

GHANA

HOUSING PROFILE



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FOREWORD

I welcome the request from the Government of Ghana for UN-Habitat's support in the revision of the Ghana Housing Profile developed together over a decade ago. UN-Habitat is mandated by the United Nations General Assembly to promote socially and environmentally sustainable towns and cities with the goal of providing adequate shelter for all.

The new report re-assesses the housing sector, policy and regulatory environments to reflect present realities and offer actionable recommendations on how Ghana's challenging housing situation can be improved alongside other developmental gains.

The report is rich in information, from quantitative analyses to qualitative assessments, unpacking the intricacies of housing dynamics in both urban and rural areas. It addresses sustainability and equity concerns by examining climate change resilience, affordable and sustainable building materials and access to green infrastructure. It also serves as a specifically commissioned sample survey of eight Ghanaian cities.

The findings of this report offer opportunities for stakeholders, public and private to collaborate as a major enabler for effective housing delivery.

I am confident that the report will inform policy decisions and interventions as well as unlock investments from the private sector towards the supply of affordable, sustainable and inclusive housing, towards the realization of adequate housing for all.

UN-Habitat wishes to acknowledge with appreciation, the United Nations Office for Project Services (UNOPS) for the financial and technical support and the Government of Ghana for the commitment of seeking to improve the housing conditions of citizens.

Oumar Sylla



Director, Regional Office for Africa
UN-Habitat



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HIGHLIGHT:

The findings of this report offer opportunities for stakeholders, public and private to collaborate as a major enabler for effective housing delivery.

EXECUTIVE SUMMARY

Introduction and Approach to the Revised Profile

In 2011, the Government of Ghana with the support of the United Nations Human Settlements Programme (UN-Habitat), developed a Housing Profile to guide policy, planning and investments in the housing sector. The profile has over the past 13 years guided a number of important interventions in the sector, including the following:

- **completion and roll-out of the National Housing Policy in 2015;**
- **implementation of a number of Affordable Housing Programmes;**
- **provision of housing units for security agencies;**
- **creating enabling environment and providing incentives for stakeholders and investors; and**
- **implementing slum upgrading programmes (in partnership with the UN-Habitat) etc.**

After over a decade of guiding policy, investments and planning in the housing sector, there was the need to revise the existing profile. This revision was aimed at supporting the government and other stakeholders, with a systematic analysis of housing delivery in the country. Specifically, the revision was to:

- re-assess the housing sector, policy and regulatory environments;
- identify bottlenecks, opportunities and gaps in the sector;
- provide stakeholders with a comprehensive guide on the sector's progress;
- engage stakeholders to shape the medium to long-term goals of Ghana's housing sector; and
- Map out strategies for consolidating gains and ensuring accelerated progress of the sector.

It is envisaged that the revised National Housing Profile will inform the planning and programming of investments in the housing sector, management and maintenance of existing housing stock, as well as slum upgrading and prevention. The profile will also act as platform for integrating housing policies into broader actions of government and aligning them with other social, economic and environmental policies. The updated profile will ultimately inform the country's work towards the realisation of the right to adequate housing, the New Urban Agenda, and the Sustainable Development Goals. In addition, it will inform plans and guidelines towards addressing housing finance for low-income groups, improving access to land, encouraging the use of sustainable building materials and construction technologies, and ensuring fair labour costs.

As a national document with a wide range of stakeholders at decision-making levels, a participatory approach was adopted in the production of the updated housing profile. The following are methods that were adopted in gathering data and information for the assignment:

- A kick-off stakeholder-engagement workshop was held to inform and agree with stakeholders on the methodology for the assignment;
- Comprehensive review of the existing profile to identify gaps; update trend information; and outline data requirements;
- Review of other relevant documents to assess the added information available for filling-in the gap mentioned in the point above;
- Identify and consult stakeholders to collect empirical evidences from players, actors and institutions in the housing sector; and
- Collect field data and hold institutional consultations in 8 urban areas and the rural environs to have first-hand information on the housing sector as it pertains in the study communities.

Data collected were recorded/transcribed, and analysed using synthesis of document review, contents and thematic analysis, presentation of tables and other illustrations to compare and discuss simple descriptive statistics. The final updated profile is presented in 8 chapters, which is 3 chapters short of the 11 chapters of the 2011 Ghana Housing Profile.

Ghana's Population and Housing Context

Over the last decade, Ghana's housing sector has been shaped by five main factors, namely, a. socio-economic development trajectory of the country; b. population growth, urbanisation and demographic change; c. growth and activities of the private sector and other non-state actors; d. government interventions and investments into the housing sector; and e. sustainability and response to changes in the natural environment. This profile starts by exploring the effects of these factors on the growth, structure and transformation of the housing sector.

Ghana's socio-economic growth in the last ten years has been characterized by notable transformations and challenges, which have contributed to the current performance of the housing sector. For instance, in 2021 Ghana's GDP per capita was recorded as US\$2,363.30, a marked improvement from US\$716 in 2009. Real GDP growth per annum was also 5.4% in 2021. As a key part of the country's development, Ghana's housing sector has also grown steadily, with a reduction in housing deficit by 1million units between 2010 and 2021. Again, the construction sector, particularly housing, has emerged as a cornerstone of Ghana's socio-economic progress, contributing approximately \$2.1 billion in 2020 and playing a vital role in driving economic stability and growth.

Associated with the country's social and economic growth trajectory, are rapid population growth and urbanisation trends. Ghana's population reached 30.8 million in 2021. Growing at a rate of 2.1% per annum, this is a 6.1 million increase from the 24.7 million recorded in 2010. Again, its urban proportion has increased from 50.9% in 2010 to 56.7% in 2021 - higher than previous intercensal periods. The country's population is generally youthful, with about 58.2% being 18 years or older. However, the proportion of children (0-14 years) declined from 41.3 percent in 2000 to 35.3% in 2021, while that of young people (15-35 years) increased from 34.6% in 2000 to 38.2% in 2021. Thus, as many as 73.5% of Ghana's population are below 35 years. Again, the population is dominated by females (50.7%); while 58.1% fall within the labour force. The foregoing population characteristics has important implication for Ghana's housing sector. For instance, with an urbanised population which is youthful and largely

employed, adequate accommodation is gravely needed.

Along with Ghana's population dynamics and characteristics, has been a steady increase in housing stock. For example, residential structures increased in the last decade by 72.8%. A number of factors have contributed to the increases in housing stock. These include foreign and local private investments, particularly in real estate and self-built housing development, the emergence informal settlements and slums, with increasing rental housing units. Aside private sector investments, the government, through its 2015 National Housing Policy, has made strategic contributions, including incentive packages such as unencumbered land banks, infrastructure services on designated lands, tax incentives and exemptions to interested private developers, among other interventions. It has also been directly involved in the provision of over 1,500 units, for various security agencies (Ghana Armed Forces and Police Service), in the last decade, and established housing mortgage funds to the tune of about USD 10 million. These were piloted in 2018 and 2020.

In spite of the modest achievements listed above, Ghana's housing sector is still faced with challenges such as poorly regulated market; inadequate financing options; unclear land administration, registration and titling; detached land use planning from housing development; and urban slums. Again, the housing sector is challenged with the use of unsustainable materials and environmentally unfriendly units. To address these challenges, there have been a number of policies, institutional and regulatory interventions.

Housing Policy, Institutional and Regulatory Environment

As a complex and dynamic sector, Ghana's housing sector is structured and operated by a wide range of stakeholders, institutions and regulatory bodies. However, in this profile the stakeholders in the sector can be grouped under public/formal and private/informal sector operators. Each of these categorisations have a tall list of institutions, departments and agencies mandated by a complex array of constitutional, legal and regulatory provisions. The key stakeholders, directly involved in the various sub-sectors of the housing sector have been outlined in the profile.

At the apex of all public sector players, is the Ministry of Works Housing (MWH), which provides the policy guidance for the housing sector. At the national level, the MWH works with other relevant Ministries such as Finance; Lands and Natural Resources; Local Government, Decentralisation and Rural Development; and others. Aside its mandate to

formulate policies, the MWH regulates all activities under the housing sector. Thus, the Ministry is responsible for overseeing the provision of public housing and regulation of the activities of private and non-state players in the sector. It must be stated that Ghana's housing sector is dominated by many private sector, non-state and informal operators and institutions that play various roles at all levels of housing delivery, including sales, maintenance, and retrofitting. There are also professional bodies, academic and research institutions involved in providing technical and research support for the sector. Notable among these are the Ghana Institute of Planning (GIP); Ghana Institution of Engineering (GhIE); Ghana Institution of Surveyors (GhIS); Ghana Bar Association, and relevant departments and faculties of various Universities. The sector also has international players including UN-Habitat, UNOPS, the World Bank and others, who provide technical, financial, and logistical support to the Government of Ghana, through the MWH.

Similar to the institutional environment, Ghana's housing sector also has a complex legal and policy architecture. There are many direct and indirectly related legal regimes that shape the operations of the sector. Broadly, the legal regimes have been grouped under four categorisations of a. Land ownership, administration and management; b. Land use planning, building codes and development control; c. Regulatory systems for home financing and mortgage; and d. Property rights and inheritance. There are over 30 legal and regulatory provisions in Ghana's constitution that establish and mandates institutions and agencies; guide the activities of private sector and non-state entities; and regulate activities in the housing sector. Nonetheless, there are many unregulated and informal activities that go unnoticed, unapproved and adversely affect the housing sector.

Current Housing Stock, Typology and Conditions

The current total housing stock as recorded by the 2021 Population and Housing Census (PHC) was 5,862,890 units. This represents an increase of 2,470,145 (72.8%), from 3,392,745 units in 2010, over a span of 11 years. In terms of urban and rural distribution, 49.9% of the current housing stock are in urban areas; while the remaining 50.1% are found in rural communities. Current quantitative housing deficit stands at 1.8million units. Though this figure has seen a marked decrease of 1million units from 2.8 million in 2010, with 56.7% of urban population, quantitative deficit is more prevalent in cities and towns. This is expected because urban population growth rates were high, ranging between 2% and 4.24% over the last 10 years. Aside the quantitative deficits, the profile also identified deep qualitative

deficits with rural and urban housing. For instance, only 23% of Ghana's population have access to decent domestic sanitation facilities. Open defecation is still a major challenge in most urban areas. Again, many urban housing units are overcrowded, with households sharing basic amenities, including water, sanitation and common spaces. Many of these houses are not adequate to meet the basic requirements of decent accommodation. The total number of these inadequate housing units is currently not available, since they are usually built through informal channels. However, they are estimated to form about 30% of existing housing stock.

In terms of typology, detached houses are the most popular dwelling type, accounting for over 63% of all units. Compound houses, with multiple rooms and shared spaces follow with a little over 20% of dwellings. Apartments and other types of rentals housing units make up 5.1%. Beyond these, are emerging temporary accommodation such as hotels, hostels, Airbnb, Homestels and others making up 2.5%. There are also less-common types which forms almost 10%, including tents, metal containers, kiosks, wooden structures and uncompleted buildings, also increasingly becoming a part of slum housing in urban Ghana.

For housing materials there is a clear dominance of cement blocks and concrete for walls, making up over 64%; while mud bricks/earth come in second at nearly 30%. The rest of dwellings (6%) are made up of other local materials including stones, bamboo, plywood, wattle and daub and palm fronds and other lesser-known materials. In terms of roofing, 82% are made up of various typologies of metal sheets. This is followed by slate or asbestos roofs at nearly 9%. Other traditional options like mud, wood, thatch (palm leaves/raffia), and bamboo altogether make up less than 5% of roofing. Housing conditions are generally still poor, even though there are modest improvements.

Housing Needs Assessment

With 1.8 million quantitative deficits in housing units, Ghana faces enormous challenge in providing adequate and affordable accommodation for its citizens. This profile reveals that the country needed about 7.2 million extra rooms in 2020 to address the housing deficit at the time. Greater Accra region has the highest housing deficit of 925,335 rooms; Ashanti region with 720,370 rooms; Upper East and Upper West regions have the least housing deficits of 90,105 and 85,205 rooms respectively. The Ghana Statistical Service estimates the deficit in urban areas as 5.7 million rooms, where housing needs are more felt. Based on current average household size of between 3.2 and 6, if these are to be constructed

in 4 to 5-bedroom rental housing units, the current deficits in urban communities translate into about 1.4million units. Again, it expected that housing provision to fill in the deficit will be led by private sector investments, currently providing over 60% of housing in urban Ghana.

The Housing Market and Delivery Value Chain

Ghana's housing market has expanded in terms of demand and supply; the number of players, level of technology and quantum of investments. There are informal and formal housing markets. Only 20% of the market is within the formal sector; while over 80% of transactions in the housing market, happen informally among individuals and institutions, with private funds. The formal housing market is dominated by the real estate sector, controlled by the Ghana Real Estate Development Association (GREDA). The real estate sector within the formal housing market has experienced significant growth in the last five years, recording a Compounded Annual Growth Rate (CAGR) of 30% between 2016 and 2021; making it one of the fastest growing economic sectors in Ghana.

The informal housing market operates outside the mainstream structured real estate sector, and is made up of several individuals, agents and institutions operating outside the known formal channels, within a complex housing delivery value chain. This market is typified by the sales and exchange of land, housing and properties among private individuals, families and sometimes institutions, mostly financed through private funds, without mortgage or other sophisticated financial arrangements. In most cases, these transactions have minimal or no legal arrangements – in some cases minimal documentations are involved. This part of the housing market attracts a lot of individuals due to the seeming flexibility of engagements. A major challenge of the informal housing market, however, is the inadequate information on its operations and performance.

The formal and informal housing markets work together. The formal market seems to target the top 10% of middle to high income groups, especially in urban areas; while the informal market targets the bottom 90% of demand, ranging from rentals to incremental self or family-built units. The bulk of low-income housing supply is through the informal market, with 64% of residents falling into the rental accommodation category, often living in unhygienic and overcrowded conditions. The informal housing market employs approximately 420,000 people.

Housing Finance

Not much has changed in terms of the institutional, regulatory and legal regimes for housing finance in Ghana, since the last Ghana Housing Profile (2011). Though the Banking Acts [e.g. Bank of Ghana Act (Amendment), 2016 (Act 918); Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)], along with subsequent amendments and directives issued by the Bank of Ghana establishes regulatory frameworks for banks and non-bank financial institutions offering mortgage products. However, the formal financial sector is yet to be fully developed to support housing delivery. Still, less than 1% of Ghanaians are using mortgages to finance their houses. The financial institutions providing home mortgages in Ghana include First National Bank (FNB), Republic Bank Limited, Fidelity Bank Limited, Stanbic Bank, GCB Bank PLC, Ecobank and Cal Bank. Nonetheless, the mortgage market is hindered by a non-existent secondary mortgage market, an underdeveloped primary mortgage market, and exorbitant interest rates, with an average commercial lending rate of 31.66% as of April 2023.

Aside the extremely limited mortgage market, housing finance in Ghana include three main sources, namely formal (banks), semi-formal (micro-finance institutions) and informal sources (personal incremental building). Incremental building through informal sources, with personal and family savings as and when available, accounts for over 90% of all new housing constructions in Ghana. Beyond the informal sources, formal and semi-formal sources account for about 8-9% of housing finance; while government sources take less than 1%. The real estate sector also has a number of financing options. Incidentally, the real estate sector is also dominated by self-financing, which is adopted by 72.7% of users. This is followed by a combination of the following sources Bank Loan (Domestic) – 36.4%; Mortgage Financing – 18.2%; Client Deposit – 18.2%; Bank Loans (Foreign) – 9.1%, Government Guarantee – 4.5%. Loans from Directors – 4.5%; Credit from Clients – 4.5%. All these sources are used in the delivery of only 15% of housing in the market. Amid high economic uncertainty and a weakening currency, access to housing finance in Ghana remains under pressure, particularly for low and middle-income households.

Emerging Housing Issues

The housing sector has seen significant growth, with some challenges and emerging issues which were not captured in the previous profile. Key among these emerging issues is the growing investments by Ghanaians living abroad. Ghanaians abroad

play a substantial role, with approximately 60% of Ghana's housing market being driven by them. These expatriates are also involved in creating communities with housing designs reflecting their host countries, even naming neighbourhoods after European and American cities, showcasing the impact of foreign investments on Ghana's housing sector. In support of this move, the government instituted the Real Estate Investment Trusts (REITs), aimed at supporting Foreigners and Ghanaians living abroad to build or acquire their housing in Ghana. REITs began with collective investment schemes, which are governed by Securities Industry (Amendment) Law, 2000 (Act 590) and regulated by the Securities and Exchange Commission (SEC).

Another emerging issue is the sector's readiness for a changing climate and the use of green materials or infrastructure. The National Climate Change Policy (2015) outlines a framework for Ghana's response to climate change. It recognizes the need for climate-resilient infrastructure and promotes the use of sustainable building materials and practices in the housing sector. However, the adherence and uptake has been slow, probably, due to the inadequate expertise and the cost of shifting to green materials. There is also the emergence of gated communities. These were not as prevalent as they are now, 10 years ago. While they are important addition to the urban housing options, their integration into the existing urban fabric has been a challenge. Other emerging issues have been presented and discussed in chapter 7 of the profile.

The Future of Housing in Ghana – Policy Implications and Strategies

The profile reveals a modest gain in the housing sector, with over 72.8% increase in housing delivery over the last decade. However, there is still a deficit of 1.8million units. This defines a future for intensive investments into the housing sector, to deliver adequate, affordable and comfortable housing for all citizens. To achieve that, in the face of the challenges identified, this revised profile proposes a review of the 2015 National Housing Policy, with the following

specific interventions:

- Direct involvement of relevant state institutions such as State Housing Corporation (SHC), Tema Development Corporation (TDC), Social Security and Natural Insurance Trust (SSNIT), in the provision of housing to public sector workers across the country – not limited to Accra, Tema and Kumasi;
- Expand the coverage of mortgage financing from the current less than 1% to 30% in the next 10 years through intensive education and sensitisation, and government incentives;
- Tax incentives for private real estate agencies delivering adequate housing for public sector workers, urban poor and other vulnerable groups;
- Ensure the efficient delivery of land, through proper mapping and digitisation of the land administration and title registration processes;
- Introduce inclusive land-use planning practices and flexible tenure arrangements for identifiable poor urban residents in slums and informal communities;
- Consolidate ongoing slum upgrading programmes, and initiate new slum intervention projects, with public-private partnership arrangements;
- Provide needed and efficient infrastructure such as roads, water and sanitation, energy and other ancillary infrastructure to support housing delivery; and
- Promote the use of local and climate friendly materials through incentives to prospective developers/builders who opt to use local materials.
- Other recommendations have been made to improve the housing sector.

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LIST OF ACRONYMS

AfCFTA	African Continental Free Trade Area
AFD	Agence Française de Développement
AFTH	Apartments, Flats and Townhouse
ADR	Alternative Dispute Resolution
AESL	Architectural and Engineering Services Limited
AI	Average Interest
APR	Annual Percentage Rate
AWDA	Ashaiman Women's Development Association
BADEA	Arab Bank for Economic Development in Africa
BoG	Bank of Ghana
BRRI	Building and Road Research Institute
CAGR	Compounded Annual Growth Rate
CEB	Compressed Earth Block
CISF	Center for Innovation in Shelter and Finance
CSIR	Council for Scientific and Industrial Research
CSO	Civil Society Organization
CBO	Community Based Organization
COHRE	Center for Housing Rights and Evictions
DANIDA	Danish International Development Agency
DfID	U.K. Department for International Development
DUR	Department for Urban Roads
ECG	Electricity Company of Ghana
EPA	Environmental Protection Agency
ERP	Economic Recovery Programme
FGBS	First Ghana Building Society
FNB	First National Bank

GAMA	Greater Accra Metropolitan Area
GCB	Ghana Commercial Bank
GDP	Gross Domestic Product
GHACEM	Ghana Cement
GHS	Ghana Cedi
GHIE	Ghana Institution of Engineers
GLSS	Ghana Living Standards Survey
GoG	Government of Ghana
GREDA	Ghana Real Estate Developers' Association
GRIDCO	Ghana Grid Company
GSCP	Ghana Standard Code of Practice
GSDIP	Ghana Sustainable Development Investment Partnership
GSS	Ghana Statistical Service
GTZ	German Development Service
GWCL	Ghana Water Company Limited
HFC	Home Finance Company Limited
HIN	High Income Neighborhood
IDA	International Development Agency
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau
KNUST	Kwame Nkrumah University of Science and Technology
LAP	Land Administration Project
LIN	Low Income Neighborhood
LUSPA	Land Use and Spatial Planning Authority
LVB	Land Valuation Board
MESTI	Ministry of Environment, Science, Technology and Innovation
MFIs	Microfinance Institutions

MLGDRD	Ministry of Local Government, Decentralisation and Rural Development	PURC	Public Utilities Regulatory Commission
MLNR	Ministry of Lands and Natural Resources	PVLMD	Public and Vested Lands Management Division
MMDA	Metropolitan, Municipal and District Assembly	PWD	Public Works Department
MWH	Ministry of Works and Housing	REITs	Real Estate Investment Trusts
MTEF	Medium-Term Expenditure Framework	RSDP	Road Sector Development Programme
MBS	Mortgage-Backed Securities	RTO	Rent To Own
MSP	MMDAs Service Partnerships	ROSCA	Rotating Savings and Credit Association
NDP	National Development Plan	SAP	Structural Adjustment Programmes
NDF	Netherlands Development Fund	S&L	Savings and Loans
NESPCC	National Environmental Sanitation Policy Coordination Council	SDGs	Sustainable Development Goals
NHA	National Housing Authority	SHCL	State Housing Company Limited
NESP	National Environmental and Sanitation Policy	SMD	Survey and Mapping Division
NGO	Non-Governmental Organization	SMM	Secondary Mortgage Market
NDPC	National Development Planning Commission	SSNIT	Social Security and National Insurance Trust
NESPCC	National Environmental Sanitation Policy Coordination Council	SP	Structure Plan
NHMF	National Housing and Mortgage Fund	TDC	Tema Development Corporation
NMS	National Mortgage Scheme	UN	United Nations
OASL	Office of the Administrator of Stool Lands	UN-Habitat	United Nations Human Settlements Programme
PFI	Participating Financial Institutions	UNDRR	United Nations Office for Disaster Risk Reduction
PHC	Population and Housing Census	UNEP	United Nations Environment Programme
PNDC	Provisional National Defense Council	UNOPS	United Nations Office for Project Services
PSUP	Participatory Slum Upgrading Programme	USAID	United States Agency for International Development
		WSDB	Water and Sanitation Development Board

GLOSSARY

Ancestral homes: An ancestral home is the place of origin of one's extended family, particularly the home owned and preserved by the same family for several generations.

Elite Housing: Elite Housing refers to high-end residential properties that cater to affluent households. They are designed with luxurious amenities and built in exclusive locations with high-quality construction materials. There is a level of prestige associated with this type of housing that sets it apart from standard residential housing.

Gated Community: A gated community is a residential area that is separated from the rest of a neighbourhood, town, or city using fences and gates. It serves as an enclosed neighbourhood of its own, often with amenities such as parks or pools. Gated communities tend to restrict access, allowing only residents and invited guests through the gates. People who do not live in the community or are not invited cannot enter.

Housing deficit: It refers to a quantitative backlog or lack in the number of houses needed to accommodate the population of an area. The term may also refer to the number of sub-standard housing units, that lack basic housing facilities such as water, sanitation, energy, and adequate spaces for decent living (qualitative deficit). Again, housing deficit may connote situation of over-crowding, homelessness, slum development etc.

Housing demand: It is a market driven concept and relates to the type and number of houses that households will choose to occupy based on preference and ability to pay.

Housing stock: The number of existing housing units. These include all structures occupied, used and/or adopted as a place of human habitation. This is to present the quantum of structures, containers, shacks and housing units being used at the time of the profiling.

Homelessness: A condition where a person or household lacks safe habitable space, which may

compromise their ability to enjoy social relations. It also includes people living on the streets, in other open spaces or in buildings not intended for human habitation. It may also include people living in temporary accommodation or shelters. In accordance with national legislation, these may also include people living in severely inadequate accommodation without security of tenure and access to basic services.

Perching: If an individual is perching, it means that the individual is temporarily living with someone because of not having accommodation. Usually, people tend to look for their own accommodation while living with the person they are perching with.

Rent-free: If a house is rent-free or if you are living or staying rent-free, the owner is not asking for payment.

Self-built Housing: Self-built refers to individuals or families constructing their own homes without the direct involvement of formal construction companies.

Slums: UN-Habitat defines slum households as a group of individuals living under the same roof with one or more of these characteristics:

- a. Inadequate access to safe water (insufficient amounts at an affordable price)
- b. Inadequate access to sanitation and infrastructure (in the form of a private or public toilet shared by a reasonable number of people)
- c. Poor structural quality of housing (as opposed to durable housing of a permanent nature that protects against extreme climate conditions)
- d. Overcrowding (more than three people sharing the same room)
- e. Insecure residential status (with risk of forced eviction)

CHAPTER ONE:

01

THE CONTEXT OF GHANA'S HOUSING

1.1. *An Overview of Ghana's Socio-Economic Development*

Ghana's socio-economic development journey since gaining independence in the late 1950s has been marked by notable shifts and transformations¹. Initially seen as a promising newly independent state, Ghana encountered various challenges over the years. The country has also experienced successful economic and political transformations, achieving lower-middle-income status and halving poverty in 2015². The country's socio-economic development trajectory has been shaped by investments in various sectors; while the housing and construction sectors have responded, as either causes or effects of these investments. As a result, this chapter starts with a discussion of Ghana's socio-economic development pattern, as the context for profiling the housing sector.

1.1.1. Ghana's Unstable and Formative Past (Independence to 1992)

Since gaining independence from British Colonial Rule in 1957, Ghana's social and economic development trajectory has been multifaceted. Ghana underwent rapid changes under the leadership of H. E Dr Kwame Nkrumah³. The country pursued ambitious policies aimed at self-reliance, industrialization and investments in education and healthcare. The 1960s saw Ghana's transition to a Democratic Republic, laying the groundwork to strengthen socio-economic growth^{4,5}. However, political unrest which ousted Nkrumah in 1966, successive coups, the strain of economic challenges, such as declining cocoa prices and unsustainable debt levels culminated in a long period of instability from 1966 to 1979. The last coup in 1981 with the Provisional National Defence Council

(PNDC) ruled the country until Ghana's Transition into civilian rule in 1992³.

Economic hardships plagued Ghana during this time, which was exacerbated by economic mismanagement, corruption, and external pressures. During this period, social hardships for many Ghanaians include high inflation, job losses and increased poverty. Structural Adjustment Programmes (SAPs) and Economic Recovery Programmes (ERPs) were implemented as drastic attempts to stabilize the economy. The successes of the Structural Adjustment Programme (SAP) in 1983, included significant reforms to streamline the civil service, adjust the currency, and implement measures to support the poor⁶. These reforms eventually led to Ghana's transition to multiparty democracy in 1992 and the promulgation of a Constitution⁷.

1.1.2. Current Stability Under Democratic Systems (1992-2024)

Since the adoption of the 1992 Constitution, Ghana has made significant strides towards stability and democratic governance. Ghana has held several successful presidential and parliamentary elections, with peaceful transitions of power between political parties. This era has seen the consolidation of democratic principles reinforced by civil society participation, free press and the establishment of a more robust legal framework. There have been notable changes in the structures for social and economic development. The country has been focused on policies aimed at fostering sustainable development, reducing poverty, and promoting social inclusion¹.

The country has experienced varying annual inflation

1 Alagidade et.al (2013). The Ghanaian economy

2 Medina (2024). Ghana: Transforming a Crisis into a Journey Toward Prosperity

3 Ackah et.al (2014). Scoping study on the evolution of industry in Ghana

4 Jedwab et.al (2012): Structural Change in Ghana 1960-2010

5 Dovi (2010). Ghana's economy: hope rekindled

6 IMF (1991). Ghana: Adjustment and Growth, 1983-91

7 Ghana (1992). 1992 Constitution of Ghana

rates, ranging from a high of 26.7% in 2004 to a low of 10.7% in 2008, contrasting with the high inflation rates of the 1980s. Under the leadership of H. E. J. J. Rawlings, Ghana achieved average Gross Domestic Product (GDP) growth rates of 5.2% per annum between 1983-1990⁸. The 1990s saw less growth until Ghana attained 'Highly Indebted Poor Country' status in 2001, and eventually transitioning to middle-income status⁹. The government's focus on property and infrastructure development as part of the National Poverty Alleviation Strategy has been notable, with interventions primarily benefiting certain segments of the market, such as Ghana Real Estate Developers' Association (GREDA) members receiving tax breaks.

Ghana in recent years have seen stability and growth, with the discovery of oil in commercial quantities further boosting the economic outlook. In 2008, Ghana's GDP reached \$16.124 billion, showing substantial growth from \$4.977 billion in 2000 and

\$8.872 billion in 2004, with a growth rate of 7.2% per annum. The per capita GDP stood at \$716.3, with industry contributing around 30% to the GDP¹⁰. However, in the late twentieth century, the country has been experiencing income inequality, unemployment and infrastructural deficits.

In 2020, the GDP stood at US\$77.59 billion, a considerable growth from US\$16.124 billion in 2008. Industry, including mining, manufacturing, construction and electricity, contributed about 31.8% and the services sector contributed 48.1% of the GDP¹¹. Overall, construction is one of the leading industries in terms of contributions to the GDP with an estimated contribution of around US\$2.1 billion in 2020. According to the World Bank's classification scheme, Ghana's economy is currently classified as middle-income. According to Index Mundi, the annual inflation rate has been fluctuating, reaching a peak of 23.7% in 2023.

Table 1.1: Sectoral Share of Ghana's GDP (%)

Sector	2001	2006	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	-	-												
	2005	2010												
Agric	9.7	28.2	25.3	22.7	21.7	22.1	22.1	21.2	21.2	19.7	18.5	20.1	21.1	20.9
Industry	37.4	30.5	32.9	34.2	36.9	38.1	34.6	30.6	33.2	34	34.2	31.8	30.4	34.2
Service	32.9	50.1	49.1	50.0	41.4	39.8	43.2	46.7	45.6	46.3	47.2	48.1	48.5	44.9

Source : GSS, 2024¹¹; Alagidade et. al, 2013¹

A key indicator of the role of housing in Ghana's socio-economic development is the significant growth in construction activity, driven by increasing demand for residential and commercial buildings fuelled by population growth, urbanization, and rising incomes. According to the Ghana 2023 Construction Market Report¹², construction revenue rose from US\$1.8 billion in 2013 to US\$5.2 billion in 2021. This

growth in residential structures is evidenced by the proliferation of housing developments, both in the form of standalone houses and high-rise apartment buildings. Other indicators can be seen in Table 1.2 which elaborates Ghana's demographic data and socio-economic development. This sets the context for understanding the income levels, affordability dynamics and other key socio-economic factors influencing housing access and affordability.

Table 1.2: Basic Facts about Ghana and Housing

Index	Year	Value
Land area		238,539 sq km
Population	2021	30,832,019

⁸ Harnack et.al (2000). Ghana: Economic Development in a Democratic Environment

⁹ IMF. Ghana: Economic Development in a Democratic Environment

¹⁰ Institute of Statistical Social and Economic Research (ISSER) (2010); US Department of State

¹¹ Ghana Statistical Service. Sectoral Share of GDP

¹² Construct Africa (2023). Ghana's Construction Market Report

Index	Year	Value
Population density	2021	129per sq km
Life expectancy at birth	2020	64
Gini Coefficient	2017	43.5
Gross Domestic Product (US\$)	2020	US\$72 354 million
GDP per capita (US\$, PPP) and ranking	2020	US\$2 329 194/2225
GDP real growth rate per annum	2020	0.41%
Inflation Rate	2020	9.95%
Human Development Index score and ranking	2019	0.60 142
Unemployment rate	2021	7.8%
Percentage below poverty line	2017	48.4%
Number of urban households	2021	5,294,706
Mean household size	2021	3.6
Percentage urban population	2021	17,472,530 (56.7%)
Prevailing Residential Mortgage Rates	2021	12-22%
Size of Cheapest, newly built house by a formal developer or contractor	2021	305m ²
Price of the cheapest, newly built house by a formal developer or contractor in an urban area in local currency units	2021	GHS 120 800
Typical Monthly rent for the cheapest, newly built house	2021	GHS 1,700
Total number of Residential properties with title deeds	2017	2,625,411
Number of formal dwellings completed annually	2019	71,167
Number of residential mortgages providers	2021	12
Number of micro finance providers	2021	127
Housing backlog	2020	1,800,000
Cost of cement (Standard 50kg)	2021	GHC46 (US\$7.83)
Percentage access to basic sanitation services	2019	18%
Percentage coverage of electricity	2019	85.3%

Source: Adapted from GSS, 2021; CAHF, 2021.

Adequate and decent housing is an important indicator of human development in Ghana's socio-economic development trajectory. It is a factor for social and economic stability and growth. As a result,

increasing population and urbanisation in the country raise concerns about human welfare, since the provision of housing is unable to keep up with such demographic changes. The level of development is reflected in the availability of adequate housing, including factors such as access to clean water, sanitation facilities, and proper housing conditions. Foreign investment, particularly in private real estate development, has played a significant role in urban housing development. Remittances from Ghanaians living abroad and other foreign inflows have gone into private housing development. About 7% of remittances into the country are channelled into purchase of properties, real estate housing and private housing development¹³. Again, international developers, investors and businesses are attracted to the country's relatively stable political environment, improving infrastructure, and promising economic prospects. However, when housing is not adequate it impacts health and access to opportunities, as well as dignity. Growing informal settlements and slums in Ghana indicate shortfalls in human development and settlement planning. Informal settlements tend to have substandard housing conditions, poor access to water and sanitation facilities, higher rates of communicable diseases plus overall lower economic, education, health, and security outcomes¹⁴.

1.2. Climate, Sustainability and Housing

Ghana's climate is tropical and is influenced by the monsoon winds, which vary slightly along with the country's varied topography. Annual rainfall ranges from 1,100mm in the north to about 2,100mm in the southwest. The northern part of the country has one rainy season that extends from May to September, while the south has two rainy seasons, the first lasts from April to July and the second from September to November¹⁵. The dry season (December to March) brings arid and dusty harmattan winds that blow from the Sahara Desert, marked by low humidity, hot days and cool nights¹⁵.

Table 1.3: Natural Disasters in Ghana, 1900-2020

Natural Hazards	Subtype	Events Count	Total Deaths	Total Affected	Total Damage (ooo USD)
1900-2020					
Drought	Drought	3	0	12,512,000	100

Ghana's climate has seen significant changes in recent decades, with an increase in average annual temperatures of approximately 1°C (an average increase of 0.21°C per decade) since the 1960s¹⁵. The average number of "hot" nights per year has also increased, with the rate of increase most pronounced from September to November. Although interannual and interdecadal rainfall levels have been highly variable, overall rainfall has seen a well-defined cumulative reduction of 2.4 percent per decade¹⁵.

1.2.1. Climate-Related Natural Hazards

Climate change and variability are already affecting Ghana's water resources, agriculture, and human health. Temperature increases and changes in rainfall patterns are expected to increase the risk and intensity of water scarcity and drought across the country, with severe consequences for agriculture, forestry, and human health^{15,16}. Rainfall in Ghana is highly variable and will continue to be so throughout the century, but heavy rainfall events are expected to increase^{15,16}.

1.2.2. Climate Risk

Climate change poses significant risks to Ghana's economy and development, particularly in the agricultural sector, which is the mainstay of Ghana's economy accounting for 33% of the country's GDP and employs more than half of the economically active population¹⁶. Cocoa production, the main source of foreign exchange, is also vulnerable to climate change¹⁶. Access to freshwater is also expected to become more challenging, while reduced water supply will have a negative impact on hydropower, which provides 54% of the country's electricity capacity¹⁵. Disruptions in power generation adversely affect industries and infrastructure provision in the country.

¹³ Ghana Statistical Service (GSS) (2017), Baseline Assessment of Household Remittances – Main Report, GSS, IOM Development Fund

¹⁴ Paller (2023). Informal Networks and Access to Power to Obtain Housing and Urban Slums in Ghana

¹⁵ Banka (2021). Climate Change Adaptation Thought Leadership and Assessments, 2017

¹⁶ Climate Risk Country Profile_ Ghana

Natural Hazards 1900-2020	Subtype	Events Count	Total Deaths	Total Affected	Total Damage (ooo USD)
Earthquake	Ground movement	1	17	0	0
Epidemic	Bacterial Disease	18	1,118	89,735	0
	Viral Disease	3	150	1,031	0
Flood	Riverine Flood	16	409	3,859,990	33,500
	Flash Flood	1	13	0	0
Wildfire Storm	Land Fire (Brush, Bush, Pasture)	1	4	1,500	0
Storm	Connective Storm	1	20	12	0

Source: World Bank Group, 2021

Ghana is vulnerable to a range of climate-related natural hazards, including floods, landslides, epidemic diseases, and storms¹⁵. Between 1991 and 2011, the country experienced seven major floods, with the 2010 floods in the White Volta River Basin affecting hundreds of thousands of people and destroying many of their livelihoods¹⁵. Urban floods, common in the city of Accra, cause devastation by damaging properties and destroying livelihoods¹⁵. Climate change also causes changes in precipitation patterns, which leads to droughts, crop death and increased demand for water^{17,18}.

1.2.3. Climate Change Impacts, and Associated risks to Housing

Climate change is a pressing global issue, and Ghana is no exception when it comes to its impacts and associated risks to housing and infrastructure¹⁹. Infrastructure is the foundation of the country's economic growth and development. The effects of climate change have the potential to disrupt Ghana's development progress and gravely impact the poor and vulnerable groups. For example, the country's coastal areas are particularly vulnerable to the impacts of climate change, including coastal erosion, flooding, and saltwater intrusion into freshwater resources^{17,18}. These impacts can lead to the displacement of communities, damage to infrastructure, and loss of livelihoods. Furthermore, the country's transportation infrastructure, including roads, bridges, and airports, are vulnerable to the effects of extreme weather events, such as flooding and landslides, which can disrupt transportation

networks and increase the cost of goods and services as smooth transportation becomes impeded^{17,18}.

Resilience in informal settlements in Ghana to climate change is predominantly navigated by community-led efforts and setting up informal networks such as water sharing through boreholes and channels to private water vendors. Challenges such as poor infrastructure, lack of formal recognition, and limited government support has pushed residents of informal settlements to organise to build their own rudimentary drainage systems, raise funds to fix infrastructure, or collectively clean up blocked drains to mitigate flood risks. Plus, residents have developed adaptive strategies to cope with climate impacts, which include elevating homes and diversifying livelihoods.

On the other hand, the construction industry is a significant contributor to environmental degradation, including atmospheric emissions, water emissions, waste generation, and soil alteration²⁰. In addition, the potential for contamination of water resources due to flooding and growing improper mining practices exacerbates pollution and leads to dire environmental consequences in the form of advanced degradation of building materials, reduced indoor air quality, and increased health risks of Ghanaians^{17,18}.

1.2.4. Sustainability

Sustainability plays a vital role in infrastructure development, particularly in the context of climate change. Ghana, like many nations, is grappling with the need to adapt to climate change and

17 Background, p. (2017). Regional project / programme proposal part i : project

18 Leary, N., Conde, C., Kulkarni, J., Nyong, A., & Pulhin, J. (2012). Climate Change and Vulnerability. Climate Change and Vulnerability

19 Hussey, L. K. (2018). Examining Climate Change-Health Nexus in Ghana. 1–24

20 MESTI (2022) Statistical , Social And Economic

construct resilient infrastructure. The United Nations Office for Project Services (UNOPS) report serves as a valuable guide for Ghana to develop resilient infrastructure and achieve the Sustainable Development Goals. It underscores the significance of integrating sustainable practices into housing design and construction, such as utilizing renewable energy sources, energy-efficient appliances, and eco-friendly building materials with lower carbon footprints. Sustainable housing initiatives can also involve the incorporation of green spaces, water conservation strategies, and effective waste management systems²⁰. In addition, Ghana would benefit from incorporating the Global Alliance for Building and Construction (Global ABC) 2020-2050, roadmap for buildings and construction towards a zero emission, efficient and resilient buildings and construction sector.

Moreover, the UN has set ambitious targets for sustainable development through initiatives such as the Sustainable Development Goals (SDGs), which aim to eradicate poverty, safeguard the environment, and promote peace and prosperity for all. Specific SDG targets focus on sustainable infrastructure and housing, including enhancing access to affordable and sustainable housing and boosting energy efficiency in buildings. Institutions and policies are increasingly acknowledging the importance of sustainability and resilient housing. Currently, the Coordinated Programme of Economic and Social Development Policies (2017-2024) has a component which aims at promoting sustainable, spatially integrated, balanced, and orderly development of human settlements, and providing adequate, safe, secure, quality, and affordable social and private housing²¹.

1.2.5. Ghana's adaptation needs in the built and natural environments

Ghana's adaptation needs in the built and natural environments are crucial for the country's socio-economic development, given its reliance on climate-sensitive sectors. To address these challenges, Ghana has developed a roadmap for resilient infrastructure in a changing climate, which identifies 35 prioritized adaptation options. These options aim to protect critical infrastructure and natural resources, support vulnerable districts, and build institutional capacity aligned with existing government policies. The roadmap includes 16 natural environments, 15 built infrastructure, and 13 enabling environment components, with 11 cross-sectoral solutions. The financing landscape assessment reveals 82 infrastructure-related funds, with 78 providing funding for built and natural environment projects and

58 for enabling environment activities. The roadmap aims to support and accelerate the mobilization of finance for climate resilience in Ghana, forming part of the Government's integrated approach to building systemic climate resilience²⁰.

Adapting infrastructure and increasing resilience to climate change is therefore directly linked to broader national sustainable development objectives. Women, girls, and vulnerable groups are usually disproportionately affected by the loss of services when infrastructure systems fail due to the impacts of climate change and environmental shocks. Often, it is these groups that bear the brunt of damages caused by natural disasters, who may lack the resources to rebuild their homes, communities, and livelihoods, and who may be disproportionately affected by health and other impacts caused by disruptions to basic services²⁰. For example, in recent times severe floods occurred after the Akosombo Dam spillage, displacing up to 26,000 people from their homes in 2023. The destruction of homes, farms, and livestock, which are crucial to the livelihoods of many, especially women, lead to the displacement and loss of income sources and increased their vulnerability.

Climate and environmental sustainability are critical for the economic and social dimensions of housing. Resilient housing is needed to overcome the challenges of global warming, flood risks and diseases. There needs to be more integration of the built environment with housing, to produce structures like treatment facilities, proper drainage channels, and waste disposal services. In addition, improving building designs and construction to withstand extreme weather events will support human livelihood and create resistance to the impacts of climate events. This is imperative to the socio-economic welfare of Ghanaians as people in poor housing conditions are more at risk to the effects of climate hazards. Adequate and accessible affordable housing will provide stable and resilient living environment to reduce poverty and inequality.

1.3. The Context of Housing in Ghana's Development

The central role of housing in Ghana's development has been established in earlier sections of this profile. These include the provision of shelter, employment generation, economic growth, investment, sustainability, and infrastructure development while simulating various related industries such as construction, real estate, and finance²². As a basic human need, the provision of shelter is fundamental for the well-being and security of citizens. This

²¹ World Bank Report (2015). Rising through Cities in Ghana

²² CAHF (2021). Housing finance in Africa (Ghana)

enables an environment where citizens can thrive, as well as safeguard private and national assets. At the national level, housing accommodates essential infrastructure, utilities, and networks vital for socio-economic development. Access to quality housing is imperative for improved health outcomes, social cohesion, and educational attainment, therefore laying the foundation for socio-economic development.

Aside, its central role as a factor for human and social development, Ghana housing sector is a key avenue for employment and wealth creation. Thus, the housing sector has a long and complex value chain encompassing numerous stages, players and stakeholders which generates employment and contributes significantly to the economy. Again, the construction sector, of which housing is an important sub-sector, is a major part of Ghana's economy, with estimated market size of between \$9 billion and \$13 billion; and a contribution of 7.2% to the country's GDP¹³. The sector also includes operational actor such as mortgage lenders, real estate agents, legal professionals facilitating property financing and transactions, as key to national economic development.

Housing is also a way of preserving and expanding one's assets and financial capital. It is also a form of social protection, and an insurance towards challenging days. As a sector, investments in housing also have multiplier effects on other sectors of the economy, in terms of employment generation; expansion of the construction; energy; water and sanitation sectors. Beyond its economic value, housing is also seen as a source of socio-cultural importance and value. Consequently, for many individuals, household and families, housing serves as significant investments and repository of personal wealth, security, stability, social protection, and a means of intergenerational wealth transfer. Housing also adds to the accumulation of national assets and infrastructural resources. Regrettably, not many people in Ghana, can afford the provision of spacious and well-built homes. Hence, housing affordability has been an area of intense debate. Currently, affordability is defined as what 30% of one's disposable income can provide as housing which could be rental, mortgage or outright purchase. Thus, in Ghana, a house is considered

affordable if the monthly or annual cost (rent, tax, or insurance) does not exceed one-third of the household gross income²³. From the current National Housing Policy, *"when the annual carrying cost of a home exceeds thirty percent (30%) of household income, then it is considered unaffordable for that household"*^{24,25}. Currently, even among the middle-class, only 40% can afford housing commensurate with their income status²⁶.

According to the Ghana Living Standards Reports^{7, 27}, it was indicated that the average monthly earnings for workers in all occupations is GH¢972. On average, legislators/managers, technicians and associate professionals and professionals earned more than those in other occupational groups as they earn average income of GH¢1,937, GH¢1,284 and GH¢1,107 monthly respectively. Those who worked in elementary occupations earned the least monthly income of GH¢597. Based on this, it was estimated by Statista²⁸ in 2021, that about 26.7% of the population are lower-middle income at a rate of 3.3 dollars (GH¢ 42.87) per day making it 98.99 dollars (GH¢ 1,286.1) per month. From this analysis, a typical affordable house will cost about 29.7 dollars (GH¢ 376.76) monthly; and only 26.7% of Ghanaians could afford that amount, as revealed by the 2021 Population and Housing Census.

