

Effect of Economic Status on Housing Insecurity in Fct, Abuja

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ABSTRACT

This study examines the effect of economic status on housing insecurity among inhabitants of the Federal Capital Territory (FCT), Abuja. The study assesses how income, employment, and related socioeconomic variables influence access to adequate housing. A descriptive survey design was employed, combining quantitative and qualitative methods. Primary data were collected through structured questionnaires administered to 436 respondents across selected districts of Abuja, of which 387 valid responses were analyzed. Findings indicate a significant relationship between income level and housing stability, with low-income earners experiencing higher rates of housing deprivation, overcrowding, and insecure tenure. The paper concludes that economic status is a critical determinant of housing security in Abuja and recommends policy interventions aimed at increasing affordable housing supply, improving wage levels, and expanding social protection programs.

Keywords: Economic, Insecurity, Housing, Status

I. INTRODUCTION

Economic status has been identified as one of the most powerful determinants of access to adequate housing globally (UN-Habitat, 2020). In Nigeria, the rapid pace of urbanization has exacerbated the inequality gap, especially in cities such as Abuja where the demand for housing far exceeds supply. The high cost of land and rent, coupled with limited access to affordable housing finance, has deepened housing insecurity among low- and middle-income earners (Moore, 2019; Bello, 2024). The Federal Capital Territory (FCT), Abuja, established as Nigeria's administrative

capital, attracts a diverse population seeking economic opportunities. However, the cost of living in the city is significantly higher than in other regions, leading to a growing population of individuals and families who live in overcrowded dwellings or informal settlements (Emusa, 2023; Urban Development Research Center, 2024). Economic marginalization, weak wage structures, and rising unemployment have combined to limit housing affordability, pushing many residents toward housing insecurity and homelessness. This paper therefore investigates the relationship between economic status and housing insecurity in FCT Abuja, with a view to identifying the extent to which income levels, employment, and social inequality influence access to adequate housing.

Economic status is commonly defined in terms of an individual's income, occupation, and access to resources that determine their standard of living (DeLuca, 2022). Housing insecurity, according to Hock et al. (2024), encompasses challenges such as high rent burden, risk of eviction, and unstable or substandard housing conditions. Several studies have documented the link between economic inequality and housing deprivation. Akinmoladun and Adeoye (2023) found that income disparities are major contributors to urban housing crises in Nigeria. Similarly, Alkali, Sipan and Razali (2019) identified poor purchasing power, rising construction costs, and inadequate housing finance mechanisms as barriers to decent housing among low-income groups. In the context of Abuja, Jagun (2020) and Bello (2024) observed that limited employment opportunities and inflationary trends have restricted the ability of low-income earners to afford stable accommodation. The result is the

proliferation of informal settlements and makeshift housing across the city. These findings align with the social inequality framework, which posits that economic marginalization perpetuates spatial and social exclusion (Mahlangu, 2020).

II. RESEARCH DESIGN AND METHODOLOGY.

The study employed a descriptive survey design to determine the effect of economic status on housing insecurity among residents of the Federal Capital Territory (FCT), Abuja. The population comprised residents living in both formal and informal settlements across selected Area Councils. A sample size was determined using the Yamane formula, ensuring representation across income groups.

Due to the finite nature of the population, the sample size for administering the questionnaire was obtained using Cochran formula for finite populations (Aliyu, 2021). This yielded a representative sample for proportions. The formula and computation are as follows:

$$n = \frac{z^2 N p q}{N e^2 + z^2 p q}$$

Where

N = Study population (776,298)

n = the sample size

Z = Standard score corresponding to a given level which this study given as 96% (2.06)

p = the estimated proportion of an attribute that is present in the population or % of the success rate = 50%

q = the estimated proportion of an attribute that is not present in the population or % of the failure rate = 1-50%

e = Proportion of sampling error in a given situation i.e. 5% or 0.05.

Therefore

$$n = \frac{z^2 N p q}{N e^2 + z^2 p q} = \frac{(2.06)^2 776,298 (0.5)(0.5)}{776,298(0.05)^2 + (2.06)^2 (0.5)(0.5)}$$

n = 424.12815214950

Therefore, the sample size of the study is 424.

