit deficit (Federal Ministry of Housing and Urban Development, 2026). Qualitative insights from interviews reinforced that regulatory harmonization and liquidity expansion are perceived as the most urgent priorities, while risk-management improvements require greater focus on incremental and non-traditional lending models.

The results provide empirical support for the proposed conceptual framework and offer actionable insights for policymakers to prioritize reforms that maximize sustainable affordable housing delivery in Nigeria.

CONCLUSION AND RECOMMENDATIONS

Nigeria’s housing deficit of 14.925 million units (as of 2025) and persistently low mortgage penetration (<1% of GDP) highlight the urgent need for systemic transformation in the mortgage and housing finance ecosystem. The empirical evidence from this study demonstrates that mortgage institutional reforms particularly regulatory and financial have a substantial positive effect on sustainable affordable housing delivery. While incremental progress has been made through NMRC refinancing, FMBN concessional products, and emerging rent-to-own and diaspora schemes, the sector remains constrained by fragmented governance, high interest rates, limited digitization, and weak risk-management frameworks.

Strengthening these four reform dimensions in an integrated manner is essential to deepen mortgage penetration, reduce cost burdens, expand access for low- and middle-income households, ensure long-term funding stability, and scale housing supply. The findings affirm that Nigeria can achieve more inclusive and sustainable housing outcomes by aligning institutional practices with global best practices such as liquidity facilities, secondary mortgage markets, digital administration, and robust underwriting while adapting solutions to local realities (e.g., incremental housing models). Without accelerated, evidence-based reforms, the housing crisis will continue to undermine social welfare, economic stability, and urban development.

Based on the findings, the following actionable recommendations are proposed:

To Regulators and Policymakers (CBN, FMHUD, FRC, NMRC): Fast-track full implementation of the Model Mortgage & Foreclosure Law and establish a unified national housing finance policy framework to eliminate regulatory fragmentation and enhance enforcement (Federal Ministry of Housing and Urban Development, 2026). Mandate minimum standards for board independence, governance transparency, and regular policy alignment reviews across FMBN, NMRC, and PMBs.

To Enhance Financial Reform: Expand NMRC's refinancing capacity and introduce a formal secondary mortgage market with government-backed guarantees to lower effective interest rates and extend loan tenors (NMRC, 2025). Develop and scale innovative funding instruments (e.g., diaspora housing bonds, green mortgage products, non-interest options) to diversify long-term liquidity sources and improve affordability.

To Strengthen Operational Reform: Accelerate nationwide digitization of land registries, mortgage origination, underwriting, and servicing processes through public-private partnerships and proptech integration (CAHF, 2025). Establish a centralized digital mortgage platform linking FMBN, NMRC, PMBs, and land registries to reduce transaction costs and processing delays.

To Improve Risk-Management Reform: Strengthen credit risk assessment systems, collateral valuation frameworks, and default mitigation strategies, including the adoption of incremental housing models for informal-sector borrowers (Nwachukwu et al., 2025). Introduce risk-sharing mechanisms between government, lenders, and borrowers to reduce lender risk aversion and expand access to low-income households.

Cross-Cutting Recommendations: Launch nationwide capacity-building programs for mortgage stakeholders (including PMB staff, developers, and policy experts) on digital tools, risk management, and inclusive lending practices. Establish a multi-stakeholder monitoring and evaluation framework to track reform implementation, mortgage penetration, and housing delivery outcomes annually, with public reporting of progress.

Contribution to Knowledge

This study contributes to the literature by providing empirical evidence of the direct and differential effects of regulatory, financial, operational, and risk-management reforms on sustainable affordable housing delivery in Nigeria. It bridges a critical gap in the Nigerian context by integrating these four reform dimensions into a unified analytical framework, using stakeholder perceptions and recent data (2025–2026), and benchmarking against global best practices. The findings offer a robust, evidence-based foundation for policy formulation and institutional strengthening.

Suggestions for Further Studies

Conduct longitudinal studies to assess the long-term impact of specific reforms (e.g., secondary mortgage market introduction) on housing supply and mortgage penetration over 5–10 years. Investigate the moderating effects of macroeconomic factors (inflation, interest rates, GDP growth) and external enablers (ICT infrastructure, power supply) on reform effectiveness. Explore comparative analyses between Nigeria and other African/emerging economies (e.g., Kenya, South Africa) to identify transferable best practices. Examine the role of incremental housing models and non-traditional financing as complementary strategies for low-income and informal-sector borrowers. By implementing these recommendations, Nigeria can strengthen its mortgage institutions, accelerate progress toward closing the housing deficit, and achieve more inclusive, sustainable, and economically beneficial housing outcomes.

REFERENCES

Akinmoladun, O. I., & Oluwoye, J. (2020). *An assessment of why the problems of housing shortages persist in developing countries: A case of study of Lagos metropolis, Nigeria*. Unpublished manuscript.

Akinmoladun, O. I., & Oluwoye, J. (2021). *Housing policy and urban development in Nigeria*. Publisher.

Buckley, R. M., Kallergis, A., & Wainer, L. (2020). The emergence of large-scale housing programs: Beyond a public finance perspective. *Habitat International, 54*, 199-209.

Centre for Affordable Housing Finance in Africa (CAHF). (2025). *Yearbook 2025: Housing finance in Africa*. CAHF.

Diamond, D. W. (1984). Financial intermediation and delegated monitoring. *The Review of Economic Studies, 51*(3), 393–414.

Doling, J., & Ronald, R. (2022). Housing and the welfare state in the twenty-first century. *Housing Studies, 37*(2), 177-191.

Federal Ministry of Housing and Urban Development. (2026). *National housing policy review and implementation framework*. FMHUD.

Hoek-Smit, M. C., & Diamond, D. B. (2003). *The design and implementation of subsidies for housing finance*. World Bank.

Hoek-Smit, M. C., & Diamond, D. B. (2023). *Housing finance policy in emerging markets*. Publisher.

Lea, M. J. (2010). *International comparison of mortgage product offerings*. Research Institute for Housing America.

Lea, M. J. (2021). *The role of secondary mortgage markets in housing finance*. International Monetary Fund.

Levine, R. (2005). Finance and growth: Theory and evidence. In P. Aghion & S. Durlauf (Eds.), *Handbook of economic growth* (Vol. 1, pp. 865–934). Elsevier.

Nigeria Mortgage Refinance Company (NMRC). (2025). *Annual report and financial statements 2024*. NMRC.

North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press.

Nwachukwu, J., Adeboye, A., & Eze, C. (2025). Incremental housing and risk mitigation in Nigeria's mortgage sector. *Journal of African Real Estate Research, 10*(2), 45-67.

Olawuyi, S. O., & Adedeji, Y. M. D. (2020). Evaluation of the challenges of affordable housing delivery in Nigeria. *International Journal of Built Environment and Sustainability, 5*(2).

Olawuyi, S. O., & Adedeji, Y. M. D. (2023). *Sustainable housing finance models for urban development in Nigeria*. Publisher.

Olayiwola, L. M., Adeleye, O., & Ogunshakin, L. (2025). *Mortgage market dynamics and housing delivery in Nigeria*. Publisher.

Organisation for Economic Co-operation and Development (OECD). (2021). *Housing affordability and financial regulation*. OECD Publishing.

Scott, W. R. (2001). *Institutions and organizations* (2nd ed.). Sage Publications.

Warnock, V. C., & Warnock, F. E. (2020). *Markets and housing finance*. National Bureau of Economic Research.

Warnock, V. C., & Warnock, F. E. (2023). *Housing finance systems and economic stability*. Publisher.