Housing is pivotal in connecting and utilizing major national infrastructure systems such as roads, water, sanitation, telecommunication, and energy. The development of housing is closely linked to the overall infrastructure development of the country. Ensuring that communities have access to essential services, amenities, and public services enables a thriving environment for housing. The ever-growing population of Ghana requires housing that caters for the masses. Increased income levels among Ghanaians have encouraged homeownership and the construction of residential buildings. However, challenges such as housing affordability, informal settlements, and inadequate urban planning hinder the full potential of housing as a catalyst for sustainable socio-economic development in Ghana.

The interplay between urbanisation, economic development, and sustainability, significantly shapes the country's housing prospects. As urbanisation accelerates and the population grows, particularly

23 <https://realestateinghana.com/affordable-housing-in-ghana>

24 Inclusive Business Action Network (IBAN), 2016, p. 9

25 Inclusive Business Action Network (IBAN), 2016, p. 11

26 International Trade (2024). Ghana Affordable Housing

27 Ghana living standards Report 7 (2018)

28 Statista (2021)

in cities like Accra and Kumasi, the demand for housing intensifies which poses challenges to sustainability efforts. Rapid urban expansion strains resources and infrastructure, exacerbating environmental degradation and social inequality. However, with Ghana's burgeoning economy and increasing awareness of sustainable development goals, there's an opportunity to foster more sustainable housing solutions. Integrating eco-friendly technologies, such as renewable energy and efficient waste management systems, into urban development projects can mitigate environmental impact while creating economic opportunities. Moreover, promoting inclusive policies that prioritize affordable housing and community-based initiatives can address the housing needs of all socio-economic groups, fostering a more equitable and resilient urban landscape in Ghana.

1.4. Demographic Changes, Urbanization and Housing

As shown in Table 1.4, there has been a steady rise in the urban and rural populations of Ghana since the 1970s. Urban growth has outpaced rural population growth, with Ghana's urban population more than tripling over the last three decades. According to the UN, this pattern of urbanization will continue, with the urban population expected to reach 65% by 2030²⁹. This creates increased housing demand and pressure on existing housing stock in urban areas which leads to higher house prices, rents and lower housing affordability. In Ghana, decent and affordable housing remains a major challenge in both urban and rural areas.

Table 1.4: Population Growth Trends in Urban and Rural Ghana

Year	National Population	Urban Population	%	Rural Population	%	Inter-census growth rates	Urban Households	%	Rural Households	%
1970	8,559,313	2,473,641	28.9	6,085,672	71.1	2.4	587,302	32.7	1,206,278	67.3
1984	12,296,081	3,934,746	32	8,361,335	68	2.6	894,138	36	1,586,230	64
2000	18,912,079	8,283,491	43.8	10,628,588	56.2	2.7	1,746,524	47.2	1,954,717	52.8
2010	24,233,431	12,334,816	50.9	11,898,615	49.1	2.5	3,049,438	55.8	2,417,698	44.2
2021	30,832,019	17,472,530	56.7	13,359,489	43.3	2.1	5,075,260	60.7	3,289,727	39.3

Source; Adapted from GSS, 2021³⁰

1.4.1. Urban Population Dynamics and Housing

The population dynamics in Ghana have shown significant growth over the years, with a notable shift towards urban areas. According to statistics, Ghana's urban population has been steadily increasing, with more than four out of every ten Ghanaians living in urban areas, and this trend is expected to continue. The 2021 Population and Housing Census showed

that about 56.7% of Ghana's population live in urban centers³⁰. This influx of people matched with the lack of preparedness in urban planning has led to the proliferation of informal settlements and slums, characterized by inadequate housing conditions and limited access to basic services. The demand for affordable and decent housing far exceeds supply, leading to housing shortages and rising property prices in urban centres.

Table 1.5: Urban Population and Housing Trends

Year	Urban Population	Housing Stock
1970	2,473,641	-
1984	3,934,746	-
2000	8,283,491	-
2010	12,334,816	1,435,854

²⁹ UN-Habitat. Urbanization in Ghana

³⁰ GSS (2021). Population and Housing Census

Year	Urban Population	Housing Stock
2021	17,472,530	2,925,173

Source: Adapted from GSS, 2021³⁰

1.4.2. Rural Housing and Demographic Trends

Rural housing and demographic trends are influenced by a variety of factors, including population growth, migration, agricultural dynamics, and infrastructure development. While urbanization is a prominent trend, a significant portion of the population still resides in rural areas. Demographically, rural areas experience slower population growth compared to urban centres, but they still face challenges such as limited access to basic services like clean water,

sanitation, and healthcare. Currently, rural areas have a higher housing stock than urban areas whilst also having a smaller population. This reduces pressure on existing rural housing stock and allows for cheaper rents and housing prices. However, since rural houses are generally not adequate in terms of access to basic housing facilities, they tend to be expensive, because their occupants are exposed to high cost of maintenance, extra cost of water, sanitation and other services.

Table 1.6: Rural Population and Housing Trends

Year	Rural Population	Housing Stock
1970	6,085,672	-
1984	8,361,335	-
2000	10,628,588	-
2010	11,898,615	1,956,891
2021	13,359,489	2,937,717

Source: Adapted from GSS, 2021³⁰

1.5. Overview of Existing Housing Types

The housing types in Ghana can be analysed from two distinct perspectives, rural and urban and reflect the country's diverse cultural and economic composition. The most prevalent types of dwelling units in the country are detached or standalone houses. They vary in size and design, ranging from small single-family homes to larger, more elaborate

residences. In Ghana, detached houses constitute 63.3% of houses. Detached houses are however, more predominant in rural (76.6%) than urban (53.8%) areas³¹. Also, common to both urban and rural areas are compound houses, which consist of several residential units arranged around a central courtyard or open space. Each unit typically houses a separate family or household and makes up 20.9% of housing in Ghana.

Table 1.7: Housing Types in Rural and Urban Ghana

Type	Urban (%)	Rural (%)
Separate House (Detached)	53.8	76.6
Compound House	27.1	12.2
Semi-detached House	8.5	7.2
Flat/Apartment	4.6	1.0
Wooden Structure	2.4	0.7
Uncompleted building	1.4	1.0
Kiosk/Poly kiosk	1.3	0.1

31 GSS (2021). Population and Housing Census

Type	Urban (%)	Rural (%)
Huts/Buildings (same compound)	0.2	0.9
Metal Container	0.3	0.1
Living quarters attached to office/shop	0.1	0.1
Tent	0.0	0.1
Other	0.1	0.1

Source: Adapted from GSS, 202130

Wooden structures are more prevalent in urban areas (2.6%) than in rural areas (0.7%) due to higher levels of informal and slum settlements that often use wood as a source of building material. Typically, huts that are made of local materials such as bamboo, palm fronds and wood etc. are usually found in rural areas (0.2%). Technologies and expertise for the use of local materials in building durable, and sustainable buildings are still in the early stages of development. This is because, the skills and technical know-how needed to develop local building technologies are limited.

1.5.1. Rural and Indigenous Housing Types

One-third of urban households are in rented housing. This is reduced in rural areas, where only 17.1% of households are in rented housing. In addition, self-built otherwise known as individuals or families constructing their own homes without the direct involvement of formal construction companies is common in both urban and rural areas due to factors such as affordability, flexibility in design, and the cultural importance of homeownership. In rural areas, 85.1% of dwelling units are occupied with 65.1% of households living in owner-occupied dwelling units. On the other hand, 14.9% of dwelling units remain vacant³². Vacant properties are a notable phenomenon and are a result of numerous factors, that include the outflow of people from rural areas, houses that are unconnected to services or employment opportunities and housing types not needed or preferred. In terms of monetary contributions and housing production, Ghanaians abroad play a substantial role, with approximately 60% of Ghana's housing market being driven by them. They are significantly contributing to housing development in Ghana through means such as purchasing properties from Real Estate Agencies and sending remittances for family housing construction.

Land tenure issues and lack of formal property rights hinder investments in rural housing. Housing

conditions in rural areas also tend to be exacerbated by limited access to basic amenities such as clean water, electricity, and proper sanitation. Traditional building materials and techniques are prevalent due to limited resources and affordability leading to structures more susceptible to deterioration. In the last 10 years, there has been growing interest in alternative and sustainable housing solutions such as eco-friendly construction techniques and modular housing aimed at addressing the specific needs of Ghana's rural communities.

1.5.2. Urban Housing and Emerging Elite Housing

Self-built housing remains a vital component of Ghana's urban landscape contributing to 37.6% of households residing in owner-occupied dwelling units. Self-built housing allows for housing customization and cost savings, but it can also lead to variations in quality, as builders may lack technical expertise or access to professional guidance. In addition, unplanned urban growth is sometimes associated with self-built housing, leading to challenges in infrastructure provision and urban management³².

The urban share of residential structures in Ghana is 49.9% of all housing units with 88.9% occupied and 11.1% unoccupied or vacant. Although detached housing types are common in urban centres, most households (57.3%) occupy compound houses. The supply of multi dwelling units has made renting common in urban areas with 46% of households occupying rented dwelling units. While compound housing offers benefits such as cost-sharing and communal living, it also presents challenges related to privacy, sanitation, and infrastructure maintenance, particularly in densely populated urban areas. Adaptations to compound housing while preserving its significance in rent free housing provision, is leading to renovations aiming to address these challenges and enhance living standards for residents across Ghana ³³.

32 Bangdome-Dery et.al. (2018) Overview of Self-Help (Self-Build) Housing Provision in Ghana: Policies and Challenges.

33 Addo (2015). Perceptions And Acceptability of Multi Habitation As An Urban Low-Income Housing Strategy In Greater Accra Metropolitan Area, Ghana

Elite housing refers to high-end residential properties that cater for affluent households. In the last decade elite housing has been increasing in Ghana and is influenced by several interconnected factors, including urbanization, economic growth, changing demographics, and evolving lifestyles. A major way elite housing has been sculpting Ghana's urban landscape is through gated communities, particularly in major cities like Accra and Kumasi. Gated communities offer residents a sense of security and exclusivity, appealing to high-income earners and diasporas seeking upscale housing options³⁴. There's a growing demand for modern amenities, convenience, security, and status symbols in housing. As a result, developers are focusing on providing upscale features such as smart home technology, high-end finishes, recreational facilities, communal spaces, and gated security²⁰. However, gated communities can strain existing infrastructure and exacerbate urban sprawl and social fragmentation prompting discussions about their long-term sustainability and impact on urban development in Ghana³⁵. In Greater Accra Metropolitan, approximately 100 estates can be found, a sharp rise from 23 in 2004.

1.5.3. Slum Housing

Urban informality is more prevalent among low-income households, particularly rural-urban migrants seeking better opportunities. Migrants and low-income households who engage in the informal sector and earn low wages are often most at risk of homelessness. As a result, homelessness and slum housing are a predominantly urban issue in Ghana. According to UN, in 2020, approximately 33% of urban dwellers lived in slum settlements, with Accra and Kumasi being notable cities with prevalent slums³⁶. Currently, it is estimated that over 43% of Ghanaians are living in slums, shanty towns and other informal settlements. The growth of slums in Ghana is reported to be fuelled by its rapid urbanisation and includes indigenous slum settlements, migrant slum settlements and newly developing slum settlements. These slums are characterized by inadequate infrastructure, poor living conditions and overcrowding highlighting the challenges faced in urban areas^{37,15}. Additionally, there is a growing trend of intra-urban poverty, where long-standing urban residents also experience economic hardship due to

factors like unemployment, underemployment, and lack of access to quality education and healthcare leading to degradation of existing settlements into slums.

Slum housing manifests in diverse forms across different geographical areas and social groups, requiring targeted interventions that address the specific needs and vulnerabilities of urban populations. Government in its bid to address slum housing has undertaken various schemes such as the Participatory Slum Upgrading programme, by providing access roads, drainage facilities and potable water. However, these efforts have been reactive and slow to the growing slum situation in the country. Non-state actors have been crucial in supporting slum communities with water and sanitation facilities. In 2018, there were approximately 23 slums found in Ghana, of which 11 were situated in Accra¹³. The Ministry of Works and Housing through policy outcomes endeavours to upgrade current slums and curb their expansion.

1.5.4. Homelessness

The Ministry of Gender, Children and Social Protection estimated around 100,000 homeless people in Ghana in the year 2020. According to the UN- Habitat and United Nations Department of Economic and Social Affairs (UNDESA) homelessness is a condition where a person or household lacks safe habitable space, which may compromise their ability to enjoy social relations, and includes people living on the streets, in other open spaces or in buildings not intended for human habitation, people living in temporary accommodation or shelters for people experiencing homelessness, and, in accordance with national legislation, may include, among others, people living in severely inadequate accommodation without security of tenure and access to basic services.

New migrants to urban area sometimes compelled to live on the streets. These migrants often lack the financial resources or social support to secure housing upon arrival in the city. They face challenges related to finding shelter, employment, and integrating into the urban environment³⁸. Another category are urban residents who may have faced circumstances such as job loss, eviction, or family breakdown, forcing them into homelessness. They navigate the complexities

34 Ehwi. (2020). The Proliferation of Gated Communities in Ghana: A New Institutionalism Perspective

35 Agyemang (2013). The Emergence of Gated Communities in Ghana and their Implications on Urban Planning and Management. Developing Country Studies

36 UN-Habitat (2020). Population living in slums (% of Urban Population)

37 Azunre, et.al (2023) Deciphering the Drivers of Informal Urbanization by Ghana's Urban Poor Through the Lens of the Push-Pull Theory

38 US Department of Housing and Urban Development. The 2022 Annual Homelessness Assessment Report (AHAR) to Congress

of surviving on the streets while trying to sustain themselves through informal work or begging³⁹. Again, seasonal migrants who come to urban areas for trade or business but lack the means to afford conventional accommodations like hotels may also find themselves on the streets. These migrants engage in temporary economic activities in the city but struggle to secure stable housing due to financial constraints or the temporary nature of their work¹⁷. At best, some of these seasonal and new migrants may rely on the hospitality of relatives or friends for temporary accommodation. This situation has important implications for Ghana's urban housing sector, in terms of providing adequate and affordable temporary accommodation for new and seasonal migrants into the various cities and towns.

1.6. Housing Needs and Rate of Provision

The housing market is ever-growing and increasingly lucrative to Ghanaians. More and more newly built dwellings can be found on the housing market, available for sale and rent. However, existing housing continues to form a small portion of the market.

The number of dwelling units increased nearly three-fold since the first Population and Housing Census in 2000. Residential Structures increased in the last decade by 72.8 per cent, (from 3,392,745 in 2010 to 5,862,890 in 2021) with variations in the type of locality and region. This reflects the country's urbanization, economic growth, and changing socio-cultural dynamics. While this trend presents opportunities for investment and economic

development, it also raises concerns about inequality, affordability, and access to housing for lower-income populations. About half (48.4%) of households live in owner-occupied dwelling³⁹. However, the GLSS 7 also indicated that substantially proportions of households tend to live in rent-free accommodation in urban (30.6%) and rural areas (28.2%)⁴⁰.

About 28% of households pay rent for the dwelling unit they occupy. Less than one percent (0.4%) of households either perch (0.3%) or squat (0.2%) with other households. Urban households are more likely to live in a rented dwelling unit (46% of households) than rural households (17.1%). High proportions of households tend to live in rent-free accommodation in urban (30.6%) and rural areas (28.2%)¹⁷.

The Ghanaian government has implemented various policies and initiatives to promote urban development and address the housing deficit. These include efforts to improve infrastructure, streamline land acquisition processes, and incentivize private sector involvement in housing development. The government has also introduced programs to provide affordable housing for low and middle-income earners which are all in various stages of development. Examples of these developments include projects in Tamale, Accra (Borteyman), Tema (Kpone), Kumasi (Asokore Mampong), Koforidua, Wa, and Prampram (Saglemi). Added benefits of these projects lead to freeing up resources for private developers to cater to the high-end market.

Table 1.8: Population Trends and Housing Demand and Supply Trends

Year	Population	Housing demand	Housing supply (dwelling units)	Housing deficit
1970	8,559,313	1,678,296	941,639	736,657
1984	12,296,081	2,410,096	1,226,360	1,184,636
2000	18,912,079	3,708,250	2,181,975	1,526,275
2010	24,233,431	8,617,607	5,817,607	2,800,000
2021	30,832,019	11,806,420	10,006,420	1,800,000

Source; Adapted from GSS, 2021³⁰

In Table 1.8, Ghana's population has remained on a steady rise throughout the decades. This has aggravated the housing situation, with housing deficits at an all-time high in 2000 at 2.8 million units. However, in the last decade, Ghana has made

monumental strides in reducing the housing deficit to 1.8 million units. This can be attributed to the economic growth Ghana has undergone in the last decade which has seen a significant growth in the construction and housing industry. Overall housing

39 GSS (2022). Ghana 2021 Population and Housing Census – General Report Volume 3K, p. 36

40 GSS (2019). Ghana Living Standard Survey (GLSS) 7 – Main Report, p. 134.

supply has almost doubled from an initial 5.8 million units in 2000 to over 10 million in 2021. This shows promising prospects for further investment in housing to improve housing provision rates. On the other hand, housing provision for lower income groups remain a challenge and a national concern as housing provision skews to middle- and high-income earners and the housing deficit remains high.

1.7. Introduction to the Revised Ghana Housing Profile

The earlier narrative of this chapter gives a summarised overview and contexts of Ghana's urban and socio-economic development and the place of housing in the country's development trajectory. This document presents a revision of the Ghana Housing Profile, published in 2011 to guide policy formulation, regulation, and provision of adequate and affordable housing for the people.

1.7.1. Background and Rationale

The previous Ghana Housing Profile was first developed in 2010, as a diagnostic tool, to provide the Government of Ghana and other stakeholders to identify bottlenecks, gaps, and opportunities in the housing sector; and to inform policy development and generate appropriate recommendations and responses. The Profile, which was significantly supported by UN-Habitat, was completed and published in 2011. Since its publication, the Government of Ghana has used the diagnostic tool to make several decisions and implemented a number of interventions in the housing sector. Notable among these interventions include the following:

- Completion and roll-out of the National Housing Policy in March 2015. Among other important contributions, Ghana's Housing Policy, outlined the state's long-term goals and focus of the housing sector; and developed specific interventions and strategies to address the issues identified at the time.
- Promoting competitiveness in the housing sector in the Government Affordable Housing Programme resulting in increased participation of local and international developers in housing development activities. In partnership with a wide range of local and international players in the housing sector, the Government of Ghana has initiated and completed several state-supported affordable housing projects in selected metropolitan areas in the country.
- Housing provision for Ghana's security services, as part of Government's commitment to promote discipline, motivation and improve service conditions of the country's security institutions. Responding to some of the findings made in

the 2011 Housing Profile, the Government of Ghana has initiated and sustained its provision of decent accommodation for members/staff of the various security institutions to ensure emergency mobilisation, efficient coordination and command effectiveness. Institutions that have benefited from these projects include the Ghana Armed Forces, Ghana Police Service, Ghana Prison Service, Ghana National Fire Service, Ghana Immigration Service and the Judicial Service.

- Introduction of the Government Redevelopment Programme to rationalize land-use within rapidly urbanising Ghanaian cities. The Project is aimed at achieving greater efficiency in management and utilization of newly acquired lands; as well as already developed residential lands.
- Commencement of organizational and legislative reforms as part of the consolidation of the policy framework of local governance. In response to the central role housing plays in Ghana's socio-economic development drive and local government processes; the government-initiated reforms that will culminate in the establishment of housing development and management functions at MMDA levels.
- Engagement of international partners including Shelter Afrique for the expansion of housing development activities; and
- Partnership with UN-Habitat on Slum Upgrading under the Participatory Slum Upgrading programme.

After being guided by the 2011 Housing Profile for the past 13 years, the Government of Ghana has formally requested UN-Habitat and UNOPS to support the revision of the Ghana Housing profile, which is aimed at supporting the Government of Ghana and other stakeholders with a systematic analysis of housing delivery systems. This will inform the effective functioning of the National Housing Authority to oversee the effective implementation of the 2015 Housing Policy. The revised Profile is intended to be the first step towards engaging policy makers and players in Ghana's housing sector; and provide them with evidence needed to design their choices and support critical housing investment decisions. Revision of the Housing Profile can also be regarded as a precursor for a broad housing sector reform; that aims to improve its overall performance as well as the functioning of its various components and future review of the policy.

Despite the steady improvement living conditions in Ghana, housing has not been given the needed attention in the country's socio-economic

development agenda. However, the rapid population growth and urbanisation make housing an important issue to be addressed. The major challenges of Ghana's housing sector include inadequate financing, increasing cost of land, the use of poor building materials, and inadequate provision for low-income households, especially in the urban areas. Again, there is limited access to credit for housing; increasing dependence on imported building materials and high construction costs; fragmented regulatory and institutional environment; poor database to inform policy intervention; outdated building codes and standards, and limited state involvement in the sector.

In the face of all the above challenges, there is the need to review the existing Ghana Housing Profile to inform and guide government policy, private sector investments and regulation of the sector, within current realities. Thus, an updated profile will promote investments that are well informed, evidence-based and responsive to real demands.

1.7.2. Aims and Objectives of the Profile

The overall aim of the revised National Housing Profile is to inform the planning and programming of investments; the management and maintenance of activities in the sector; covering all categories of housing units for all income groups. It appears that the previous (2011) Housing Profile focused heavily on urban areas and cities in the country. The revised profile intends to assess Ghana's housing sector from a holistic viewpoint. This will help to integrate the policy into broader urban and rural planning strategies and governmental actions, aligning them with other social, economic, and environmental policies. Thus, the updated profile will ultimately inform the country's work towards the realisation of the right to adequate housing, the New Urban Agenda and Sustainable Development Goals. In addition, the updated profile intends to inform plans and guidelines towards addressing housing finance, accessible land, use of sustainable building materials and construction technologies, and labour costs, among other emerging issues. The revised housing profile provides the basis for a broad housing sector reform that aims to improve its overall performance.

1.7.3. Implications for Policy Implementation

This revised Housing Profile has broad implications for national planning and policy implementation towards the improvement of the housing sector in Ghana. Specifically, the profile has two main implications for policy implementation. First, the document is a key source of evidence for policy implementation. Thus, it provides the general overview of Ghana's housing sector and outlines performance of specific aspects of the sector. Options for policy, programme and

project interventions have also been discussed in the updated housing profile. The revised and updated housing profiles intends to address the following issues:

- Estimation of current and future housing demand and supply trends (including informal settlements and homelessness);
- Explore the various drivers of informality and what they mean for housing delivery;
- Identification of emerging issues in the housing sector;
- Analysis of existing legal, regulatory, policy and institutional frameworks;
- Deeper analysis of the housing financial sector and alternatives to finance low and middle-income;
- Analysis of land supply systems for housing; and
- A comprehensive analysis of the construction industry.

The second implication of the revised housing profile is to inform the functioning of the newly created National Housing Authority (NHA) and the performance of all other institutions and stakeholders in the housing sector. Consequently, the document was prepared with the full participation of all relevant stakeholders at national and sub-national levels.

1.8. Approach and Methods

The revision of the housing profile deployed multi-stakeholder analysis and multi-sector assessment-sustained by action research approach and based on the holistic notion of the housing sector. A wide range of national experts in the sector, stakeholders and institutions were directly consulted and engaged. Data collection methods include interviews with key organizations and key local opinion-makers, visits to housing development sites, the implementation of household surveys and public debates involving urban planners, political decision-makers, real estate operators, construction materials supply value chains, builders, banks and private sector and community representatives. Details of data collection methods are presented next.

1.8.1. Review of Existing Documents

The first step to this revision was a comprehensive review of the existing Housing Profile to identify gaps and explore trends in the housing sector. The 2011 profile was thoroughly reviewed through a desk study to establish new and emerging themes and new data to include in the revision. All relevant trend data captured in tables, graphs and charts have been updated and included in the revised profile. In

In addition to the review of the existing profile, other relevant documents were also reviewed. These include the various reports on the 2021 Population and Housing Census; the state of Ghana's economy; and policy documents, namely: Urban, Housing, and Land policies. Other documents reviewed include the revised National Affordable Housing Programme report; Ghana Living Standard Survey 7 reports and selected academic and institutional papers. All these have been captured in the list of references, presented at the end of each chapter.

1.8.2. Stakeholder Identification and Consultation

All major stakeholders in the housing sector were identified and engaged. These were engaged at three levels. First, selected stakeholders were engaged through a kick-off workshop at which they were guided to evaluate the existing housing profile, identify gaps and suggest new themes to consider. Secondly, stakeholders were engaged through interviews of selected officials from stakeholder institutions. And finally, stakeholders were engaged through a validation workshop, during which the first draft of the profile was discussed, and inputs solicited. Notable stakeholder institutions consulted include the following:

- Ministry of Works and Housing
- Ministry of Local Government, Decentralisation and Rural Development
- Ministry of Finance
- Ministry of Roads and Highways
- Ghana Housing Authority
- UN Habitat in Ghana
- Rent control at the MMDAs
- GREDA, Institute of Surveyors, Ghana Institute of Planning etc.
- Private sector stakeholders/NGOs/CBOs
- Ghana Statistical Service
- Ghana Water Company Limited (GWCL)
- Electricity Company of Ghana (ECG)
- Ghana Infrastructure Investment Fund

For each of the stakeholder institutions listed above, specific data collection protocols were prepared. These include interview guides and a check list of photos to be taken. These protocols were developed based on a report on key points covered; data gaps and needs for update from the initial review of the existing housing profile. Trained field officers were used to collect data from 9 selected cities and their

adjoining rural communities.

1.8.3. Field Data Collection and Institutional Consultations

Empirical field data were collected from Accra, Kumasi, Sekondi-Takoradi, Tamale, Wa, Ho, Sunyani, Techiman, and Koforidua. These cities and towns were carefully selected to provide a fair spatial representation of human settlements in Ghana. Rural communities with a radius of 20 km of these cities and towns were also visited to observe the housing transitions between urban and rural areas. Again, relevant institutions and individuals were purposively selected and interviewed in these cities and towns.

1.8.4. Framework for Data Analysis and Reporting

Data collected were analysed using the following techniques:

- Content and thematic analysis of all interviews conducted (Identification of areas of need and arrangement based on data gaps, emerging areas and new focal points/directions, developed the various chapters based on obtained data/information).
- Pictorial presentation of the housing situations observed.
- Report presentation of all issues observed and analysed. There was a scheduled stakeholder engagements at which results were shared for their inputs and feedback.
- In collaboration with UN-Habitat, the existing profile were updated, with specific focus on the narratives, tables and figures as required.

1.9. Structure of the Profile

The profile has been organized under eight chapters. Chapter One sets the context of Ghana's housing profile. Chapter Two reviews Housing policy, institutional and regulatory environment. Chapter three expands on current housing stock, typology, and conditions. Chapter four is a presentation and assessment of Ghana's current housing, whilst Chapter five discusses the housing market and delivery value chain. In chapter six housing finance is presented and discussed, while chapter seven covers some emerging issues in the housing sector. The profile rounds off with chapter eight which analyses the future of housing in Ghana and the policy implications and strategies thereof.

CHAPTER TWO:

02

HOUSING POLICY, INSTITUTIONAL AND REGULATORY ENVIRONMENT

2.1. *Constitutional, Legal Regimes and Regulatory Structure for the Housing Sector*

The 1992 Constitution of Ghana guarantees fundamental rights related to housing, privacy, and property ownership. Article 18 safeguards individuals against unwarranted interference with their homes and property, except in cases where such interference is deemed necessary for public safety, economic well-being, or the protection of health, morals, or rights of others. Also, Article 20 protects against the compulsory acquisition of property by the State unless it serves specific public interests, such as defence or town planning, and provides fair and adequate compensation. The Constitution mandates the resettlement of displaced inhabitants on suitable alternative land with consideration for their economic well-being, social and cultural values, emphasizing the importance of protecting housing rights within the legal framework of Ghana.

The housing industry operates within several regulatory and legal frameworks. These have been grouped into a) Land Ownership, Administration and Management; b) Land Use Planning, Building Codes and Development Control; c) Housing Construction; d) Regulatory Systems for Home Financing and Mortgage; and d) Property Rights and Inheritance.

2.1.1. Land Ownership, Administration and Management

Land ownership in Ghana is regulated by the Land Act, 2020 (Act 1036). The Act recognizes two types of land, public and private lands. Chapter 20 Clause 257 (1 – 5) of the 1992 Constitution stipulates that all public lands are vested in the President on behalf of, and in trust for, the people of Ghana. Public lands include all lands acquired in the public interest. Chapter 20 Clause 266 (1 – 5) excludes foreigners from freehold interest in Ghana. Chapter 20, Clause 267 (1 – 9) states that all lands belong to the indigenous settlers. The appropriate family or clan head holds the land in trust for its people. No person(s) shall hold a freehold interest in, or right over, any stool land in Ghana. The responsibility for the safe administration of rents, dues, and royalties

collected from stool lands is vested with the administrator of stool lands.

Other legal and regulatory frameworks that guide the administration and management of the housing industry include the State Lands Act, 1962 (Act 125); Lands Registry Act, 1962 (Act 122); Conveyancing Decree of 1973 (NRCD 175); Land Title Registration Act, 1986 (PNDCL 152); Land Title Regulation, 1986 (L.I. 1241); and the Stamp Duty Act, 2005 (Act 689). For instance, the State Lands Act, 1962 (Act 125) empowers the President to, on behalf of the State, acquire land compulsorily for public purposes when deemed necessary in the public interest. Compensation for acquired land will be determined based on its estimated open market value. Alternatively, land of equivalent value may be offered. The Rent Act of 1963 (Act 220) also outlines the circumstances in which a landlord is permitted to regain possession of a property from a tenant or take steps to evict a tenant from the premises.

2.1.2. Land Use Planning, Building Codes and Development Control

The Land Use and Spatial Planning Act, 2016 (Act 925); National Building Regulations, 1996; Rent Act, 1963 (Act 220); Real Estate Agency Act, 2020 (Act 1047); Ghana Building Code (2018); Zoning and Land Use Regulations, 2019 (LI 2384); Engineering Council Act, 2011 (Act 819); and the Local Governance Act, 2016 (Act 936) are legal frameworks that govern land use and housing development in Ghana. For instance, the National Building Regulations of 1996, seek to ensure the improvement in housing habitability, durability, and the enforcing mechanisms. The Engineering Council Act, 2011 (Act 819) requires that all construction projects must be overseen by qualified, experienced and licensed professionals who have knowledge and the expertise to ensure buildings are safe and structurally sound.

2.1.3. Regulatory Systems for Home Financing and Mortgage

Housing financing regulatory systems are fragmented in several statuses. These include the Building Society Ordinance 1955 (No.30); Co-operative

Societies Act, 1968 (NLCD252); Home Mortgage Finance Act, 2008 (Act 770); Credit Reporting Act, 2007 (Act 726); Long-Term Savings Scheme Act, 2004 (Act 679); Home Mortgage Finance Law, 1993 (PNDCL 329) and the Borrower and Lenders Act, 2008 (Act 773).

2.1.4. Property Rights and Inheritance

The PNDCL 111 Intestate Succession Act, 1985/ Intestate Succession Amendment law, 1991 (PNDCL 264) makes provision for the hierarchy of succession for the distribution of property in the event of the death of a property owner without a will. The law stipulates that the surviving spouse and/or children are entitled to the household property of the intestate. If the estate includes one house, the surviving spouse(s) and/or children are entitled to own it. If the estate includes more than one house, the surviving spouse and/or children must decide how the houses are devolved, and they own the houses as tenants in common. In instances of disagreements, the High Court can determine which of the houses devolves to the spouse and/or children. Even though proposals have been made for its amendment in 2022 to acknowledge the Islamic system of inheritance, the proposed bill is still under consideration. This implies that until the law is amended, its current form is not comprehensive. The Gift Tax, and Section 13 of the VAT Act, 1998 (Act 546), states that all gifts, including building materials, are subject to tax. However, the Act excludes completed houses.

2.1.5. International Conventions Ratified

Beyond Ghana's domestic legal framework governing the housing sector, certain international commitments and conventions also influence the housing industry. These international conventions provide a framework for promoting and protecting housing rights, ensuring access to adequate housing, and addressing housing-related challenges in alignment with global standards. Some international conventions ratified by Ghana include:

- a) International Covenant on Economic, Social and Cultural Rights (ICESCR): Ghana ratified the

ICESCR in 2000. The covenant recognizes the right to adequate housing as part of the right to an adequate standard of living. By ratifying this covenant, Ghana commits to taking steps to ensure access to adequate housing for all its citizens.

- b) United Nations Sustainable Development Goals (SDGs): Ghana, like many other countries, has committed to the SDGs, particularly Goal 11, which aims to "Make cities and human settlements inclusive, safe, resilient, and sustainable." This goal includes targets related to access to adequate, safe, and affordable housing for all. From Section 2.1.2, the various aims and strategies of Ghana's Housing Policy are all geared towards achieving this goal.
- c) African Charter on Human and Peoples' Rights: Ghana ratified the African Charter on Human and Peoples' Rights in 1989. While the African Charter on Human and Peoples' Rights does not clearly state the right to housing, it contains articles related to housing rights. Article 16 gives the importance of individuals enjoying the highest attainable standard of physical and mental health, with adequate housing being a crucial factor in achieving this. Article 21 recognizes the right to property, which encompasses housing rights, while Article 24 guarantees the right to a satisfactory environment, in which access to adequate housing is fundamental. These provisions collectively provide a framework for interpreting and protecting housing rights within the African context, ensuring access to suitable living conditions for all individuals and communities.

These international conventions provide a legal framework and set of principles that Ghana is obligated to uphold in its housing policies and delivery. They emphasize the importance of ensuring access to adequate housing for all citizens, without discrimination, and promoting sustainable and inclusive urban development.

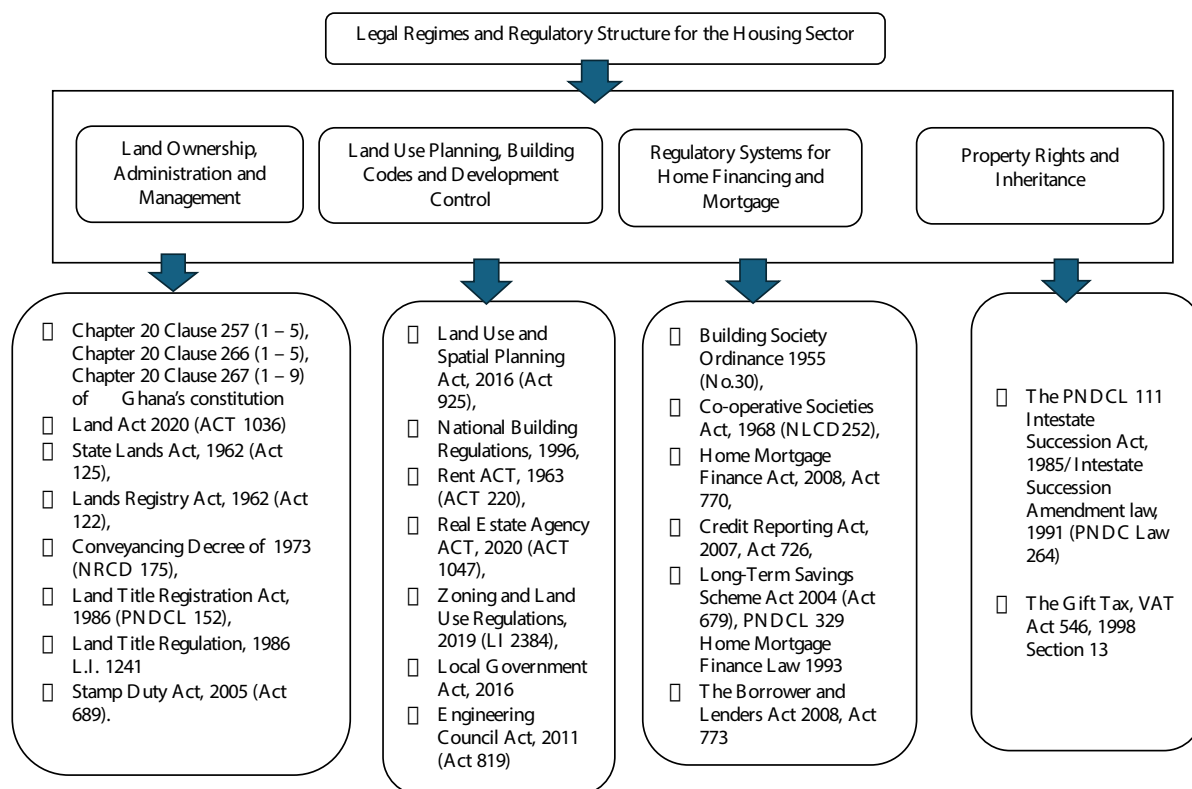


Figure 2.1: Legal Regimes and Regulatory Structure for the Housing Sector

Although very elaborate, the existing legal and regulatory frameworks seem to focus on formal operators and institutions in the housing sector. However, there are a wide range of stakeholders and players, operating in the informal parts of the housing sector, for whom the legal and regulatory regimes do not have any clear guidelines. Sadly, these appears to be in the majority and have been driving the housing sector.

Source: Republic of Ghana (1992) ; UN-Habitat (2011)

Case Box 1.1: Responsiveness of the legal and regulatory frameworks to the poor

2.2 Institutional Arrangements for Housing Delivery in Ghana

The current institutional arrangement within the housing sector is disjointed. There are multiple state and non-state agencies involved, but their roles and responsibilities are unclear and poorly coordinated. This lack of a clear and streamlined approach hinders efficient housing development. This comprehensive report contains a list of institutions involved in housing and the various roles they play, while a table with additional institutions and bodies engaged in housing-related activities is provided in the appendix.

2.2.1 Public Sector Institutions in Housing

Several public institutions are directly involved in the delivery of housing infrastructure. These institutions

include the following;

a. Ministry of Works and Housing

The Ministry of Works and Housing (MWH) is the lead Ministry in charge of the formulation of housing programmes and policies for the Government. The MWH also coordinates, monitors and evaluates the execution of programmes and plans in the housing sector. The Ministry has eleven directorates. Key among them is the Housing Directorate. The Housing Directorate provides professional and technical services and advice. It collaborates with other directorates to develop programmes, plans and policies. It has 3 functional areas, known as Rural Housing, Urban Housing, and Building Materials Units. The housing sub-sector of the Ministry works through the following agencies: Rent Control Department; Department of Rural Housing; Public Servants' Housing Loans Scheme Board; Architects Registration Council; State Housing Company; and Tema Development Company. The Ministry

establishes linkages with relevant institutions both locally and externally.

b. Regional Coordinating Councils (RCCs)

The Government of Ghana operates a three-tier structure of decentralization. At the top of the structure are the Regional Coordinating Councils. The RCCs are headed by a Regional Minister appointed by the government and can be subject to reshuffling within the same government or replacement when the government changes. RCCs are coordinating and administrative rather than policy-making and political bodies. With regards to housing, RCCs aggregate projections of local housing needs into regional and national housing supply goals. RCCs also are charged with the responsibilities of monitoring and coordinating district housing policy. RCCs are also in charge of identifying and planning land within the region, including performance criteria, urban spatial restructuring, and rural settlement restructuring; development priorities and programs; and minimum housing norms and standards in the region. These actions are guided by the National Spatial Development Framework. However, discussions with a representative of the LUSPA in the Western Regional Coordinating Council revealed that each RCC has the flexibility to adapt and localize the national framework to better suit regional need. In terms of housing, RCCs serve as a link between the Ministry of Works and Housing and the Districts Assemblies.

c. Land Use and Spatial Planning Authority (LUSPA)

The former Town and Country Planning Department, now the Land Use and Spatial Planning Authority (LUSPA), regulates spatial planning and management for all settlements in Ghana. Thus, it is mandated to ensure sustainable housing development. To achieve sustainable development, LUSPA prepares Local Plans (LP), Structure Plans (SP), and Spatial Development Frameworks (SDFs). Additionally, it oversees the sustainable development of human settlements through a decentralized planning system and the establishment of favourable conditions that enable District Assemblies to perform the tasks of spatial planning and human settlement management more effectively. LUSPA enforces regulations on development in environmentally sensitive areas, including forests, wildlife sanctuaries, mining zones, wetlands, and water sources. It does this by collaborating with environmental agencies (e.g., EPA, Minerals Commission, Forestry Commission) to restore exploited natural areas.

d. Metropolitan, Municipal and District Assemblies

The tangible processes of housing development are very much local community activities. The local

actors such as the MMDAs are therefore principal actors who carry out those activities. In terms of housing, MMDAs through the District Housing sub-committee perform a development control and land use planning function. To this end, MMDAs create a public environment that is favourable to sustainable growth by regulating safety and health standards in the housing supply. MMDAs also establish housing supply targets at the MMDA level and incorporate housing needs in their jurisdictions into regional plans. Also, MMDAs oversee starting welfare/social housing projects in their jurisdictions. In addition, the National Housing Policy allows for the facilitation and promotion of diverse groups and associations to enhance access to housing. These groups are encouraged to participate in housing financing and implementation of housing programmes. However, these actors referred herein as players perform diverse roles in the housing sector. These players include landlord associations, refuse collectors, informal rental agents, land guards among others.

e. National Development Planning Commission (NDPC)

The 1992 Constitution created the NDPC under Articles 86 and 87 as part of the Executive. The National Development Planning Commission (NDPC) is required under the National Development Planning Commission Act of 1994, (Act 480) to use legislative tools and principles to manage the national development planning system. The NDPC is charged with the responsibility to mainstream housing in the national development planning process.

f. Physical Planning Department

The Physical Planning Department is one of the decentralized departments under the MMDAs and key agents in the land delivery and development process. The Physical Planning Department assists in the review of development permit applications and controls physical development at the district level. It also creates and revises plans for the Assembly and Zonal Councils. The Physical Department reports to its mother body (LUSPA). It gives advice to key stakeholders on land use planning issues for housing programmes and projects at the district level. It collaborates with other departments including the Works department.

g. Lands Commission

The Lands Commission is an agency under the Ministry of Lands and Natural Resources. It was established under Article 238 of the 1992 Constitution. The Commission envisions to be a "Center of Excellence for Land Services Delivery". The Lands Commission provides expert advice on issues of land acquisition and management. It does this by collaborating with the NDPC, MWH and LUSPA. It also gives such advice

to MMDA-level stakeholders (through the offices of the Regional Lands Commission).

h. Building and Road Research Institute (BRRI)

The BRRI is one of the thirteen research wings of the Council for Scientific and Industrial Research. The BRRI is charged with the responsibility to develop appropriate technologies to produce some building materials, evaluate local raw materials and energy sources. The BRRI is also mandated to establish long-term performance characteristics of building materials and components, design and fabricate prototype equipment for production of building materials. Essentially, BRRI researches all building, roads and construction aspects to ensure safety, efficiency and economy. In carrying out its research, BRRI collaborates with other agencies including the Youth Employment Agency. It also partners with other institutions such as the Kwame Nkrumah University of Science and Technology in Kumasi.

i. Public Financial Institutions

Several public financial institutions are engaged in the housing sector in Ghana. Financial institutions such as the Bank of Ghana regulates the housing finance sector. Other financial institutions such as the Republic Bank mobilize funds and offer mortgages. The following public financial institutions play a key role in housing delivery in Ghana:

- Bank of Ghana
- Ministry of Finance
- Ghana Commercial Bank
- Public Servants Housing Loan Scheme Board
- Ghana Housing Finance Association
- Ghana Microfinance Network
- Republic Bank

j. Academic Institutions

Academic institutions in Ghana contribute greatly to the housing industry by serving as hubs of research and innovation. In terms of research, academic institutions conduct research to understand the dynamics of the housing market, including housing demand, affordability and all other issues related to the housing industry in Ghana. Also, these institutions collaborate with stakeholders in housing and suggest policies that promote affordable housing and sustainable urban development. Some academic institutions involved in housing include:

- University of Ghana
- Kwame Nkrumah University of Science and Technology

k. Department of Urban Roads

The Department of Urban Roads is one of the departments under the Ministry of Roads and Highways. Housing development is a result of social and economic activities. The impact of infrastructure in housing development cannot be overstated as it is key for its success. As such the Department of Urban Roads was established in 1988 to plan, execute and oversee urban roads and related infrastructure.

l. Ghana Water Company Limited (GWCL)

Just like other basic utilities, safe, equitable and reliable water access is considered in housing development. GWCL was instituted in 1999, as a fully state-owned utility company under the Ministry of Sanitation and Water Resources. Its primary role is to supply potable water to urban communities. The company currently manages 88 urban water supply systems across the country. The company partners with several institutions including the World Bank and Edge Technology LLC in the execution of its mandate.

m. State Housing Company Limited (SHCL)

The SHCL is a public Agency charged with the responsibility of increasing the supply of residential housing in Ghana. It is also mandated to provide estate and homes management services to local authorities, individual homebuyers, developers and other public agencies. They combine development services, like finding land and building construction, with support services, allowing clients to choose what they need – from just finding a plot to having a whole house built. They construct affordable housing units for all income groups.

n. Electricity Company of Ghana Limited

The provision of electricity is fundamental to the creation of habitable and functional housing. Access to reliable electricity is a crucial factor in housing development, extending beyond mere shelter to encompass safe, secure, and comfortable living conditions. Established in February 1997 under the Companies Code, 1963 (Act 179), ECG provides electricity to the citizens of Ghana within its operational regions.