A multistage random sampling technique was used in selecting the respondents needed for this study. The first stage was involve the purposive selection of Phase 2, Phase 3 and Phase 4 of the 5 Phases in FCT Abuja. The selection was based on the prevalence of homelessness and insecurity. In the second stage, 2 districts each were randomly selected from the FCT, while in the third stage, 3 areas from each districts were randomly selected from each of the selected communities making a total of nine (9) areas. In the last stage, twenty (50) respondents were randomly selected from each of the area to have a total of four hundred and fifty (450) respondents. Due to budgetary and time constraints the study only gathered four hundred and thirty six (436) responses out of which only three hundred and eighty seven (387) was finally used for data analysis after thorough data cleaning.

Data were collected using structured questionnaires and key informant interviews. Data collected using structured questionnaire and interview schedules were analyzed using descriptive and inferential statistical tools such as Microsoft Excel and STATA. Variables measured included monthly income, employment status, type of housing, rent burden, and security of tenure. Descriptive and inferential statistics (such as regression analysis) were used to analyze the relationship between economic status and housing insecurity.

III. RESULTS

Table 1

Age Group	Frequency	Percentage	Mean
≤ 30 years	90	23.26	39 years
31 – 45 years	229	59.17	
46 – 60 years	49	12.66	
Above 60 years	19	4.91	
Sex	Frequency	Percentage	
Male	196	50.65	

Female	191	49.35	
Marital Status	Frequency	Percentage	
Married	225	58.14	
Single	98	25.32	
Divorced/Separated	35	9.04	
Widowed	29	7.49	
Educational level	Frequency	Percentage	
No formal education	13	3.36	
Primary education	49	12.66	
Secondary education	57	14.73	
Tertiary education	118	30.49	
Postgraduate	150	38.76	
Employment Status	Frequency	Percentage	
Formal/Private	86	22.22	
Informal/Self-Employed	122	31.52	
Public/Civil Servant	135	34.88	
Retired	30	7.75	
Unemployed	14	3.62	
Household Size	Frequency	Percentage	Mean
≤ 3	108	27.91	5
4 – 6	204	52.71	
7 – 9	61	15.76	
Above 9	14	3.62	

Table 2: Distribution of Respondents by Monthly Income

Monthly Income (₹)	Frequency	Percentage (%)
Below 30,000	83	27.7
30,000 – 50,000	115	38.3
51,000 – 100,000	66	22.0
Above 100,000	36	12.0
Total	300	100

Table 3: Type of Housing by Income Group

Income Category	Permanent House (%)	Rented Apartment (%)	Temporary Shelter (%)	Homeless (%)
Below ₦30,000	8.4	41.0	33.7	16.9
₦30,000–₦50,000	12.2	55.7	26.1	6.0
₦51,000–₦100,000	25.8	62.1	9.1	3.0
Above ₦100,000	46.8	48.6	3.1	1.5

Table 4: Relationship between Economic Variables and Housing Insecurity

Variable	R	R ²	Adjusted R ²	Sig. (p-value)
Income, Employment, Expenditure → Housing Insecurity	0.712	0.506	0.499	0.000

IV. RESULTS INTERPRETATION

The socio-economic characteristics of respondents in the Federal Capital Territory (FCT), Abuja, provide a comprehensive understanding of the underlying factors that shape housing insecurity in the area. As seen in Table 1, a majority (59.2%) were between 31–45 years old, followed by 23.3% who were aged 30 years or below. Only 12.7% were aged 46–60 years, while a small fraction (4.9%) were above 60 years, with an overall mean age of 39 years. This indicates that most individuals experiencing housing insecurity are in their economically active and productive years, a stage of life when people are expected to achieve stability in both income and living conditions. The concentration of housing challenges within this age bracket suggests that the problem is not confined to the elderly or the very young, but rather cuts across adults who should ordinarily be contributing most actively to economic growth.