The Electricity Company of Ghana Limited (ECG) collaborates closely with several institutions to fulfil its role in providing electricity and supporting housing development. These include the Ministry of Energy (its mother Ministry), which sets policies and regulations for the energy sector. It also collaborates with the Public Utilities Regulatory Commission which is responsible for overseeing utility services. Additionally, ECG works with the Energy Commission to promote energy efficiency and renewable energy

integration. The Volta River Authority and Ghana Grid Company also work with ECG to ensure reliable power generation and infrastructure distribution.

o. Ghana Standards Authority

The Ghana Standards Authority guarantees that construction materials meet durability and safety requirements to keep people safe. Before a certificate is granted to a manufacturer, samples of the item must be submitted for testing. Samples from a batch are tested in the event of local manufacturing to certify the entire batch. After a spot inspection, a corporation might receive certification for a year of production.

2.2.2 Private Sector Institutions in Housing

Ghana's housing sector is not driven solely by the government. Various non-state and private sector institutions play essential roles in providing housing solutions and shaping the overall housing market. These include building and construction businesses, GHACEM, etc. The private actors can be grouped into developers, facilitators and beneficiaries. The facilitators mediate between the low-income households and landowners, MMDAs and central government to regularize or secure their tenure. These may include non-governmental players such as the People's Dialogue for Human Settlements, Housing the Masses, Center for Housing Rights and Evictions (COHRE), CHF Ghana, and Habitat for Humanity. The developers actively engage in the supply of housing. These include the Ghana Real Estate Developers Association. Residents who gain access to safe and affordable housing through housing development initiatives are the key beneficiaries. These actors include homebuyers and renters.

a. Ghana Real Estate Developers' Association (GREDA)

GREDA is an Association of Real Estate Developers established under the Laws of Ghana (Company Code, Act 179, of 1963), as a private property limited by guarantee. Prominent examples of real estate developers include Adonai Estates, Trasacco Company Limited, and Devtraco Limited. GREDA promotes the development of strong private-sector participation in housing delivery in Ghana. GREDA partners extensively with the Government and other bodies to enhance the delivery capacity of housing.

b. Small Developers and Householders

Individuals having new homes constructed by small-scale builders dominate the urban environment. A combination of owner and contractor working on several extensions in the presently developed regions. Their numbers greatly exceed the production of all

official means, making them the primary players in Ghana's urban housing supply system.

2.2.3 Traditional Authorities

Ghana's constitution identifies chiefs as custodians of stool lands. As custodians, traditional leaders employ an intergenerational approach to preserve community lands. They do this by prioritizing the rights of indigenous people to utilize the land while denying non-indigenous people complete ownership.

Certain traditional groups have a federal form of government where sub-groups are equal and there is no absolute monarchy. One example of this is the Ga-Dangme groupings with their separate Traditional Council. Within these groupings, the hierarchy is further divided into clans, quarters, and households, each of which can allocate and trade land independently of a centralized authority. However, the Akan tribal groups (Akwapim, Fanti, Akyem, and Kwahu) operate in centralized systems, with one chief, known as the Asantehene, holding the ultimate authority. The Asantehene is directly in charge of all land sales through proxies, but he also has the power to hold discussions on any given plot of land or to impede any land transactions carried out by any of the proxies. The influence of the sort of lineage system in use is another aspect of customary land holding and how it affects housing. Matrilineal property rights provide preference to the offspring of the male landowner's female siblings. Because of this, most Akan communities have a structure in place that prevents wives and children from immediately inheriting the property of their father or husband. Patrilineal communities, like the Ga-Adangme, on the other hand, determine property rights based on a direct link to the father or male landowner.

To ensure good planning and housing development within the country, building codes and permits help in regulating, enforcing and setting construction standards for structures. However, despite these regulations, non-compliance is a widespread phenomenon in Ghana. As traditional and customary players influence housing in terms of land delivery, the nature of land ownership arrangements has emerged as an obstacle. Like in many other metropolitan regions of Ghana, the Accra-Tema is mostly owned by the State, although traditional tenure systems are the primary stewards of the land and usually control land transactions. Thus, a typical issue in the housing sector is multiple sale of a piece of land by a landowner or his/her family members. This situation leads to heated conflicts and stalls housing development efforts.

Other institutions involved in housing in Ghana include International Organizations, CSOs, NGOs

2.2.4 International Organizations

International actors in the housing sector include Cities Alliance, UN-Habitat, World Bank and GIZ. The international actors are responsible for coordinating and funding housing programmes. During the 1980s, the World Bank played a significant role in funding urban regeneration projects. These projects primarily focused on upgrading neighbourhood infrastructure (roads, sanitation infrastructure etc), with less emphasis on direct housing interventions. Most of these initiatives were implemented in five cities, namely, Accra, Kumasi, Sekondi-Takoradi, Tema and Tamale. These interventions fell short by not addressing the fundamental issue of secure land and housing tenure. As a result, some of the renovated neighbourhoods, such as Sukura and Nima-Maamobi, experienced market-induced evictions. The United Nations, Agence Française de Développement (AFD), the Nordic Fund and the German Development Service (GTZ) are other international actors in the housing and ancillary housing infrastructure sector.

a. United Nations Office for Project Services.

Implementation of procurement and infrastructure projects within the United Nations System, international financial institutions, governments, and other partners worldwide is the primary responsibility of UNOPS. UNOPS manages projects, and develops and delivers cost-effective services for partners across parts of West Africa including Ghana, assisting countries in achieving their development goals. These services range from supporting climate-resilient and sustainable infrastructure to improving security and access to essential services in conflict-affected and hard-to-reach areas.

b. UN-Habitat

The UN-Habitat is mandated by the UN General Assembly to advance ecologically and socially sustainable cities and towns. The focal point for all UN system issues about urbanization and human settlement is the UN-Habitat. Also, UN-Habitat works with partners to build inclusive, safe, resilient and sustainable cities and communities. UN-Habitat promotes urbanization as a positive transformative force for people and communities, reducing inequality, discrimination and poverty.

2.2.5. CSOs and NGOs

Civil Society Organizations and Non-Governmental Organizations also play crucial roles in housing development in Ghana. These organizations collaborate with government agencies, development partners, and community stakeholders to address housing challenges and promote sustainable housing development in Ghana. Some organizations under this category are:

- Ghana Institution of Engineers

The Ghana Institution of Engineers significantly contributes to the advancement of housing delivery in Ghana. GhIE works with housing sector stakeholders to build inclusive, resilient, and sustainable communities in Ghana. By offering technical expertise, encouraging professional growth, pushing for legislative changes, and maintaining the highest standards of engineering practice.

- Ghana Institute of Planning

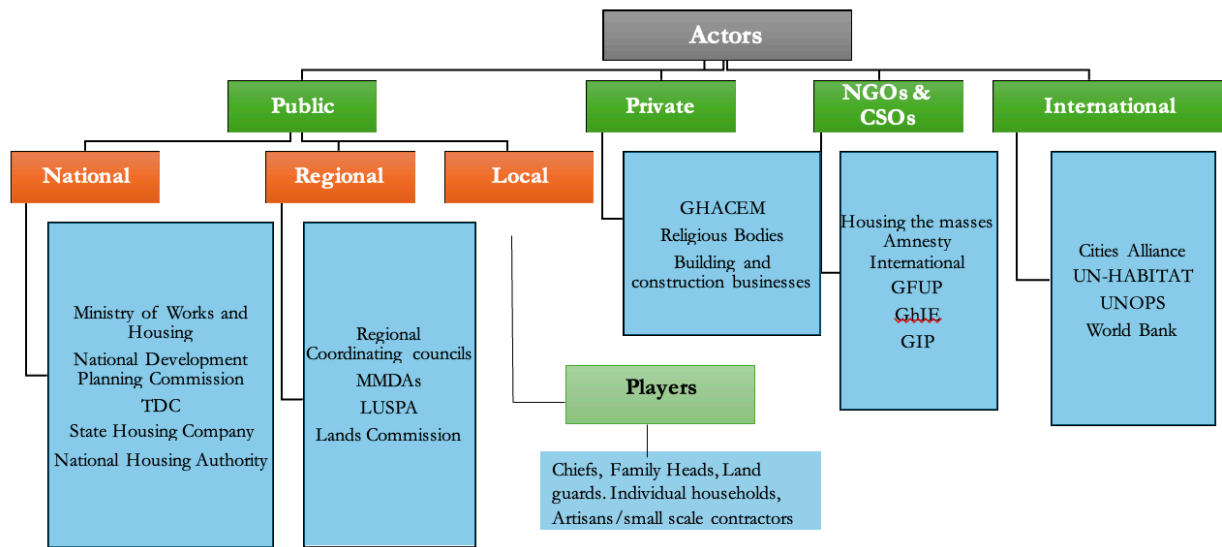
The Ghana Institute of Planning carries out initiatives that improve the quality of lives, support sustainable urban growth, and aid in the efficient planning and management of land and housing resources. The GIP is essential to determining the direction of the housing industry and building thriving, inclusive, and resilient communities since it prepares structural plans, local plans, resettlement plans, and spatial development frameworks.

- People's Dialogue on Human Settlements (PD)

PD is a Non-Governmental Ghanaian organization dedicated to fostering cooperative relationships between organized communities and local governments where there is extreme urban poverty, homelessness, joblessness, and landlessness. Through fostering partnerships, advocating for housing rights, conducting research, and policy analysis, PD contributes to advancing the goal of ensuring access to adequate and affordable housing for all.

Figure 2.4 below provides an illustration of the various stakeholders (actors and players) involved in housing delivery.

Figure 2.2: Actors and Players in the Housing Sector



Source: Republic of Ghana (2015)⁴¹; UN-Habitat (2011)⁴²

Despite the involvement of the various actors and players in the housing delivery process, several challenging practices or factors can hinder the development, accessibility, and affordability of housing. These practices may include:

- **Activities of Land Guards:** In Ghana, one of such land-related issue that has recently dominated political and media debate is landguardism. This practice involves the hiring of individuals or a person who uses(s) violence or threat of violence to protect or guard land or property belonging to that person or another person⁴³. Such individuals are mostly referred to as landguards. Harassments, threats and violence meted out to housebuilders, demolition of both ongoing and completed housing properties, extortion and collection of informal levies, and in worse cases, murder is among other negative consequences of landguardism;

In terms of land conflicts, some chiefs, family, and clan heads are seen as the main actors who perpetrate land conflicts given that they are the main custodians of customary land⁴⁴. Related issues regarding these are outlined in Section 2.3.3

Other challenging practices or factors that hinder the smooth delivery of housing are:

- Multiple sale of land
- Land encroaching
- Unethical behaviours by individuals/ developers

Beyond the challenging practices listed above, the provision of adequate housing is not solely a matter of economic supply and demand; it is interconnected with some socio-economic, political, and cultural factors that shape the dynamics of the housing sector. These factors go beyond traditional housing delivery structures, influencing who has access to housing, the quality of housing provided, and the distribution of housing resources within society.

- Corruption and Economic Opportunist:** Corruption within some housing agencies responsible for land allocation, building permits, and housing finance can lead to favouritism, bribery, and unfair practices. Here, there is a diversion of housing subsidies meant for the poor to well-to-do individuals or people of high political influence. These individuals may exploit their influence to secure lands, apartments or expedite permit approvals, leaving ordinary citizens at a disadvantage.

⁴¹ Republic of Ghana (2015). National Housing Policy

⁴² UN-Habitat (2011). Ghana Housing Profile

⁴³ Ehwi, R. J., Divine Asafo, D.M. (2021) Landguardism' in Ghana: Examining public perceptions about the driving factors.

⁴⁴ Asafo, D. M. (2020) Peri-Urban Development: Land Conflict and its Effect on Housing Development in Peri-Urban Accra.

- Unemployment and Income Inequalities: High unemployment rates and income inequalities play a significant role in determining access to housing. Low-income earning individuals are faced with challenges in affording decent housing, leading to informal settlements and inadequate housing conditions.

2.2.6 Institutions and Processes Involved in Acquiring Land to Building a House in Ghana

From the very beginning of land acquisition to the end of building completion a network of procedures, and various governmental, regulatory, and private organizations, are essential to maintaining legal compliance and upholding building and environmental sustainability standards.

In this comprehensive guide, we explore the various stages, highlighting the institutions involved and the processes they oversee. The various stages/processes involved are:

1. Land Acquisition

Land acquisition and site selection have a role in housing decision-making. The customary system is one common way people use to obtain land for their homes. Customary law, which is described as the laws that individual groups in Ghana follow out of tradition, is recognized under the 1992 Constitution. The prospective developer is responsible for ensuring that the proposed development is in line with the intended land use for that specific area. The developer is therefore placed in between LUSPA and land allocators⁴⁵.

On the other hand, the land delivery mechanism for public land in the country is in the hands of the Lands Commission, through the Lands Commission Act, 1994 (Act 483), which gives the Commission the sole mandate to manage public lands and other lands and related matters. The land acquisition process is straightforward, but a person can only be granted one residential plot by the Commission in one city or town⁴⁶. Some institutions or groups that facilitate the land acquisition processes are:

- **Traditional groups/ customary landowners**
- **Lands Commission**
- **Private individuals**

2. Land Documentation

Land documentation and registration are done by purchasers at the various Land Sector Agencies, with the Lands Commission usually being the first point of call. Though there are some minor variations between Regional Lands Commissions nationwide, most of the procedures for land documentation go through the following stages. The Records Section checks the accuracy of plans and transactions against the official records, followed by the Legal Section, which examines and verifies documents, along the Estate Section, which undertakes site inspections and assesses rent if necessary. Subsequently, the Legal Section recommends concurrence to the transaction, which is executed by the Chairman of the Regional Lands Commission. Afterward, the transaction is recorded in the Record Section, which embosses it, leading to the final stage of payment and collection of documents⁴⁷.

3. Building Permits and Approvals

Building permits and approvals are important stages in the process of building a house. This stage ensures that construction projects comply with relevant regulations, standards, and safety requirements. The institutions involved at this stage are:

- **LUSPA:** responsible for issuing building permits and ensuring compliance with zoning regulations. LUSPA enforces regulations on development in environmentally sensitive areas, including forests, wildlife sanctuaries, mining zones, wetlands, and water sources. It does this by collaborating with environmental agencies like the EPA.
- **Environmental Protection Agency (EPA):** In cases where environmental impact assessments are required, the EPA evaluates potential environmental impacts of construction projects.
- **Metropolitan, Municipal, and District Assemblies:** These agencies also have regulations and requirements for building. The National Development Planning System Act, 1994 (Act 480) mandates all Metropolitan, Municipal, and District Assemblies as planning authorities to manage physical development within their areas of jurisdiction⁴⁸. The Accra Metropolitan Assembly states that there are specific guidelines for obtaining building permits for temporary structures, regularizing existing structures, and extension of existing buildings.

⁴⁵ Ghana Housing Profile (2011)

⁴⁶ Ghana Housing Profile (2011)

⁴⁷ Ghana Housing Profile (2011)

⁴⁸ National Development Planning (System) ACT, 1994 (ACT 480)

A temporary building permit is required for temporary structures intended for short-term usage or to facilitate permanent construction. These permits are renewed every six months for a maximum of five years. To obtain this permit, an individual is expected to apply, showing evidence of land ownership, block and site plans, structural drawings, and approvals from the appropriate authorities. For existing structures built without permits, regularization is required. Only structures that meet the minimum conditions for a regular development permit can be regularized. Also, an individual is expected to submit all necessary documents plus a Structural Integrity Report⁴⁹.

Before any building construction begins, developers must apply for a development and building permit. Developers who build without these permits face a penalty as per the Building Regulations, LI 1630. Permits can be granted for various purposes, including hoarding, changing the use or zoning of land, landfilling, renovation, land subdivisions, demolition, erecting signage or billboards, and waste disposal⁵⁰.

4. Construction Process and Utilities

The main actors in the residential construction process in Ghana are multiple associations of single

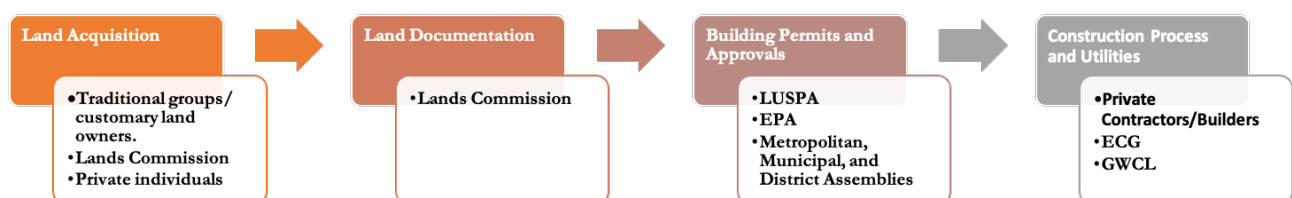
households and mason-plus-tradesmen teams acting to construct a single house that will accommodate one or more households. The process of contractors building multiple dwellings for onward sale only occurs at the very top end of the market. Several construction companies are involved in house building and they vary in size, expertise, and scope of projects. Depending on the specific requirements and budget of the project, individuals and developers may choose from a variety of construction firms operating in the country.

In the construction process, utility companies provide essential services necessary for residential properties. Institutions involved in the construction process and provision of utilities include:

- **Private Contractors/Builders:** Construction companies or individual builders are responsible for constructing the house.
- **Electricity Company of Ghana (ECG):** Provides electricity connections and meters for the house.
- **Ghana Water Company Limited (GWCL):** Provides water connections to the property.

The entire process and the various stages involved in land acquisition to building a house is simplified in Figure 2.3 below.

Figure 2.3: Stages and Institutions Involved from Land Acquisition to Building a House



2.3 Ghana Housing Policy Environment

2.3.1 Brief Overview of Housing Policy in Ghana

The development of housing policies in Ghana dates to pre-independence. Yet none was officially adopted, despite repeated attempts throughout the 1980s and 1990s. To put it broadly, Ghana's housing policies have been inadequately comprehensive, disjointed, and piecemeal. The various housing policy interventions were tied to the Government

of the day. Table 2.1 summarises the major policy interventions since the colonial era.

From table 2.1, it is evident that different Governments have made efforts since the colonial era to address Ghana's housing issues. However, many of the attempts have been insufficient and frequently plagued by multiple implementation problems. The lack of sufficient funding, institutional incapacity and inefficiency, political unpredictability and meddling, and the absence of a comprehensive and practical

49 Accra Metropolitan Assembly Building Permits Guidelines

50 Accra Metropolitan Assembly (Building/ Physical Development) Bye-laws, 2017

National Housing Policy to direct housing supply until 2015, were noteworthy examples of these challenges. The disjointed nature of Ghana's national housing policies, described as "needless experimentation," has been cited as a root cause of the country's persistent housing problems.

Table 2.1: Major Housing Policy Initiatives in Ghana

Period	Policy interventions	Achievements	Implementation challenges
Pre-independence			
1920-1933	Dispossessed person's housing scheme	118 loans at a cost of £9,280	It was discontinued because the government of the day felt it was expensive
1939	Direct housing investment following the 1939 earthquake. Subsidized housing rent with options for tenants to own the houses through high purchase ⁵¹	1,250 two-bedroom units in Accra were developed to house the security forces and civil servants	Lack of sufficient funding
Alan Burns 1943-1947 development plan	Construction of affordable 1-3-bedroom houses with local materials for all at economic cost, Only labourers were asked to pay non-economic rents. Town and Council Housing were mainly centered in Kumasi, Accra and Sekondi-Takoradi. Under this scheme, individuals could apply for financial aid to build their own houses. The housing sector was allocated 6% of the total budget of the plan		Lack of sufficient funding Institutional incapacity and inefficiency due to limited resources
1951	A direct 2.5 million pounds investment by the government of Sir Charles Noble Arden-Clarke through the development plan of 1951	The establishment of the bricks and tile industry	Only a small segment of senior public servants (usually the rich) benefited from the project
Post-independence			

⁵¹ Ansah, S. K., & Ametepey, S. O. (2014). Housing deficit and delivery in Ghana: intervention by various Governments.

Period	Policy interventions	Achievements	Implementation challenges
1959 -1964 development plan	<p>Proposal to construct 6,700 houses. Middle-income (200), Low-income households (1,500) and labourers (5000).</p> <p>Introduction of the Roof Loans Scheme</p> <p>In all, 2 million pounds was provided for this</p>	Of the 6,700 roof loan recipients that were anticipated, about 2,517 were awarded.	Inefficiencies and mismanagement were cited
1964-1970	<p>Proposal to construct 60,000 housing units.</p> <p>About 44.5 million pounds was committed, with 31.3 million in commercial housing and 13.2 million in low-income housing.</p> <p>The State Housing Corporation, Ghana National Housing Corporation, First Ghana Building Society and the Tema Development Corporation were charged to implement these interventions.</p>	<p>80% of funds were provided.</p> <p>SHC and TDC jointly developed 11,752 units implying that 20% were delivered by 1966.</p>	Inefficiencies and mismanagement were cited
1966-1969	National Liberation Council proposed to build 2000 housing units annually	1,000 uncompleted units from previous interventions were completed	<p>Lack of Funds</p> <p>Rising prices of labour and materials</p>
1969-1972	<p>An open and free market policy to encourage private sector participation in housing delivery.</p> <p>Establishment of the Bank for Housing and Construction (BHC)</p> <p>TDC was to sell the houses built during the first era at a 2% interest rate with a 25-year repayment plan.</p> <p>The provision of service lands.</p>	The scheme added about 25% of the targeted 8,000 units	<p>The required development financing was not provided by BHC.</p> <p>The private sector failed to respond positively due to low incentives, high property rents and low incomes among the population.</p> <p>Rising prices of labour and materials</p>

Period	Policy interventions	Achievements	Implementation challenges
1972-1979 (The Acheampong led government)	<p>Central government refinanced public housing corporations to construct all the facilities and infrastructure required to house public and civil servants.</p> <p>State housing corporations were allowed to lease land to the private sector to build houses for the remaining working class.</p> <p>The rural cooperative housing scheme, low-cost housing and the wall protection loan scheme were initiated.</p> <p>Public servant's Housing loan scheme</p>	<p>\$10,000,000 capital injection was committed to the development of 23,000 units in Tema, Accra, and Kumasi</p>	<p>Cost of constructing a unit surged from 2000 cedis to 10,000 cedis.</p> <p>Only about 6,092 was provided.</p> <p>Poor economic conditions, mismanagement and political instability adversely affected the implementation of the interventions.</p> <p>Rising prices of labour and materials</p>
1979 – 2000 lieutenant (Jerry John Rawlings)	<p>Reduced state monopoly in supply and housing finance</p> <p>Encouragement of the involvement of the private sector in the supply of housing.</p> <p>5-year tax holiday for real estate developers</p> <p>The reduction of the sales tax on locally produced building materials from 20 to 10 percent</p> <p>State insurance Company and the social security and national insurance trust were encouraged to participate in housing delivery</p>	<p>By 1994, 318 housing units were developed by SSNIT in Sakumono, Accra.</p> <p>About 40,000 housing units either abandoned or suspended under previous governments also were completed</p>	<p>By 1994, 318 housing units were developed by SSNIT in Sakumono, Accra.</p> <p>About 40,000 housing units either abandoned or suspended under previous governments also were completed</p>
2000-2008	<p>Combination of central and liberal strategies</p> <p>2005 affordable Housing Program</p> <p>Establishment of a \$10million mortgage finance scheme</p>	<p>Asokore-Mampong affordable housing project started with the development of 800 one-to-three-bedroom apartments. Some of the buildings were 90% complete.</p>	<p>Inadequate funds</p> <p>Over \$70 million affordable housing project investment yielded about 4,700 abandoned and uncompleted housing unit.</p> <p>Rising prices of labour and materials</p>
2009-2016	<p>Combination of central and liberal strategies</p> <p>The Ghanaian and Korean Governments collaborated to build 300,000 units (STX housing program)</p> <p>The commencement of the Saglemi Housing Project</p>	<p>1500 housing units were constructed in the first phase in 2016.</p>	<p>The Korean company did not have the necessary funds to carry out the project's pre-financing and construction.</p> <p>The Saglemi Housing Project has been surrounded by controversies about embezzlement of funds⁵²</p>

⁵² Nyabor (2019)

Period	Policy interventions	Achievements	Implementation challenges
2017- date	<p>Combination of central and liberal strategies</p> <p>National Homeownership Fund</p> <p>Establishment of Housing and Mortgage Fund.</p> <p>Two schemes were piloted between 2018 and 2020.</p> <p>1. National Mortgage Scheme</p> <p>2. Affordable Housing Real Estate Investment Trusts</p> <p>The Fund partnered with GCB, Stanbic Bank and Republic Banks to Offer home loans in Ghanaian cedis to public sector employees and provide funding for developers to build new homes</p>	<p>The Fund partnered with GCB, Stanbic Bank and Republic Banks to Offer home loans in Ghanaian cedis to public sector employees and provide funding for developers to build new homes</p> <p>About 400 developers obtained mortgage financing in the phase one of National Mortgage Scheme</p> <p>In 2020, the National Homeownership Fund partnered with TDC to complete a gated community of 204 affordable housing units, featuring 1- to 2-bedroom expandable models.</p> <p>Rehoboth, a private developer is providing 80 housing units in partnership with the fund for Ghana's Parliamentary Service Group</p> <p>The Asokore-Mampong affordable housing project was later completed in May 2020. Concerns were however raised about the pricing, which ranged from GHS 99,000 – GHS 142,500 for a bedroom, GHS 182,500 for a 2-bedroom apartment and GHS 335,000 for a 3-bedroom apartment.</p>	<p>Interviews with the GREDA reveals that the fund is inadequate</p>

Source: Boamah (2014)⁵³; Kwofie (2011)⁵⁴; Mohammed (2017)⁵⁵; Ansah & Ametepey (2014)⁵⁶; Nyabor (2019)⁵⁷

53 Boamah, N. A. (2014)

54 Kwofie et al. (2011)

55 Mohammed et al. (2017)

56 Ansah & Ametepey (2014)

57 Nyabor (2019)

2.3.2 Housing Policy and National Development Agenda

a. The Housing Policy – Its Aims, Areas of Focus, and Strategies

The National Housing Policy⁵⁸ aims at:

- ensuring that every person in Ghana has access to affordable, decent, and adequate housing that satisfies fundamental requirements. This calls for solving the housing shortage and offering a range of housing alternatives to suit various economic brackets;
- encouraging environmentally-friendly building materials and designs, as well as the creation of climate change-resistant and environmentally sustainable communities;
- ensuring that housing initiatives satisfy the requirements and preferences of local populations. The goal is to promote participatory governance in housing development and allocation processes. This entails involving a range of stakeholders in the decision-making process, including communities, local authorities, and pertinent organizations; and
- guaranteeing that there are enough long-lasting financing sources available to enable the provision of a variety of housing alternatives in various areas of the country. To properly finance housing projects and services, resources from both public and private sources must be mobilized.

b. Focal Areas of Housing Interventions

To effectively carry out the aims of the National Housing Policy, the policy is structured towards the following thematic areas:

- **Housing and Human rights: Universality of rights to adequate housing**

The Government will take necessary actions to ensure that the right to sufficient housing is fully realized. Policies intended to fulfil the State's responsibilities may involve the inclusion of public sector, community, and business initiatives.

- **Sustainability and Resilience: Utilise sustainability principles to guide shelter and human settlement development.**

The Government will make sure that sustainability principles constitute the foundation for all new housing developments. Here, durable materials that do not endanger the environment must be used in

building new houses. New communities must be built to resist natural calamities and the unpredictable effects of climate change. Also, the foundation of all human settlements which include social, economic, residential, and other functions must be sustainable.

- **Equity: Assuring fairness in the allocation of public resources and prioritizing the protection of vulnerable groups**

The State is responsible for making sure that public resources (funds, expertise, and policy leverage) are allocated while taking into consideration the different income levels of households. All initiatives must prioritize and effectively target the needs of vulnerable groups. Appropriate intervention measures must be taken to lessen unfavourable outcomes that could affect these groups.

- **Security: Ensure security of tenure and safety of life and property**

Regardless of social status or wealth, the State will support a progressive engagement strategy to guarantee that the security conditions are improved for everyone. This will serve as the basis for the protection of everyone's fundamental right to suitable housing. Also, security must also be demonstrated by communities taking the necessary precautions to keep its members secure from harm and from crime.

- **Inclusivity: Compel inclusiveness in the planning, design, implementation, management, monitoring, evaluation and scaling up**

In the formulation of housing solutions, dialogue, debate, and consensus will form the basis of all decision-making. The State shall give recognition to the interests, prospects, and resources of all parties irrespective of income, ethnicity, education, gender, and social standing. The state also pledges to give opportunity for the incorporation of these interests in the design and implementation of the policy and consider the variable impacts this may have on all groups.

- **Scale and diversity: Increase the scale and diversity in shelter production and access to cater for all segments of society.**

Every action resulting from the Housing Policy's implementation cannot be stopped at a pilot or demonstration phase, nor can it be restricted to a certain area or community. Every effort will be taken to guarantee that the benefits of all initiatives reach every corner of the nation. Ensuring that all Housing Policy initiatives are extended across

⁵⁸ Ghana National Housing Policy (2015)

the entire country would be the duty of the MWH in collaboration with all MMDAs and other stakeholders. Furthermore, the development of all governmental, private, and community activities in the creation of housing solutions will be supported by the understanding of the diversity of requirements within society.

- **Economic Empowerment and Family Self-Sufficiency**

In addition to providing the fundamental requirement of shelter, housing is essential to the country's economic stability. Prosperity and economic progress promote connected communities and pride, all of which is conducive to family self-sufficiency. The expectation is that Government will contribute less and have less of a duty to help a household that is more capable of supporting itself.

2.3.3 The Place of Housing in the National Agenda

Housing occupies a significant portion of Ghana's National Development Agenda⁵⁹ (2018 - 2021), with coordinated strategies meant to expand the availability of affordable housing, enhance living standards, and meet the population's housing demands. The main policy objective on housing in the National Development Agenda is to provide adequate, safe, secure, quality, and affordable housing. Achieving this policy objective will entail implementation of the following strategies:

- Accelerate implementation of the National Housing Policy (**SDG 11.1**⁶⁰)
- Promote social housing schemes in urban, peri-urban, and rural areas (**SDG 11.1**)
- Expand availability of housing financing (**SDG 11.1**)
- Provide support for private sector involvement in the delivery of rental housing (**SDG 11.1**)
- Improve investment for housing provision (**SDG 11.1**, **SDG 9.3**⁶¹, **SDG 8.3**⁶², **SDG 10**)
- Promote the manufacture and use of standardized local building materials in housing, including the use of bricks, tiles, and pozzolana cement (**SDG 11.1**, **SDG 9.7**⁶³)

- Strengthen the implementation of the national building code (**SDG Targets 11.1**)
- Support self-help building schemes organized along communal themes, cooperative societies, and crop and trade associations (**SDG 11.1** and **SDG 8.3**)
- Provide technical assistance to communities to support basic house-building skills training programs (**SDG 11.1**, **SDG 8.3**)

In addition to the place of housing in the drive towards the achievement of the SDGs, Ghana's housing sector has played and continues to play multiple roles in the country's socio-economic development trajectory. For instance, between 2018 and 2020, the government's Affordable Housing Initiative—a collaboration with the private sector and direct intervention—provided about 4,296 urban housing units. Two other notable interventions to lessen the housing deficit are the completion and distribution of 24 apartments and 43 townhouses at Roman Ridge for civil and public servants as part of the government's urban redevelopment programme. There was also the third phase of the Security Services Housing Programme, that started the construction of 320 housing units for the Ghana Police Service, in 2019.

To increase access to affordable housing, the Government of Ghana also established, the National Home Ownership Fund, in 2018, with a mandate to create incentives for banks to lend mortgage financing to ordinary Ghanaians. Again, the Government initiated the National Rental Assistance Scheme in 2022, to address the challenges associated with paying high charges as advance payment of rents on the rental market. With an initial allocation of GH¢30 million, the scheme's first phase focused on regions known for advance rent payments, including Ashanti, Greater Accra, Northern, Eastern, Western, and Bono East. Applicants seeking assistance under the scheme are required to provide evidence of employment, typically in the form of three months' pay slips and proof of income demonstrated through three months of bank statements. Additionally, applicants must furnish two forms of identification and pay a GH¢ 100 processing fee. Upon successful application, the scheme contacts the selected landlord, conducts a property inspection, facilitates

59 A medium-term national development policy framework that guides the overall social and economic development of the country between 2018-2021 (Phase 1) and 2022-2025 (Phase 2)

60 Safe and Affordable Housing

61 Increase Access to Financial Services and Markets

62 Promote Policies to Support Job Creation and Growing Enterprises

63 Support Domestic Technology Development and Industrial Diversification

the signing of all tenancy agreements, and disburses rent advances directly to landlords for qualified applicants.

2.3.4 Key Strategies in the Housing Policy

The 2015 National Housing Policy has outlined several strategies to achieve its objectives. The various strategies can be classified, based on the following:

a. Land

- Facilitate private sector access to land banks through a programme of land ownership confirmation and guarantee arrangement with MMDAs and regional land bank registry;
- Encourage mandatory rental housing developments in slum upgrading programmes through land re-adjustment and land policy mechanisms; and
- Create land market information management systems at the MMDA levels.

b. Finance

- Establish and operate the National Housing Fund as a mechanism to leverage private capital into housing and infrastructure investments (sites and services, new developments, slum upgrading, construction and mortgage financing, institutional support);
- Institute tax measures and other mechanisms to discourage speculation on residential land and the retention of vacant land in urban and peri-urban areas;
- Establish incentives for effective maintenance of family housing and introduce penalties in case of poor maintenance;
- Encourage the deepening of the pension and tax reforms to permit pension and tax deductions in support of down payment obligations and low-income housing investment respectively; and
- Encourage the formation of housing associations and housing co-operatives to access funds for housing through links to banks and relevant financial institutions as well as through other mechanisms such as the 'Susu-scheme'.

c. Institutional and Regulatory Support

- Establish and outline a long-term national housing programme disaggregated to the MMDA level;
- Promote housing development partnerships between public, private and community actors,

in appropriate and suitable formations such as MMDAs Infrastructure Partnerships (MIPs) and MMDAs Service Partnerships (MSPs), at national, regional and district levels; and

- Support the involvement of non-conventional partners such as Faith Based Organisation, Civil Society Organisation, policy think-tanks, and research and academic institutions as intermediaries in low-income housing interventions.

d. Infrastructure

- Encourage rehabilitation of disused and/or abandoned properties into rental housing in collaboration with the MMDAs;
- Promote neighbourhood level maintenance of housing through community management associations/property management companies;
- Guide and ensure environmental sustainability and systemic development in the implementation of housing projects;
- Consult, train and involve communities and households to offer services in development maintenance and monitoring of infrastructure projects in their localities including community contracting in the monitoring of housing infrastructure projects; and
- Promote the use of local building materials such as compressed earth, laterite, bamboo etc. as alternative building materials sources to reduce construction cost and improve access to appropriate housing by low-income households.

2.3.5 Challenges and Prospects of the Current Policy

In spite of the many efforts made, there are major challenges facing Ghana's housing sector. These include, but not limited to, obstacles related to securing the financial arrangements required for investor funding in housing construction ventures. Despite the government's coverage of administrative cost and personal emoluments for all public institutions within the housing sector, investment remains constrained. The challenges and prospects of the sector, as discussed in the Housing Policy have been highlighted in the next session:

a. Challenges of the Current Policy

Ghana's Housing Policy strives to enhance access to decent and affordable housing. However, its implementation is not devoid of challenges. Some of these challenges are summarised below:

- Direct government involvement in housing

provision is challenged by rapid population growth, uncontrolled urbanization, low-income levels, and unstable economic situation;

- Proposed interventions in the current housing policy are dominated by public sector mandates, while the actual delivery and distribution of housing units are largely done by private sector agencies and developers. Thus, the place and roles of the private sector in Ghana's housing delivery is not too clear;
- Although the current National Housing Policy proposes private sector leadership and direct involvement in housing provision, an interview with the Ghana Real Estate Developers Association (GREDA) there are no clear entry points. Thus, the government, through its affordable housing provision, seems to be competing with private developers. So eventually private and public actors cater to the same target groups (usually middle-income groups);
- Additionally, high interest rates on mortgage (about 30%) make it difficult for Ghanaians to afford homes, despite a government homeownership fund established in 2018;
- The policy seeks to promote sustainability and resilience, however, sustainable building materials and technologies often come with higher upfront costs compared to conventional alternatives. Affordability has been identified as a significant barrier to the widespread adoption of sustainable and resilient housing practices, particularly for low-income households in Ghana; and
- The inadequate capacity of regulatory bodies to enforce building codes and standards presents an obstacle to the integration of sustainability criteria into new housing development.

b. Prospects of the Current Policy

Despite the challenges outlined under the previous section, the Housing Policy also has prospects for developing the sector. For instance, the policy seeks to create a conducive environment for investment in rental housing, through the following potentials:

- Re-purposing abandoned and vacant properties into rental housing units. This has prospects for increasing the current housing stock to meet expanding demands, especially in urban areas. By enforcing safety and structural standards, these properties can be transformed into habitable spaces. This will help meet the demand for rental housing while revitalizing underutilized assets.

Mandating the inclusion of rental housing for all income groups in new residential developments, particularly in slum upgrading programs to promote mixed-income neighbourhoods and address the housing needs of diverse socio-economic groups. This approach ensures that rental housing is integrated into urban development plans, fostering inclusive and sustainable communities.

Another focus of the Housing Policy is to promote housing schemes that maximises land utilisation.

- The policy recommends equipping MMDAs with technical expertise to rationalize plot allocations and recommend appropriate housing schemes. This can improve the efficiency of land use planning and ensure that available land is utilized optimally to meet the diverse housing needs of communities.
- It also seeks to implement tax measures and other mechanisms to deter speculation on residential land and discourage the retention of vacant land. This can incentivize more active land use and promote investment in housing development. The aim is to avoid land hoarding issues and encourage more efficient utilization of urban and peri-urban areas.

Another prospect of the policy is its objective to make accessible government housing programs to economically disadvantaged groups. This can be achieved through the following inherent advantages:

- Encouraging the use of local building materials such as compressed earth, laterite, and bamboo – which are available in substantial quantities. The use of these materials will reduce construction costs and improve access to suitable housing for lower-income households.
- Formation of housing co-operations and associations is another way the policy seeks to facilitate access to funding for housing projects. By pooling resources and leveraging collective bargaining power, these associations empower individuals and communities to overcome financial constraints and access affordable housing options.
- Deepening pension and tax reforms to support down payment obligations and low-income housing investment can significantly enhance affordability of housing. By allowing pension and tax deductions for housing-related expenses, the reforms incentivize savings and investment in housing, particularly among low-income earners.

Another prospect of the policy is the promotion of greater private sector participation in housing

delivery. The policy further proposes the involvement of interest groups and communities in the designing and implementation of low-income housing. These have the following prospects:

- A robust private sector involvement may result in a greater range of housing options to accommodate various needs and spending capacities.
- Involving non-traditional stakeholders such as Civil Society Organizations, professional bodies and academic institutions can bring diverse perspectives and expertise to low-income housing interventions. These partners can serve as intermediaries, facilitating community engagement, knowledge sharing, and capacity building for more holistic and context-specific approaches to housing delivery. These actors can also be considered as possible housing providers through options like cooperatives, community land trusts and not-for-profit housing schemes.

There appears to be prospects for integrating environmental sustainability and systematic development into housing delivery in Ghana. These are hinged on the following potentials:

- The requirement for Environmental and Social Impact Assessment, as outlined in the Environmental Assessment Regulations, 1999 (LI 1652), demonstrates a commitment to assessing and mitigating potential environmental and social impacts of housing projects. This process will ensure that developments are implemented responsibly, minimizing negative effects on surrounding ecosystems and communities.
- Conducting Transport/Traffic Impact Assessments according to international best practice acknowledges the importance of addressing transportation issues associated with housing developments. This will help in alleviating traffic congestion, improving accessibility, and minimizing environmental degradation caused by transportation activities.

Adopting the Ghana Green Building Council's framework, which signifies a commitment to promote sustainable building practices and create environmentally friendly communities. This framework provides guidelines for incorporating energy efficiency, waste management, and green spaces into housing projects, which will contribute to environmental responsibility and enhance liveability.

2.4 Analysis of the Institutional Environment of the Housing

The housing sector in Ghana is confronted with several obstacles that impede its capacity to supply sufficient housing for every citizen. Among these shortcomings are a deficiency of capital allocated to rental housing, inadequate cooperation among various housing stakeholders, and inadequate enforcement of policies. However, there are also opportunities to address these challenges. For instance, the presence of diverse actors, including public agencies, NGOs, community-based organizations, and private developers, ought to have allowed for a multifaceted approach to addressing different housing needs across the socio-economic spectrum. There are insufficient NGOs and CSOs who are involved. Poor coordination and capacity lapses have been cited for the failure of the actors to perform effective and efficiently. Ghana's housing industry is attracting attention from international development organizations, which is making funding accessible to support innovative housing solutions.

By addressing the weaknesses in Ghana's housing sector and capitalizing on the available opportunities, the country can move towards a future where everyone has access to safe and affordable housing. This will require a concerted effort from the government, private sector, and civil society organizations. By working together, they can create a more vibrant and inclusive housing market that benefits all Ghanaians. A summary of the strengths, weaknesses, opportunities and threats are presented in Table 2.2.

Table 2.2: SWOT Analysis of the functioning of the Housing sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • A wide range of stakeholders/actors working under the sector to deliver housing. • Incentives for private-sector housing investments • Direct involvement of the public sector in affordable housing provision • Availability of vast parcels of land at different locations • Local government systems for land-use planning and zoning and building codes, building inspection and rent control. • Availability of a National Housing Policy to guide investments 	<ul style="list-style-type: none"> • No or inadequate incentives for low-income housing provision. • Less attention towards public rental housing • Lack of coordination of sub-market actors and sectors • Poor policy integration for sub-sector components – finance, land, construction, etc • Poor policy implementation capacity for pro-poor housing • Inadequate use of local sustainable materials • Complex land administration, registration and titling • Less resourced MMDAs to enforce land use plans, zoning and building codes, building inspection and rent control
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Support from development partners to Ghana's housing sector [UN-Habitat, World Bank and UNOPs etc.] • Technical support from international agencies, partners and experts • Increasing foreign investments into the housing sector • Availability of local and international invest-able/guarantee funds for innovations housing. 	<ul style="list-style-type: none"> • Unstable global and national economic conditions, affecting the cost of building materials and construction. • Over-dependence on development partners may affect housing policy direction. • Importation of building materials, making them expensive

Source: UN-Habitat (2011) ⁶⁴

64 UN-Habitat (2011)

CHAPTER THREE

03

CURRENT HOUSING STOCK, TYPOLOGY AND CONDITIONS

3.1 Housing Conditions

Ghana's cities are battling to keep pace with the growing need for decent housing. Rapid population growth strains existing infrastructure, leaving many in overcrowded and unhealthy conditions. This is especially true for low-income residents. These conditions can be classified into physical state of dwellings, their type, ownership status, the surrounding environment, and access to

amenities⁶⁵. Unlike wealthier areas, many low-income neighbourhoods lack basic amenities and essential services like sanitation. Even though some new housing developments are emerging, they often precede proper infrastructure planning, leading to problems down the line. This lack of good housing contributes to health issues and hinders socio-economic development by making it difficult for workers to find affordable housing options and improvements in health, safety, and social support.

Table 3.1: Location of Bathing Facility in Housing Units in Ghana

Type of facility	Locality	
	Urban	Rural
Own bathroom for exclusive use by household	39%	38%
Shared separate bathroom in same house	39%	27%
Bathroom in another house	1%	4%
Open space around house	4%	10%
Private open cubicle	4%	0%
Shared open cubicle	9%	10%
Public bath house	3%	1%
In/near river, pond, lake, dam, etc.	0%	0%
Other (Specify)	0%	0%

Source: GSS 2021⁶⁶

Urban dwellers generally enjoy better access to basic amenities like piped water, private bathrooms, and sanitation facilities. This is due to a more concentrated population and the presence of established infrastructure. Access to amenities can be more limited in rural areas. Shared facilities, wells, and alternative water sources may be more common, depending on the specific location and housing type. According to Table 3.2, it is evident that only 23% of the entire housing stock have water on their

premises as opposed to 72% in the urban areas. Additionally, sanitation facilities might not always be private or readily available. Again from Table 3.1, the data suggests that more rural areas have their bathing facilities in open space compared to urban areas. Although, the table above does not present data on open defecation, it is something that cannot be overlooked. Generally, between the years 2010 and 2021 open defecation in Ghana reduced by only 1.65%⁶⁷. The data showed 0.4% reduction in open

65 Nor Rashidah Zainal et al, 2012: Housing Conditions and Quality of Life of the Urban Poor in Malaysia.

66 Ghana Statistical Service, 2021: Population and Housing Census Report

67 Konadu-Agyemang, K. (2001). The political economy of housing and urban development in Africa: Ghana's experience from colonial times to 1998.

defecation in urban areas between 2010 and 2021⁶⁸.

Considering access to social amenities, a study by Owusu (2018)⁶⁹ on rural-urban migration in Ghana highlights that access to good social amenities like healthcare, education, and sanitation as a major factor driving people to cities. This implies urban areas are generally perceived to have better social amenities compared to rural areas. However, the United Nations Population Division Report⁷⁰ warns that rapid urbanization can strain urban resources. This can lead to situations where not all urban

dwellers have equal access, particularly in informal settlements or slums.

In informal settlements, dwelling units can be overcrowded, constructed with impermanent materials like wood and corrugated metal sheets⁷¹. Additionally, some formal housing stock, particularly older structures, may be in a state of disrepair. A study by Biney et al⁷² on housing maintenance in Accra found that a significant number of buildings suffered from deteriorating roofs, leaking walls, and inadequate ventilation.

Table 3.2: Waiting time to access water from Housing unit

Time taken	Urban	Rural
Water on premises	72.3%	23.3%
Within 30 minutes	25.9%	63.8
31 to 60 minutes	1.4	10.2
61 minutes and above	0.4%	2.7

Source: GSS 2021⁷

3.2 Current Housing Stock, Types and Delivery Trends in Ghana

There has been a reduction in the housing deficit, going from 2.8 million units in 2010 to 1.8 million in 2021. This is a 33% decrease. This deficit reduction is likely due to a real estate boom with a 72.8% increase in residential structures over the past decade⁷³. One should note that the increase in the real estate market does not imply that they are safe, adequate or affordable. It simply means that most high-income earners in Ghana who can afford the forms of housing they prefer because of the privacy and comfort they offer. Despite the progress, the deficit is still significant, indicating that housing delivery is not keeping up entirely with demand. The deficit is particularly high in urban areas experiencing rapid growth, like Accra and Kumasi.

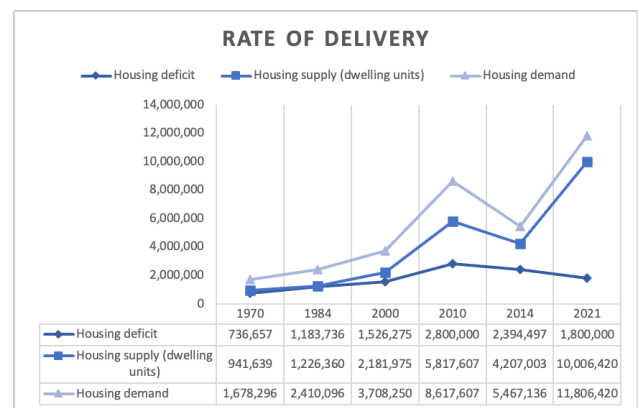


Figure 3.1: Change in Housing Deficits between 1970 and 2021

Source: GSS 2021

68 Tipple et al. (1999). Housing supply in Ghana: A study of Accra, Kumasi and Berekum.

69 Owusu, 2018: Factors Influencing Rural-Urban Migration in Ghana.

70 UN Population Division report 2018

71 Crooks, D. L. (2017). Slums and Shack Dwellers International: The Politics of Informal Settlement Upgrading in Africa.

72 Biney, S. A., Amoah, A. Y., & Oteng-Ababio, M. (2012). Factors Affecting Preventive Maintenance of Residential Buildings in Accra, Ghana.

73 Centre for Affordable Housing Finance Africa Report (2023)

3.2.1 Current Housing Stock

As indicated in earlier chapters, total housing stock stands at 5,862,890. This has seen an increase of 72.8% since the 2010 Population and Housing Census. In spite of the modest increase in housing stock, with a total population of about 30.8 million and an average occupancy rate of 3, there is still a total deficit of 1.8 million households. Again, there are about 13% of unoccupied dwelling units. Most of these are in the rural areas. Owners of such units are either in urban areas or live outside the country.

3.2.2 Housing Typology

The housing sector in Ghana presents a diverse mix of dwelling types. In the population census, the housing types were categorized into detached house, semi-detached house, flat/apartment, compound house, huts or buildings on same compound, metal container, kiosk, wooden structure, uncompleted building, housing unit attached to office or shop and others. Beyond the standard categories mentioned earlier, temporary options like shelters, hotels, hostels, and homestels also contribute to the overall housing stock. These types of housing are emerging

in most cities as accommodation for tourists, first-time visitors, students, interns, national service persons, and other temporary workers.

Though still an important type of housing in both urban and rural areas in Ghana, current data suggest a decline in traditional compound houses. In urban areas, these houses are mainly for rent to low and lower middle-income households, working in those cities. Thus, a number of different households occupy these compound houses, rent rooms, and share facilities such as kitchen, toilet and bathrooms; and courtyard. However, in rural areas, most compound houses are occupied by households that are related as extended family. Due to the number of households and people living and sharing spaces and facilities in these types of housing, they are usually not in the best of conditions (see **Plate 3.1**). Almost all residents in compound houses aspire to own or build their homes, whenever they get the opportunity. It is therefore not surprising that the proportion of compound housing is reducing, while that of detached and semi-detached housing are gradually increasing.

Table 3.3: Housing typologies in Ghana

Typology	Brief Description
Separate house (Detached)	It is a type of residential property that stands alone, not connected to any other buildings on any of its sides. It is a single-family home that provides privacy, independence, and space for a family
Compound house (rooms)	Compound house refers to a multi-unit residential complex enclosed by a wall or fence and can house multiple families or extended families, potentially with individual dwellings for each unit within the shared enclosure.
Semi-detached house	It refers first to a building type, a pair of dwellings, built side by side and sharing a party wall; attached and yet separate, connected yet distinct, the inhabitants' twinned lives mirrored but never touching ⁷⁴
Flat/Apartments	A flat, also commonly called an apartment, is a self-contained housing unit within a larger building. They are situated in multi-story buildings and share walls with neighbouring units. Every flat is a complete home with its own kitchen, bathroom(s), living area, and bedrooms.
Wooden structure	It is a construction made primarily from wood, a natural material derived from trees and fibrous plants.
Uncompleted building	An uncompleted building is a structure that has begun construction but remains unfinished
Kiosk/poly kiosk	It refers to a small house or dwelling built primarily using poly materials, likely polyethylene or another type of plastic.

⁷⁴ Stead (2012)

Typology	Brief Description
Huts (same compound)	It is a type of building that is often used as a dwelling in vernacular architecture. It is a small and simply constructed shelter, often made from natural materials such as wood, reeds, or mud
Metal Container	It is a unique and trendy type of dwelling built from recycled steel shipping containers.
Living quarters attached to office/shop	A living quarter attached to an office or shop is a type of building that combines both residential and commercial spaces into one structure. This type of building is designed to provide a comfortable living space with all the necessary amenities, such as a kitchen, bedroom, and bathroom, while also offering a dedicated workspace for business activities
Tent	A tent is a collapsible shelter made of fabric, such as nylon or canvas, stretched and sustained by poles and used for camping outdoors

Source: Slightly modified from UN-Habitat (2011) – Ghana Housing Profile



Plate 3.1: A compound house with shared bathing facility in Takoradi

Source: Field Photos, Takoradi

3.2.3 Typology by Construction Material

The housing sector in Ghana presents a diverse mix of dwelling types as shown in Table 3.4. The Ghana Statistical Service (GSS) in the 2021 Population and Housing Census (PHC), categorised housing types by materials used for their roofs, walls, and floors. Roof materials have generally been, aluminium and metal sheets, asbestos, concrete roofing, thatch and

bamboo (see **Figure 3.2**). A wide range of materials are used for walls in Ghana. These include Sandcrete and Landcrete blocks, mud and burnt bricks, plywood, bamboo, asbestos, stones and metals, among others (See **Figure 3.3** and **Plate 3.2**). Further details on these are captured under chapter 5 of this profile.

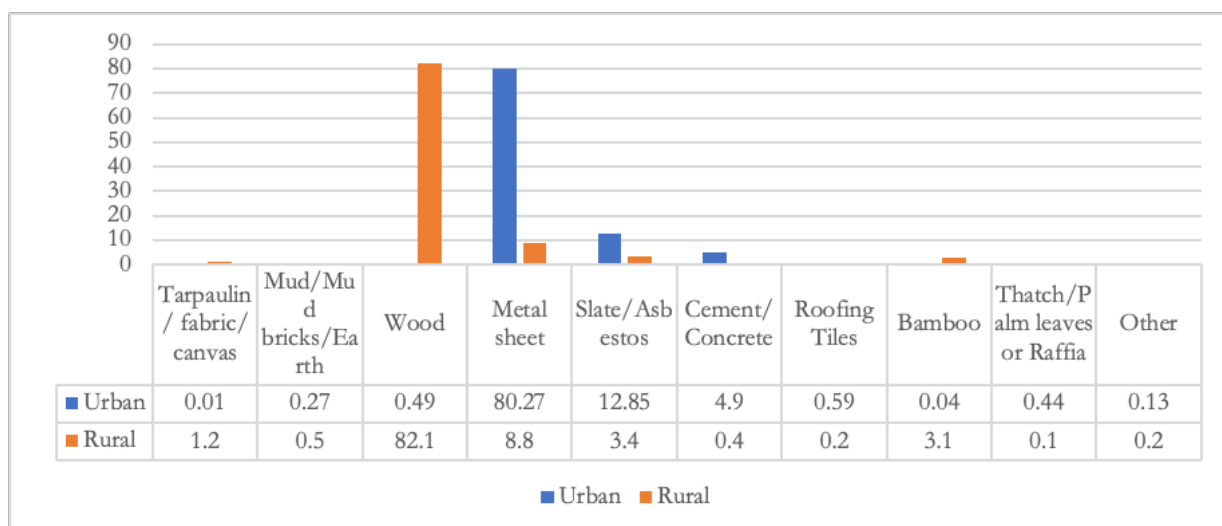


Figure 3.2: Roofing Materials used for Housing Construction in Ghana

Source: GSS (2021)

Floors are usually made of Sandcrete, Landcrete, Mud, but lately floor tiles are becoming common among urban residents, and in rural homes as well. From the last PHC, it appears the proportion of houses constructed with the various materials have changed. For instance, the previous profile revealed only 18.5% urban houses used mud bricks for their walls. However, the current data shows an increase in the use of mud bricks for the construction of walls, and other uncommon materials for housing construction (see **Figures 3.2 and 3.3**).

Figures 3.2 and 3.3 show that the use of sustainable local materials such as bamboo, mud and wattle and daub are increasing, but still at a slow pace. Even though the use local materials such as bamboo,

mud and bricks are long overdue. This is because of the relatively low skills and expertise currently available in building such homes. It is also because of aesthetics and the imputation of modernity derived from cement products because of socio-cultural constructs. There are few artisans that have the requisite skills to use these building materials to construct high quality buildings. There are emerging research institutions and private sector operators with the requisite building skills and knowledge in the use of local materials, to develop sustainable and less-expensive technologies for building affordable housing. These include the Building and Road Research Institute (BRRI), Technical Universities, and other private construction companies. These stakeholders are currently being engaged to train artisans in this direction.

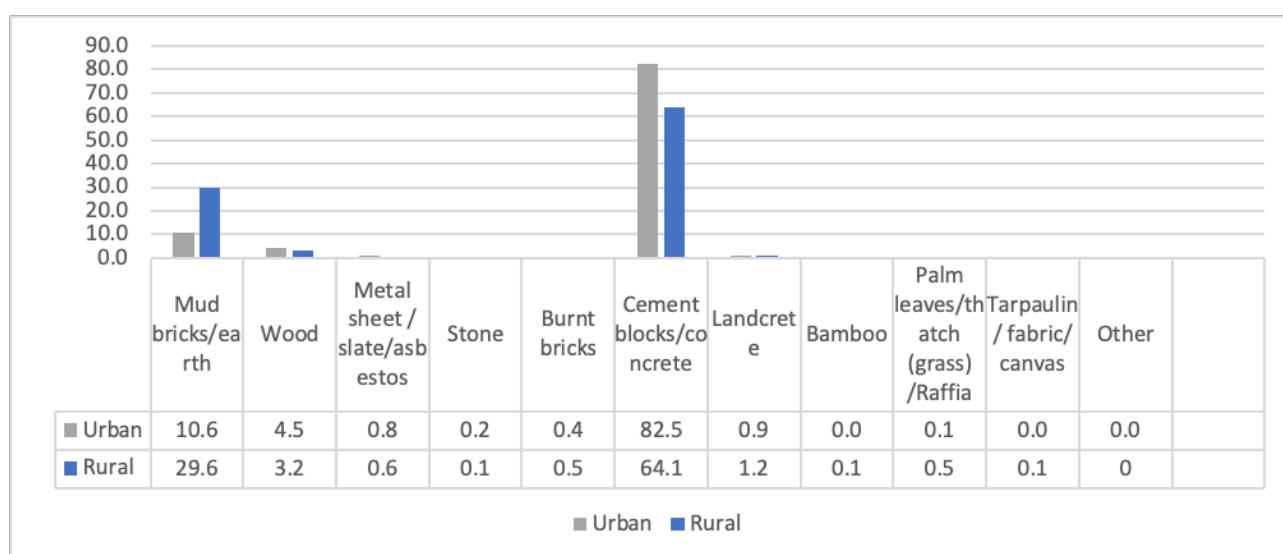


Figure 3.3: Wall Materials Used for Housing Construction in Ghana

Source: GSS (2021)

Rural areas rely heavily on traditional materials for housing construction. This is because of their availability and relatively cheaper prices. Again, these local materials make the construction process easier and the dwelling produced are more comfortable and environmentally-friendly during harsh weather conditions. There is also the advantage of employing local artisans to construct and regularly maintain the houses and these come at a cheaper cost to the building owner. In Figure 3.3, over half (56%) of rural homes have walls made from mud bricks/earth, with wood (1.5%) and palm leaves/thatch (0.9%) also having significant proportions. Similarly, substantial proportions of rural houses have their roofs made from local materials such as thatch/palm leaves (6.8%). This is not the case for urban areas where only 0.4% have thatch roofs.

Unlike rural areas, urban areas rely heavily on modern materials for housing construction. This is evident in the dominance of cement blocks/concrete (over 80%) for walls and metal sheets (also around 80%) for roofs. While these materials offer a more modern and aesthetically pleasing look, their higher cost can be a barrier.

In addition to the housing typologies based on materials used, this profile presents housing types according to structure and function in rural and urban locations. For both rural and urban communities, housing types range from separate/detached houses, semi-detached houses, compound houses, huts/buildings, tents, kiosks/containers, and others types, made up of structures attached to shops; metal/wooden/aluminium shacks; and other made shift and temporary structures.

Plate 3.2: An informal housing unit built with metal sheets and wood, Accra



Source: Field Photos

3.2.4 Rural housing typologies and conditions

Table 3.5 presents the types of rural housing in Ghana, at the time of preparing this profile. From

the table, the rural housing sector are dominated by detached/separate houses (76.6%), as captured by the 2021 Ghana Population and Housing Census.

Table 3.5: Housing Types in Rural Areas of Ghana

Dwelling Unit Type	Stock	%
Detached/Separate houses	3,186,167	76.6
Compound/Family houses	507,697	12.2

Dwelling Unit Type	Stock	%
Semi-detached houses	300,231	7.2
Flats/Apartments	41,214	1.0
Uncompleted buildings	41,444	1.0
Huts, Buildings	35,583	0.9
Wooden structures	29,424	0.7
Kiosk/poly kiosk	3,576	0.1
Metal Container	3,227	0.1
Living quarters attached to office/shop	3,033	0.1
Tents	2,087	0.1
Others (e.g. attached to shops, aluminium/wooden shacks etc.)	3,183	0.1
Total		

Source: GSS (2021)⁷⁵

These are houses usually built by individuals and families that are moving from the traditional/conventional family houses, and establishing new modern households. Again, there are homeowners who live in Ghanaian cities or elsewhere and send remittances to their rural hometowns for houses to be built for them. Compound houses form 12.2% of rural housing, while semi-detached houses make up 7.2%. Other types of houses are significantly lower in proportion forming between 0.1% and 1%, made of tents, huts, wooden structures, and shacks (See Table 3.5).

3.2.5 Urban housing typologies and conditions

Similar to the typologies in rural areas, detached/separate houses are still the leading type of housing

in urban Ghana, making up to almost 54% of current housing stock (see Table 3.6). Compound house is still very relevant, even though its proportion in current urban housing stock has declined to 27.1%. Other housing types with significant presence in urban areas include semi-detached houses (8.5%); flats/apartments (4.6%); and wooden structures (2.4%). The presence of substantial numbers of wooden structures (2.4%), uncompleted buildings (1.4%), and kiosks/poly kiosks (1.3%), as seen in Table 3.6, is an indication of the gradual development of slums and informal neighbourhoods in most Ghanaian cities. This has been a challenge for most local governments in urban areas (Metropolitan and Municipal Assemblies), over the last 20 years⁷⁶.

Table 3.6: Housing Types in Urban Ghana

Dwelling Unit Type	Stock	%
Separate house (Detached)	3,147,980	53.8
Compound house (rooms)	1,587,336	27.1
Semi-detached house	499,721	8.5
Flat/Apartment	271,818	4.6
Wooden structure	143,261	2.4
Uncompleted building	79,721	1.4

⁷⁵ Ghana Statistical Service (2021). Ghana 2021 Population and Housing Census. General Report Volume 3K (Housing Characteristics)

⁷⁶ Ministry of Local Government and Rural Development (2015). Habitat III National Report - Third United Nations Conference on Housing and Sustainable Urban Development

Dwelling Unit Type	Stock	%
Kiosk/poly kiosk	78,016	1.3
Metal Container	15,118	0.3
Huts/Buildings (same compound)	13,296	0.2
Living quarters attached to office/shop	8,431	0.1
Other	4,603	0.1
Tent	253	0.0
Total		

Source: GSS (2021)⁷⁷

In spite of the similarities in the housing typologies in rural and urban communities, there are marked differences in residential neighbourhoods and housing types, reflecting the income status of urban residents. Examples of these are found in the major cities in Ghana, visited during the preparation of this profile. These are presented as follows:

a. Middle to High Income Housing

All the 8 major urban communities visited have residential neighbourhoods designated, by residents, as low-income, middle-income and high-income residential areas. Although these areas have different definition criteria; there are some general principles that run through all the cities visited – Accra, Kumasi, Tamale, Sekondi-Takoradi, Ho, Wa, Sunyani and Techiman. The main definition criteria for houses in middle-high income areas include the following:

- Land values and sizes of residential plots – generally residential plots in mid to high income neighbourhoods are larger – between (90 x 70) ft on the lower side, and (100 x 100) ft on the highest side. And their prices are between 25% and 100% above the average land values.
- These areas are generally planned and residents adhere to the tenets of local plans – roads are well-laid, social services and infrastructural facilities are well located and accessible.
- Houses are well-built, using sophisticated materials based on acceptable local standards, with the necessary permits and zoning requirements obtained.
- Houses in these areas are either self-built, built and sold by private real estate company,

government bungalows and apartments for middle to high public officials, and estates in gated communities. These usually accommodate single households, with average house sizes of 3.2 persons.

The spatial extent of these middle-high income residential areas differs in all the cities studied for this profile. However, it must be stated that their locations within the respective cities are farther away from intensive activity areas such as main markets, transport terminals, and stadia etc. Instead, they are generally located at ecologically separated areas, high use functions such as airport, malls and major shopping centres; regional and district office areas; popular hotels, golf courses etc. Houses in middle- and high-income areas range from 2-3-bedroom detached houses, up to 7/8-bedroom mansions.

Examples of the above in Accra, include Cantonments, East Legon, and West Hills, known for their large residential plot sizes, sophisticated buildings, mostly occupied by single households/families, seeking their privacy. Other examples in Accra are Trasacco Valley and Airport Residential Area. In addition, there are elite townhouses and gated communities, located at places like Ridge (Nirvana Villas), East Legon (Belmonte) and others. Aside Accra, these luxury homes and elite townhouses are still emerging. There are few around the fringes and Peri-Urban areas of Accra.

In Kumasi, middle to high income areas⁷⁸ include Ahodwo, Nhyiaeso, parts of Asokwa, Ridge, TUC, West Ayigya, and parts of Asokore Mampong, among others. There are also government estate housing areas such as Ahinsan, Buokrom, and Kwadaso. These were built by the state in the late 1970s and

⁷⁷ Ghana Statistical Service (2021). Ghana 2021 Population and Housing Census. General Report Volume 3K (Housing Characteristics)

⁷⁸ Acheampong, R. A. (2013). Situational Analysis of Housing in the Greater Kumasi Sub-Region. Study Prepared for the JICA Study Team as Part of the Comprehensive Urban Development Plan for Greater Kumasi Project.

1980s but have been sold out to private households. Various university campuses in Kumasi also have houses and bungalows classified as middle-income houses.

Beyond Accra and Kumasi, there are similar neighbourhoods and houses in the other cities, regional capitals and secondary towns in the country. For example, in Tamale, areas such as Education Ridge [near the University for Development Studies campus]; Fuo, Vittin, Kalpohin, and Kukuo. In Sunyani, the following neighbourhoods were identified as middle-high-income areas: Berlin Top, Estate Residential area; Fiapre, Abesim, and the areas around the regional administration and University of Energy and Natural Resources (UENR). These neighbourhoods and houses are demanded by the middle to high-income households, at higher rents, due to the environmental and infrastructural qualities they offer.

b. Urban informality and slum housing

Ghana, like many African countries, is experiencing rapid informal urbanisation and slum development in almost all its major cities. This has been associated with rural-urban migration motivated by lack of economic opportunities in rural areas, inadequate investments in the agricultural sector, and poor infrastructural facilities. From the last Population and Housing Census (PHC), the country's urban population proportion was recorded as 56.7%, with an urban growth rate of 4.6%, while proportion of dwelling units stood at 49.9%⁷⁹. According to the Ghana Statistical Service, the country's urban population portion increased from 43.8% in 2000, to 50.9% in 2010⁸⁰; and now getting closer to 60%. This shows that in the two decades or so, Ghana's urban population has increased by almost 13%. A major outcome of Ghana's rapid urbanization is the growth of informal settlements and slum areas.

There are now about 19 million people living in urban areas, and according to the World Bank, approximately 37.4% of people who live in Ghana's urban regions, representing about over 7million,

live in informal settlements and slums⁸¹. Studies indicate that Ghana's rapid urbanization has been associated with uncontrolled lateral expansion of cities, resulting in slums with inadequate provision of housing and basic social services. The emergence of slums and informal settlements in Ghanaian cities is understood to be caused by four broad factors – social, economic, environmental and institutional/governance⁸², summarized in Box 3.1. These slums and informal settlements are generally characterised by high population and housing densities; low-income residents and infrastructure-deficient communities, poor and underserved housing conditions; lack of physical and economic access to basic facilities; and generally poor living conditions (UN Habitat, 2012).

In 2019, the erstwhile Ministry of Inner-City and Zongo Development estimated a total of 203 slums cross the country. Most of these are found in Accra, Kumasi, Sekondi-Takoradi, and Sunyani⁸³. In contrast, the Peoples' Dialogue in an earlier study, with support from the Cities Alliance and Shack/Slum Dwellers International (SDI), had identified "265 slums at varied stages of development and characteristics" in the Greater Accra Metropolitan Area (GAMA) alone⁸⁴. Out of these, it was found that 116 are at infant, 73 growing or consolidating; and 76 mature stages. From this analysis, it can be stated that although the actual number of informal settlements and slums in Ghanaian cities is unclear, they are well over 200 distinct urban communities and settlements which can be classified as slums in Ghana.

As indicated earlier, housing units in informal settlements and slums are built informally, with poor materials and lack basic household facilities. Their typologies are wide and unclear. They involve wooden and metal shacks; uncompleted structures made from plywood; kiosks and metal containers and others. There are also completed compound houses located in slums and informal communities. Due to their unclear categorisation, the GSS (2022) classify all houses in these categories and in slum areas as Slum Housing.

79 Ghana Statistical Service (2022). Ghana 2021 Population and Housing Census. General Report Volume 3K (Housing Characteristics)

80 Ghana Statistical Service (2014c). Ghana Living Standards Survey (GLSS) 6. Accra: Ghana Statistical Service (GSS), August 2014

81 World B. Population living in urban slum (% of urban population)-Ghana2023 [cited 18/05/2024. Available from: <https://data.worldbank.org/indicator/EN.POP.SLUM.UR.ZS?locations=GH>

82 Adamtey, Adjei-Kumi and Oduro (2018). A research into slums and informal settlements development towards making Ghana's cities resilient, Good Governance Africa (GGA), Accra

83 Ministry of Inner-City and Zongo Development (2019). Zongos and Inner-Cities Baseline Report, Coastal Region. Ministry of Inner-City and Zongo Development, Accra. August 2019

84 Peoples' Dialogue, (2016, p. 3). City wide informal settlement – Putting Accra Metropolitan Assembly's informal settlements on the map, Land, Services and Citizenship (LSC) Project III, September, 2016.

Box 3.1: Causes of slum development in urban Ghana

Social factors

The rapid rates of rural-urban migration of unemployed youth into Ghanaian cities in search of non-existent economic opportunities has been cited as one of the key causes of urban population explosion and hence slum development⁸⁵. In addition to migration, slums and informal settlements in Ghana are also noted to attract people with similar social, cultural and ethnic characteristics and background.

Economic factors

Slums offer informal employment opportunities and the network of entrepreneurial skills available in slum communities. They are home to many talented youths, producing a wide range of products and service for residents in their respective communities and beyond. In addition to informal employment opportunities, slums communities are also noted for providing the needs of the economically disadvantaged (for instance more affordable housing) particularly because such needs are inadequately met by government and society.

Environmental factors

Most slums emerge in or around ecologically sensitive and unapproved areas such as wetlands; major dump sites; old and/or abandoned industrial areas; and unused state lands. The reason is that is that some slums are the result from displacement of communities affected by natural disasters or forced eviction by the state⁸⁶. Most of these slums experience frequent floods events and have been threatened with eviction or demolition by the respective city authorities.

Institutional factors

Neglect for planning codes and zoning regulations coupled with unclear urban land governance systems, have created cumbersome building permitting processes and tenure insecurities. In addition to the urban planning and management challenges, there also lack of commitment of successive governments to implement medium to long-term urban development policies, programmes and projects. Again, most state housing projects aimed at providing adequate and affordable housing units for the rapidly growing urban populations have either been abandoned midstream or the poor people cannot afford it.

Sources: Adamtey, Adjei-Kumi and Oduro, 2018; Peoples' Dialogue, 2016; CORHE, 2004; 2009

Slum housing accommodates more than 7million people across urban Ghana and play significant roles in urban development. For instance, slum and informal settlements provide housing for 94% of migrants from various parts of Ghana into cities and towns⁸⁷. Despite the poor living and environmental health conditions in slum houses, their use of spaces is efficient, since most of the internal facilities are shared among households. Again, most houses in slum areas and informal communities have multiple uses, including residential, commercial and recreational. As

a result, slum houses are always being changed and/or improved to meet these changing uses and needs of their occupants⁸⁸. As a result, most houses in slum communities have uncompleted extensions or spaces to allow new tenants and provided increased rents and incomes for their respective owners. There are also many rooms provided through extending completed housing built either on the existing plot or intruding into public space. Plate 3.3 shows a housing unit in Ayigya Zongo which has been extended and has further reduced the walking path between the

85 Adamtey, Adjei-Kumi and Oduro in 2018 noted that out of the estimated 4.3 million population of Accra in 2018, over a million were believed to be rural-urban migrants, mainly for the middle and northern parts of Ghana usually aged between 15 and 45 years

86 Example of these slum include Old Fadama, Agbogbloshie, Glefe, Chemuna, Gbegbeyise and Avenor in the Accra Metropolis

87 Peoples' Dialogue, (2016, p. 3). City wide informal settlement – Putting Accra Metropolitan Assembly's informal settlements on the map, Land, Services and Citizenship (LSC) Project III, September, 2016.

88 Amoako and Frimpong Boamah (2017). Build as you earn and learn: informal urbanism and incremental housing financing in Kumasi, Ghana, Journal of Housing and the Built Environment, 32: 429-448.

buildings in the area. Such actions have serious implications for emergencies like fire outbreaks and floods. Again, these practices also lead to reduction

of any potential cross-ventilation and promotion of urban heat islands with the consequent health related issues.



Plate 3.3 Extension of Housing Unit for Kitchen at Ayigya, Kumasi

Source: Field Photos, February 2024

With limited access to household facilities and services, houses in informal communities are priced lower and occupied by low-income residents. Current rents for a room in a typical slum house range between 50-200 cedis/month⁸⁹, varying across the different cities. Aside their limited facilities, slum houses are mostly located in unplanned neighbourhoods, and do not have access to community facilities, such as public basic schools, health facilities, transport

terminals and dump sites and other water and sanitation facilities. For example, at Old Fadama, a typical slum community in Accra, there are no public schools and health facilities to support the increasing number of residents. Again, most residents do not have any structured systems for waste disposal, so they tend to dispose them into local drains and other unapproved locations. Plate 3.4 shows the state of the drainage systems in Old Fadama. Although a public collection point exists in the area, the residents tend to dispose solid waste inappropriately.

⁸⁹



Plate 3.4: Poor Drainage System in Old Fadama

Source: Field Photos, February 2024

c. Hotels, hostels and temporary housing

Aside the known conventional housing, there are emerging temporary forms of accommodations in towns and cities of Ghana. These are accommodation for internal and international visitors, tourists and expatriate workers of multinational companies. These forms of temporal housing include hotels, guest houses, hostels, homestels and Airbnb. Though the actual numbers of these temporary houses are unclear, they have been increasing in the face of rapid urbanisation, expanded urban economic activities, establishment of tertiary education institutions, and increasing inter-city movements. Table 3.7 summarises the number of temporary accommodations across the various regions, as captured by Ghana Open Data Initiative in 2012.

Table 3.7: Number of Hotels in Ghana

Region	Type	Number
Greater Accra	Hotels	207
	Guest House	75
	Budget	578
	Supplementary*	0
Ashanti	Hotels	107
	Guest House	24
	Budget	255
	Supplementary	0

Region	Type	Number
Eastern	Hotels	46
	Guest House	8
	Budget	121
	Supplementary	0
Western	Hotels	61
	Guest House	17
	Budget	106
	Supplementary	0
Central	Hotels	29
	Guest House	14
	Budget	118
	Supplementary	0
Brong Ahafo	Hotels	6
	Guest House	2
	Budget	104
	Supplementary	0
Volta	Hotels	21
	Guest House	4
	Budget	63
	Supplementary	0
Northern	Hotels	14
	Guest House	11
	Budget	61
	Supplementary	0
Upper East	Hotels	4
	Guest House	1
	Budget	52
	Supplementary	0
Upper West	Hotels	2
	Guest House	1
	Budget	24
	Supplementary	0
*Supplementary accommodation establishments refer to Hostels, Home lodges and Tourist Homes		

Source: Ghana Open Data Initiative, 2012⁹⁰

Aside hotels, the other types of temporary housings are used for relatively longer periods. For instance, hostels have become a major part of students' accommodation for most tertiary educational institutions in urban Ghana. As a result, many hostels, offering a wide range of occupancy arrangements, are springing up in almost all Ghanaian cities within tertiary education institutions. Apart from providing comfortable temporary accommodation for the

emerging demands, hostels have become an area for investments in the housing sector. Over the years, concerns have been raised about affordability and safety of hostels to students and other occupants. To address these issues, some educational institutions have initiated policies on the prices, use and safety of hostels.

Other alternatives to hostels are homestels.

⁹⁰ Ghana Open Data Initiative, 2012

Homestels are mainly normal compound housing units with student-occupancy arrangements – i.e. students pay their rents annually and live in the facility only when schools are in session. These are usually located within the vicinities of universities and other tertiary education institutions. They are converted as the universities expand their in-take of students. Examples are found in university-fringe communities such as Ayeduase, Bomso, Kotei and Ahinsan around Kwame Nkrumah University of Science and Technology (KNUST) in Kumasi. There are also Apewosika, Amamoma and Abura around the University of Cape Coast in Cape Coast. Similar communities are available in all towns and cities with tertiary educational institutions. The homestels though not luxurious, provide the students with affordability and a very good way of transitioning from school to living independently.

d. Homelessness and Housing for Rural-Urban Migrants

Homelessness and housing insecurity are prevalent among rural-urban migrants, with factors such as rural poverty, migration (because of economic opportunities and lack of basic amenities), and unemployment contributing to the problem.⁹¹ The Ghana Statistical Service reports an acute shortage of housing stock, particularly in urban areas where most rural-urban migrants reside. Gender disparities exist among homeless individuals, with females reporting higher levels of stress and suicidality. The housing crisis in Ghana requires a comprehensive and coordinated approach that addresses housing quantity, quality, and cost¹⁰⁵.

3.2.6 Peri-Urbanism and Housing Delivery at Urban Fringes

Along their rapid population growth, Ghanaian cities are also expanding spatially, to cover their hither to urban fringes. The rate of Peri-Urban growth is

shaped by the construction of new houses⁹² and the emergence of new residential areas at the Peri-Urban areas. Housing in Peri-Urban Ghana are categorised into 3 main types, namely: a. elite houses in the form of mansions, built by high-income residents in various cities for private occupation⁹³; b. poor houses built by low-income indigenous people in the rural fringes of most cities⁹⁴; and c. uncompleted houses being built by middle-high-income owners, under the management of caretakers⁹⁵. In the face of increasing demands for land for housing development and residential units, Peri-Urban areas offer the most available alternative for emerging residential neighbourhoods. These areas are gradually becoming “dormitory towns” providing accommodation to commuters, who travel daily into the main city for the social and economic activities and interactions. The infrastructure in these areas is often inadequate, with poor road networks and limited access to healthcare and markets, despite having basic water and sanitation facilities within individual dwellings. The total number of houses built in Peri-Urban areas could not be counted during the field studies to prepare this profile. This is because the spatial definition of Peri-Urban areas has not been clarified in Ghana⁹⁶. However, the Ghana Statistical Service estimated that Peri-Urban housing forms about 4.6% of total housing stock⁹⁷.

3.3 Occupancy and Tenure Forms

3.3.1 Existing Occupancy Types and Rates

Households in Ghana live in very crowded conditions. According to table 3.11, 23.9% of homes consist of just one individual, whereas 40.9% of households comprising two to four individuals residing in a home (two people, 12.4%; three people, 14.0%; and four people, 14.5%). The data reveals that 32.2% of households consist of five to nine individuals residing in a home. Additionally, there are 3% of households consisting of ten or more individuals. The table below depicts the household size by number of rooms.

91 Asamoah (2020) Rural - Urban Migration in Ghana: Policy Implications

92 Adu-Gyamfi, Owusu-Addo, Inkoom and Osei Asibey (2022). Peri-Urban interface: An alternative residential location of low-income migrants in Kumasi, Ghana, Cities, <https://doi.org/10.1016/j.cities.2022.103570>

93 Owusu-Ansah and O'connor (2010). Housing demand in the urban fringe around Kumasi, Ghana, Journal of Housing and the Built Environment, Vol. 25, <https://www.jstor.org/stable/41107490>

94 Adu-Gyamfi, Owusu-Addo, Inkoom and Osei Asibey (2022). Peri-Urban interface: An alternative residential location of low-income migrants in Kumasi, Ghana, Cities, <https://doi.org/10.1016/j.cities.2022.103570>

95 Adu-Gyamfi (2021). The role of caretakers in improving housing conditions in Peri-Urban areas, Cities, <https://doi.org/10.1016/j.cities.2020.103049>

96 Owusu-Ansah and O'connor (2010). Housing demand in the urban fringe around Kumasi, Ghana, Journal of Housing and the Built Environment, Vol. 25, <https://www.jstor.org/stable/41107490>

97 Ghana Statistical Service (2022). Ghana 2021 Population and Housing Census. General Report Volume 3K (Housing Characteristics)

Table 3.8: Occupancy type by household size and number of rooms occupied

Household Size	Number of rooms					
	1 room	2 rooms	3 rooms	4 rooms	5+ rooms	Total
One	38.3	12.4	6.4	3.9	5.3	23.9
Two	14.5	13.3	7.3	6.0	6.4	12.4
Three	15.4	14.6	11.5	11.7	6.5	14.0
Four	13.4	17.6	13.7	13.2	12.5	14.5
Five	9.2	17.2	20.6	16.5	10.6	13.1
Six	5.0	11.9	12.0	15.0	11.5	8.6
Seven	2.4	6.6	12.7	10.7	11.3	5.7
Eight	1.2	3.6	7.8	7.4	7.3	3.3
Nine	0.3	1.5	3.6	3.9	5.7	1.5
Ten or more	0.3	1.2	4.5	11.7	23.0	3.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: GLSS 7⁹⁸

One-man household constitute 38.3% of households living in one room as observed in table 3.7, 52.5% of households with two to five members live in one room. About 9% of households having six to nine members also living in single rooms. Furthermore, a one to five-member household has a total of 75.1%, 59.5%, 51.3%, and 41.3% occupying two rooms, three rooms, four rooms, and five-plus rooms respectively. Additionally, a six to over ten-member household occupies 24.8%, 46.9%, 48.7%, and 58.8% two rooms, three rooms, four rooms, and five plus rooms respectively.

Table 3.9: Occupancy type by tenure or holding arrangement

Tenure Type	Urban	Rural	Ghana
Owning	37.6	65.1	48.4
Renting	46.0	17.1	34.6
Rent-free	14.3	15.5	14.8
Perching	0.3	0.5	0.4
Squatting	0.2	0.1	0.2
Caretaker	1.4	1.8	1.6

Source: GSS 2022⁹⁹

Table 3.9 depicts the present occupancy status of dwellings by households by locality type and region. The Table shows that 48.4% of households in Ghana occupy their own dwelling units with close to 15% percent (14.8%) living in rent-free dwelling units. About 35% of households pay rent for the dwelling unit they occupy. Less than one percent (0.6%) of households either perch (0.4%) or squat (0.2%) with other households. Urban households are more likely to live in a rented dwelling unit (46.02%) than rural households (17.1%). Higher proportions of households in rural areas tend to own their houses rather than rent (65.1%).

3.3.2 Private Homeownership and Occupancy Types

Private homeownership in Ghana has evolved, with a shift from government making provision for the public to providing an enabling environment for private developers and individuals to provide and own houses.

⁹⁸ Ghana Statistical Service (2019), Ghana Living Standards Survey 7 Main Report

⁹⁹ Ghana Statistical Service (2022), Population and Housing Census Report

Table 3.10: Homeownership type nationally and by type of locality

Ownership type	Urban	Rural	Ghana
Owner- occupied	37.6	65.1	48.4
Estate developer	0.4	0.1	0.3
Family property	16.3	12.7	14.9
Relative not household member	2.0	2.4	2.2
Other private individual	37.1	15.7	28.7
Private employer	3.6	2.3	3.1
Other private agency	0.9	0.5	0.7
Public/Government	1.7	0.9	1.4
Other	0.3	0.2	0.2

Source: GSS 2022¹⁰⁰

Table 3.10 shows that 48.4% of households in Ghana own and occupy their houses and about 15% (14.9%) of houses are family properties. About 30% of houses (28.7%) are owned by private individuals. Less than 1% of houses are owned by estate developers (0.3%) and other private agencies (0.4%). Furthermore, a little over 1% and 3% of dwelling units are owned by the government (1.4%) and private employers respectively (3.1%). In the urban areas, a little over 37% of houses are owned by other private individuals, unlike the case in rural areas where about 16% of houses (15.7%) are owned by other private individuals. Additionally, rural households (37.6%) are more likely to own dwelling units as compared to urban households (65.1%).

3.3.3 Compound Housing, Rental and Free Occupancy

Compound houses are a form of housing in which numerous units share the same compound and frequently share facilities. These housing arrangements accommodate extended families or single renters, providing low-cost living while also developing a strong feeling of community.¹⁰¹ Compound houses can range from simple lodgings in informal communities to modern, properly maintained buildings. They can house huge family groups spanning several generations and can be seen as a traditional housing style. Despite the rise

of alternative dwelling types such as semi-detached or detached single-family homes and apartment complexes, compound houses continue to be popular in Ghana, owing to economic considerations, urban development, and cultural preferences.¹⁰²

Ghana's urbanization and population expansion have created a high demand for housing, particularly in cities. As such, some compound houses have been converted to simple rooms, flats, modernised and properly maintained buildings for renting. These rentals come with agreements that provide parameters such as the duration of the rental contract, rent amount, and payment intervals.

Free occupancy is mostly seen in compound housing where family members are without the obligation to pay rent or in situations where individuals or families have arrangements with the owner of the house, excluding them from paying rent.¹⁰³ Family members who are free occupants in compound houses often do not pay rent, because they believe they are co-owners of the house since it is owned by a family member.³

3.3.4 Unoccupied Buildings, Uncompleted, and Caretaker Occupancy

Many areas of Ghana are increasingly dotted with unoccupied buildings and uncompleted structures, which owners may have started constructing but halted due to financial constraints, disputes, or

¹⁰⁰ Ghana Statistical Service (2022), Population and Housing Census Report

¹⁰¹ Danso-Wiredu & Poku (2020), Family Compound Housing System Losing Its Value in Ghana: A Threat to Future Housing of the Poor, Housing Policy Debate

¹⁰² Asante et. al; (2015), The Changing Face of Compound Houses in Ghana and its Effect on Rental Value: A Case Study of Selected Neighborhoods in Kumasi, Ghana

¹⁰³ Obeng-Hinne & Kpoor (2022), Cohabitation and its Consequences in Ghana. Journal of Family Issues, 43(2), 283-305.

changes in plans. These buildings are often left in a state of incompleteness for extended periods. The presence of unoccupied and uncompleted buildings can occasionally stem from legal disputes over land ownership or inheritance issues, which can be complex due to the intertwining of statutory and customary law. To safeguard uncompleted and unoccupied buildings from encroachment, vandalism,

or squatting, owners employ caretakers. Caretakers live on the premises, providing a level of security and maintenance for the property in the absence of the owner. This practice is especially common among Ghanaians who live abroad and own property in Ghana or where owners have multiple properties. The table below depicts the data for unoccupied and uncompleted buildings.

Table 3.11: Data for Unoccupied, and Uncompleted

Type of residence	Rural	Urban	Ghana
Vacant dwelling unit	14.9	11.1	12.7
Uncompleted buildings	1.0	1.4	1.2

Source: GSS 2022²

Table 3.11 presents data on the distribution of different types of housing units in Ghana, categorized by rural or urban. The table shows a higher vacancy rate in rural areas (14.9%) compared to urban areas (11.1%). The table also reveals a higher presence of secondary housing units (potential rentals or vacation homes) in rural areas (6.0%) compared to urban areas (3.8%). This difference might be explained by factors like the presence of ancestral homes or tourist destinations in rural areas.

3.3.5 Occupancy Types for Hostels, Homestels, and Other Temporary Accommodation

The occupancy types for hostels, homestels, and other temporary accommodations vary, according to the diverse requirements and interests of both local and international guests. Hostels are frequently targeted at budget travellers or students, and they often provide dormitory-style lodgings, including communal bedrooms, restrooms, and common spaces. Occupants often pay per bed or room and often stay for short durations, ranging from a few days to several weeks or months.

Homestels vary from a room in a family house to a standalone hotel on the family estate. Payments for this type of accommodation are typically made for the duration of the stay, which might last days or even months depending on the contract with the host family. Most of the rooms in both hostels and

homestels either have their own private bathroom, toilet facility, and kitchenette or has some rooms sharing a bathroom, toilet facility, and kitchenette.

Other temporary lodgings include hotels, guesthouses, lodges, and Airbnb rentals, which provide a wide range of services and amenities, from basic to luxurious. These rooms are hired on a nightly basis but can be extended for longer visits and most of these rooms have their own bathroom or toilet facilities.

3.3.6 Use and Sharing of Housing Facilities

The most common type of shared housing where many occupants share common areas including restrooms and kitchens is the compound house.¹⁰⁴ The use and sharing of housing facilities is common in urban centres like Accra due to high costs and limited availability of living spaces. This practice is influenced by economic constraints, urbanization challenges, and cultural practices. Rapid urbanization has led to a growing demand for affordable housing, particularly for lower-income groups. However, sharing facilities can put pressure on infrastructure, leading to issues with sanitation, access to clean water, privacy, and personal space.^{105,106} Unrelated individuals may also share a single room or apartment to distribute rent costs. Also, students and young workers often reside in hostels and shared dormitories, where individual bedrooms are paired with shared living areas, cooking facilities, and washrooms. The table below shows some shared facilities within the country.

¹⁰⁴ Adusei-Poku. & Owusu (2019), Abusuafei Housing System in Accra Metropolis. Journal of Environment and Earth Science.

¹⁰⁵ Baiden et. al (2011), An assessment of residents' housing satisfaction and coping in Accra, Ghana. Journal of Public Health.

¹⁰⁶ Danso-Wiredu (2016), The puzzles of living in urban poor communities: The role of informal governance structures in housing provision in Accra and Winneba, Ghana. Leuven, Belgium: KuLeuven.

Table 3.12: Shared facilities recorded nationally and by type of locality

Shared facilities	URBAN	RURAL	GHANA
Cooking space	10.5	9.7	10.2
Bathing facilities	52.3	41.5	48.1
Toilet facilities	63.3	68.4	65.1

Source: GSS 2022² & GLSS 7¹

From table 3.12 about 50% of houses in Ghana have a shared bathing facility (48.1), 65.1% of houses have shared toilet facilities whereas 10.2% of houses have shared cooking spaces. Additionally, there are 63.3%, 52.3%, and 10.5% of households have shared toilet facilities, bathing facilities, and cooking spaces respectively in urban areas whereas there are 68.4%, 41.5%, 9.7% of households have shared toilet facilities, bathing facilities, and cooking spaces respectively in rural areas.

3.4 Housing costs and Affordability

Ghana is a rapidly urbanizing country, with most of its population living in cities and towns. However, the supply of housing in these areas has not kept up with demand, leading to high prices and a shortage of options for many residents¹⁰⁷. The lack of adequate and affordable housing in Ghana has a range of negative consequences, including overcrowding, informal settlements, and homelessness, hence, its importance cannot be overstated. According to the Ghana Statistical Service, the cost of owning a home in the country's cities and towns has increased significantly in recent years, with prices rising faster than incomes. This has made it difficult for many people to afford a home and has contributed to the high levels of overcrowding and informal settlements in the country.¹²¹ Factors such as rent level, noise level, type of housing, neighbourhood security, and proximity to roads significantly influence the location decisions of households. Thus, decisions to rent, purchase or build a house are informed by neighbourhood characteristics, accessibility attributes (including accessibility to work, school, hospital, market and others), as well as comfort due to the household, and housing characteristics.