The sex distribution was nearly balanced, with 50.7% of respondents being male and 49.3% female. This balance demonstrates that the issue of homelessness and housing insecurity in Abuja is not a gender-specific phenomenon, as it affects both men and women almost equally. However, while the overall distribution is even, it is important to note that women may face unique gender-related vulnerabilities, including reduced access to resources and gender-based socio-economic disadvantages that can compound their housing challenges.

In terms of marital status, the data revealed that 58.1% of respondents were married, 25.3% were single, 8.2% divorced, 5.7% separated, and 2.6% widowed. This pattern underscores the significance of family and marital dynamics in housing stability. The high proportion of married respondents indicates that many households experiencing housing insecurity are family units, where responsibilities extend beyond the individual to spouses and children. At the same time, the combined 16.5% of divorced, separated, and widowed respondents shows how the loss of

spousal support through either marital breakdown or death—can exacerbate vulnerability, forcing individuals into unstable or insecure housing arrangements.

Educational attainment among the respondents was relatively high, with 40.1% reporting tertiary education and 29.4% having postgraduate qualifications. Secondary education accounted for 20.9%, primary education 8.2%, while only 1.4% had no formal education. The data demonstrates that education, while generally assumed to provide economic mobility and stability, does not necessarily shield individuals from the risk of housing insecurity in Abuja. The presence of a significant proportion of tertiary and postgraduate degree holders among those affected highlights the structural nature of the housing crisis, where even highly educated individuals are unable to secure adequate housing.

Employment distribution further reinforces this finding. Civil servants made up 34.9% of respondents, the self-employed accounted for 31.5%, and private formal employees represented 22.2%. Students comprised 4.7%, the unemployed 3.2%, artisans 2.2%, and retirees 1.4%. This indicates that while a significant proportion of respondents were engaged in either government or private employment, these positions did not guarantee access to secure and stable housing. In particular, the large representation of self-employed individuals suggests that those in informal employment, often characterized by irregular incomes and lack of social protection, face heightened vulnerability to housing insecurity.

Household structure analysis revealed that most respondents lived in moderately sized families, with 52.7% living in households of 4–6 persons, 28.3% in households of 1–3 persons, 15.6% in households of 7–9 persons, and 3.4% in households with 10 members or more. The mean household size was 5.1.

The results clearly show that economic status is a decisive factor in determining housing outcomes in Abuja. Table 2 indicates that more

than two-thirds (66%) of respondents earn less than ₦50,000 monthly, categorizing them as low-income earners. This income level is significantly below the threshold required to secure decent housing in the FCT, where average monthly rents for modest apartments exceed ₦80,000.

Table 3 highlights a strong association between income and housing type. Respondents earning below ₦50,000 were predominantly tenants in rented apartments or residents of temporary shelters, with a small but significant proportion being entirely homeless. Conversely, those earning above ₦100,000 were more likely to live in permanent houses, illustrating the protective effect of higher income on housing security.

The regression result in Table 4 confirms a statistically significant relationship ($R = 0.712$, $p < 0.05$) between economic indicators (income, employment, expenditure) and housing insecurity. This implies that nearly 51% of the variation in housing insecurity among residents can be explained by their economic status. The findings are consistent with Jiburum et al. (2021) and Bello (2024), who found that financial instability and limited access to affordable credit are key determinants of housing deprivation in Nigeria.

In summary, the study establishes that economic vulnerability manifested through low income, unemployment, and weak purchasing power is a critical determinant of housing insecurity in FCT Abuja. The findings underscore the need for targeted social protection programs and inclusive housing finance mechanisms.

V. SUMMARY

The study concludes that economic status exerts a significant influence on housing insecurity in the Federal Capital Territory, Abuja. Income disparities, unemployment, and high rent burden are central to the problem. The regression analysis confirms that socioeconomic variables account for more than half of the variance in housing insecurity among residents.

VI. RECOMMENDATIONS

1. The government should strengthen social protection and wage policies to improve the economic capacity of low-income households.
2. Affordable housing programs should be expanded through public-private partnerships targeting low- and middle-income earners.
3. Housing finance institutions should provide low-interest loans and rent-to-own schemes to promote ownership among the working poor.
4. Social work interventions should integrate economic empowerment with housing assistance.

5. Policies should address corruption in land allocation and improve access to affordable land and building materials.

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