3.4.1 Affordable Housing in Ghana

Affordable housing is a concept that is heavily influenced by the local context and varies significantly across cities, states, and income groups. Even though the scarcity of affordable housing affects all segments of society, notably, people on low-income are most affected. Generally, affordable housing deals with housing solutions that are priced and financed in such a way that it is possible for low-income households to also satisfy their other basic needs¹⁰⁸.

a. Definitions of Housing Affordability

Housing is considered affordable when a household spends not more than 30% of its gross annual income on rent or purchase of housing, including insurance, applicable taxes, and utilities. The vision of the central government is that everyone can access safe, secure, decent, and affordable housing either owned or rented.¹⁰⁹

Under international law and within Ghana, affordable housing is defined as housing that is adequate in quality and location and does not cost so much that it leaves its occupants unable to meet their other basic living costs or threatens their enjoyment of other basic human rights. Therefore, affordability, being one of the seven components of housing adequacy cannot be separated from other elements: quality, location, costs, security of tenure, and enjoyment of basic human rights.¹¹⁰ Housing affordability, therefore, includes the ability of households to consume housing that permits a reasonable standard of living, the ability of mortgagors to effectively meet mortgage obligations, environmental factors, and households' access to adequate standards of housing without denying them access to other necessities of life.^{111,112}

¹⁰⁷ Blavior Ghana 2023

¹⁰⁸ Inclusive Business Action Network (2016), Affordable Housing in GHANA -A Market Brief

¹⁰⁹ MWRWH (2015), National Housing Policy

¹¹⁰ Inclusive Business Action Network (2016), Affordable Housing in Ghana- Sector Study

¹¹¹ Michael Dela Ahey (2020) Affordable Housing in Ghana Using Community Land Trust (10636)

¹¹² Nicholas Addai Boamah, (2011) Housing Affordability in Ghana: A focus on Kumasi and Tamale

b. Affordable housing projects in Ghana

Affordable housing in Ghana has always been a very sensitive issue. There have been attempts by the Government to reduce the housing deficit in Ghana by developing social housing projects. The Government has undertaken several affordable or low-cost housing projects which can be seen below:

- Asokore Mampong Affordable Housing Project
- Amasaman Affordable Housing Project
- Gbetsile Affordable Housing Project
- John Agyekum Kufuor Affordable Housing Project in Kumasi
- Koforidua Old Estate Affordable Housing Project
- Kpone Affordable Housing Project
- Lahagu Affordable Housing Project in Tamale
- Legacy Court Affordable Housing Project in Adenta
- Mawuli Court Affordable Housing Project in Ho
- Rock Estates Affordable Housing Project in Bolgatanga
- Saglemi Affordable Housing Project
- Seasons Court Affordable Housing Project in Adenta
- Surge Homes Affordable Housing Project in Amrahia
- Tema Community 22
- Tema Community 25
- Urban Premier Court Affordable Housing Project in Adenta
- Pokuaase 8000 Housing Units Project

Community-led initiatives have also played a role in addressing the affordable housing shortage in Ghana. These initiatives are often led by non-profit organizations or grassroots groups and aim to provide affordable housing options for low-income households and marginalized communities. One example of a successful community-led affordable housing project in Ghana is the Frafraha Community Development Project, which was led by a local non-profit organization in partnership with the Government. The project involved the construction of over 100 low-cost homes in the Frafraha area of Accra and was designed to be affordable to low-income households¹²¹.

The Government has also encouraged private sector involvement through initiatives such as tax incentives and the National Housing Fund, which provides

finances for affordable housing projects. There are several examples of successful private sector affordable housing projects in Ghana. One such example is the Villa Afrikana Development in Accra, which was built by a private developer in partnership with the Government. The development consists of over 1,000 low-cost homes and was designed to be affordable to low and moderate-income households. However, private sector involvement in affordable housing in Ghana is not without challenges. One of the main challenges is the high cost of land, which makes it difficult for developers to build homes that are affordable to low and moderate-income households. Other challenges include a lack of financing options for affordable housing projects, limited access to infrastructure and regulatory barriers¹²¹.

3.4.2 General Cost of Housing in Ghana

The cost of housing varies significantly based on location, property type, and amenities. Renting in rural areas can be as low as a few hundred of cedis per month, while high-end apartments in urban centres like Accra can cost several thousands of cedis. Detached houses generally have higher rents than apartments or single rooms in shared compounds. Amenities like security and backup power can also add up to the cost. Currently, the price of the cheapest housing in Ghana is expensive. For instance, the prices of rooms at the Asokore Mampong affordable housing in Kumasi ranges between GH¢ 102,460.56 to 358,611.96 for one bedroom to two-bedroom apartments. From the above analysis, these houses are not affordable to the low-income households in Ghana. To afford this, the mortgagee must have a monthly income of GH¢ 8,231.4 and make a monthly payment of GH¢ 3,295.25 over 20 years after paying the 20% deposit and this could be afforded by only 1% of the population. Bank lending rates are standing at around 30% per annum and thus, housing finance is out of reach of virtually all but those in high-income households.

3.4.3 Cost of Self-Built Houses

The cost of building a self-built house in Ghana varies significantly depending on various factors such as the size of the house, complexity, location, quality of materials, labour costs, and specific design preferences. Factors influencing the cost include land prices, design and engineering, building materials, labour, finishing and fixtures, utilities and fees. However, here are some ranges for the cost of different types of houses in Ghana based on average construction costs.

The cost of building a house in rural Ghana varies significantly, ranging from GH¢ 100,000 for a basic house to GH¢500,000 for a larger and luxurious home. Labour costs, including skilled workers,

can range from GH¢ 5,000 to over GH¢ 50,000 depending on the project's size and complexity.¹¹³ In suburbs of Accra like Oyibi, Amasaman and Kasoa, land prices range from GH¢ 134,200 to GH¢ 335,500, while closer areas like East Legon Hills, West Legon, Spintex, and Airport residential can cost between GH¢ 671,000 to GH¢4,026,000 per plot.

3.4.4 Cost of Rental Housing

The cost of rental housing in Ghana varies depending on several factors such as location, size, quality, amenities, and neighbourhood desirability. Here are some ranges for the rental cost for different types of housing in Ghana. The rental prices vary based on market conditions, demand, and specific property. The average monthly rent for apartments in Accra

varies based on the number of bedrooms. The price of a 1-bedroom apartment ranges from GH¢ 1,800 to GH¢ 4,000; 2- bedroom apartment ranges from GH¢ 2,800 to GH¢ 7,000; and a 3-bedroom apartment ranges from GH¢ 4,000 to GH¢ 11,000. On the other hand, rural rentals are generally lower compared to urban centres, with prices ranging from GH¢ 250 to GH¢ 500 per month for basic accommodation. These rentals offer a more serene environment, and a different lifestyle compared to urban settings. Rural rental prices can range from GH¢ 50 to GH¢ 200 per month for a single room; GH¢ 100 to GH¢ 400 for a one-bedroom apartment; and GH¢ 300 to GH¢ 1,000 for larger properties with multiple bedrooms or more extensive amenities.⁹

Table 3.13: Cost of renting a bed space in a hostel

HOSTELS	
OCCUPANCY TYPE	PRICE (GH¢) per year
1 in a room	5000- 8000
2 in a room	3000-7000
3 in a room	2500-5000
4 in a room	2109-4000

Source: Field survey, 2024

Table 3.14: Cost of renting a bed space in a homestay

HOMSTELS	
OCCUPANCY TYPE	PRICE (GH¢) per year
1 in a room	3000-5000
2 in a room	2500-4500
3 in a room	2000-3800
4 in a room	2000-3500

Source: Field survey, 2024

3.4.5 Cost of Housing Delivered by Private Developers and Real Estate Agencies

The cost of homes offered by private developers and real estate agents in Ghana is a major obstacle to minimizing the country's housing shortage. Houses built by these developers are frequently overpriced, rendering them expensive for low to middle-income families. The Government's assistance for private developers in home development has been inadequate, leading to increasing affordability challenges.¹¹⁴ Even housing provided by the formal real estate developers are only accessible by 1% of

households in the urban areas. Also, the mortgages provided are given at 30% per annum making it only accessible by those with high incomes.¹¹⁵

The real estate market in affluent neighbourhoods such as Cantonments, East Airport, East Legon, and Labone has been steadily growing, with high-income earners seeking elegant residences that provide comfort, security and convenience. These places have proven popular among both domestic and foreign investors who wish to reap the benefits of living in an attractive location. The average price of a 4-bedroom property in these top neighbourhoods

¹¹³ Ampofo (2020), Rural Housing Challenges in the Upper West Region of Ghana: A Case Study of Kulmasa

¹¹⁴ Eden Heights (2023), The rise of luxury apartments in Ghana.

¹¹⁵ Center for Affordable Housing finance in Africa, (2020)

varies between GH¢5,490,000 and GH¢8,103,240, while a 3-bedroom house costs between GH¢3,843,000 and GH¢6,335,460.¹¹⁶

3.4.6 Transaction Costs and Mode of Payments in Housing

In Ghana, various modes of payment are utilized in the housing sector, depending on factors such as the type of property, and the agreement between the parties involved. Here are some common modes of payment for renting or purchasing a house in Ghana:

a. Rent Payment Options

There are various means of paying rent within the country. These include:

Cheques: They are a convenient and secure method of rent payments, providing a paper trail of transactions. They are used by tenants to pay their landlord for the agreed-upon rent amount. Cheques are important for security, record-keeping and legality, as they ensure a formal record of the rent transaction. They are more common among landlords who operate through registered agencies or property management companies, especially for higher-end rentals. These entities may have established procedures for handling cheques and each cheque issued serves as proof of payment, which can be used in case of disputes or disagreements between the tenant and landlord.¹¹⁷

Direct bank deposits: Direct bank transfers are a secure and convenient method for both landlords and tenants to pay rent. These transfers involve automatic electronic payments, which are withdrawn from the tenant's bank account and deposited into the landlord's account each month. This eliminates the need for physical cheques or cash transactions, providing a seamless and secure way to handle rent payments. Direct bank deposits save time and effort for both parties, as they automate the process, reduce security risks, and ensure timely payments. They also eliminate the risk of lost or stolen cash or cheques. Transactions are recorded electronically, providing a clear audit trail. Funds are typically transferred within 1-2 business days, ensuring landlords receive rent on time. Both parties receive electronic notifications confirming the transfer, reducing confusion and potential disputes.¹³

Mobile money (Momo): Mobile money transfers have revolutionized rent payments, providing a convenient and efficient method for tenants to pay their landlords. This mode of payment eliminates the need to visit a bank or ATM, allowing tenants to make payments anytime, anywhere, using their mobile phones. Transactions are encrypted and secure, reducing the risk of theft and fraud. Both tenants and landlords receive real-time notifications confirming the transfer, reducing confusion and potential disputes. Mobile money transfers are often cost-effective, especially for smaller amounts like rent payments, and enable individuals without formal bank accounts to participate in the digital financial ecosystem hence, benefitting the informal rental market.^{118,119}

Cash payment: Cash payments are a popular method for rent payments in Ghana, offering a straightforward, secure and convenient option for both landlords and tenants. They do not involve complex calculations or negotiations, making them a reliable source of income for landlords. However, cash payments also pose security risks, as they are less likely to bounce or be subject to fraud compared to electronic transfers. They are also more convenient for those without bank accounts or those who prefer not to use electronic methods. Additionally, cash payments offer greater privacy as they do not leave a digital trail that can be traced back to the tenant. However, there are also cons to cash payments, such as potential theft or robbery, difficulty in accurate record-keeping, legal and tax implications, limited access to banking, and the need for immediate receipt of the rent amount. Lastly, cash payments are often used in informal rental arrangements without a formal lease agreement in place.^{120,121}

b. Buying a House Payment Options

There are various means of making payments when purchasing a house within the country. These options include:

Mortgage loans: Mortgages allow individuals to spread the cost of a house purchase over a long period, making homeownership more accessible. Leverage from the Bank's funds allow for the purchase of more expensive properties than with a down payment alone. Regular mortgage payments

¹¹⁶ Ewusie & Kuffo (2023). IMEK Accra City report

¹¹⁷ Bank of Ghana (2020). "Annual Report".

¹¹⁸ Ghana Interbank Payment and Settlement Systems (GhIPSS): Mobile Money Penetration Rate in Ghana

¹¹⁹ GSMA: The State of Mobile Money in Sub-Saharan Africa 2022

¹²⁰ Bank of Ghana: Financial Inclusion Strategy for Ghana 2019-2023

¹²¹ World Bank: Global Findex Database 2021

instil financial discipline and help build equity in property over time. Ghanaian mortgage banks like Fidelity Bank, Cal Bank, and Stanbic Bank offer mortgage loans with a fixed repayment period and interest. This has increased the use of mortgage financing in the country, facilitated by financial institutions and the government's efforts to promote homeownership.¹²²

Rent-to-Own (RTO): This is a property leasing arrangement where tenants rent a property with the option to purchase it later. A portion of the rent paid is credited towards the purchase price if the tenant decides to buy the property within the specified period. RTO homes typically last 1-4 years and involve a lease agreement that typically lasts 1-3 years. At the end of the lease term, renters have the option to buy the property for the remaining purchase price, providing flexibility and time to save for a down payment. Rent-to-own allows for lower upfront investment compared to traditional mortgages, building equity over time, improving credit score, and offering a trial period before committing to buying. However, rent-to-own arrangements often involve higher overall costs, uncertainty of purchase, limited options, and maintenance responsibilities.^{123,124}

Instalment Payments: Instalment payment plans are a structured approach to homeownership where buyers pay a portion of the total purchase price upfront in cash or cheque and then pay the remaining balance in agreed-upon instalments over a set period to the owner of the house. This allows buyers to acquire property without a large upfront payment, making homeownership more accessible and manageable over time. However, there are risks associated with instalment plans, such as loan applications, potential seizure of property for non-payment, and risks associated with pre-sales if the project is halted or fails. Instalment payment plans cater for buyers who may not have immediate access to large sums of money, allowing for gradual property ownership. Structuring instalment agreements

requires legal advice, clear terms on payment amounts and timings, and an understanding of the rights and responsibilities of both parties involved. In cases such as this, interest is not charged.¹²⁵

3.5 Case Studies of Housing Types, Conditions and Affordability

Case 1: Housing types, conditions and affordability of Densuano

Densuano is a peri-urban area near Accra that is predominantly composed of compound houses and some self-contained single-family homes, with concrete blocks and corrugated metal sheets as construction materials. Common challenges in the area include overcrowding, restricted access to sanitation and floods caused by poor drainage systems. Low rents and restricted homeownership choices are also common.

Case 2: Housing types, conditions and affordability of La Bone

Labone is an urban town located in the central Accra neighbourhood. It encompasses a mix of compound houses, older high-rise apartments, and newer expensive developments. Construction materials are typically concrete or brick. Older apartments may have issues of limited amenities, while new developments offer better amenities but are unaffordable for many residents due to high costs.

Case 3: Housing types, conditions and affordability of Kulmasa

Kulmasa is a rural town, located in the Upper West Region. It is characterized by single-family mud brick houses with thatched roofs, which require regular maintenance and are fire prone. Overcrowding is a problem. Housing costs are generally lower than urban areas due to land availability and locally sourced materials. However, poverty and limited job opportunities still pose challenges on maintaining or improving housing.

¹²² Ghana Real Estate Developers Association (GREDA): Benefits of Using a Mortgage

¹²³ Bank of Ghana: Rent-To-Own Scheme Makes Home Ownership in Ghana a Reality

¹²⁴ Ghana Real Estate Developers Association (GREDA) (2021). "Annual Report".

¹²⁵ Ghana Real Estate Developers Association (GREDA): Alternative Payment Methods for Real Estate Purchases in Ghana

CHAPTER FOUR

04

HOUSING NEEDS ASSESSMENT IN GHANA

4.1 Current Housing Need Estimates

In Ghana, estimating the housing need can be influenced by the population growth, household sizes, income level, and affordability of the available houses. The conventional way of estimating housing needs is by assuming that each household needs a dwelling. The 2015 National Housing Policy¹²⁶ adopts needs estimates based on reducing the number of people per room by 2020. This contributed to a total of 7.2 million extra rooms required to address the deficit and accommodate the new households. However, the 2021 Population and Housing Census¹²⁷ data on structures, housing conditions, and facilities presented by the GSS revealed a reversal in the housing deficit by 33%. The 2021 Population and Housing Census estimated an average household size to be 3.6 with the urban areas being 3.3 and rural 4.0, the lowest since independence. At a current average size of 3.6 households per dwelling in Ghana, there is a backlog of about 11,806,420 dwellings in both rural and urban centres to help solve the available deficit of 1,800,000 dwellings as of 2021¹²⁸. The housing deficit can have significant negative social and economic effects. In addition to straining social services, it may result in homelessness, overcrowding, and higher housing expenses. Inadequate housing can also have detrimental effects on impacted communities' general quality of life, health, and education. The housing needs in Ghanaian urban areas are exacerbating, it has been estimated that 56.7% of the population in Ghana lives in cities with a housing deficit of 5.7 million rooms.

Urban areas within the Ashanti region have the highest housing deficit of 323,101 housing units followed by Greater Accra region with 181,303 housing units. The Upper East and the Upper West regions have the least housing deficit 64,404 and 40,193 housing units respectively¹²⁹. The deficits

are caused by several factors, including; migration of people from rural to urban areas, which is as a result of inadequacy of basic social amenities in rural areas, also the housing projects initiated by previous administrations have been abandoned due to a lack of continuity caused by change in government. The increase in urban population has resulted in a growing number of urban residents in need of housing. The quest of urban dwellers to get adequate housing has been limited to parts of the city where a large portion of the housing stock is marked by overcrowding, deteriorating the available quality housing, and a lack of basic amenities including indoor plumbing, baths, and toilets. As a result, slums and squatter houses are becoming increasingly prevalent in urban areas¹³⁰. More so, the housing market in urban areas has also been hampered by issues including the high cost of land, the length of time it takes to get a building permit, and the high cost of building supplies, high mortgage, among others.

Over the past decade, the demand for housing in Ghana has experienced a significant increase. In 2010, the demand for housing was around 8,617,607 units, growing by 3 million to reach 11,806,420 units by 2021. Ghana faces a social housing deficit of 1.8 million, necessitating the construction of a minimum of 100,000 housing units annually to meet this demand. This rise in demand is driven by economic and social factors such as rapid urbanization, population growth, marriage, childbirth, and improved income and employment opportunities across different regions. Moreover, the increased demand for housing in Ghana is a consequence of higher income levels, leading individuals to aspire to homeownership. As income per capita has risen over time, so has the desire for housing services, contributing to the evolving housing landscape in the country. Table 4.1 shows the current housing needs of Ghana.

¹²⁶ National Housing Policy (2015)

¹²⁷ Ghana Statistical Service (2021)

¹²⁸ Ministry of Works and Housing (2015)

¹²⁹ Ghana Statistical Service (2021)

¹³⁰ Owusu, G. (2011, June). Urban growth, globalization and access to housing in Ghana's largest metropolitan area, Accra. In 4th European conference on African studies, Uppsala (pp. 15-18).

Table 4.1: Housing Needs in Ghana

Year	Population	Housing demand	Housing supply (dwelling units)	Housing deficit
1970	8,559,313	1,678,296	941,639	736,657
1984	12,296,081	2,410,096	1,226,360	1,183,736
2000	18,912,079	3,708,250	2,181,975	1,526,275
2010	24,233,431	8,617,607	5,817,607	2,800,000
2014	-	5,467,136	4,207,003	2,394,497
2021	30,832,019	11,806,420	10,006,420	1,800,000
2031	39,227,355	15,021,223	12,731,096	2,290,127

Source: GSS 2021

From Table 4.1, the population of Ghana is expected to increase from 30,832,019 in 2021 to 39,227,355 in 2031. This is a result of population growth, birth rate, mortality rate, and migration rate. For example, in the year 2021, the population in Ghana increased by about 653,000 inhabitants. In the same year,

the death rate was 7.6 per 1,000 people (245,000 deaths) and the birth rate was 27.5 per 1,000 people (887,000 births)². This increase in population will lead to an increase in the demand for housing which will cause the housing deficit to increase from 1,800,000 to 2,290,127.

4.2 Household Characteristics and Housing Needs

There are more females (15,247,166) in each household than males (14,832,636)³. Comparatively, there is a large number of one-person male-headed households in urban Ghana which may be a sign that many men still separate from their women when children come along, going to live alone in a room close by. This is supported by the larger numbers of female-headed households where children are

present. The number of rooms a household occupies has a significant influence on the social well-being and health of its members. Ghanaian room occupancy statistics are broken down by household size. 45.5 percent of households with two to four individuals live in two rooms (two members, 13.3%; three members, 14.6%; and four members, 17.6%), compared to 38.3 percent of homes with one room².

Table 4.2: Average Household Size and Number of Rooms in Urban and Rural Ghana in 2021

Households	Male	Female	Average Household Size	Household number of rooms
Ghana	14,832,636	15,247,166	3.6	8,356,966
Urban	8,511,201	8,961,329	3.3	5,068,903
Rural	6,689,2396	6,670,250	4.0	3,288,063

Source: GSS, 2021²

The National Population Density of people occupying a square kilometre of an area, increased by 26 persons between 2010 (103) and 2021 (129). The Greater Accra region recorded the highest increase of 445 persons (from 1,236 to 1,681), while the Savannah region recorded the lowest of 6 persons (from 13 to 19). The average household size in Ghana has decreased to 3.6 as of 2021, and it has been

the lowest since 1960. Comparatively, the average household size in urban and rural areas has also decreased from 4.1 to 3.3 and 5.0 to 4.0 respectively. This reduction in household size reflects changing demographics and societal trends. Factors such as urbanization, economic shifts, and inadequate infrastructure contribute to variations in household composition. The average dwelling type adopted in urban areas is detached houses which is 3,147,980 dwellings, followed by compound housing which

is 1,587,336 dwellings. Also, in the rural areas, the average dwelling type demanded is the detached housing units which is 3,186,167, followed by the semi-detached which is 300,231. The number of rooms predominantly occupied by households within a dwelling in urban areas ranges from one to two rooms (4,038,938, 2,003,414) respectively, rooms commonly occupied by households in rural areas ranges from one to two rooms (1,419,728, 789,134) respectively¹³¹. The implication of household sizes to room occupancy is significant in formulating developmental policies for the country. Considering household sizes enables urban planners to craft housing units that maximize space utilization, fostering a more effective deployment of land and resources in urban settings. Household sizes directly affect the need for essential infrastructure like water supply, sanitation facilities, and electricity. Urban planners consider these demands when planning and constructing residential zones. Insight into household sizes impact the affordability of housing options. Smaller households gravitate towards more compact and cost-effective units, while larger households seek larger accommodations to comfortably house all family members.

Households in Ghana face distinct obstacles when it comes to accessing housing, which depends on their geographical location, government policies, and socio-economic factors. Rapid population growth has caused a sudden increase in the demand for housing in urban areas, which has resulted in overcrowding, informal settlements, and high cost of rent.¹³¹

In rural areas, however, the situation is often different due to low-income levels, traditional land tenure arrangements, and a lack of infrastructure development. Many rural people lack access to essential utilities like clean water and sanitary facilities and instead live in traditional mud huts or improvised buildings.

4.3 Housing Demand Trends/Patterns

Household characteristics play a crucial role in shaping housing demand in Ghana. The average household size has been declining, which is indicative of a move toward nuclear families. In urban areas,

where household sizes are often lower, this trend is more noticeable because more housing units are needed generally per person. The country's demographic composition, which has a sizable share of young adults, also adds to the high demand for starter homes, which are frequently found in urban or peri-urban areas.

Additionally, the growth in housing demand in Ghana show a varied and dynamic environment that reflects the population's wide range of preferences and economic capacities. High-density apartment demand is rising in urban areas like Accra and Kumasi, mostly from the growing middle class and younger workers looking for convenient and affordable urban housing options. On the other hand, traditional compound homes, a pillar of Ghanaian cultural values remain popular in rural areas and encourage extended families¹³². Due to their growing need for privacy, security, and easy access to amenities, middle-income and high-income urban dwellers are becoming more and more interested in detached houses in gated communities¹³³. The growth of informal settlements, especially in the vicinity of large cities, highlights the urgent need for low-cost housing options to accommodate those with low incomes.

4.3.1 Types of Housing Demand

Ghana, like many other countries, experiences diverse housing needs driven by factors such as population growth, urbanization, economic development, and changing lifestyles. The types of housing demanded in Ghana includes.

a. Affordable Housing:

Affordable housing can be defined as 'housing solutions which are priced or financed in a way that enables low-income households to also be able to afford other basic needs'¹³⁴. Over the years, there is a significant demand for affordable housing, and this is because it caters to low and middle-income earners who require housing options that are within their financial means. These housing units are designed to provide decent and cost-effective living spaces for individuals and families with limited income

¹³¹

¹³² A comparative study of ethnic residential segregation in Ghana's two largest cities, Accra and Kumasi (Owusu & Agyei-Mensah, 2011).

¹³³ Otchere, G. K. (2022): Key drivers of gated community developments. Case study: Greater Accra Region, Ghana and London, UK (Doctoral dissertation, RMIT University). GIZ (2014).

¹³⁴

levels.¹³⁵¹³⁶ If they are to spend 30% of this income on housing to make their housing affordable, they must spend 29.7 dollars (GH¢ 376.76) on housing. From this analysis, about 26.7% of Ghanaians, earning lower income demanded affordable housing in the year 2021.

b. Rental housing:

Rental housing demand is driven by individuals or families who prefer to rent rather than own property. Rental units offer flexibility, mobility, and access to housing without the commitment of homeownership. Ghana's real estate market offers a diverse range of rental housing options, catering to various preferences and budgets. 34.6% consisting of a third of households in Ghana occupy rented dwelling units with 46% being urban dwellers². Rental prices vary significantly based on location, property type, and features. There are many types of rental properties demanded including apartments, single rooms with shared facilities, and single rooms self-contained. Apartments are more common in urban areas like Kumasi, Accra, and Tamale, among others. In urban areas, upscale areas command higher rents, while suburbs offer more affordable options. For example, in urban areas like Accra, specifically Achimota, tenants pay an amount of GHS 1,700.00 per month for 2-bedroom apartments, GHS 2,500.00 per month for 2-bedroom apartments in Taifa, GHS 400.00 per month for 1-bedroom apartments in Ogbojo, GH¢ 10,000 per month for 4-bedroom detached houses for rent at North Legon, and GH¢ 500.00 a month¹³⁷ for a two-bedroom detached apartment at Tse Addo.

Consequently, renting in rural areas in Ghana has not been a common practice since the majority of the people either own their houses which is 65.1%, or are living rent-free in family houses where there is no need to pay for the rent. According to the Ghana Statistical Service, 17.1 % of the total population in rural areas patronize rental housing. The type of housing most demanded is detached (76.6%), compound housing (12.2%), and semi-detached houses (7.2%)². Tenants in rural areas pay less for renting as compared to urban areas. For instance, a single room self-contained in Pepease in the Eastern region goes for GH¢ 500.00 per month, two-bedroom self-contained in Abetifi also goes for 700 cedis per month¹¹.

c. Luxury housing:

Luxury housing is demanded by high-income earners, expatriates, and affluent individuals

seeking upscale and high-end residential properties with premium amenities, spacious layouts, and exclusive features. Suburbs like East Legon, Airport Residential, Cantonments, and Aburi are popular among expatriates. These housing options cater to a niche market segment with specific lifestyle preferences. The houses demanded by this category of people are mostly detached and semi-detached. These standalone houses offer more privacy and space and are found in residential neighbourhoods. People who can afford it would pay for these houses which offer better security and protection. Most of these homes are managed by Real Estate Agencies who build these homes and sell them out to families. Real estate agencies like the Devtraco estates and Meqasa Real estates have many such residences in areas like Accra, Kumasi, the Central Region, and the Eastern Region that have such houses available for sale. For instance, a four-bedroom detached house at Oyibi goes for GH¢ 850,000 and a 3-bedroom detached house at Ashongman estates goes for GH¢ 450,000.00 in terms of sales¹².

Serviced apartments are also patronized by many individuals and families, and these are ideal for short-term stays, serviced apartments offer convenience and hotel-like services. These apartments are fully furnished and have all the necessary amenities. These are mostly patronized by tourist and people who want to stay at a place for a short period but still want to feel at home. The serviced apartment is common in urban areas like Accra, Techiman, and Kumasi. Prices for staying at such places can range between GH¢ 100 to GH¢ 500.00 per night¹².

d. Student Housing:

Student housing demand arises from the need for accommodation for students attending universities, colleges, and educational institutions. Purpose-built student accommodations offer living spaces with proximity to educational facilities, amenities, and support services tailored to student requirements. The types of student housing demanded include hostels which can be on campus or off campus, homestels which are people's homes that have been converted to student housing. These facilities are mostly demanded based on the number of persons in the rooms. These facilities mostly have shops and other uses like beauty salons, pharmacies and entertainment facilities available, and the prices of these student facilities are determined based on the number of persons in the room and the available amenities like washrooms, kitchens, and proximity to the school. Public universities have governmental

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¹³⁷ Ghana Property Centre (2023)

hostels on campus which are less expensive as compared to those off-campus which are owned by private developers. For instance, a student on Kwame Nkrumah University of Science and Technology in Kumasi pays GH¢7,300.00 for a two-in-one room and GH¢ 4,760.00 for a four-in-one room to stay on campus.

4.3.2 Category of Housing Needs

a. Housing needs among middle-high income groups and affordability levels

In Ghana, the housing need for middle-high income groups is a critical issue due to the soaring property prices in urban centres like Accra, Kumasi, and Takoradi. Affordable housing in urban areas of Ghana is often beyond the financial reach of many middle-high-income families, leading to a significant housing deficit in the country¹³⁸. The housing crisis in Ghana is further exacerbated by the fact that the affordability bracket for growing demand falls below the average market price point, intensifying the challenges faced by those seeking housing solutions¹³⁹.

A recent study in the Kumasi metropolis revealed that housing affordability is generally low, even among middle – high income earners¹⁴⁰. For instance, it was revealed that up to 25% of residents at Nhyiaeso, Ahodwo, Manhyia, and Asokwa found their current housing units as not affordable.

The situation is relatively better in emerging cities such as Ho, Sunyani, Techiman, and Wa. For example, rents in Ho are generally low, ranging between an average of GH¢ 100 and 150 per month for a room, with shared spaces in low-income neighbourhoods; rising up to between GH¢ 550 and GH¢ 800 monthly, for a 2-bedroom apartment in middle income areas. However, rents are steadily rising, along with the growing numbers of middle-class urban dwellers, resulting for the general rates of urbanisation and expanded local economy. Sunyani, Techiman and Wa, have similar experiences, except that Ho is growing relatively faster, as an old city and regional capital¹⁴¹.

b. Housing needs among low-income groups

Spending less than thirty percent of household income on housing-related expenses is considered affordable housing, according to the World Bank¹⁴².

Yet, considering that there are not many affordable housing options in Ghana, a lot of low-income people tend to spend considerably more than this amount on housing. The Ghana Living Standards Survey Round 7⁹ indicated that about 27% of Ghanaians were classified as poor and that finding suitable accommodation was a major obstacle for their household. Low-income groups in Ghana often earn less than USD 300 per month, though this varies. Income levels might vary based on the area and prevailing economic conditions. At this wage level, a 30% housing budget would equate to a maximum monthly housing expense of about USD 90.

Consequently, low-income households cannot afford the majority of the houses sold on the government-regulated real estate market. The least expensive homes that government-regulated developers provide are within reach of only 1% of households. For example, the lowest-priced property in 2015 was USD 24,297. The mortgagee must pay a monthly payment of USD 245 for 20 years after making a 20% investment. The household's monthly income must be USD 612 to be eligible. Nonetheless, USD 1240.46 (GH¢ 16,644) was the average household income reported in 2014¹⁴³. For instance, the study of Poku Boansi et al., (2023)¹³ revealed that, the average income of people living in Bantama was 689.20. As a result, they preferred to live there because of the low cost of living. The average income of people in Kwadaso was 661.43 and they preferred that community because of the low-cost of living including housing. Lower-income households have preference for communities that provide them with lower rents and prices of food, goods and services.

c. Housing needs for special/vulnerable groups

Currently, older persons, women and children in slums suffer the worst housing conditions as their housing is physically poor. They are unlikely, however, to be the only ones suffering high occupancy rates or poor access to services as these are extremely common in urban Ghana. Their need is likely to be for very similar improvements as the others, more rooms and better access to services; but just more extreme. People living in slum areas especially the old, disabled and children who are considered as vulnerable often face overcrowded and substandard living conditions, lacking basic amenities such as

¹³⁸ Awuvafoqe Samson Abapale, (2013)

¹³⁹ Eugene Afrane, (2021)

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¹⁴¹ UN Habitat (2009). Ghana: Ho City Profile, United Nations Human Settlements Programme (UN-HABITAT),

¹⁴² World Bank (2021)

¹⁴³ Ghana Statistical Service, 2014

access to electricity, clean water, sanitation, and adequate healthcare facilities. According to the Conversation (2023), the lack of suitable housing with proper ventilation and overcrowded living spaces of the elderly population possesses a health risk in substandard living conditions. The housing needs of older people are a significant concern due to the increasing population (1.22 million)¹⁴⁴ of older adults and their unique vulnerabilities. A study on housing conditions and long-term care needs of older adults in Ghana reveals that poor housing conditions, such as unimproved cooking conditions, housing materials, and sanitation, are risk factors for long-term care needs in this population. This suggests that improving housing conditions can benefit older adults' functional abilities and unmet long-term care needs¹⁴⁵. Slum areas again mostly lack proper infrastructure, including healthcare facilities, recreational spaces, and social amenities which are more age-friendly, to support the needs of the residents.

The need for more housing for most households is a very important issue for women and children in urban Ghana. It is quite usual for children to be the main agents of coping with the high levels of crowding existing in the cities. Male children and female children may leave the home each night to go and sleep with cousins or other relatives of the same gender. Women carry the double burden of childcare and working but when they are housed in crowded conditions their workload is made more complex and intransigent. Improving the amount of space per person and reducing the number of persons per room by clearing up backlogs and constructing adequate amounts of housing could have greater benefits to women than men.

Extreme overcrowding and inadequate shelter are characteristics of slum life in Ghana. The Ghana Statistical Service (2014)¹⁴⁶ reports that many slum areas have numerous households residing in temporary buildings or single rooms. These dwellings

frequently lack essential utilities like secured doors, windows, and sufficient sanitary facilities, which exacerbates a lack of space and privacy.

Additionally, the Ghana Demographic and Health Survey (2014)¹⁴⁷, stated that many of these dwellings live in close quarters raising the risk of violence and family disputes. As people are always close to one another in densely populated areas, tensions can easily spiral out of control and result in both physical and mental abuse. Women and children living in overcrowded homes are more susceptible to abuse from neighbours and families because they frequently lack privacy. Their vulnerability is increased by their inability to flee or seek assistance covertly.¹⁴⁸

d. Housing needs for public officers/civil servants

The Ministry of Works and Housing, (2015)¹⁴⁹ reports that there is a severe shortage of quality housing available for public sector employees. This is because the construction of public housing developments has decreased. The Ghana Housing Profile (2011)¹⁵⁰ emphasizes the inadequate quality of earlier attempts to construct government housing units for public officials.

Additionally, the Controller and Accountant-General's Department, (2019)¹⁵¹ claims that the housing allowances for public servants have not kept up with the urban areas' rising housing costs and cost of living. As a result, many governmental officers are stationed in metropolitan locations, where housing costs are unreasonably high, due to that, many public servants are forced to live in cramped, inadequate homes.

Again, the Ministry of Works and Housing (2017)¹⁵², stated that a large proportion of public servants live in rented homes that are frequently of poor quality and far from their places of employment. Long commutes, higher transportation expenses, and lower productivity are the results of this situation.

¹⁴⁴ Ghana Statistical Service, 2023.

¹⁴⁵ Awuviry-Newton, K., Abekah-Carter, K., Ofori-Dua, K., Gyasi, R. M., Newton, C. N., Agyemang-Duah, W., ... & Dintrans, P. V. (2022). Housing conditions and long-term care needs of older adults in Ghana: Evidence from the WHO SAGE Ghana Wave 1. *PLOS Global Public Health*, 2(12), e0000863.

¹⁴⁶ Ghana Statistical Service, 2014

¹⁴⁷ Ghana Demographic and Health Survey, 2014

¹⁴⁸ Ghana Statistical Service, 2014

¹⁴⁹ Ministry of Works and Housing, 2015

¹⁵⁰ Ghana Housing Profile, 2011

¹⁵¹ Controller and Accountant-General's Department, 2019

¹⁵² Ministry of Works and Housing, 2017

Furthermore, the financial pressure on public officers is made worse by the high cost of renting housing in comparison to incomes in the public sector. According to the Ghana Real Estate Developers Association, (2018), most public officers cannot afford the typical cost of a property in Accra since their pay is so low in comparison to the housing market costs.

4.4 General Income Levels and Ability to Pay for Houses Demanded

The ability of individuals and households to obtain suitable accommodation is heavily influenced by their income levels. Socioeconomic growth is critically dependent on the relationship between income and housing affordability. Policymakers, urban planners,

real estate developers, and social advocates must comprehend the connection between overall income levels and the capacity to purchase the homes that are desired.

According to the table below, renting is the most typical form of habitation in these Ghanaian cities. This is as a result of difficulties with affordable housing, a desire for mobility, and absence of easily accessible mortgage solutions. Rent-free housing may be a sign of various informal living arrangements or extended family households. The low frequency of perching indicates that these cities do not have a lot of temporary living arrangements.

Table 4.4: Mean annual expenditure of households by tenure, indexed to 2021 USD

	Accra	Kumasi	Sekondi Takoradi	Techiman	Sunyani
Owning	2331.59	2524.25	1687.77	1396.47	1020.14
Renting	3820.37	5675.88	2828.87	2036.35 2036.35	1970.07
Rent-free	1034.80	1704.73	902.17	520.71	457.78
Perching	37.12	382.35	15.47	10.04	7.36

Source: GSS 2021²

The cheapest dwelling a household could afford to buy or rent, if they could spend three times their salary, would cost approximately USD17,000 in urban areas and more than USD9,000 in rural areas. A household's ability to finance a home would be limited to approximately USD15,300 in rural areas and approximately USD28,000 in urban areas if they could manage to spend five times as much as they

make. Additionally, research indicates that Accra's least costly home is valued between USD55,211 and USD67,633¹⁵³.

Again, Table 4.5 reveals that the lowest priced dwelling in the Greater Accra Metropolitan Area (GAMA) that households who are willing to pay three times their income can afford is roughly USD13,700.

Table 15: Affordability analysis using GLSS 6 mean household income indexed to 2016

Affordability in USD	Greater Accra Metropolitan Area	Other Urban	All Urban	All Rural
At HC:Y Ratio of 3	13,672.23	18,252.52	16,809.52	9,162.10
At HC:Y Ratio of 4	18,229.64	24,336.69	22,412.70	12,216.13
At HC: Y Ratio of 5	22,787.05	30,420.86	28,015.87	15,270.17

Source: IBAN (2017)¹⁵⁴

¹⁵³ Center for Affordable Housing Finance in Africa, (2017)

¹⁵⁴ Inclusive Business Action Network, 2017

4.5 Estimating Current and Future Housing Needs

In estimating the current and future housing needs in Ghana, the following factors are to be taken into consideration; estimate the current and future demand for housing based on household sizes, estimate the number of rooms needed (factoring in the housing deficits), estimate dwelling per household and the housing need for young families.

4.5.1 Demand Estimates based on Household Sizes (current and future estimates?)

According to the 2021 Population and Housing Census, the average household size has decreased across the country. In urban areas, the average size declined from 4.1 in 2010 to 3.3 in 2021, while in rural areas, it dropped from 5.0 to 4.0 over the same period (GSS, 2021). This trend toward smaller household sizes impacts housing demand in several ways. Smaller household sizes typically lead to an increased demand for housing units as more household's form from the same population base. This is particularly significant in urban areas where the population density is higher and the shift toward nuclear family living is more pronounced. The growth of households, with a 52% increase from the 2010 census, indicates a substantial rise in the number of housing units required to accommodate this change¹⁴¹

Looking to the future, the population of Ghana is projected to exceed 50 million by 2050, with

current growth rates suggesting a doubling of the population from 2010 levels in approximately 33 years. This demographic expansion will likely further drive housing demand, especially as urbanization continues and more people move to cities in search of employment and better living conditions¹⁴¹. The housing market in Ghana has reacted to these changes with various degrees of success. Efforts to reduce the housing deficit have been noted, with a reported reduction in the housing deficit by 33% from 2010 to 2021 due to a real estate boom and increased construction of residential structures¹⁵⁵. However, challenges persist due to high land costs, making it difficult for developers to provide affordable housing solutions that are accessible to a broader range of the population¹⁵⁶. The demand for housing in Ghana is projected to increase due to ongoing population growth, which is estimated at an annual rate of 2.25%.

This scenario is complicated by economic factors such as a projected drop-in GDP growth rate, which could make purchasing properties more expensive and cumbersome for consumers¹⁵⁷. This ongoing issue is likely to drive continuous demand in the housing market, affecting various sectors from urban to rural developments over the next decade. The current and estimated housing demand projections to 2050 based on the ongoing trend of decreasing household sizes and increasing population is displayed in the Table below.

Table 16: Current and Projected Household Estimates

Year	Population	Average Household Size	Estimated Number of Households	Annual Housing Unit Demand
2023	31,000,000	3.7	8,380,000	170,000
2030	35,000,000	3.5	10,000,000	180,000
2040	40,000,000	3.3	12,120,000	190,000
2050	50,000,000	3.1	16,130,000	200,000

Source: Authors Construct, 2024.

4.5.2 Estimation of the Number of Rooms Needed

Estimating the number of rooms needed in Ghana is crucial for addressing the housing deficit and planning for future development in the country. As Ghana's population continues to grow and urbanize at a rapid pace, the demand for adequate housing has surged, making it essential to assess the current

and projected needs accurately. The high cost of land, the time it takes to obtain a building permit, and the high cost of building supplies, inadequate mortgage rate affects the supply of housing, among other problems that have deteriorated the progress in the housing sector¹⁶. It has also been noted that self-build and incremental housing developments are hampered by a lack of support at the individual

¹⁵⁵ Center for affordable Housing, Housing Finance in Africa, 2023.

¹⁵⁶ Rent Chamber Group Limited, 2024.

¹⁵⁷ Citi Newsroom, 2024.

and community levels¹⁵⁸. The values in the table 4.6 used an average number of rooms per dwelling unit to be two for the whole of Ghana.

Table 4.6: Number of Rooms Needed

Year	Estimated Number of Rooms	Housing Deficit
2021	41,651,572	1,800,000
2030	52,992,994	2,290,127

Source: Author's Construct, 2024

4.5.3 Estimation of Dwelling per Household

The dwelling per household is determined by the number of rooms occupied by households in a dwelling unit. For example, due to increased rates of urbanization, economic activity, and population

density, larger cities like Sekondi Takoradi, Accra and Kumasi have a stronger need for multi-room residential units compared to smaller cities like Ho or Techiman. However, smaller cities have a distinct profile of housing demand, with a larger percentage of one- or two-room apartments.

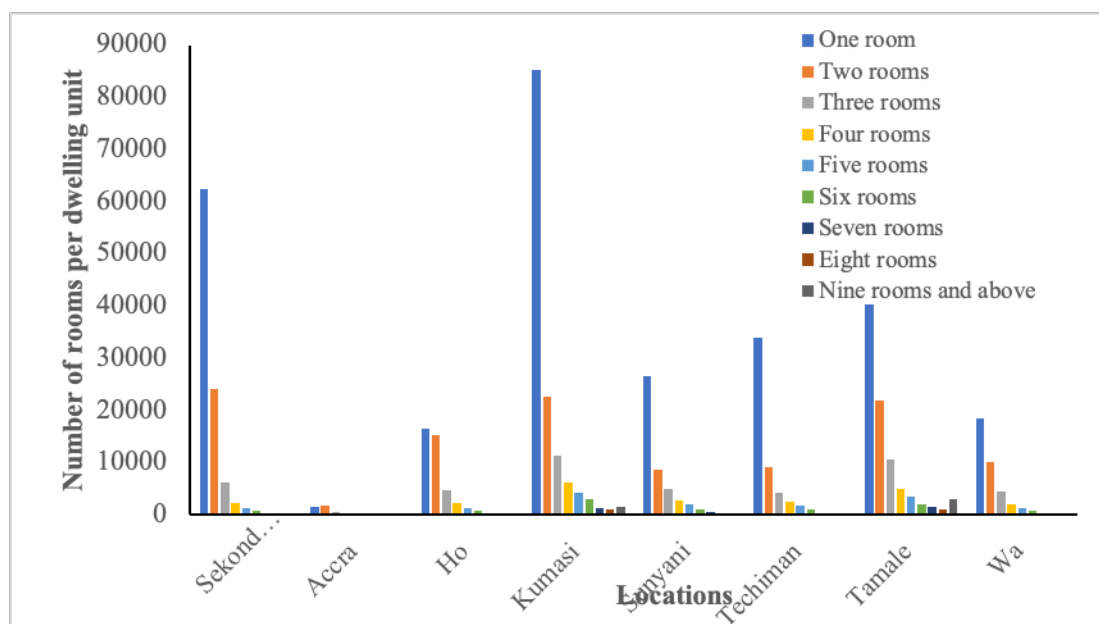


Figure 4.4: Dwelling per Households in Urban Ghana

Source: Authors Construct, 2024

4.5.4 Housing Needs for New Households

Ghana's growing population presents a complex challenge in ensuring adequate housing for new households. These new households, encompassing young families, single parents, extended families starting out or graduates, face distinct needs in the current housing market. New households have diverse requirements beyond just square footage. Young families would prioritize smaller, affordable units with functional layouts including dedicated bedrooms for future planning. Their inadequate

financial means typically necessitate cheap homes. Large residences are not ideal; smaller, more practical quarters with bedrooms along with a room for a child is preferable. With young families, safety and accessibility to resources like day-care centres and schools rank highly. Extended families, on the other hand, would require more spacious accommodations with potentially separate living areas. Regardless of size, access to basic amenities like water, sanitation, and electricity is crucial for a decent standard of living

¹⁵⁸ Djokoto et al., (2014)

4.5.5 Estimating current and future slum

The estimates for the slum population from 2010 to 2030 reflect a consistent annual growth rate of 4.5%. Starting with a base population of 12,545,229 in 2010, the population grew steadily, reaching 22,232,605 by 2023 as shown in Table 4.7 below¹⁷⁶.

This progression illustrates a significant increase over the 13-year period, underscoring the persistent challenges in urban planning and resource allocation associated with rapid population growth in slum areas.

Table 17: Slum Population Estimates (2010- 2023)

Year	Slum Growth rate/ annum (%)	Estimated Slum Population
2010	4.5	12,545,229
2011	4.5	13109764
2012	4.5	13699703
2013	4.5	14316190
2014	4.5	14960418
2015	4.5	15633637
2016	4.5	16337151
2017	4.5	17072323
2018	4.5	17840577
2019	4.5	18643403
2020	4.5	19482357
2021	4.5	20359063
2022	4.5	21275220
2023	4.5	22232605

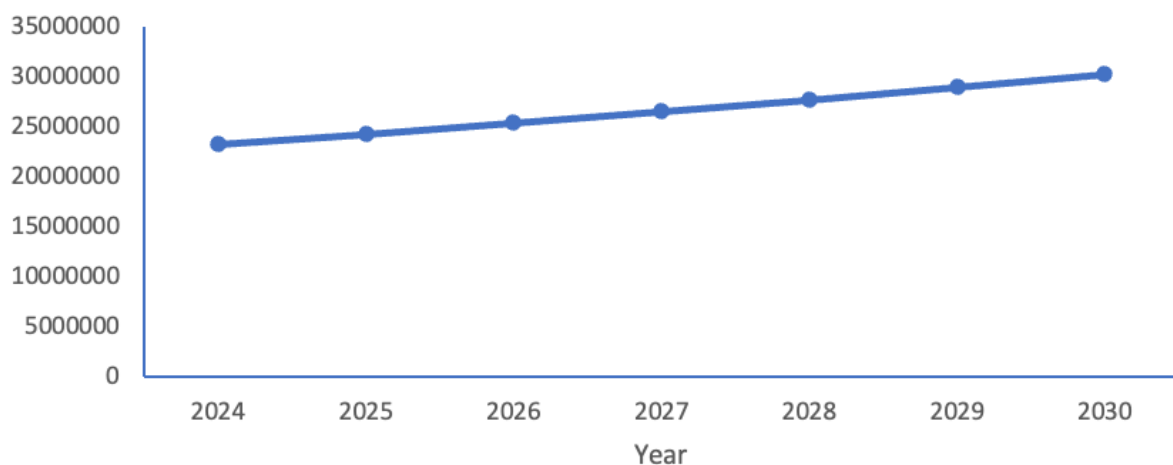
Source: National Urban Policy - Republic of Ghana, 2012a¹⁵⁹

Looking forward, the projections from 2024 to 2030 indicate a continuation of this trend, with the population expected to rise from approximately 23.2 million in 2024 to over 30.2 million by 2030 (Figure 1). Each year, the population adds roughly 1 to 1.5 million new residents due to the compound

nature of growth. These numbers highlight the escalating need for sustainable urban development strategies, improved housing policies, and enhanced infrastructure to accommodate the growing number of residents in these areas.

¹⁵⁹ Republic of Ghana (2012a). National Urban Policy. Accra: Ministry of Local Government and Rural Development (MLGRD)

Figure 4.5: Estimated Slum Population (2024 – 2030)



The persistent high growth rate points to deeper socio-economic issues, including migration to urban areas and the lack of adequate housing and employment opportunities. This situation calls for urgent attention from policymakers and stakeholders to implement effective measures that can help mitigate the impact of such rapid growth in slum populations. Efforts need to focus on improving living conditions, providing access to basic services, and integrating slum dwellers into the formal economy to reduce the growth pressure on these communities.

4.6 Conclusion

The assessment of Ghana's housing needs brings to light the significant challenges and critical demands facing the country's housing sector. Rapid urbanization, changing household demographics, and socio-economic shifts have dramatically influenced housing needs, creating a complex landscape for policymakers and developers. Urban areas, particularly in regions like Greater Accra and Ashanti, are experiencing acute shortages, leading to overcrowding and the proliferation of informal settlements. These challenges are compounded by systemic issues such as high land costs, lengthy administrative processes for building permits, and the escalating costs of construction materials, all of which hinder the development of affordable housing solutions.

The shift towards smaller household sizes and the increasing preference for nuclear family accommodations have further complicated the housing demand landscape. This demographic trend necessitates a re-evaluation and adjustment of existing housing policies and development strategies to better cater for these evolving needs. Current government initiatives aimed at addressing

these issues, while commendable, have fallen short in bridging the significant gap between housing demand and supply. High mortgage rates and limited economic opportunities continue to restrict access to housing, particularly for lower and middle-income families, highlighting a critical area for policy intervention and support.

Furthermore, the plight of vulnerable populations such as the elderly, children, and low-income groups in both urban and rural settings demand urgent attention. These groups often reside in substandard housing that poses significant health risks and impacts their overall quality of life. It is imperative that future housing policies incorporate targeted interventions to ensure that habitable and accessible housing is available for all segments of society. Addressing these disparities not only improves living conditions but also contributes to the social stability and economic advancement of the nation.

Looking forward, the projections for Ghana's housing needs based on current demographic and urbanization trends indicate a daunting task ahead. The anticipated need for millions of new housing units by 2050 calls for innovative solutions, increased public-private-partnerships, and substantial investment in sustainable building technologies and infrastructure. To meet these demands, a concerted effort from all sectors of society will be essential. Policymakers must prioritize housing within the national agenda, fostering an environment that facilitates access to affordable housing and supports the growth of sustainable urban communities. By addressing the challenges head-on with strategic planning and robust policy measures, Ghana can lay the groundwork for a future where adequate and affordable housing is a reality for all its citizens.

4.7 Selected Case Studies of Housing Needs Estimates

Case Study 1: Affordable Housing Initiative in Greater Accra

The Affordable Housing Initiative in Greater Accra was launched to address the critical shortage of affordable housing options for low to middle-income families¹⁶⁰. With the skyrocketing real estate prices in urban centres, particularly in Accra, a substantial segment of the population struggled to find suitable living conditions within their financial means. To tackle this issue, the Ghanaian government partnered with international donors and local construction firms to create affordable, yet high-quality housing solutions¹⁷⁷. Using innovative, cost-effective construction techniques and materials, the project aimed to build thousands of housing units. The houses were offered at significantly subsidized prices, which allowed a large number of families to purchase their own homes, thereby reducing the strain on the severely overburdened housing market in the capital.

Case Study 2: Slum Upgrading in Kumasi (Aboabo and Asawase)

Kumasi, known for its vibrant culture and economic activities, also faced challenges with growing slums characterized by poor living conditions. The objective of the slum upgrading project was to transform these areas especially Aboabo and Asawase by integrating them into the city's broader urban landscape while improving the quality of life for its residents¹⁶¹. Actions included the installation of essential services such as improved sanitation, reliable water supply, and access to electricity. Furthermore, the project focused on legalizing tenure, giving residents a legal claim to their properties. This initiative led to a noticeable uplift in living standards¹⁷⁸. Health hazards diminished, security of tenure boosted the residents' confidence, and the area became attractive for more private investments, setting a precedent for urban redevelopment projects across the nation.

¹⁶⁰ Awanyo, L. (2009). Meeting housing-space demand through in situ housing adjustments in the Greater Accra Metropolitan Area, Ghana. *Environment and Planning C: Government and Policy*, 27(2), 302-318.

¹⁶¹ Dakpallah, T. A. G. (2011). Slum improvement in Ghana: The study of Aboabo and Asawase in Kumasi (Doctoral dissertation).

CHAPTER FIVE

05

GHANA'S HOUSING MARKET AND THE HOUSE DELIVERY VALUE CHAIN

5.1 Current Structure and Functioning of the Housing Market

The housing market represents the supply and demand of houses being let, sold or owned within a particular area. By definition, the housing market is an arrangement or a mechanism for the exchange of real estate goods and services between market participants.¹⁶² The market may be segmented by property type, geographic location, and income, among other things. In the Ghanaian society, the functioning of the housing market is based on demand and supply models which are used to explain how the market works and the dynamics associated with it. For example, with rapid urbanization in places like Accra, Kumasi, and Tamale, the demand for housing is increasingly evident resulting in immediate responses from the supply market (i.e. the real estate market). Gavu,¹ stated that there are various types of housing that one can occupy to satisfy one's specific housing needs. This variation therefore comes about as a result of tastes and preferences of consumers or the disposable income available for housing. In the housing ladder system, a household will normally move from poor quality housing to better quality housing, as household income improves. This potentially further segments the housing market by housing type. In Ghana, the hierarchical move from poor quality to better quality housing can take the form of moving from a compound house (where all rooms share common areas such as bathroom, toilet, drying lines) to a rental house, then to a condominium, then to a rented single-family home; and then finally to an owner-occupied house of better quality. The

housing market differs from place to place, even between cities in the same country. This is because of the complexity of interactions and the spatiality of housing markets.^{163,164} The standard quality and price of housing greatly differ from locality to locality.

The structure of the housing market in Ghana using a trilogy of housing typologies, housing form and submarket definitions, are interrelated. The housing typologies in this regard connote the different tenure regimes, namely owner occupiers, renters, and rent-free occupiers. Statistically in Ghana, it is estimated that about 19.5% of the housing stock represents such rent-free occupiers. However, it is also known that the majority of individuals in cities like Accra and Kumasi move into the rental housing market. Studies^{165,166,167,168} have shown that the majority of the urban population in Ghana lives in rental housing as already established.

Ghana's housing market is characterized by several forms of houses, comprising compound houses, huts, tents, improvised homes, living quarters attached to offices/shops, uncompleted houses, semidetached houses, separate houses, and flat/apartments, among others.¹⁶⁹ The housing submarket here looks at an area where there are statistically significant and enduring price differences for some commodity or housing characteristics in relation to the overall market or other similarly defined areas within it. Submarkets are created through the interactions

¹⁶² Gavu, E.K (2022) Conceptualizing the Rental Housing Market Structure in Ghana, Housing Policy Debate

¹⁶³ Paterson, R. W., & Boyle, K. J. (2002). Out of sight, out of mind? Using GIS to incorporate visibility in hedonic property value models

¹⁶⁴ Sirmans, G. S., Macpherson, D. A., & Zietz, E. N. (2005). The composition of hedonic pricing models

¹⁶⁵ Adarkwa, K. K. (2010). Housing as a strategy for poverty reduction in Ghana, the global urban economic dialogue series (the global). Nairobi: Un-Habitat.

¹⁶⁶ Asante, L. A., Gavu, E. K., Quansah, D. P. O., & Osei Tutu, D. (2018). The difficult combination of renting and building a house in urban Ghana: Analysing the perception of low- and middle-income earners in Accra.

¹⁶⁷ Gavu, E. K., Gruehn, D., Schulte, K.-W., & Asante, L. A. (2019). Stakeholders' perception of residential rental value determinants in Ghana.

¹⁶⁸ Ghana Statistical Service. (2012). 2010 population and housing census; Summary report of final results. Accra, Ghana

¹⁶⁹ Ghana Statistical Service. (2021). 2021 population and housing census; Summary report of final results. Accra, Ghana

of heterogeneous consumer preferences and highly varied housing stock¹⁷⁰. Several studies have based submarket definitions on:

- 1) Spatial segmentation: this uses income groups and neighbourhoods that exhibit similar characteristics to segment the market in form of LINS, MINs, and HINs¹.
- 2) Structural segmentation focuses on the housing structure and its inherent characteristics and is viewed in these forms; (a) single room (SR); (b) hall and chamber (HC) and (c) apartment, flat, house, and townhouse (AFTH).
- 3) Nested spatial/ structural segmentation of the market also focuses on the joint importance of both spatial and structural attributes.

The taste and preference of consumers for housing types are varied, thus, so are corresponding rental

values. This gives rise to a housing market that is diversified and can be further segmented into smaller components for improved analysis to be performed.

In Ghana, the housing market is characterized by two primary categories of providers: formal and informal.¹⁷¹ The formal sector comprises both state-owned and private enterprises, offering social and for-profit housing, respectively. Conversely, the informal sector, constituting (constitutes) self-builders and small enterprises or individuals, serves lower-income demographics, engaging in construction, maintenance, and repair for profit motives. It is however noted that, MINs have characteristics of both formal and informal housing markets. MINs are somewhat of a transition zone between LINS and HINs. Generally, the housing market structure provides some clarity on price movements and how rental values are determined within the housing market.

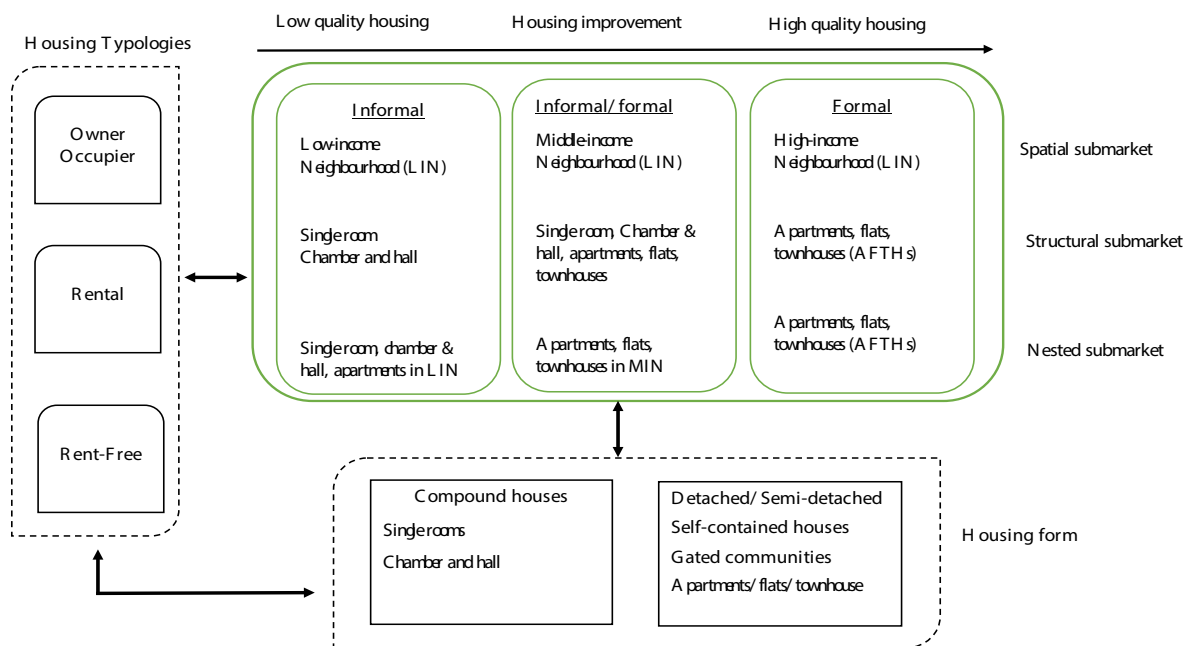


Figure 5.1: Structure of the Housing Market

Source: Adopted from Gavu, 2022

¹⁷⁰ Keskin, B., & Watkins, C. (2017). Defining spatial housing submarkets: Exploring the case for expert delineated boundaries.

¹⁷¹ Arku, G. (2009) Housing policy changes in Ghana in the 1990s: policy review. Housing Studies Government of Ghana, 2015

5.1.1 Housing market regulations

Ghana's housing market follows a free-market economy model. The government's current role is of a regulator and also to provide an enabling environment for developers to supply much needed housing. The National Housing Policy of Ghana aims

at “creating viable and sustainable communities through the provision of adequate, decent and affordable housing that is accessible and sustainable to satisfy the needs of Ghanaians”.¹⁷² So therefore, the housing market regulation in Ghana is provided, in a number of statutes, which include;

Table 5.1: Housing Market Regulations

Regulation	Function
Land Act, 2020 (Act 1036)	Guides and provides three systems for the recording and registration of rights and interests in land
Land Title Registration Act, 1986	This act establishes a system for the registration of titles to land and interests in land.
Rent Control Act, 1986	Regulates the relationship between landlords and tenants and controls rent levels.
Real Estate Agency Act, 2020	Provides for the licensing and regulation of real estate agents and the conduct of real estate transactions.
Land Use and Spatial Planning Act, 2016 (Act 925)	Focuses on regulating land use, development, and spatial planning.
Condominium Act, 2020	Addresses issues related to condominium properties and their management.
Building Regulation, 2022 (L I 2465)	It prescribes standards that must be adhered to in the design and development stages of construction projects.
Ghana Building Code, 2018 (GS 1207:2018)	Establishes minimum requirements for buildings to ensure uniformity of standards in the industry.
Local Governance Act, 2016 (Act 936)	Provides a mandatory requirement for physical developments carried out to be covered by an approval in the form of written permit.
Environmental Protection Agency Act, 1994 (Act 490)	Focuses on ensuring that housing developments adhere to environmental standards and regulations.
Environmental Assessment Regulations, 1999 (LI 1652)	Provides various undertakings for which it is mandatory to obtain an environmental permit
Contracts Act, 1960 (Act 25)	Regulates agreements between parties involved in property transactions, ensuring fair and lawful dealings.
Architects Act, 1969 (Act 357)	Ensures that architectural designs and constructions meet professional standards and safety requirements within the housing sector.
Engineering Council Regulations, 2020 (LI 2410)	Guides engineering works related to housing construction to meet specified standards and safety measures.
Insurance Act 2006, Act 724	Guarantees that property owners, and developers have appropriate insurance coverage to mitigate risks associated with house ownership and development.

Source; Parliament of Ghana

¹⁷² Government of Ghana (2015). Ghana National Housing Policy.

The provisions made in these statutes, however, are not comprehensive enough to respond to the demands of housing development to ensure effective housing market regulation. Some of the existing legislation has failed to respond to changes in the housing market dynamics; other parts are repetitive and inconsistent. Some of the reforms introduced are genuine and are linked to changes in the balance of political power; others are merely cosmetic and keep the status quo.

For instance, the then Town and Country Planning Ordinance, lacks the legislative backing to implement planning provisions and is powerless to take any action against defaulters. However, the now adopted Land Use and Spatial Planning Act have made provision on how land is allocated and used for housing purposes, ensuring that developments are planned in a way that promotes sustainable growth and meets the needs of the population. Although provision was made under section (47) and (49) of the Local Government Act 462, for the National Development Planning Commission to assume the role of the Town and Country Planning Board, that could not happen. The resultant effect has allowed growing informal development. Owing to a lack of a clear mandate to deal with physical and human settlement planning, the National Development Planning Commission has remained largely an economic planning institution. But presently, the Land Use and Spatial Act is primarily focused on physical planning which now complements the role of the National Development Planning Commission.

On one hand, these regulations enable the housing market to function as it provides a framework for property ownership, land use planning, and dispute resolution, which are essential components for a well-functioning housing market. For example, the Land Title Registration Act and the Condominium Act establish mechanisms for secure property rights and facilitate the development of condominiums, respectively, thereby promoting investment and development in the housing sector.

However, some of these regulations may pose challenges to the functioning of the housing market. For instance, the Rent Control Act, while intended to protect tenants from arbitrary rent increases, may discourage investment in rental properties by limiting the potential returns for landlords. Similarly, cumbersome administrative processes or delays in land title registration under the Land Title Registration Act can hinder property transactions and development activities. The effectiveness of these regulations in enabling the housing market depends largely on their implementation and enforcement. Weak enforcement mechanisms, corruption, and bureaucratic inefficiencies can

undermine the intended benefits of the regulations, leading to market distortions, inadequate supply, and affordability issues. Therefore, ongoing efforts to strengthen regulatory institutions, streamline administrative procedures, and enhance transparency are essential for fostering a vibrant and inclusive housing market in Ghana.

5.1.2 Structure and Functioning of the Formal Housing Market

The formal market connotes housing that has better access to basic infrastructure, and where buildings conform to planning and building standards. The formal market has high land and rental values and is mostly found within high income neighbourhood. This is a market structure that represents 20% of the entire housing market. The housing options under this market structure tend to be more structured and regulated. Here, we find a variety of housing forms and typologies catering to different income groups. For example, high-rise apartments are often preferred by middle to high-income earners seeking urban living with modern amenities. Gated communities, on the other hand, offer exclusivity and security, appealing to high-income households looking for privacy and prestige. Single-family homes, commonly found in suburban areas, provide space and independence, making them desirable for affluent families.

Basically, the formal market consists of apartments, flats, and townhouses (AFTHs), which are mostly owner occupied, showing the direct relationship between housing submarkets, forms (detached, self-contained), and typologies (owner occupier). The structure under the formal market is skewed towards much more gated communities and estate buildings. Housing supply here is mostly by the government and the private sector (real estate developers). A greater percentage of the housing stock is exclusively for sale. The few available for rent are mostly affordable to the expatriate community and serves those in the middle to high-income brackets. The rental market in Ghana under the formal housing market is dominated by private landlords who demand either long periods of advance rent from tenants, or shorter periods with regular increases every year.⁵ Owing to the exploitative nature of the formal rental market in Ghana, most tenants desire to work toward owning and moving into their own houses. Rental prices and housing sales within the formal sector for estate buildings, HINs, apartments, flats and townhouses (AFTHs) are therefore mostly quoted in US\$.

At the heart of the formal housing market are the real estate developers or companies witnessing a proliferation of new construction projects, from luxury apartment complexes to entirely new satellite

cities.^{173,174,175} Accra, for example, has experienced a construction boom within the formal housing market following the liberalization of Ghana's economy in the 1980s. Prior to liberalization, housing production in Ghana was dominated by state-owned enterprises and informal self-builders/informal housing market.¹⁰ With regards to state interventions to housing provision in the formal market, Ghana adopted a market-led approach to housing delivery following the adoption of structural adjustment policies. Direct state involvement in housing production was scaled back and the government introduced a range of incentives for commercial developers, such as a five-year tax holiday, with a view to enabling both domestic and foreign investment in real estate.¹⁰ Thereby, under the establishment of GREDA, the formal market saw a growth of foreign direct investment in the housing sector and the growing involvement of formal commercial real estate developers in housing production.¹⁷⁶ Following the high demand for formal housing, Ghana started witnessing rising land values which motivated developers to build high-rise blocks of luxury apartments targeting the High-Income Class. Generally, Ghana's real estate sector within the formal housing market has experienced significant growth in the last five years, recording a compounded annual growth rate (CAGR) of 30% between 2016 and 2021; making it one of the fastest growing economic sectors in Ghana. The sector is primarily composed of the office market, retail market, industrial market and the residential market.

With respect to gated communities under the formal housing market, gated communities are categorized into three: lifestyle communities, prestige communities and security zone communities. In Ghana, for instance, Grant (2005) notes that gated communities and the formal housing market are marketed as westernized and modernized places of living. Under this formal market feature, Obeng-Odoom¹⁷⁷ came up with a hierarchy of gating in Ghana to entail petrol gated housing, transnational gated housing, mixed form gating and public gated housing, primarily based on social organization,

property rights and aesthetic appeal. However, the most discussed gating type of community in the Ghanaian formal housing market is the transnational gated housing. This gated housing type is argued to attract a diverse group of residents including Ghanaians abroad, returnee migrants, individuals with high disposable incomes, employees of Ghanaian based foreign companies and foreigners based in Ghana. The formal housing market serves a significant proportion of non-resident Ghanaians, who prefer to buy a private estate as it is an easier route to home-ownership than the self-managed house built by a contractor. This therefore sets the formal housing market at the forefront of providing housing needs for the privileged and affluent minority within the growing population in urban and peri-urban areas across Ghana.

5.1.3 The Dynamics of the Informal Housing Market

The informal housing market is defined by deviations from laws and regulations that govern formal access. The informal market comprises the majority of properties built by individuals. This informal segment contributes significantly, accounting for approximately 80% of the country's housing delivery, according to Konadu-Agyemang¹⁷⁸. This market is typified by the phenomenon of urban sprawl (where development precedes planning¹⁷⁹ and is found mostly within LINs. This market consists of a fair mix of all types of properties that are of low quality and lack basic amenities (i.e., good access to water, roads, drainage). The market system of informal housing exists in rural, urban and peri-urban areas and comprises houses built by family members mostly in compound style and often referred as family house, and individually built dwellings. Building one's own house is a very challenging task in Ghana, as individuals have to surmount the hurdles of high interest rates on home financing, high cost of building materials, and high prices of residential lands.¹⁸⁰

173 Goodfellow, T. (2017) Urban fortunes and skeleton cityscapes: real estate and late urbanization in Kigali and Addis Ababa.

174 Pitcher, 2017; Pitcher, M.A. (2017) Varieties of residential capitalism in Africa: urban housing provision in Luanda and Nairobi.

175 van Noorloos and Kloosterboer, 2018 van Noorloos, F. and M. Kloosterboer (2018) Africa's new cities: the contested future of urbanisation.

176 Grant, R. (2005) The emergence of gated communities in a West African context: Evidence from Greater Accra, Ghana,

177 Obeng-Odoom, F. (2018) The gated housing hierarchy, in: M. Fredriksson & J. Arvanitakis (Eds) Property, Place, and Piracy

178 Konadu-Agyemang, K. (2001). The political economy of housing and urban development in Africa: Ghana's experience from colonial times to 1998.

179 Cobbinah, P. B., Poku-Boansi, M., & Adarkwa, K. K. (2018). Develop first, make amends later: Accessibility within residential neighbourhoods in Ghana. *Journal of Housing and the Built Environment*

180 Center on Housing Rights and Evictions (COHRE). (2004). A Precarious Future: The Informal Settlement of Agbogbloshie.

It is difficult to estimate the performance of the informal housing markets owing to the small number of, and a lack of data on, transactions, most of which are shrouded in secrecy. However, studies show (that the informal market is dominated by compound houses¹⁸¹ which provides shelter to a large proportion of the population (Which proportion?). Compound houses provide mostly rental housing across major cities (i.e. Accra, Kumasi, Takoradi, Wa, Tamale among others). House owners or landlords in this informal market and a part of the formal market mostly operate outside the legal regime because there is dysfunctional housing market which is incapable of catering for the housing needs of the great majority of Ghanaians. These operations by the house owners makes evictions rampant as compared to the formal market where legal procedures are perhaps, followed before one can evict a tenant. The evictions carried out by landlords or house owners is that of people who are not able to comply with rental obligations. However, these private sector informal landlords have contributed to curbing the housing deficit situation. Though the institutional framework governing rent control is in existence, this market is yet to receive the practical needed attention from policy makers and practitioners. Arku et al.¹⁸² posit that most of these houses in the informal market are overcrowded, poorly sited (i.e., very close to public toilets, dump sites) and do not have building permits. These buildings are more or less often located in risk areas, increasing their vulnerability to disasters and environmental hazards.

The housing forms in the informal housing sector are mostly communal single-storey structures (with one or two rooms that serve a household) with a courtyard where multiple households share common utilities (for example, bathroom and toilet facilities). They are normally occupied by low-income earners. About 50% of households in Ghana live in one-room dwellings and Accra and Kumasi are no exception.¹⁸³ Other housing options available in the informal market include semi-detached and detached houses. Within compound houses, low-income tenants have access to three main types of rooms for rent: single-rooms, hall-and-chamber units, and hall-and-chamber self-contained units. A single-room serves as both living and bedroom space for the tenant, while a hall-and-chamber unit

consists of two rooms, one used as a living room (which can also be converted into a bedroom) and the other as a bedroom. In these scenarios, shared facilities are used by multiple households within the same compound. Hall-and-chamber self-contained units offer tenants private kitchen, toilet, and bath facilities. However, due to overcrowding, other spaces like kitchens and toilets may be converted into additional rental rooms. Nevertheless, it should be noted that houses found within middle-income neighbourhoods (MINs) exhibit characteristics of both formal and informal markets.

The situation is known as legal pluralism, which tend to mean that some properties in MINs comply with regulations and have formal/legal papers, while others do not comply and may be rendered illegal or contravening planning laws and regulations. However, these properties may still be accepted by the status quo and enjoy de facto legality. This situation is influenced by Ghana's pluralistic legal system, where customary and statutory systems governing land overlap.¹⁸⁴ Equally, land rights insecurity has impeded investment in both rural and urban areas and has therefore slowed economic growth. In urban areas for instance, the lack of clear titles and the predominance of land disputes have discouraged development and contributed to supply constraints.²⁰¹

5.1.4 Operational Linkages between the Formal and Informal Housing Market

Clear cut information and data on the relative percentages of the formal and informal housing markets in Ghana are virtually absent. In terms of the housing stock, however, the 2021 Population and Housing Census reports that the total housing stock in Ghana is at 5.86 million as compared to the 2010 housing stock which was at 3.39 million. Out of this, both formal and informal houses in urban areas represents 2.93 million urban houses or structures and 2.94 million was for rural houses.¹⁸⁵

¹⁸¹ Osumanu, I.K. (2010), "Financing housing improvement in urban Ghana: experiences from the rental sector in Accra and Takoradi", Ghana Journal of Geography,

¹⁸² Arku, G., Luginaah, I. and Mkandawire, P. (2012), "'You either pay more advance rent or you move out': landlords/ladies' and tenants' dilemmas in the low-income housing market in Accra, Ghana", UrbanStudies,

¹⁸³ Ghana Statistical Service (2013), 2010 Population and Housing Census, National Analytical Report, GhanaStatistical Service, Accra.

¹⁸⁴ Ghana – Property Rights and Resource Governance Profile 1 (2013)

¹⁸⁵ Ghana Real Estate Sector Report, 2022

The majority (80 %) of housing development is undertaken through this informal sector.¹⁸⁶ Boamah¹⁸⁷, attributes the dominance of the informal sector to the unaffordable nature of units provided by the formal sector. On the other hand, at the expense of the informal sector, the formal sector provides about 20 percent of Ghana's housing supply, with more than 15 per cent coming from the private real estate sector.¹⁸⁸ Although the formal market contribution to housing at the national level may seem modest, the situation appears markedly different when focusing on specific regions. For example, in Accra, the capital city, the significant presence of major players in the real estate market becomes more pronounced, with large-scale residential developments being supplied. This is further supported by the results from the mapping of large-scale residential development sites undertaken by the formal market by Agyemang and Morrison.¹⁸⁹ In their study on residential development, a total of 135 residential development sites distributed over 15 districts within the Greater Accra region and other selected districts was highlighted.

The linkages between formal and informal housing markets are complex and multifaceted, with various macro-level mechanisms influencing their interactions. These mechanisms include competition, disamenity/negative spill over, positive spill over, and price market.^{190,191} Competition between formal and informal housing markets can lead to increased prices in the formal market when informal housing occupies land that competes for formal housing construction. This is because the informal market can provide cheaper housing options, attracting demand away from the formal market and driving up prices.²⁰⁷ When informal housing is near formal housing, it can create disamenity or negative effects

like noise and pollution, lowering the value of nearby formal homes. Conversely, if informal housing is close to trendy areas with amenities, it can lead to positive spillover effects, raising the value of informal homes due to their proximity to desirable services.

The connection between formal and informal housing markets is causally heterogeneous, meaning that the mechanisms can work in different causal directions, change over time, and vary by scale²⁰⁸. For example, the impact of informal housing on formal housing markets can differ depending on the location, size, and characteristics of the informal settlements. Clearly, the bulk of affordable housing supply is through informal ways of incrementally developing and building housing, with 64% of residents falling into the rental accommodation category, often living in unhygienic and overcrowded conditions. The informal sector employs 47.8% of the currently employed population in the country, indicating the significant role of informal markets in housing and employment¹⁹².

At the micro-level of linkage between the formal and informal housing market, there exists a complex connection between formal and informal housing markets, shedding light on residents' preferences and decisions. This therefore explains dynamics influencing the affordability and accessibility of housing options along the continuum of tenure by individuals. Residents, particularly low-income or in-migrant populations, navigate various housing choices based on their willingness and ability to pay, as well as the availability of housing stock at different price points^{193,194,195}. According to Issar²⁰⁷, informal settlements often emerge as a common first option for those lacking resources or social networks, leading to the occupation of precarious or

¹⁸⁶ Boamah N, Gyimah C and Nelson K (2012) Challenges to the enforcement of development controls in the Wa municipality.

¹⁸⁷ Boamah N (2010) Housing affordability in Ghana: A focus on Kumasi and Tamale.

¹⁸⁸ Amos D, Gadzekpo A and Amankwah O (2015) Challenges of real estate development in Ghana from the developers' perspective.

¹⁸⁹ Agyemang, F. S., & Morrison, N. (2018). Recognising the barriers to securing affordable housing through the land use planning system in Sub-Saharan Africa: A perspective from Ghana.

¹⁹⁰ Sukriti Issar (2022) Conceptualizing the connections of formal and informal housing markets in low- and middle-income countries, Housing Studies

¹⁹¹ Munshifwa, E. K., & Mooya, M. M. (2013). Theorising urban form in developing countries: Informal property markets and the production of the built environment.

¹⁹² Boamah, N. A. (2014). Housing policy in Ghana: The feasible paths. Ghana Journal of Development Studies.

¹⁹³ Celhay, P.A. & Gi, D. (2020) The function and credibility of urban slums: Evidence on informal settlements and affordable housing in Chile,

¹⁹⁴ Lizarralde, G. & Root, D. (2008) The informal construction sector and the inefficiency of low-cost housing markets, Construction Management and Economics,

¹⁹⁵ Stokenberga, A. (2019) How family networks drive residential location choices: Evidence from a stated preference field experiment in Bogota, Colombia, Urban Studies

undeveloped land, and the gradual improvement of living conditions over time.

Three distinct assumptions underpin the preferences of informal housing to formal housing by residents. Firstly, it is assumed that residents choose informal housing as a migration strategy, preferring lower housing costs over amenities or accessibility^{196,197}. Secondly, residents may be forced into informal housing due to the lack of affordable formal options, exacerbated by regulatory constraints on housing supply¹⁹⁸. Finally, there's the assumption that residents may be trapped in a cycle of paying more than they can afford for low-quality housing, reflecting governance dysfunctions and income disparities¹⁹⁹.

Considering this, it is clear that the growth of the informal housing market comes with drawbacks, which particularly results from the inability to afford and access formal houses provided by the formal housing market. As a result, the formal market primarily caters to high-income households and the elite, further exacerbating the housing disparity within the market.

5.2 Land Supply for Housing

5.2.1 Main characteristics of the land market in Ghana

Land is one of the critical factors of production in the economy; it is a fundamental input in housing and infrastructural development. Land is usually also a primary source of collateral for obtaining credit from financial institutions. The security of tenure of land, therefore, provides the foundation of secure housing. In the land market, Ghana has two systems of land administration, six types of land holding and two systems of land registration.

In broad understanding, land ownership or holdings in Ghana can be categorized into customary and public lands.²⁰⁰ Under this broad categorization, the customary lands comprise stool/ skin, family/ clan, and private lands. Stool/skin lands are owned by stools/skins and particularly refer to lands for which the highest interest known as allodial is vested

in stools and skins. These lands are administered and managed by the stools/skins through chiefs or traditional leaders in collaboration with their elders. Conversely, family/clan and private lands are lands for which the allodial is vested in families/clans and private individuals respectively. Family/clan lands are administered and managed by family/clan heads with the assistance of their elders. Public lands, often referred to as state lands, are owned by the state. These include lands compulsorily acquired and vested in the president on behalf of the people of Ghana and those acquired by private treaty.

The legal ownership is vested in the state, while the equitable ownership could be vested in any of the landholding groups mentioned previously signifying a trust or fiduciary relationship between the state and "owners" or beneficiaries of the other land holdings. All public lands are administered and managed by the country's Lands Commission in coordination with other relevant agencies, such as the Land Use and Spatial Planning Authority and the Physical Planning Department (PPD) as well as the local authorities. It is estimated that about 20% of all landholdings in Ghana are public lands, while 80% are customary²⁰¹. Several interests in land and rights over land are also recognized in Ghana. Apart from the allodial mentioned previously, these interests and rights include both customary and common law freehold, estate of leasehold, and licenses and easements¹⁷. However, relevant legislations do not allow the grant of freeholds over public and stool/skin lands, and foreigners cannot acquire interests in land for more than 50 years.²⁰²

a. Interests In Land

There are six recognized types of interest/rights in land in Ghana. There are;

- The Allodial title: the highest or ultimate interest in land; and held by the State or, a stool or skin, or clan or family or an individual; and may have been acquired through compulsory acquisition, conquest, pioneer discovery and settlement, gift, purchase, or agreement.

196 Naik, M. (2015) Informal rental housing typologies and experiences of low-income migrant renters in Gurgaon, Environment and Urbanization Asia,

197 Cai, W. & Lu, X. (2015) Housing affordability: Beyond the income and price terms, using China as a case study, Habitat International,

198 Glaeser, E. (2011) Triumph of the City: How our Greatest Invention Makes us Richer, Smarter, Greener, Healthier, and Happier (New York, NY: Penguin Group, Penguin Press).

199 Tipple, G. (2015) Housing policymaking in Africa: Ten common assumptions, Habitat International,

200 Baffour Awuah, K.G., Hammond, F.N. And Lamond, J.E. (2013) The cost of land title formalization in Ghana.

201 Government of Ghana (2010)

202 Ghana's 1992 Republican Constitution

- Customary law freehold: an interest which arises from a transaction under customary law, and it is an absolute interest in land which is not subject to any proprietary obligations but is subject to the jurisdictional and cultural rights of the stool or skin, or clan or family which holds the allodial title; acquired when a person or group of persons, where the law permits, purchase land outright from the stool or skin, or clan or family which holds the allodial title or acquired by gift or inheritance.
- Common Law Freehold: arises from a transaction to which the rules of law, generally known as common law, are applicable and is of perpetual duration or for any other uncertain duration; subject to the interest of the State, the jurisdictional and cultural rights of the stool or skin, or clan or family which holds the allodial title; is held free from obligations to any other person; and inheritable and alienable.
- Usufructuary Interest: Usufruct is an interest in land, which is acquired in the exercise of an inherent right by a subject or a member of a stool or skin, or family or clan which holds the allodial title through the development of an unappropriated portion of the land of the stool or skin, or family or clan or by virtue of an express grant; or (b) acquired through settlement for a period of not less than fifty years, with the permission of the holder of an allodial title by a non-indigene or group of non-indigenes or the descendants of the non-indigene or group of non-indigenes, except where the settlement is on agreed terms.
- Leasehold Interest: A lease is an interest in land for a duration which is certain or capable of being ascertained; arises when a person who holds an allodial title, customary law freehold, common law freehold or usufructuary interest conveys to another person an interest in land for a specified term subject to terms and conditions. It however does not exhaust the interest of the grantor in the land.

- Customary Tenancy: It is an interest in land which is created by contract; arises where a stool or skin, or clan or family which holds the allodial title or a person who holds a customary law freehold or usufructuary interest enters into an agreement with another person to grant that other person an interest in land upon agreed terms and conditions; and may involve the payment of rent, the sharing of the produce of a farm or the physical partition or severance of the farm or land.

5.2.2 Land Tenure systems

Various research and policy dialogues have attempted to categorize land administration and tenure systems into formal and informal frameworks²⁰³. All systems of tenure that do not conform to statutory and state-organized structures are generally classified as informal.²⁰⁴ Some scholars include customary land tenure systems within the informal category. These classifications have sparked ongoing debates regarding the merits and drawbacks of different land tenure systems.²⁰⁵ The binary approach to the discussion on land tenure systems extends to the broader field, including hybrid, mixed, and dual/parallel formal and informal systems, which are inherently complex. The argument also extends to the gender disparity that is inherent in the land tenure system. Lately, recent research on land administration and tenure systems have appeared to close the gap between the so-called formal and informal land administration and tenure systems while the gap that exist in women's access to land remains. Customary land tenure systems, which are often classified as informal, follow clearly segregated patterns based on traditional norms, which tend to limit women's rights compared to men.^{206,207}

In terms of ownership, the estimated proportion of women who own or have secure tenure rights is not explicitly stated in literature search results. However, it is clear that women's ability to acquire, inherit, and retain land is influenced by various factors. These factors include socio-economic change, customary laws, and kinship with regard to property distribution.

203 Crook, R. W., Afou, S., Hammond, D., Adja F., Vanga, F. A., & Owusu-Yeboah, M. (2007) The Law, Legal Institutions and the Protection of Land Rights in Ghana and Côte d'Ivoire: Developing a More Effective and Equitable System IDS Research Report: IDS

204 UN-HABITAT (2008). Secure Land Rights for All, Global Land Tool Network, UNON, Nairobi.

205 Whittal, J. (2014). A new conceptual model for the continuum of land rights. South African journal of geomatics, 3(1), 13-32.

206 Kuusaana, E. D., Kidido, J. K., & Halidu-Adam, E. (2013). Customary land ownership and gender disparity-evidence from the wa municipality of Ghana. Ghana Journal of Development Studies, 10(1-2), 63-80.

207 Rico Mendez, G., Ragsdale, K., Read-Wahidi, M. R., & Reid, A. Exploring Gender-Biased Customary Land Tenure Systems in Ghana: Results from Focus Groups with Men and Women Farmers in the Northern Region. Submitted Oral Presentation. 19th Annual Conference on Land.

Based on that, the informal and formal systems are duly harmonised below.

a. Formal Land Systems

The formal land sector consists of the statutory legal and organizational arrangements established to manage public lands and regulate customary lands in terms of ownership, use and development. In the main cities, there is a 'modern' sector, where land is allocated through freehold or leasehold and administered directly by the government's Lands Department. Each urban center has only an insignificant number of freeholds. For Accra, they are less than 0.1 per cent of the total land area. About ten years ago, the government acquired 3,660 Ha in Accra and the state capitals in a land banking exercise.²⁰⁸

Land use planning is currently regulated by the National Development Planning Commission (NDPC) through the National Development Planning (NDP) System Act (1994), Local Government Act (Act 462) of 1993 and the Land Use and Spatial Planning Act 2016 (Act 925). The Land Use and Spatial Planning Authority (LUSPA) makes provisions for sustainable

land development and human settlements through a decentralized system of planning. Despite the context of limited institutional capacity, traditional chiefs continue to wield significant control over land allocation, often relying on their customary interpretations of land laws²⁰⁹. Thus, even major cities, such as Accra, Kumasi, Takoradi and Tamale are expanding by incremental and largely unserved additions to the peri-urban villages rather than by any rational large-scale plan.

In Ghana, there are dual land markets in which the state sector employs formal transaction instruments while the customary sector rarely uses them. The formal law governing land systems in Ghana is in a number of frameworks. According to Odame-Larbi,²¹⁰ there are currently over one hundred statutes on land ownership, tenure, planning and land use in addition to the different customary laws that pertains to specific localities. However, Ghana does not have a pastoral charter.

The table below shows some of the frameworks governing the state/formal land administration system.

Table 5.2: Frameworks Governing the Formal Land System

Frameworks	Purpose of use	Legal Application
1992 Constitution of Ghana		
Acquisition of land by the State under Land Act 2020 (Act 1036) Section 233	Power of the State to compulsorily acquire land for public purposes	The state owns such lands absolutely as compensation is normally paid to the original owners. However, under the 1992 Constitution (Art. 20(6)), where the state no longer requires the land, it is to revert to the original owners.
State lands vested under the Administration of Lands Act, 1962 (Act 123), under Section 7.	Lands are managed by the state though the absolute interest essentially rests in the original owners, usually the customary owners.	Revenues accruing from such lands are apportioned between the state, represented by the local authorities, and the traditional authorities in accordance with Section 267(6) of the 1992 Constitution

²⁰⁸ National Development Planning Council (2010)

²⁰⁹ Gough, K.V. And Yankson, P.W.K. (2000) Land markets in African cities: The case of peri-urban Accra, Ghana.

²¹⁰ Larbi W. O. 2006. Land administration reform in a plural environment – The case of Ghana. Paper presented at Land Administration and Good Governance conference, 5th FIG Regional Conference, Accra, Ghana

Frameworks	Purpose of use	Legal Application
Land Use and Spatial Planning Act, 2016 (Act 925)	Regulate land use and spatial planning in order to promote orderly development, sustainable land management, and efficient land use allocation.	Allows the District Assembly to acquire land or an easement for the purposes of widening, opening, enlarging, draining or for improving the street or making a new street after paying compensation to those who own or have an interest in the land;
State Property and Contracts Act, 1960 (CA 6)	Governs the management, use, and disposal of state-owned property and contracts, ensuring transparency, accountability, and proper administration of state assets.	Allows the President of Ghana to acquire properties required for the Public Services by executive instrument declaring that the property is required for the Public Services.
Administration of Lands Act, 1962 (Act 123)	Outlines the procedures and regulations for the administration, management, and registration of land titles, ensuring proper land tenure systems and facilitating land transaction	Relates to the administration of stool and other lands. For a land to be validly acquired under the Administration of Lands Act, it must be established that the President in his opinion considers the land as conducive to the public welfare and interest of the State.
State Lands Act, 1962 (Act 125)	Provides for the acquisition, management, and disposal of state-owned lands, aiming to ensure efficient utilization of state lands for public benefit	this Act allows the President to acquire lands not previously acquired under the Administration of Lands Act whenever he is of the view that the acquisition of the land is in the public interest.
Land Title Registration Act of 1986	Lays out the responsibilities and powers of land registries in Ghana and the appropriate manner of registration, and upholds the government's ability to compel registration of property	This act provides the legal framework for the registration of land titles, ensuring clarity and security of land ownership rights by documenting and certifying land titles.
Lands Commission Act of 2008	Designed to streamline and coordinate the management of land resources in Ghana.	This act empowers the Lands Commission to oversee the administration, allocation, and regulation of land, ensuring efficient and sustainable land management practices across the country.
Land Act 2020 (ACT 1036)	To revise, harmonize, and consolidate the laws on land to ensure sustainable land administration and management, effective and efficient land tenure.	It introduces three systems of recording and registering land and interests in land: (1) Recording of customary interests and rights by Customary Land Secretariats; (2) Registration of instruments relating to land; and (3) Registration of title, interests and rights in land.

Source: USAID²¹¹

The multiplicities of legal frameworks and institutions for land administration results in a challenging environment, characterized by the following:

- Conflict between customary principles and statutory laws in land administration, leading to

legal disputes.

- Widespread confusion in land allocations, resulting in encroachment, multiple sales, and unplanned development, fueling conflicts and litigations.

- Lack of a national land ownership database due to undefined boundaries between indigenous land-owning groups, contributing to land disputes.
- Unclear hierarchies of land rights and interests, complicating ownership identification.
- Weak land administration system lacking in service delivery orientation, resulting in inefficiencies and lack of client focus. Additionally, there are large tracts of underutilized compulsorily acquired land with delayed compensation payments, and inadequate consultation with customary landowners in decision-making processes.

The net effect, reported by land professionals, is the high degree of insecurity of tenure associated with land transactions both for urban and rural land uses.^{212,213} Despite this, there seems to be little insecurity in households occupying housing in all sectors. The sample survey carried out for this profile found a similar story in all four cities; that about 80 per cent of households feel secure or very secure against eviction.

b. Customary Land Systems

Customary land administration systems exhibit a dynamic nature, with rules and principles continually evolving and adapting to present circumstances.²¹⁴ Most people access land for their housing through the customary system. The 1992 Republic Constitution recognizes customary law, defined as the rules of law which by custom, are applicable to particular communities in Ghana. Probably, the most important characteristic of land holding in Ghana is that, ultimately,

“Land belongs to a vast family of which many are dead, few are living, and countless numbers are still to come”.²¹⁵

This implies that, land is perceived as belonging solely to the present generation. Coupled with the prevailing belief that ancestors watch over future generations, land assumes a sacred significance, to be utilized with caution by the living and for the

benefit of future generations. Under the customary system, community members or outsiders are granted the right of surface use (usufruct), which extends in perpetuity to community members and as a 99-year lease to “outsiders.”²¹⁶

The land system is directly tied in with the systems of social rights and duties which make Ghanaian cities the safe and supportive places they are. The right to allocate most land in Ghana is owned by stools or skins,²¹⁷ the symbols of authority of land-holding kin-groups, under the allodial right of the paramount chieftaincy, the most celebrated and powerful of which is the Golden Stool of Asante, centred on Kumasi and its incumbent, the Asantehene. At the grassroots level, the authority to allocate land for lease rests with chiefs, who have the power to assign land to members of the stool (as a customary right) or to outsiders in return for a tribute, commonly referred to as “drink money” (known as *biri nsa* in Twi), which now typically reflects a market value.²¹⁸ People who have acquired plots in this way have considerable security and will not be evicted by the grantors or chiefs, clan and family heads of such land.

In Accra, the ownership of land is typically represented by various entities, including chiefs (Mantsemei), fetish priests (wulomei), quarter heads (akutseiatsemei), and family heads. While in certain areas such as Labadi and Teshie, stools have gained authority over land allocation, many quarter heads have retained control over their land. Additionally, there are numerous land-owning families involved in the ownership and allocation process. This complex and often overlapping system of land allocation has resulted in many unclear land titles, leading to delays in development, increased legal expenses, multiple payments for land usage rights and land disputes.²¹⁶ Owing to this, a national land registry was introduced in 1962 (Land Registry Act of 1962) to help in the administration of customary land in Accra and across land holding towns.

Wa, along its borders, has the land vested in five families or *tindamba*.²¹⁵ Families exercise control over land ownership, while traditional administrative authority lies with the chiefs in Wa. The town boasts

212 Luginaah, I., G. Arku and P. Baiden (2010). “Housing and Health in Ghana: the psychosocial impacts of renting a home.” *International Journal of Research in Public Health*

213 Cited by Gough and Yankson (2000: 2487).

214 La Ferrara, E. and Milazzo, A. (2014): Customary norms, inheritance, and human capital: Evidence from a reform of the matrilineal system in Ghana.

215 Ollennu, N.A. (1962). *Principles of Customary land law in Ghana*

216 Asante, S. K. (1964). *Interests in Land in the Customary Law of Ghana--A New Appraisal*.

217 Abdulai, R. T., Ndekugri, I. E., Olomolaiye, P. O., & Proverbs, D. G. (2007). *Land registration and security of land tenure*.

218 Tipple, G., Korboe, D., Garrod, G., & Willis, K. (1999). *Housing supply in Ghana: a study of Accra, Kumasi and Berekum*.

five tindamba, who are direct descendants of the original settlers. These tindamba, serving as allodial landowners, also hold the role of land priests. They perform annual rituals to honor ancestors, seeking peace and prosperity for the community, especially during times of adversity, such as famine or drought. Additionally, they adjudicate land disputes within the community. Despite the tindamba holding allodial rights over land, families with customary freehold rights often oversee the allocation of land to potential buyers. However, when it comes to vacant (unclaimed) land, the tindamba retain control and authority over its allocation, ensuring that such land remains under their jurisdiction until allocated.²¹⁹

Evidence from a study conducted by Kuusaana et al²²³ in the Wa municipality suggests that men are usually put in control of land under the patrilineal inheritance system whilst women may enjoy secondary rights. 14% of the female respondents had no access to family lands through inheritance against 64% of the male respondents. In terms of land ownership, only 38% of female respondents reported owning land, whereas 68% of male respondents indicated land ownership. This clearly shows the gender disparity mentioned under the land tenure systems.

Within the Berekum neighbourhood, the land allocation system is notably formal and fair. Prospective lessees are required to submit a written application along with a passport-sized photograph to the Traditional Council. Subsequently, applicants must undergo an interview to justify their request. Only upon approval of the application are applicants asked to pay a token fee, which differs significantly from the system observed in Ashanti and other Ghanaian stool land areas. The fee for a 99-year lease remains fixed, regardless of the applicant's origin or the plot's location or size (averaging 26 x 33 meters, or 958 square meters). A portion of the standard fee is allocated for various purposes: one-sixth goes to the surveyor as compensation, two-sixths are paid to the District Assembly for development initiatives, and half is deposited into the Traditional Council account to cover expenses and tributes to the paramount chief (Omanhene), queen mother, and divisional chiefs.²⁶

Customary land has had major impacts on urban

settlements patterns and growth. Individual members of the community, clan or family have inherent rights there. Many low-income households who are members of the land-owning communities, clans and families in peri-urban and rural areas possess rights to such land for housing. By custom, rights to such land are not normally granted in writing so the customary title holder cannot access mortgage finance. The means of land allocation and leasing conditions in Ghana are well documented.²²⁰ The customary land system is still very important in cities. It is frequently viewed as forward-thinking and open to all, with inbuilt checks and balances, as opposed to the extremely cumbersome and corrupt “contemporary” systems.²²¹ Indeed, Acquaye et al²²² argue that

“by simplifying procedures, improving documentation and imposing requirements for infrastructure installation, the operation of the indigenous tenure system can be the basis of a functioning land tenure system.”²²³

With rapid urbanization and its commoditization of land, especially in peri-urban areas, the customary landownership is under pressure to accommodate the formal legal system of land title registration. This has become necessary because of the many land disputes and litigations, and multiple sales of the same plot of land. The customary land supply systems differ slightly among the various stools, skins, clans and families, and around geographical locations and regions, as they have different customary norms and principles regarding ownership and management. The land allocation processes, however, generally follow similar patterns from the initiation of planning layouts to the final allocation of land to individuals and institutions. From the acquirer's perspective, the procedures include four main processes – obtaining information on land availability, negotiating the land transaction, plot adjudication and demarcation, and providing evidence of land rights transfer.

The decision to bring customary land onto the market lies with the sub-chiefs, divisional and paramount chiefs of the land-owning communities. When one realizes that urbanization is catching up with his area of jurisdiction and there is increasing demand for land, he approaches the divisional or paramount

219 Abdulai, R. T., & Ndekugri, I. E. (2007). Customary landholding institutions and housing development in urban centres of Ghana: Case Studies of Kumasi and Wa. *Habitat International*, 31(2), 257-267.

220 Mahama, C., & Antwi, A. (2006, June). Land and property markets in Ghana. In *World Urban Forum*.

221 Kuusaana, E. D., & Eledi, J. A. (2015). Customary land allocation, urbanization and land use planning in Ghana: Implications for food systems in the Wa Municipality.

222 Acquaye, E. ET AL. (1989) Study of institutional/ legal problems associated with land delivery in Accra. Unpublished report presented to the Government of Ghana, UNDP and UNCHS on the Accra Planning and Development Programme.

223 Cited by Gough and Yankson (2000: 2487).

chief, as the case may be, about his intention to zone village farmlands for residential and commercial uses. The sub-chief liaises with the divisional/paramount chief to approach the Physical Planning Department for the preparation of a Planning Scheme for the area. The Physical Planning Department prepares and submits a planning layout to the District Spatial Planning Committee of the District for approval and declaration of the area as a planned area. If there are amendments to be made on the planning scheme, the District Spatial Planning Committee reviews them for final approval.

The sub-chief then approaches the Survey Department for the cadastral surveying of the plots. A copy of the layout is then given to the sub-chief, and to the Customary Lands Secretariat if there is one. It is the responsibility of the sub-chiefs to finance the preparation of the layout often by giving, for example, one plot out of every 10 to officials of the Survey and Physical Planning Departments, in lieu of the fee for preparing the layout.

The sub-chief then sends the layout to the divisional/paramount chief or Customary Lands Secretariat, as the case may be, in the presence of the principal elders of the land-owning community and (sometimes) some representatives of the youth.²²⁴ A

number of plots are allocated to the paramount chief, the divisional chief, and the land sector agencies, and rest is given to the sub-chief for allocation.

Since all the plots are apportioned among different stakeholders, it is the responsibility of those who have been given plots to do the allocation to private developers. The sub-chief/village chief does the allocation together with his elders and his secretary. Often, since the village is divided into sections whose leaders form the elders, they are given some of the plots. However, the village chief sometimes allocates the majority of the plots without regard to the interest of the sections and the villagers; the village chief treats the land as if it were his personal property.

Upon payment of the customary tribute, allocation letters are issued in triplicate to allottees, with details of the plot number(s), the block, and the area. In some cases, there is a clause in the allocation letter that specifies the period of time before which development must take place and after which development cannot take place, usually between two and five years and after 20 years respectively. This is to check land speculation. Box 5.1 gives the summary of the customary process explained above.

1. The sub-chief requests placement of customary land on the market.
2. Collaborates with the Physical Planning Department to prepare the layout.
3. Submits the planning scheme to the District Spatial Planning Committee for approval.
4. Engages the Survey Department for demarcation and pillaring.
5. Divisional/paramount chiefs, along with the sub-chief, allocate plots to major stakeholders.
6. Issues allocation letters to prospective purchasers.
7. Private developers and individuals apply for a lease, prepare lease documents with land sector agencies, executed by the Paramount Chief, and granted concurrence by the Lands Commission.

Box 5.1: Customary Land Allocation Process

Source: Interview with OfMA Physical Planner, Mr. Agyemang Kwasi.

It is the responsibility of individual purchasers to approach the Lands Commission with their allocation letters to begin the preparation of their lease documents. Allottees first send their letters of allocation to the paramount/divisional chief or customary lands secretariat, as the case may be, for endorsement. This serves as a check on sub/village chiefs who might want to demarcate areas of land

and sell them without recourse to the procedures set out above. The processes involve the preparation of a site plan and application for a lease (99 years for residential, 50 for foreigners) to the Regional Lands Officer. The documents are prepared by staff of the Lands Commission Secretariat and other land sector agencies on private terms. A legal adviser should examine the conditions and covenants contained in

²²⁴ The National Youth Policy (2022-2032) defines youth to be between the age of 15 and 35 years (Ministry of Youth and Sports)

the document to ensure that they are not inconsistent with the laws of Ghana or customary practices, nor are they inimical to the consenting parties and society at large. The customary landowners and the lessees execute the documents and present them to the Lands Commission for concurrence and subsequent registration if the lessee so chooses. The roles of the customary authority in the documentation process are the endorsement of both the allocation letters and the lease documents by execution.

c. Informal Land Systems

UN-Habitat²²⁵ identifies several interrelated factors that have driven the emergence of informal land system/settlements: population growth; rural-urban migration; lack of affordable housing; weak governance (particularly in policy, planning and urban management); economic vulnerability and low paid work; marginalization; and displacement caused by conflict, natural disasters and climate change. In Africa, informal land systems/settlements are continuing to develop, proliferate, and expand in cities and towns due to the combination of rapid urbanization and demographic growth, bad policies, and inappropriate incentive systems including poor governance, inappropriate regulatory frameworks, dysfunctional housing markets, and lack of political will.²²⁶

The vast majority of the urban poor live in dire physical conditions, crowded dwellings and a deficiency or absolute lack of urban services are the most apparent features. Indeed, access to land by the poor is often on marginal lands which might be prone to environmental and health hazards. Mostly, the urban poor have no other alternatives but to live in poor housing structures with deplorable conditions. Of all the types of housing the urban poor engaged in, slums, squatter settlement and illegal subdivisions constitute the vast majority of housing for the poor and are frequently termed informal settlements due to lack of property titles and non – conformity to urban plans, norms, and regulations. These three informal land systems are discussed in turns.

Slums are legal but substandard settlements, with a lack of adequate services and overcrowding. Slum dwellers could be both renting the shelter or the land or they could be owners of the land and dwelling. Slums are normally found in the centres of cities,

although it is common to find slums where land is rented in urban periphery. Notably slum settlements in Ghana include Nima, JamesTown, Old Fadama, Budumbura, Aboabo, Anloga, Sawaba among others.

Besides, squatter settlements are settlements where land has been occupied illegally. They are often found on marginal or environmentally hazardous lands, such as the buffer of railway tracks, along rivers and canals and sometimes around refuse dump sites. Squatter settlement is generally seen as the collection of dwellings erected on land to which the occupants, or at least most of them, hold no title and the physical and social characteristics of these settlements tend to differ from the cities they surround. In Ghana, three characteristics define squatter settlements namely; physical, social and legal.²²⁷ Physically, squatter settlements have services and infrastructure below the minimum levels. Socially, most of the squatter households belong to the lower-income group, working as wage labourers or informal sector enterprises. Legally, squatters lack ownership of the land on which they build their houses. Mohanty²²⁸ highlighted the characteristics of squatter settlement including illegality and informality, low residential space, unauthorized housing and temporary dwellings, inappropriate locations, overcrowding, restricted public utilities, low educational level among dwellers, poverty and vulnerability.

While squatter settlements are spontaneous and disorganized, illegal subdivisions are planned and organized²²⁹. These usually occur in cities where illegal settlements are started by unscrupulous land developers in league with corrupt government officials and chiefs. Housing conditions are often better than in squatter settlements because the perception of secure tenure is higher. With the protection of these corrupt people, these developers occupy government land, level it and subdivide it, according to government planning regulations, planning space for hospitals, schools, recreation areas etc. They sell these plots at almost nominal prices without services to low – income households in desperate need for shelter. The developers also ensure that the families will not be evicted by using their political connections and through bribing the officials concerned. Services such as water and electricity are often illegally tapped from existing

225 UN-HABITAT (2016) Urbanization and development: Emerging futures. World Cities Report. UN-Habitat: Nairobi.

226 Bah, E. H. M., Faye, I., & Geh, Z. F. (2018). Housing market dynamics in Africa. Springer Nature.

227 Mensah, J. V., Osae, E. M., & Yeboah, A. K. (2021). Emergence of Squatter Settlements in the Greater Accra Metropolitan Area in Ghana.

228 Mohanty, M. (2020). Squatter settlements and slums and sustainable development. Springer Nature.

229 Agheyisi, J. E. (2018). Land subdivision in peri-urban areas of sub-Saharan African cities: conceptual definitions and policy guidelines.

government infrastructure. Another example of illegal subdivision is when landowners subdivide and sell their plots in contravention of government subdivision regulations as prescribed by Angel et al²³⁰. Such subdivisions often pay little attention to health and fire safety. Since the motive of some chiefs is to maximize financial returns within the shortest possible time, important land uses such as open spaces, playgrounds, schools, markets, refuse dump etc. are subdivided to augment the supply of building plots²³¹.

5.2.3 Land management

With regard to land management, the UN-Habitat Conference²³², recommended public land management and control as the surest way of ensuring efficient and equitable distribution of land resources. Thus, public land management is expected to, among other things, guarantee equitable distribution of land rights on the basis of non-commercial criteria and empower government to ensure a more judicious, orderly and healthy development of urban areas. It is also expected to guarantee cheaper and easier access to land for both public and private land development and curb speculation which is believed to be the main cause of escalating land prices in the periphery of urban areas.²³³ UN Habitat³² states that in some developing countries, rapid urbanization is often associated with increase in tenure insecurity particularly for people living in slums and peri-urban areas. Urban land management and administration institutions face the additional challenge of a high number of people who live and work informally in urban and peri-urban areas. In most countries, there is the lack of reliable land information, and this negatively affects urban planning and design, infrastructure and socio-economic development. Complex and non-transparent legal and institutional frameworks, and inadequate capacity, including human and financial resources frequently hamper effective land management and administration initiatives.

The way in which urban development unfolds causes major problems in the development and management of urban land. Higher population and economic activities in the urban environment cause land uses to change variously to suit the demands of urbanization. Urbanization changes the uses to which urban land is put. Residential or recreational

land is normally changed to commercial and industrial lands based on location of rent. Urbanization also converts urban land at the rural-urban fringe to uses such as residential development. The movement of people to the periphery of urban centres means marginal clearing of the already limited agricultural land for building homes and other infrastructure constructions such as roads, parking lots among others. These processes impact negatively on urban land use. Thus, effective urban land control and management particularly in Ghana is crucial to tackling growing land use problems such as slum formation, rising costs of land, accessibility to urban land for housing, incompatible use, flooding, overcrowding and congestion among others. Beyond issues like slum formation, rising land costs, and accessibility constraints, it's crucial to underscore the broader impacts of land use change on environmental sustainability and public health. Encroachment on green areas and tree cover not only diminishes the aesthetic value of urban spaces but also reduces the city's resilience to climate change by limiting mitigation and adaptation capacities. Moreover, such changes can exacerbate health issues and contribute to a decline in overall quality of life for urban residents. As such, the better management of land resources is essential for sustainability and for improving the quality of life in cities and towns.

5.2.4 Key Players in Land Management

a. Chiefs and Customary Land Holders

The chiefs, family heads and other customary land-holders control 80 per cent of Ghana's land and are still the major agencies for most Ghanaians wanting urban and peri-urban land for housing. The customary rulers are locally accountable and have been shown to be generally as inequitable as formal, 'modern' systems for instance, according to a household asset survey conducted on a national scale in Ghana, it was found that the ownership of land is significantly gendered. The survey revealed that 83.1% of these lands are owned individually by men, while 9.8% are individually owned by women. Additionally, 3.5 percent of the plots are jointly owned by both men and women.²³⁴

However, there is a current feeling in urban Ghana, especially Accra, Kumasi, Sunyani and Takoradi, that the chiefs/ family heads are taking advantage of the

230 Angel, S., Archer, R. W., Tanphiphat, S. and Wegelin, E. A. [eds] (1993). Land for housing the poor. Singapore, Select Books.

231 Agheyisi, E. J. (2016). Evaluating the conformity of informal land subdivision with the planning law in Benin metropolis.

232 Verschure, H. (2020). What we learned from HABITAT 1976 to HABITAT 2016. In Communities, Land and Social Innovation

233 Asafo, D. M. (2020). Peri-urban Development: Land conflict and its effect on housing development in peri-urban Accra, Ghana.

234 Deere, C. D., Oduro, A. D., Swaminathan, H., & Doss, C. (2013). Property rights and the gender distribution of wealth in Ecuador, Ghana and India.

need for urban land to act unscrupulously and even in their own personal interest rather than that of the community to which they are responsible. Some powerful people have taken to manipulating the chiefs to their own advantage, or for political reasons, to release land or endorse development after it has started.²³⁵ They may take no account of the planning layout made for the area, selling rights of use to plots which do not conform to the layout. They may, however, be pushed into conformity with formal plans by plot-holders who want the added security that it brings. Insofar as they act scrupulously within the interests of their community, chiefs may not, however, be acting in the interest of the wider urban community. While it is impossible to determine the balance of advantage of the current customary land allocation system, it is important to keep vigilant for both abuses of and benefits derived from the current system. While Ghanaians are not ready to overthrow the customary system, the chiefs will need to show that they are capable of alienating land quickly, equitably, and within city-wide plans if they are to maintain their customary rights, enshrined in the constitution, to control their land.

a. Customary Lands Secretariats (CLS)

The Customary Land Secretariats (CLS) have been established in the Land Administration Project as part of Ghana Government's initiative to improve land management and administration in the country for local communities.²³⁶ Manned by local people, the CLSs keep and maintain accurate and up to date records of ownership and land dealings in the locality and provide such information to the public. They administer correspondence on behalf of Land Management/Allocation Committees, serving as a link between applicants, landowners and other stakeholders, and between land owning communities and public land sector agencies. To this end, they promote the use of Alternative Dispute Resolution to resolve conflicts. They administer income and expenditure on local land transactions and keep records of all fees and charges associated with land grants and prepare periodic reports. Under the operation of the CLSs, there is a land management committee which ensures local participation and that their management procedures are easy to understand. There are currently 38 CLSs in the country of which 37 were established under the LAP; the Asantehene's CLS was already in existence.²³⁷

b. Office of the Administrator of Stool Lands

According to the Office of the Administrator of Stool Lands Act, 1994 Act 481, the office establishes a stool land account for each stool into which it pays all income or capital from the stool lands, and it collects this money and accounts for it to the beneficiaries. It then disburses the income giving ten per cent accruing to the office of the Administrator of Stool Lands to cover administrative expenses and splits the remaining 90% as follows:

- 25% of it to the landholding stool, through the traditional authority, for the maintenance of the stool;
- 20% of it to the traditional authority; and
- 55% of it to the relevant District Assembly.

c. The Lands Commission

The key government player in the land sector is the Lands Commission (now comprising Public and Vested Lands Management, Surveying and Mapping, Land Registration, and Land Valuation Divisions). Under the National Land Policy, the Land Administration Project (LAP) was set up with funds from the World Bank. As part the on-going reforms, a new Lands Commission was established through a merger of the Public and Vested Lands Management (which manages public lands and any other lands vested in the President), Surveying and Mapping, Land Registration, and Land Valuation Divisions, under the Lands Commission Act (Act 767, 2008). The new Lands Commission, collaborate with the Office of the Administrator of Stool Lands (OASL), the Physical Planning Department, the Customary Lands Secretariats, Non-Governmental Organizations (NGOs), and Metropolitan, Municipal and District Assemblies (MMDA), the Ministry of Lands and Natural Resources (MLNR) and Ministry for Local Government (MLG) which all play important roles in policy formulation. International organizations, such as the World Bank, play a key role in funding land policy reforms through the lands commission.

d. Ministry of Lands and Natural Resources

The Ministry of Lands and Natural Resources (MLNR) was founded in accordance with Section 11 of the Civil Service Law 1993 (PNDCL 327). The Ministry of Lands and Natural Resources manages Ghana's land, forest, wildlife and mineral resources to allow for socioeconomic growth and development. The Ministry also oversees the Land Administration Project (LAP), an initiative to improve

²³⁵ Stakeholders' Workshop, September 2010.

²³⁶ Biitir, S. B., Nara, B. B., & Ameyaw, S. (2017). Integrating decentralized land administration systems with traditional land governance institutions in Ghana.

²³⁷ Land Administration Project (2010).

land administration and land security. Beginning in 2004 this project created 38 Customary Land Secretariats, located throughout the country. Under the then Ministry of Lands and Forestry which is now known as the Ministry of Lands and Natural Resources, an intervention to increasing housing supply was made, the Ministry of Lands and Natural Resources collaborated with various Ministries, Departments, and Agencies (MDAs) in the Land Bank Committee to publish a directory of available land for private investments in 2006. Following further consultations, a second edition was released in 2008, listing all public land that remained unused, underutilized, or abandoned. This initiative, known as the land-banking scheme, received significant media attention. As at that time, there were two versions of the list available to the public: one from the Ghana Investment Promotion Centre, listing 95 land parcels covering a total of 307,577 hectares, and another from the Ghana Land Bank Registry of the Ministry of Lands and Natural Resources, which claims there are 206 land parcels covering a total of 271,317 hectares.

e. Metropolitan, Municipal and Districts Assemblies (MMDAS)

Under the Local Government Act 1993 (Act 462), the MMDAs' role is in making and enforcing by-laws on buildings, sanitation and the environment; preparing and approving layouts or planning schemes; and granting of planning permission and development permits. Its planning functions are carried out by its District Spatial Planning Committee which meets monthly to approve planning schemes.

f. Physical Planning Department

The Physical Planning Department is established at MMDAs as per Second Schedule of the Local Governance Act, 2016 (Act 936) and section 185(4) of the Land Use and Spatial Planning Act, 2016 (Act 925). The Physical Planning Department is currently one of the decentralized departments under the Metropolitan, Municipal and Districts Assemblies charged with the preparation of planning schemes. The Department operates under the National Development Planning (System) Act, 1994 (Act 480), the Town Ordinance, 1951 (Cap 86), Town and Country Planning Ordinance, 1945 (Cap 84) and the Local Government Act, 1993 (Act 462). The Department has core responsibility for settlement planning and land use controls to guide development and growth of settlements and their surrounding countryside. Its major responsibilities are the formulation of national human settlement development policy, formulation of legislation and technical standards to regulate the use and development of land, the preparation of plans and

proposals to direct growth and development of settlements and the coordination of the diverse types of physical development initiated by public agencies and private individuals as well as provision of various forms of planning services to public agencies and private developers, aimed at securing the highest possible measure of health, efficiency and order in the physical environment. It has offices in all the district capitals of the country.

g. Non-Governmental Organizations (NGOs)

Some NGOs, including Community Land and Development Foundation (COLANDEF), Care International, Ghana Women Land Trust (GAWLAT), Centre for Indigenous Knowledge for Organisational Development (CIKOD), Landesa, Habitat for Humanity, People's Dialogue, COHRE, Housing the Masses, Amnesty International, GFUP and Land for Life have over the years shown interest in land administration.

5.2.5 Policy Framework for Land

a. National Land and Decentralization Policies for Land Management

In Ghana, the decentralization process for land management commenced in 1988 with the enactment of PNDC Law 207, which established the metropolitan, municipal, and district assemblies (MMDAs). To further bolster this decentralization effort, the Local Government Act of 1993 (Act 462) was introduced, granting significant authority to the MMDAs in overseeing the holistic development of their respective districts. Under this Act, MMDAs are empowered to spearhead the development of essential infrastructure, provide municipal services, and manage human settlements and environmental concerns. Additionally, the Act delegates to MMDAs the responsibility to devise and approve layouts or planning schemes, issue planning permissions and development permits, and enforce regulations and penalties for non-compliance. Furthermore, MMDAs have the authority to acquire land for various purposes such as site and services development and investment, although this provision is infrequently utilized.

With the introduction of the decentralized system, land administration and tenure issues are very decentralized and MMDAs have much involvement in the land markets, having higher authority but few resources to undertake land management activities. Until recently, MMDAs only played a part in land use planning and property rating, but now the MMDAs actually take part in formal land supply and administration through the introduction of the new Land Act 2020 (ACT 1036).

b. National Land Policy

The Ghana National Land Policy, ratified in June 1999, has been embraced by the current government, with certain modifications aimed at bolstering socio-economic advancement. This policy endeavours to ensure the prudent utilization of the country's land and natural resources for sustainable socio-economic growth, while concurrently preserving viable ecosystems (Ministry of Lands and Natural Resources). Among its key objectives are:

- Ensuring that every socio-economic activity is consistent with sound land use through sustainable land use planning in the long-term national interest.
- Enabling equitable access to and security of tenure of land based on registered titles.
- Protecting the rights of landowners and their descendants from becoming landless or tenants on their own lands.
- Ensuring the payment, within reasonable time, of fair and adequate compensation for land acquired by the government.
- Instilling order and discipline into the land market to curb the incidences of land encroachment, unapproved development schemes, multiple or illegal land sales, land speculation and other forms of land racketeering.
- Minimizing and eliminating where possible, the sources of boundary disputes, conflicts and litigation, in order to reduce costs and socio-political tension.

For the aforementioned, the mechanism for addressing these issues is the Land Administration Project (LAP).

c. The Land Administration Project (LAP), 2004-08 (extended to 2010)

Funded from 2004 to 2008 by the International Development Agency (IDA) of the World Bank, the German Development Bank (KfW) and the Netherlands Development Fund (NDF), the Land Administration Project's specific objective was to develop a sustainable and well-functioning land administration system that is fair, efficient, cost effective, decentralized and that enhances land tenure security. It sought to:

- Harmonize land policies and the legislative framework with customary law;

- Undertake institutional reform and capacity building for comprehensive improvement in the land administration system;
- Establish an efficient, fair and transparent system of land titling, registration, land use planning and valuation; and
- Issue and register land titles in selected urban and rural areas as a pilot.

d. Land Use Planning Process

At the apex of the planning structures is the National Development Planning Commission (NDPC) whose functions include preparing national development plans and making recommendations on development and socio-economic issues.²³⁸ The NDP System Act (1994) provides the legal framework for planning at the district and local levels. In addition, the Local Government Act, 1993, Act 462, and the Land Use and Spatial Planning Act 2016 (Act 925) empowers the MMDAs to deal with planning functions. The NDP System Act prescribes the functions of the District Planning Authority to include the following:

- Initiate and prepare district development plans and settlement structure plans ensuring that they are prepared with full participation of the local community.
- Carry out studies on development planning matters in the district including studies on economic, social, spatial, environmental, sectoral and human settlement issues and policies.
- Integrate and ensure that sector and spatial policies, plans, programmes and projects of the district are compatible with each other and with national development objectives.

There is, however, no single entity that is responsible for land use planning nor is there comprehensive land use planning in Ghana. The existing levels of planning in the country are National Development Planning, Regional Planning and Urban Planning.⁴⁰

The Physical Planning Department develops sector plans through consultations involving relevant agencies, landowners, and the community.²³⁹ Final draft proposals are submitted through the district or municipality to the Land Use and Spatial Planning Authority for onward submission to the sector minister. They are published in the daily newspapers and the Government Gazette, and there is a period of two months for comments from the public. After this period, if there are no adverse findings on the plans, the Authority keeps a copy and sends others

²³⁸ Land Administration Project (2006).

²³⁹ Cobbinah, P. B., & Darkwah, R. M. (2017). Urban planning and politics in Ghana.

to the Lands Commission and other departments across the district. If there are problems with the plan, the draft is referred back to the District Spatial Planning Committee for reconsideration. In the case of subdivision and local planning schemes, the

Assembly is the final approving authority. The District Spatial Planning Committee meets regularly to approve planning schemes without discussions with other departments or consultation with the public.

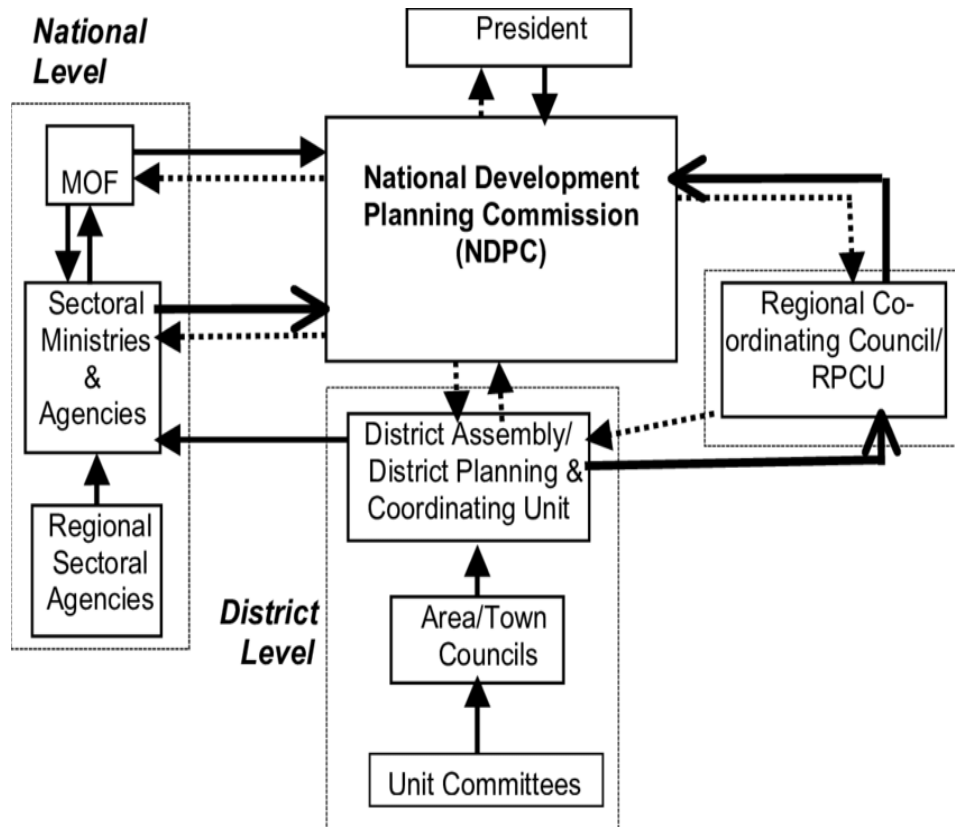


Figure 5.2: Land Use Planning Process

Source; Author's construct

e. Mechanisms for Allocating Land for Residential Use

The land delivery mechanism for public land in the country is in the hands of the Lands Commission, through Act 483 of 1994 which gives the commission the sole mandate for administering and making grants of public lands. The land acquisition process is straightforward but a person can only be granted one residential plot by the Commission in one city or town. The land acquisition process for state lands starts with a person first identifying a parcel of land and then applying to the Lands Commission for the land to be allocated to him/her. The prospective acquirer will have to obtain a site plan of the land and

present these with an application letter to the Lands Commission (as dealt with in detail above). Though subtle differences exist in the state land acquisition process among the various cities and towns, the processes are fairly uniform across the country.²⁴⁰ They are detailed in the annex.

5.2.6 Land Registration in Ghana

In Ghana, there are two main types of land registration systems: Land Title Registration and Deeds Registration. Land Title Registration is primarily implemented in Accra and certain areas of Kumasi, while other parts of the country utilize Deeds Registration, which has undergone full decentralization. These registration processes

²⁴⁰ Farvacque-Vitkovic, C., M. Raghunath, C. Eghoff and C. Boakye (2008). Development of the Cities of Ghana: Challenges, Priorities and Tools. Africa Region Working Paper Series Number 110. Washington DC, The World Bank

typically occur when there is a transfer of land ownership. The procedures for perfecting land title vary depending on the ownership and management of the land, with many of these processes initiated through the Lands Commission. The procedures for land documentation involve various institutions or units and include the Public and Vested Lands Management Division (PVLMD), the Lands Commission, the Customary Lands Secretariat

(CLS), the Land Valuation Board (LVB), the Office of the Administrator of Stool Lands (OASL) and the Survey and Mapping Division (SMD). The Land Title Registration process adds eight steps to those in the deeds registration process. For example, if the grant is from the government or stool, the PVLMD must also work on the document for consent/concurrence. (See box 5.2, 5.3 and 5.4 in the annex for further clarifications).

Table 5.3: Summary on Deed Registration Process

Deed Registration	Number of Steps	Institutions involved	Duration
State/Vested land	12	PVLMD & Lands Commission, SMD	4 months
Stool/skin land	16	PVLMD, CLS, LVB, OASL, SMD	4 months
Clan/family/individual land	15	PVLMD, CLS, LVB, OSAL, SMD	2 months
Consent for assignments/mortgages/sub-leases			
State/Vested land	7	Lands Commission	1 month for assignment and mortgages and two months for sub-divided plots
Stool/skin land	2	Lands Commission	
Clan/family/individual land	2	Lands Commission	

Source: Lands Commission

Biitir et al.

21

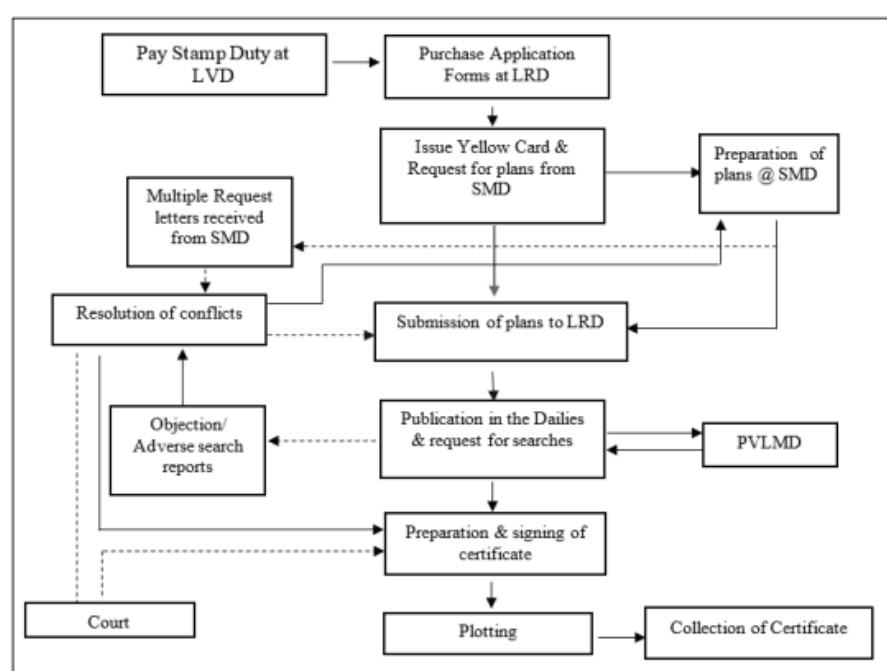


Figure 5.3: Flowchart of Land Registration Process

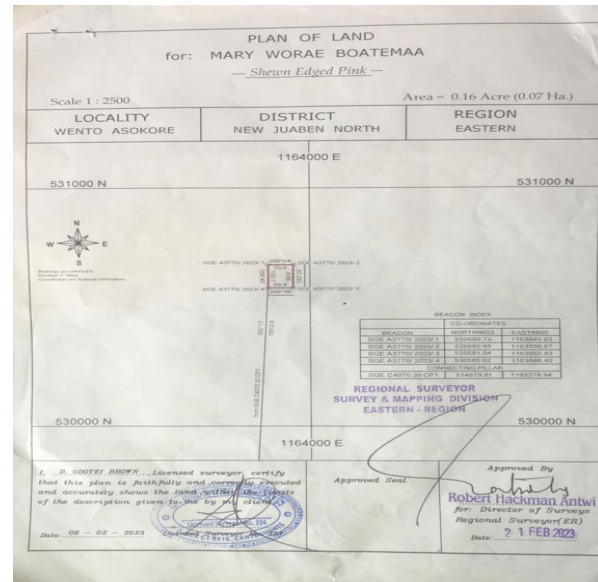
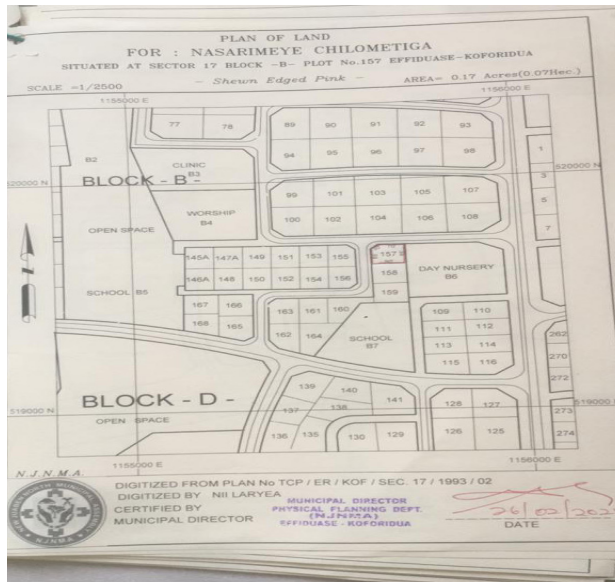
Source; Adopted from Biitir et al.

a. Land Title Registration

Through the Survey and Mapping Division (SMD), Ghana uses a cadastral system to record land transactions. In areas where sectional maps have been prepared, the SMD will extract a parcel plan from the sectional map. In areas where there are

no sectional maps, the SMD uses cadastral plans to record the transaction. SMD uses the Continuous Operating Reference Station (CORS) based on GPS. Figures 5.1, 5.2 show examples of parcel and cadastral map. The cost of a cadastral survey is GHC800 per plot.

Figure 5.4: Sample of a Parcel plan and a Sample of a Cadastral plan



Source: OfMA Physical Planning Department

There are deficiencies in the Deeds registration system, which include:

- the multiple registration of deeds on the same piece of land (because the land itself is not registered),
- inaccurate site plans,
- the absence of maps and plans of sufficient accuracy to identify the parcels and the boundaries,
- the lack of prescribed forms of dealing in interests in land.

To combat these deficiencies, the Land Title Registration Law 1986 (Law 152) made registration of title in the declared districts across the country although the deed registration system has been in operation before independence, and was governed by the Registration Ordinance of 1883, Land Registry of 1885, and Land Registry ACT of 1962.

Land registration is a very time-consuming process. According to the Land Administration Project, it takes an average of three months to register one's title in the current titling system. Part of the time is taken in referring documents to the Survey Department for parcel/cadastral plans before the Land Title Office can process the documents. The time taken is often extended unless the applicant is dedicated in following up to have the process completed in a timely manner. It also depends on whether the applicant is able to submit the required documents on time. (See box 5.6 and 5.7 in the annex for further clarifications).

b. Land Disputes and Conflicts

In Ghana, disputes and conflicts related to land are widespread and primarily center around issues of land access and tenure security. These conflicts are on the rise and can escalate into violence. According to public opinion, approximately 16% of respondents identified boundary or land disputes as the leading cause of violent conflicts.^{241,242} Such conflicts involve various parties, including individuals, chiefs, government entities, and different economic,

241 Ayee, Joseph R.A. et al. 2008. The Causes, Dynamic and Policy Implications of Land-Related Conflicts in the Greater Accra and Eastern Regions of Ghana. Local Context of Conflicts and Peacebuilding: Local Power Struggles, Conflict and Conflict Resolution in Ghana.

242 Aryeetey, Ernest and Christopher Udry. 2010. Creating Property Rights: Land Banks in Ghana. American Economic Review

social, and ethnic groups. Intra-ethnic conflicts may arise between chiefs and their constituents, while inter-ethnic conflicts often occur between migrant landowners and indigenous groups. Additionally, conflicts can arise between governments and social groups, as well as between transnational corporations and local communities.^{51,243} Land dispute is a common reality for many in Ghana. New land-acquirers may be plunged into litigation as soon as the process of acquisition is completed, especially in the Greater Accra region, where land is controlled by families. The reasons for the high level of land litigation are as follows:

- The complexity of title transfer and processing procedures;
- Joint inheritance practices, and the resulting need to negotiate with several parties rather than with one owner;
- Multiple allocations of land by chiefs; and
- Conflicts arise because of boundary disputes.

The Customary Lands Secretariat, set up by LAP, has helped to improve the Alternative Dispute Resolution (ADR) to settle land disputes outside the courts. Over 770 land disputes have been successfully resolved through ADR between 2003 and 2010²⁴⁵. By 2003, Accra alone had 15,000 pending land cases before the courts, while Kumasi had 9,214 cases awaiting resolution. Additionally, there were 74 land cases pending in Bolgatanga, Tamale, and Wa, along with 40 cases in Cape Coast. Overall, Ghana faced an estimated total of 60,000 land cases in 2003, a significant increase from 11,556 cases in 1999 and 14,964 cases in 2002. This represents a staggering 419% rise in land cases between 1999 and 2003. Furthermore, from 2003 to 2011, only 3,684 cases were resolved, leaving a substantial backlog^{244,245,246}.

c. Plot Sizes

In Ghana, plots are typically larger compared to international standards, with building regulations requiring a minimum size of 450 square meters and a road frontage of at least 15 meters.²⁴⁷ Over the past few decades, the size of alienated plots has remained relatively consistent, varying slightly based on location, land use, and ownership type. For state and vested land, the average residential plot measures 30 x 30 meters (900 square meters). In customary areas, different plot sizes are currently being delineated, including 30 x 24 meters (720 square meters), 30 x 27 meters (810 square meters), 30 x 23 meters (690 square meters), and 37 x 30 meters (1110 square meters). On the outskirts of Accra, plot sizes tend to range from 23 meters x 33 meters to 27 meters x 33 meters (760 and 890 square meters), with some plots as large as 40 x 33 meters (1320 square meters), resulting in net densities of 13, 11, and 7.5 plots per hectare.

5.2.7 Cost of land

Traditionally, customary land transfers in Ghana did not entail monetary transactions. Chiefs and family heads have stated that historical land transactions primarily involved the offering of drinks and gifts as a gesture of respect for customary authority. Consequently, the provision of drink money symbolized the allegiance and respect a new settler demonstrated to the chief or community in exchange for land use rights.²⁴⁸ Though drink money was merely a tribute (two bottles of schnapps and a sheep) to pacify or inform the 'gods' when selling to a 'stranger',²⁴⁹ it has increasingly become a notional market price and land is, at least in some places, becoming a tradable commodity.²⁵⁰ However, this norm has been a common practice characterizing customary land in most communities in Ghana, especially in the peri-urban and rural areas where traditional authority

²⁴³ United States Agency for International Development, 2011

²⁴⁴ Kotey, N. 2004. Ghana Land Administration Project Legislative and Judicial Review (draft final report). Kotey and Associates, Accra.

²⁴⁵ Kasanga, K. 2003. Current land policy issues in Ghana. In *Land reform: Land settlement and cooperatives*,

²⁴⁶ Abdulai, T. R. 2010. Traditional landholding institutions in sub-Saharan Africa, the operation of traditional landholding institutions in sub-Saharan Africa: A case study of Ghana.

²⁴⁷ Zoning Guidelines and Planning Standards

²⁴⁸ Kusaana, E. D. & Gerber, N. (2015), *Institutional Synergies in Customary Land Markets— Selected Case Studies of Large-Scale Land Acquisitions (LSLAs) in Ghana*.

²⁴⁹ One who is not a member of the land-owning community.

²⁵⁰ Wily, L. A., & Hammond, D. (2001). Land security and the poor in Ghana: Is there a way forward. A Land Sector Scoping Study, DFID Ghana's Rural Livelihoods Programme.

persists.^{251,252} Nonetheless, recent developments in urban and peri-urban communities have resulted in a shift of land transaction acknowledged by gifts to one now involving the payment of money.

The currently prevailing ranges of land prices for 100 ft x 90 ft (approx. 30m x 25m) urban plots are shown in table 5.3. Of course, 'price' varies by location and services available; areas close to major roads in the peri-urban and urban areas have the highest land price. The price of land reflects the location and services available and, therefore, the price of land in serviced neighbourhoods (i.e East Legon in Accra) is usually much higher than in those without services.

Land transaction between chiefs and family heads and their clients (land buyers) reveals an exchange of a substantial sum of money, which is equivalent to the market value of the land. In several discussions with chiefs and other family heads, it emerged that the old practice of taking drinks in a form of appeasing the ancestors for giving out the land was not in existence any longer, rather, the land is sold in 'hard cash.' This resonates with the idea of Locke and Henley²⁵³ that the increasing demand for land has generated a situation where land sellers, particularly chiefs 'request for a cash payment of much higher monetary value.' The extremely varied land values across major cities in Ghana and major towns in Accra, are shown in table 5.3 and 5.4 accordingly. These values are way beyond the reach of the low-income households and, therefore, most can only find accommodation in informal settlements.

Table 5.5: Open Market Land Values in Accra

Annual Per Acre Land Value between 2011-2016			
Residential Area	Land values per acre		% Growth in value
	(GH¢)	US\$	
Ridge	12,985,001	3,091,667	53.8
East Legon	3,100,998	738,333	17.6
Adjirigano	2,107,001	501,667	39.5
Adentan	486,667	115,873	50
Pokuase	123,333	29,365	100
Amasaman	77,500	18,452	66.7

251 Leduka, R. (2006). Chiefs, civil servants and the city council. State-society relations in evolving land delivery processes in Maseru, Lesotho.

252 Wehrmann, B. (2008b). The Dynamics of Peri-urban Land Markets in Sub-Saharan Africa: Adherence to the Virtue of Common Property vs Quest for Individual Gain.

253 Locke, A & Henley, G. (2016). Urbanisation, land and property rights. The need to refocus attention. London: Report prepared for Overseas Development Institute.

Table 18: Land Prices/Values in Various Areas

City	Range of Land Prices (GH¢)
Accra	40,000 – 2,000,000
Kumasi	25,000 – 1,000,000
Sekondi-Takoradi	20,000 – 200,000
Techiman	10,000-100,000
Sunyani	10,000-80,000
Tamale	9,000 – 60,000
Wa	8,000 – 45,000
Ho	8,000-40,000

Source: Field Survey, 2024.

For the open market land values in Accra, these were annual per acre land values for leasehold interest of between 50 and 99 years for the period 2011- 2016. As established, parts of the land and real estate market(s) in Ghana operate in foreign currency such as the U.S. Dollar (\$). Therefore, the land values were quoted in Cedis (GH¢) and as well as USA Dollar (\$) as can be seen from Table 5.4. The land values were not linked to land use classifications. Thus, they were values across all the land use classification as that is the usual practice of the Lands Commission for capturing such land market data.

Source: Lands Commission / Kwasi Gyau Baffour 2016²⁵⁴

From the table 5.5 and 5.6 below, the various transactions fees associated with land documentation under the care of the Lands Commission (Public & Vested Lands Management Division and Surveying and Mapping Division) is duly captured.

Table 5.6: Transaction fees associated with land documentation handled by Public & Vested Lands Management Division

Fees: Public & Vested Lands Management Division - Lands Commission	Fees (GH¢)
Every Administrative Search in respect of Residential Commercial Civic/ cultural Land or 1.0 (0.5 of a hectare acre or any part thereof)	50.00
Every Administrative Search in respect of Residential Commercial Civic/ cultural Land (Every additional 0.5 of a hectare or 1.0 acre or any part of an acre)	10.00
Every Search in respect of land for securing permit (0.5 of a hectare or 1.0 acre or any part of an acre)	30.00
Every Search in respect of land for securing residential user permit (Every additional 0.5 of a hectare or 1.0 acre or any part of an acre)	5.00
Every Search in respect of land for securing Civic/ cultural, commercial or industrial user permit	50.00
Plotting of each instrument for residential purposes	GH¢80.00 or 0.25 of the land value
Plotting of each instrument on any land for civic/ cultural, commercial or industrial purposes	GH¢ 100.00 or 0.50 of the land value
Plotting fee for mortgage instrument	100.00
Processing fee for an application for renewal of lease	1.00 of land value
Processing fee for consent to Mortgage the whole or part of Residential leasehold	400.00
Processing fee for consent to Mortgage the whole or part of Commercial, Civic/Cultural, Commercial, industrial etc. leasehold	400.00
Inspection within District or Regional Capital	40.00
Inspection outside District or Regional Capital	60.00

²⁵⁴ Leveraging Rising Urban Land Values to Finance Urban Infrastructure Development in Ghana: A Case Study of Accra

Fees: Public & Vested Lands Management Division - Lands Commission	Fees (GH¢)
Provision of compulsory land acquisition services (8.0 of a hectare of 20 acres or any part thereof)	2,000.00
Every additional 4.0 hectares or 10 acres or any part thereof	100.00 up to a maximum of 10,000.00
Presentation fee for an application for regularization of land	500.00
Processing fee for an application for regularization of land	2.50% of the land value
Preparation of a lease and license for residential, Commercial, Civic/ Cultural industrial (state, vested lands and stool/skin)	500.00
Processing fees for consent to Mortgage the whole or part industrial or commercial leasehold	200.00
Processing fees for consent to Assign or sublet the whole of residential, civic/cultural, industrial or commercial leasehold	2.00% of land value
Preparation of a lease for a Petrol filling station (state, stool/skin, vested land)	900.00
Preparation of any License for any temporal use of public land	300.00
Processing and plotting of lands, the ownership of which is by statutory declaration (% of total cost of 3 newspaper publications)	33% of total cost of three (3) newspaper publications as administrative charges
Processing of document on land (private transaction) 0.5 hectare or 1.0 acre of any part thereof	50.00
Processing application to mount big size billboard on public land (above 3.05m and 3.05m)	400.00
Processing application to mount medium size bill board (3.05m but up to 1.52m 1.52m)	300.00
Processing application to mount small size bill board (below 1.52m 1.52m)	200.00

Source: Lands Commission⁶⁷

Table 5.7: Transaction fees associated with land documentation handled by Surveying and Mapping Division – Lands Commission

	Minimum area (up to 0.1 Ha)	Maximum area (1.0 Ha and under 1.4 Ha)
Parcel Plan for Land Title Certificate Fees (GH¢)	100	252
Cadastral Plan for Certificate (Areas without Sectoral Maps)	192	392
Approval of site plans: a) Sectoral Plans	40	200
Approval of site plans: a) Cadastral Plans	20	1,600
Other charges		
Land disputes surveys	400	
Licensed Surveyors fees	300	

Source: Lands Commission²⁵⁵

5.3 Housing Infrastructure

Investments in basic infrastructure for housing have evolved significantly over previous generations, reflecting the changing needs and priorities of societies²⁵⁶. In the earlier generations, the focus was often on establishing fundamental amenities to meet the immediate requirements of the population. In the past, basic infrastructure for housing primarily involved the construction of essential facilities such as roads, water supply systems, and rudimentary sewage disposal. These developments aimed to address the most basic needs of communities, ensuring a foundation for human habitation over time. As urbanization and population growth accelerated, the scope of basic infrastructure investments expanded²⁵⁷. The focus shifted towards creating more comprehensive and integrated systems. In the mid-20th century, for instance, the emphasis broadened to include electricity distribution, improved sanitation, and better transportation networks. In recent decades, there has been a growing recognition of the importance of sustainable and resilient infrastructure. Investments now consider environmental impact, energy efficiency, and the incorporation of technology to enhance the

overall quality of life. Basic infrastructure for housing not only encompasses physical structures but also involves digital connectivity, green spaces, and measures to mitigate the effects of climate change²⁵⁸. Looking back, the line of basic infrastructure investments reflects a continuous effort to adapt to the evolving needs of communities. Each generation has contributed to building upon the foundations laid by its predecessors, aiming to create safer, healthier, and more liveable environments for all. Today, as we face new challenges and opportunities, the focus remains on developing infrastructure that is not only functional but also sustainable and capable of meeting the diverse needs of the present and future generations²⁵⁹.

The development and sustenance of strong infrastructure are integral components of a nation's economic progress, well-being of the society, and overall growth. Institutional, legal, and regulatory frameworks play a pivotal role in shaping the landscape of infrastructure provision by defining the rules, responsibilities, and boundaries within which various actors operate. This multifaceted framework encompasses a diverse range of sectors, including transportation, energy, telecommunications, and water resources, among others. In this context, understanding the intricate interplay between

²⁵⁵ Lands Commission Act, 2008 (Act 767) fees and charges (Miscellaneous Provisions) Act, 2009 (Act 793).

²⁵⁶ Dang, G., & Pheng, L. S. (2015). Infrastructure investments in developing economies. Springer Science Business Media Singapore. DOI, 10, 978-981.

²⁵⁷ Addo, F. S., Adu, D., & Chinoperekweyi, J. (2023). Infrastructure deficit and social challenges: The ripple effects on sustainability in Ghana. American Journal of Multidisciplinary Research and Innovation, 2(5), 13-21.

²⁵⁸ Addo et al., 2023; Oduro-Ofori, Braimah, & Agyeman, 2014

²⁵⁹ Oduro-Ofori, E., Braimah, I., & Agyeman, O. K. (2014). Promoting green infrastructure in Kumasi: challenges and strategies. Research on Humanities and Social Sciences, 4(26), 110-118.

institutions, legal structures, and regulatory mechanisms is essential for efficiently delivering services and ensuring the long-term viability of infrastructure projects.

5.3.1 Water Supply

a. Institutional and Regulatory frameworks for the Water Sector

Only eight out of the 170 district capitals across the country currently enjoy the privilege of having extensive piped water networks. The operational landscape at the city level is governed by the Ghana Water Company Limited (GWCL), which holds responsibility for the intricate tasks of water treatment, supply, drainage, and sanitation within urban areas. According to the stipulations outlined in the 2007 National Water Policy, the duty of managing drainage and sanitation, beyond the three largest cities and a handful of regional capitals, is entrusted to District administrations. A detailed breakdown of the key players in the urban water sector can be found in Table 5.7.

GWCL, functioning as an entirely state-owned institution, is entrusted with the vital task of providing water for domestic use. GWCL controls the few sewerage systems there are in Ghana and must be consulted before excavation or building work can go on near a public sewer or any private connection is made. Customers are under obligation to pay for services provided by the company within 14 days of the receipt of the bill or risk being disconnected.

However, according to interviews with officials at national and regional offices, these directives have been disregarded and flouted with impunity and with the connivance of some GWCL staff. This contributes to the difficulties confronting the company and its very poor performance²⁶⁰

A proposal is currently under consideration to restructure its institutional framework, contemplating a shift towards a public-private partnership model (GWCL – Head Office, Accra). The operational reins of the water supply system for Accra and Tema are effectively managed by the Accra-Tema Metropolitan Area (ATMA) Office of GWCL.

Ghana has a strong and well-organized institutional framework for the management of water resources and supply of potable water. The framework defines institutional roles and responsibilities for national and sector-specific policy formulation and planning, regulation and service delivery in the sector. At the national level, the development agenda is driven by the Central Government through the National Development Planning Commission (NDPC). The Commission develops both the short- and long-term development frameworks together with Development Partners who provide financial and technical support. The National Development Framework informs policy development and planning at the sectoral level. At this level, the Ministry of Water Resources, Works and Housing (MWRWH) is directly responsible for drawing up the policies and plans for the water sector²⁶¹.

Table 5.8: The key players in urban water regulation, Policy Formulation and Implementation

Institution	Institution Role
Water Resource Commission (WRC), set up under Article 269 of the 1992 Constitution	This coordinates water policy in Ghana and ensures effective and efficient management of the natural water bodies.
State Enterprise Commission (SEC)	This is responsible for setting objectives and operational targets for water provision institutions.
Ministry of Water Resources, Works and Housing.	This formulates and implements policies for national water supply particularly urban water delivery.
Water Restructuring Secretariat (WRS)	This is an ad hoc body that advises the sector minister and oversees the introduction of private sector participation in urban water supply.
Ghana Standards Board (GSB)	This sets standards for drinking water quality.

²⁶⁰ Monney, I., & Antwi-Agyei, P. (2018). Beyond the MDG water target to universal water coverage in Ghana: the key transformative shifts required.

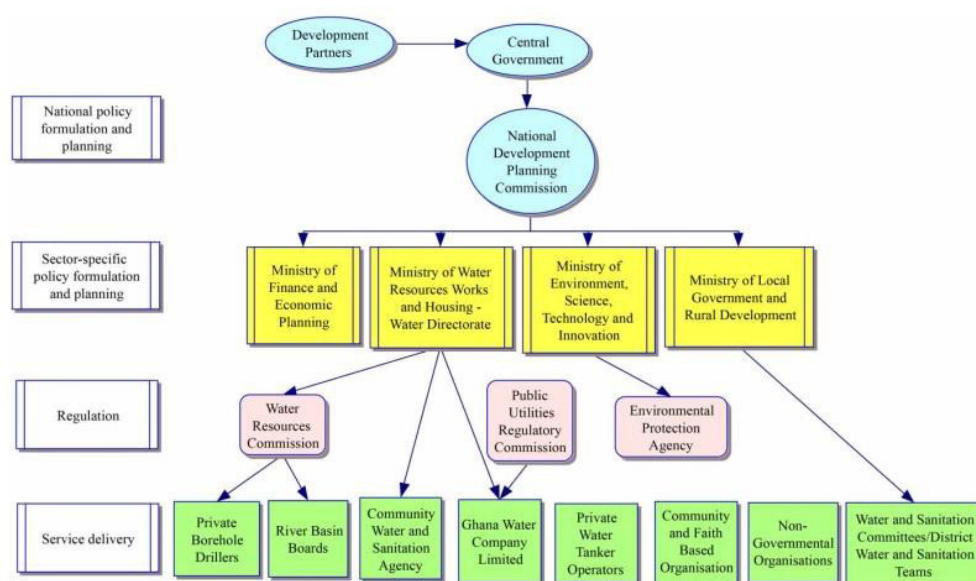
²⁶¹ Ministry of Water Resources Works and Housing; 2022 Statistical Report.

Institution	Institution Role
Ghana Water Company Limited (GWCL) - formerly Ghana Water and Sewerage Corporation (GWSC)	This is responsible for the production, distribution and conservation of water in Ghana for domestic and other uses. GWCL initially had responsibility for operating 210 water systems nationwide until the late 1990s, when it transferred most of the smaller systems to MMDAs through the Community Water and Sanitation Agency and retained the management of the 80 urban systems.
Public Utilities Regulatory Commission, set up under the Article 538 in 1997	This regulates tariffs charged by utilities and protects both consumers and utility companies.
Ministry of Local Government, Rural Development and Environment (MLGRDE), set up under Act 462 of 1993.	This is responsible for waste management, which it does through the MMDAs.
Water and Sanitation Development Board (WSDB)	This manages community water supply systems, sets tariffs and manages application procedures, connection and reconnection fees, maintains financial records and manages the water delivery facility
District Water and Sanitation Teams	They provide technical approval for WSDB
Water vendors and public shower operators	They fill in services where formal supply is absent, e.g., in Agbogbloshie.

Source: GWCL Headquarters, Accra, 2010²⁶²

Figure 5.5

Figure 5.5: Institutional framework for Ghana's water sector



Source: Adapted from Monney & Antwi-Agyei, 2018⁷⁶.

²⁶² GWCL Headquarters, Accra, 2010

b. Access or Supply Coverage

Ghana's urban population is growing at a rapid pace, yet the water delivery systems are essentially unchanged from when they were installed decades ago. In fact, because of damage that causes significant leaks and water loss, they provide less water than they were intended to²⁶³. The Weija Waterworks in Accra is currently contaminated by encroachment, agricultural practices, and careless garbage dumping, which raises the expense of remediation. Due to the high quality of the source,

the Kpong waterworks on the Volta River has the benefit of a reduced treatment cost. But the terrain is flat between the lake and the city, and it is quite a distance from Accra. The dependability of city supply mains is further compromised by severe corrosion. GWCL currently operates 88 urban water supply systems throughout the country. Average production is about 871,496m³ per day (192 million gallons per day). Table 5.8 presents the present operations and staff strength of the GWCL in serving the urban and rural households.²⁶⁴

Table 5.9: Water Supply Services by the GWCL

	Quantity
Average Production/day	871, 496m ³
Potable Water Demand	1,131,818.18m ³
Total customers served	748,570
Rural Water Supply	33%
Urban Water Supply	77%
Metered	86%
Unmetered	14%
Staff Strength	3,476

Source; Ghana Water Company Limited, 2023.

In Tamale, even though the Nawum waterworks had the capacity to meet the current demand for water, only about 44 per cent of residents were covered by the GWCL in 2002 and these supplies were rationed. However, since the inception of the 1972 plant at Dalun, the number of inhabitants in Tamale and its surrounding environs has now grown from 120,000 to a population of 749,488 in 2021 (Tamale Metropolitan Area (TMA), TMA- Tamale Central and TMA- Tamale South). In many areas, the water flows just once or twice a week for a few hours. In many low-income residential areas, only about 20 percent of households have access to piped water. In such situations, people cannot store enough water and resort to unsafe sources, i.e., dams, dugouts, etc., contributing to the spread of guinea worm in the region²⁶⁵. To help reverse the situation, Water Aid and New Energy have targeted 13 high-yielding hand-dug wells, constructed before independence, for improvement and installation of pumps (Water Aid Ghana). Currently, low-income areas in urban

Ghana face shortfalls in water supply. The urban poor in the informal, low-income settlements are the hardest hit by the shortage in supply and, hence, must rely on public standpipes neighbours' taps or water vendors for their daily supply and pay 10 to 20 times more than those connected to the network. Despite the many policy interventions, there remains an acute water shortage in most urban areas as demonstrated by widespread rationing. According to officials of GWCL, several factors account for the present state of affairs.

- Main source of water supply for general use

Ghanaian households' sources of water supply are categorized into rural and urban areas separately. With 30.4 million people on the country (as of 2022), both urban and rural populations depend on having access to safe, dependable water. 90% of people living in urban environments rely on pipe-borne water within their homes. Furthermore, 53% of urban residents are served by public standpipes

²⁶³ Monney, I., & Antwi-Agyei, P. (2018). Beyond the MDG water target to universal water coverage in Ghana: the key transformative shifts required. *Journal of Water, Sanitation and Hygiene for Development*, 8(2), 127-141.

²⁶⁴ Ghana Water Company Limited, 2023

²⁶⁵ Otiwaa-Borketey, G. (2017). The Effect of Poor Access to Water, Sanitation and Hygiene on Health: A Study of Agbogbloshie (Sodom and Gomorrah) a Suburb of Accra, Ghana and Other Slums.

and taps. In addition to tanker-supplied or vendor-provided water sources, boreholes and tube wells also contribute to the urban landscape, demonstrating the variety of water infrastructure in more densely populated areas. The situation is noticeably different in rural areas. Boreholes and tube wells are essential, providing for 61% of rural homes. Unprotected wells and rivers/streams make significant contributions as well, emphasizing how dependent these areas are on natural water sources in these regions. Rainwater harvesting and protected springs also contribute significantly to the rural water supply, showcasing a mix of traditional and modern methods.

The fact that boreholes and tube wells, together with protected wells, serve a significant section of the populace in both rural and urban regions highlight the need of reliable and sustainable water sources. However, the reliance on public taps in urban areas and rivers/streams in rural settings highlights the many obstacles to water accessibility that various populations must overcome. But problems still exist, particularly in rural regions where unprotected springs and wells are still common. The need for focused investments to enhance water quality and infrastructure in these areas is highlighted by the possible health hazards linked to waterborne

infections.

In Table 5.10, a significant fraction of people, 39.3% in rural regions and 60.7% in urban areas, have access to drinking water on their property, according to GSS data. But it also strongly argues that water infrastructure needs to be greatly improved, especially in metropolitan areas where a larger proportion of homes have access to water on-site. When it comes to the time it takes to get water, a sizable portion of rural households (61.5%) can do so in less than 30 minutes. However, a higher proportion of urban residents (82.7%) have access to water on their property, indicating the effectiveness and ease of urban water supply (see Table 5.10). However, challenges still exist, especially in rural areas where a notable percentage of households (17.6%) take 61 minutes and above to source drinking water. Highlighting the need for further investments and improvements in water infrastructure to ensure timely and convenient access to clean water in all regions. Table 5.9 categorizes the supply of water to households by source, showing the disparities in the urban and rural setting. About 77% and 59% of rural households have to rely on unprotected spring and Wells for their survival.

Table 5.10: Source of Water Supply for Housing with the Rural and Urban Area

Source of water supply	Rural	Percentage	Urban	Percentage	Total
Pipe-borne inside dwelling	143190	10%	1222079	90%	1365269
Pipe-borne outside dwelling but on compound	112306	13%	721533	87%	833839
Pipe-borne outside dwelling but in neighbour's house/compound	193930	19%	814828	81%	1008758
Public tap/Stand pipe	678709	47%	756671	53%	1435380
Borehole/Tube well	1227518	61%	780963	39%	2008481
Protected well	183372	31%	413283	69%	596655
Rain water	57777	54%	50051	46%	107828
Protected spring	4081	58%	2931	42%	7012
Tanker supplied/Vendor provided	22184	13%	154794	87%	176978
Unprotected well	76190	59%	54008	41%	130198
Unprotected spring	6551	77%	1914	23%	8465
River/Stream	489799	88%	65398	12%	555197
Dugout/Pond/Lake/Dam/Canal	87916	80%	21950	20%	109866

Source of water supply	Rural	Percentage	Urban	Percentage	Total
Other	4501	35%	8352	65%	12853

Source: GSS, 2022⁸

while there have been positive developments in water access, particularly in urban areas, efforts should continue to address gaps and enhance the efficiency of water supply systems, especially in rural regions, to ensure that all communities have timely and convenient access to safe drinking water.

Table 5.11: Water (Time Taken to Source of Drinking Water) by Urban and Rural Households

Time Taken	Rural	%	Urban	%	Ghana
Total	3288024	39.3%	5068755	60.7%	8356779
Water on premises	767680	17.3%	3665968	82.7%	4433648
Within 30 minutes	2098644	61.5%	1312865	38.5%	3411509
31 to 60 minutes	335279	82.4%	71662	17.6%	406941
61 minutes and above	86421	82.6%	18260	17.4%	104681

Source: GSS, 2022

Securing sustainable financing plays a pivotal role in the water sector's ability to both establish new infrastructure and maintain existing services. While the establishment of new infrastructure demands long-term financial commitments, sustaining current services necessitates efficient cost recovery mechanisms to cover operational expenses, maintenance, and rehabilitation²⁶⁶. An analysis of financing mechanisms in Ghana's water sector reveals a historical reliance on external support agencies for funding initiatives. This external support has significantly contributed to the rapid enhancement of access to drinking water throughout the country. External funding, constituting approximately 90% of the total financing for the sector, comes in the form of commercial loans and grants from development partners²⁶⁷. Water, Sanitation and Hygiene spending is mostly reliant on development partners; in 2023, donors are estimated to finance more than 90% of spending²⁶⁸. According to the portion of the Ministry of Sanitation and Water Resources (MSWR) budget, domestic government funding decreased from 38.5%

in 2018 to 5.4% in 2023. This is in opposition to the MSWR's goal of having domestic government funding account for at least 30% of sector resources²⁶⁹. The flagship initiatives of the MSWR, the huge capital-intensive programmes, receive a large amount of this donor cash. Programmes include the Greater Accra and Greater Kumasi Metropolitan Area Sanitation and Water Projects, as well as the Yendi Water Project²⁷⁰. User fees, which are included in the national budget's internally generated revenues (IGF), are the other main source of support for the sector. Nevertheless, the sector's cost-recovery is not at its best; the urban water billing and collection ratio is 74.5% and 45.3%²⁰ of water is non-revenue. The possibility that funding will depend on the government's capacity to generate income from other sources in addition to its ongoing reliance on donor money grows when tariffs with limited cost recovery are applied. This reliance raises questions about government priorities and sustainability.

²⁶⁶ Kolker et al. 2015.

²⁶⁷ WaterAid 2012

²⁶⁸ WASH Budget Brief 2023

²⁶⁹ MSWR 2023, 'Ghana WASH Sector Development Plan 2021-2030

²⁷⁰ MSWR 2023 Programme Based Budget

5.3.2 Electricity or Power Supply

Institutions involved in the provision of power in urban areas include the Volta River Authority (VRA), responsible for generation; and the Ghana Grid Company Limited (GRIDCo), responsible for transmission; the Electricity Company of Ghana (ECG), responsible for distribution and supply; and the Northern Electricity Department, responsible for distribution and supply in the north. During 2006 and 2007, the Ghana government explored the possibility of including independent power

producers. Electricity supply is regulated by the Energy Commission, as a technical regulator, and the Public Utilities Regulatory Commission as an economic regulator. ECG is responsible for the provision of electricity in all urban communities in southern Ghana, but the cost-of-service connection is borne by consumers. Where network extension projects are delayed and the consumer requests for a supply, the consumer is required to bear the full cost.

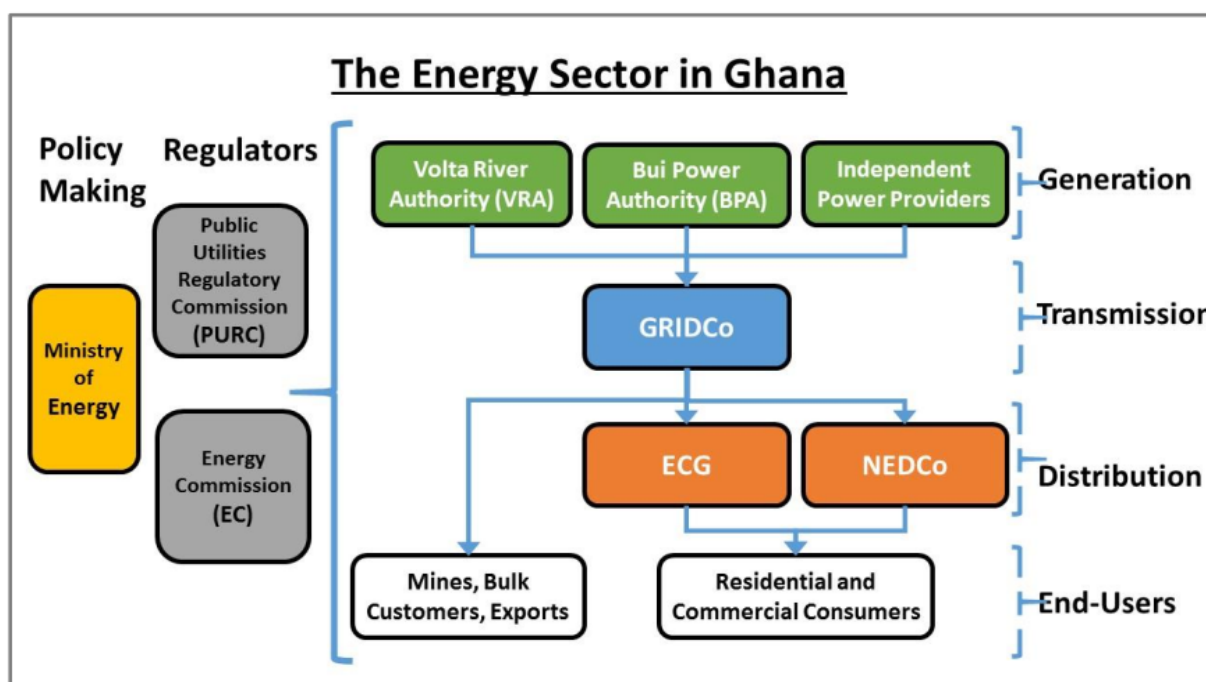


Figure 5.6: Institutional framework for the Energy Sector in Ghana

Source: Adapted from Millenium Development Authority, 2019

b. Access and Supply

The availability of electrical power, while not entirely unsatisfactory, still poses challenges, although it might be relatively more reliable compared to other services. In fact, most households have access to a power supply. However, in numerous urban areas, residents contend with frequent power failures, occurring nearly on a daily basis. Although lighting and basic appliances are typically powered, the use of electricity for cooking is limited, with many households opting for alternatives such as bottled

gas or charcoal/firewood. In the informal areas of Accra, as noted by Oteng-Ababio and Grant (2020),²⁷¹ over 80 percent of households use charcoal, while 12 percent rely on gas.

Ghana's energy mix is composed of various power sources, including hydroelectricity, thermal fuelled by crude oil, natural gas, diesel and solar^{272,273}. Renewable energy currently contributes 1% to the energy mix, but the country aimed to achieve 10% renewable in the mix by 2020. The Renewable Energy Act (Act 832), passed in 2011, seeks to create the enabling

²⁷¹ Oteng-Ababio & Grant, 2020

²⁷² Energy for Growth. (2020). The future of Ghana's energy mix: how to meet demand growth to 2030. Retrieved from <https://energyforgrowth.org/article/the-future-of-ghanas-energy-mix-how-to-meet-demand-growth-to-2030>

²⁷³ Ishmael Ackah (August 2021). The future of Ghana's energy mix: how to meet demand growth to 2030

environment for attracting private sector investment in the renewable energy sector to ensure that renewable energy contributes significantly to the national energy mix²⁷⁴. The 10% goal of renewable energy was adjusted to be achievable by 2030. Ghana now uses 39% hydropower and 5% solar power in its nearly 40% low-carbon energy mix. However, hydro projects larger than 100 MW, such as Akosombo (1020 MW), Bui (400 MW), or Kpone (160 MW), were not initially included in the Renewable Act (832 MW). Large hydro was added to the act later by the government, which means Ghana has already achieved its 2030 aim and should reorient its target to be more ambitious.

Hydrological variations pose a serious challenge to the country's economic and financial vulnerabilities in the power industry. The potential economic losses arising from power shortages, estimated to be two percent of the GDP, are highlighted by the lessons learned during the 2007 drought¹⁶. Furthermore, it is anticipated that a greater reliance on oil-based power will raise the average cost of generation to approximately US\$0.05 per kilowatt-hour. This demonstrates the urgent need for all-encompassing policies to solve issues facing the power sector and improve the supply of affordable and reliable electricity. Subject to obtaining funds, the Electricity Company of Ghana (ECG) has stated ambitions to increase the amount of power supplied to all urban and peri-urban populations. The prioritizing of communities according to their levels of development, however, frequently conflicts with financial limitations, making it difficult to implement and reducing the number of communities that can benefit. The business faces

many difficulties, such as a lack of funding, problems with rights-of-way, and difficulties acquiring property for network installations and expansion. These difficulties are exacerbated by residents' reluctance to have electrical equipment next to their homes.

In 2010, the company projected a system loss of around 26% of total electricity purchases from VRA. Technical losses were mainly due to lengthy feeder lines between substations and insufficient investment in power factor correction equipment by ECG customers. Although it is possible to minimize technical losses, complete eradication remains challenging¹⁶. Commercial losses arise from power theft, delayed billing for new customers, billing errors, malfunctioning meters, and inadequate accounting for streetlight consumption. In terms of inconsistent service provision, especially in informal and emerging areas, company staff attribute unplanned power cuts to factors such as generation shortfalls, faulty and outdated network equipment, and network overloads during peak times. Effectively addressing these complex challenges is crucial to ensure a more stable and efficient electrical power supply system in Ghana. Ghana's Energy Commission reports that the country's final energy consumption rose by 4.3% in 2019. Peak electricity consumption in 2019 was only 2804 MW, far less than Ghana's 5,172 MW installed total capacity. Thermal energy accounts for 68% of installed capacity, with hydro accounting for 31% and marginal renewables accounting for 0.82% (Figure 5.4). High demand, unpredictable water levels in domestic dams, the finding of local gas and oil, and the construction of the West African Gas Pipeline are the causes of Ghana's thermal dependency.

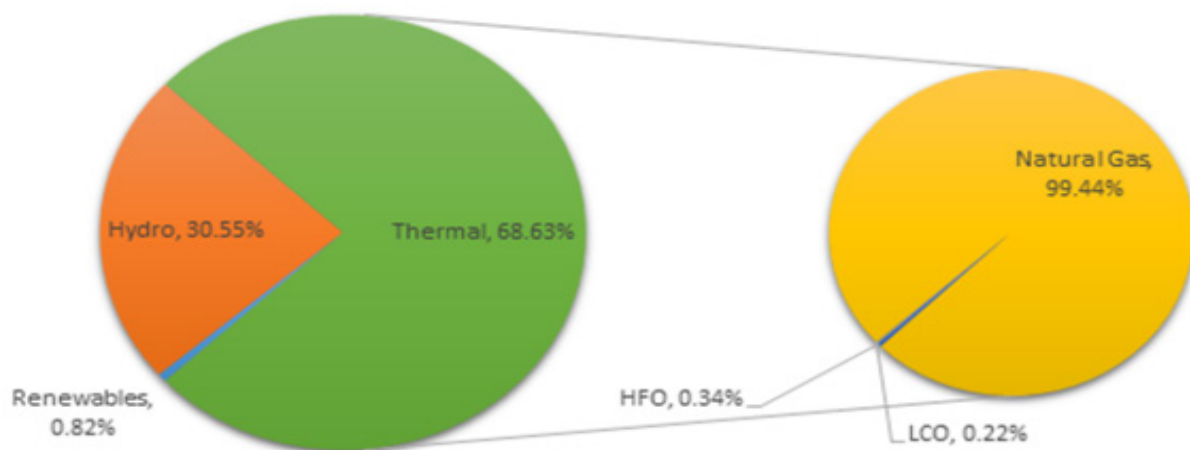


Figure 5.7: Installed Power Capacity Mix

Source: **Ackah I. (2021) The Current Differences in Lighting Sources Between Rural and Urban Area**

²⁷⁴Ministry of Energy. (n.d.). Sector Overview. Retrieved from <https://www.energymin.gov.gh/sector-overview>

The evidence from table 5.11 supports the assertions regarding the substantial differences in lighting sources between rural and urban areas. Rural areas exhibit a higher prevalence of non-electric sources, including flashlight/torchlight, solar lamps, candles, gas lamps, kerosene lamps, and other means, with percentages ranging from 44.8% to 92.8% see table 5.16. In contrast, urban areas predominantly rely on electricity, with percentages varying from 22.1% to 67.2%, depending on the specific electricity source. This data reflects a notable shift towards sustainable technologies, particularly in rural areas, as evidenced by the high percentages of solar lamps (up to 92.8%) and solar panel/inverter-based electricity (up to 91.5%) in rural settings. The disparities in access are apparent, emphasizing the ongoing challenges in achieving universal access to reliable and affordable lighting solutions. Continued investments in infrastructure, awareness programs, and supportive policies are crucial to further promote the adoption of modern, sustainable lighting technologies across both rural and urban landscapes.

Table 19: Sources of lighting for households in Ghana

Source of Lighting	Rural	Percentages	Total	Percentages	Urban	Percent
Non-electric	899871	78.6%	1144425	6.847%	244554	21.4%
Flashlight/Torchlight	692620	80.9%	856037	5.122%	163417	19.1%
Solar lamp	123903	92.8%	133498	0.799%	9595	7.2%
None	61001	49.8%	122411	0.732%	61410	50.2%
Candle	2824	44.8%	6306	0.038%	3482	55.2%
Gas lamp	1184	82.4%	1437	0.009%	253	17.6%
Kerosene lamp	17870	74.3%	24042	0.144%	6172	25.7%
Other	469	67.6%	694	0.004%	225	32.4%
electric	2388153	33.1%	7212354	43.153%	4824201	66.9%
Electricity (private generator)	3640	77.9%	4674	0.028%	1034	22.1%
Electricity (solar panel/inverter)	21512	91.5%	23515	0.141%	2003	8.5%
Electricity (mains)	2288155	32.8%	6986150	41.799%	4697995	67.2%
Electricity (community-based Grid)	74489	37.7%	197488	1.182%	122999	62.3%
Electricity (wind energy)	357	67.7%	527	0.003%	170	32.3%

Source: GSS, 2022⁸.



Figure 5.8: Electricity Coverage Map

Source; Team's Construct, 2024

a. Sanitation and Waste Disposal

According to the planning standards²⁷⁵ which are currently being considered and, therefore, probably represent the most up-to-date thinking in urban sanitary provision, all residences should be equipped with toilets. In addition, public toilets should be made available in public places for occasional resort rather than daily routine defecation²⁷⁶. The standard being set for them is for each to be a pair of four holes for each gender, one hole per 50 persons for a neighbourhood of a minimum of 5,000 people²⁷⁷. As public toilets are meant to be being phased out, it is surprising that there should be these standards²⁷⁸.

In Ghana, the Local Government Act of 1990 makes waste management the sole responsibility of the Ministry of Local Government, Decentralisation and

Rural Development (MLGDRD), which supervises the decentralized MMDAs. In line with this mandate, the National Environmental and Sanitation Policy (NESP), published by the then MLGRD (1999 and revised in 2007), stipulates the role and responsibilities of communities, MMDAs and the private sector in environmental management and protection. The main institutions concerned with implementing the policy are presented in table 5.12. The Public Utilities Regulatory (Amendment) Act 800 (2010) amends the PURC Act 1997 (Act 538) to impose a levy on electricity and natural gas transmission services and other prescribed public utilities services. It also seeks to address the issue of funding to allow the Public Utilities Regulatory Commission to remain autonomous and stable in protecting the interest of consumers and providers of utility services.

Table 5.13: The Main Institutions Responsible for Implementing Environmental Policy

Institution	Institution Role
Ministry of Local Government, Decentralisation and Rural Development (MLGDRD);	Policy coordination and formulation, developing and issuing technical guidelines, promulgating legislation and model byelaws, and directing and supervising the NESPCC.
National Environmental Sanitation Policy Coordination Council (NESPCC) – representatives from relevant government agencies, NGOs and private sector groups.	Coordinating policies on environmental sanitation, ensuring effective cooperation among line agencies involved in sanitation, and expediting implementation of sanitation policy.
Metropolitan, Municipal and District Assemblies (MMDAs)	Responsible for waste management services, directly or indirectly through private contractors or franchisees. Carrying out public health management with private sector inputs where appropriate. Monitoring and enforcing environmental standards and regulations. Monitoring sanitation services and making strategic plans to respond to community needs.
Ministry of Environment, Science, Technology, and Innovation (MESTI)	Setting standards and guidelines for environmental quality

²⁷⁵ Ministry of Environment Science and Technology, T.C.P.D (2011) zoning guidelines and planning

²⁷⁶ Sweatman, 2019

²⁷⁷ Government of Ghana 2010

²⁷⁸ Adzawla, W., Alhassan, H., & Jongare, A. I. (2020). Explaining the effects of socioeconomic and housing characteristics on the choice of toilet facilities among Ghanaian households. Journal of environmental and public health, 2020.

Institution	Institution Role
Environmental Protection Agency (EPA)	Regulatory agency for environmental quality and effluent standards.
Council for Scientific and Industrial Research (CSIR).	Supporting and undertaking research and development related to environmental sanitation.
Physical Planning Department	Supporting the physical planning of activities of MMDAs with implications for sanitation management.
Ministry of Education	Responsible for hygiene education in schools, universities, etc.
Ministry of Health	Providing health data, supporting hygiene education activities, helping regulation and standard setting.
Ghana Water Company Ltd	Has control over the few sewerage systems there are in Ghana.
Private Sector	Private Sector- include NGOs, CBOs, etc. Providing the bulk of environmental sanitation services within policies, regulations, supervisory and licensing arrangements set up by the public sector.

Source: UN HABITAT 2021; Ghana Housing Profile 2011.

b. Roads and Access

The Department of Urban Roads within the Ministry of Roads and Highways is responsible for the management of roads in the MMDAs. At the assembly level, the Department operates under the Local Government Act of 1993 (Act 462) which mandates it to create decentralized road units in the MMDAs for the provision, rehabilitation and maintenance of the urban road network in support of quality transport systems. However, lack of adequate financing and capacity remain the bane of most MMDAs in the execution of their management of roads. In 1997, the Road Fund Act (Act 536) was promulgated to provide a legal framework for road maintenance.

The key policy and institutional issues in the transport sector include the need for coordination of policy formulation and planning but inter-sectoral coordination among all ministries involved in the sector is not adequate. There is also the need to clarify mandates among existing agencies and to strengthen management and financing of road maintenance, with a clear focus on striking a better balance between maintenance and expansion/rehabilitation. This is especially an issue in the low-income areas which currently remain grossly disadvantaged²⁷⁹. According to the Ministry of Transport, there has been some achievements in

the Road Sector Development Programme (RSDP) of which some includes the completion of a number of policy studies and action plans to improve sector strategy, financing, management, delivery, and private sector participation.

a. Characteristics and Coverage

Similar to other urban infrastructure services, there exists a significant difference in the provision of urban roads in Ghana. Planned neighbourhoods benefit from well-designed and regularly maintained roads, while unplanned areas, including newly developing settlements and informal settlements, face a severe lack of service. This inconsistency is worsened by the fact that the Department for Urban Roads (DUR) lacks a dedicated approach for the construction and maintenance of roads in these underserved areas. The challenges are further compounded by the absence of residents in these areas with sufficient influence to advocate for improved road provision within the limited resources available. Access roads in such locations often depend on the goodwill of “landowners” who, in their attempt to enhance the value of their plots, resort to creating makeshift access paths.

With efforts to address urban infrastructure gaps, various development partners have played a pivotal

²⁷⁹ Beck, U. (2020). From industrial society to the risk society: Questions of survival, social structure and ecological enlightenment. In Risk Management (pp. 17-44). Routledge.

role in Ghana's Transport Sector. Notable entities such as the African Development Bank (AfDB), French Development Agency (ADF), Arab Bank for Economic Development in Africa (BADEA), Danish International Development Agency (DANIDA), U.K. Department for International Development (DfID), Japan International Cooperation Agency (JICA), Kreditanstalt für Wiederaufbau (KfW), Millennium Challenge Corporation (MCC), Netherlands, Saudi Fund, United States Agency for International Development (USAID), European Commission (EC), and the World Bank have been actively engaged.

In the broader context of urban infrastructure, the disparity is evident, especially concerning the provision of drains for urban roads in Ghana. The existing drainage system is largely insufficient, with limited coverage restricted to major roads and high-class residential areas. Informal settlements, on the other hand, grapple with inadequately designed and shallow drains often clogged with debris. Moreover, progress in constructing new drains in these areas has come to a standstill, further accentuating the infrastructure gap between formal and informal urban sectors.

5.3.3 Sanitation

Human excreta is not only the most poisonous substance most people come into contact with routinely but is also subject to strong taboos in Ghana. In most ethnic groups in Ghana, it is taboo to handle or have any contact with excreta or anything else that has been part of another person (sweat, hair cuttings, nail clippings, menstrual fluid, etc.). This means that one of the most common tropical sewage treatments, the sun-drying of sewage in settling ponds to generate fertilizer, is unlikely to be usable in Ghana. Indeed, the sewage treatment works in Accra has been out of order for the past 6

years and all sewage and sludge go untreated into the sea²⁸⁰. Sanitation is largely administered by local government; the former Ghana Water and Sewerage Corporation established the bias towards high-cost sanitation that its name betrays.

As illustrated in table 5.13, a significant percentage of urban households (67%) have access to a household toilet facility, compared to 33% in rural areas. Among these, improved toilet facilities are more prevalent, with 68% in urban and 32% in rural areas, emphasizing positive sanitation infrastructure development in urban settings. However, challenges persist, particularly in rural areas where 49% of households lack a household toilet facility, and 70% of households rely on unimproved or no toilet facilities. This suggests a need for increased efforts to improve sanitation infrastructure in rural communities. The three major cities Accra and Ashanti regions demonstrate higher percentages of improved toilet facilities compared to the Northern region. Public toilets play a role in addressing sanitation needs, especially in urban areas, where 66% of urban households have access to public toilet facilities. Although, the data below does not present on open defecations, but it is something that cannot be overlooked. Generally, between the years 2010 and 2021 open defecation in Ghana reduced by only 1.6%. The data showed 0.4% reduction in open defecation in urban areas between 2010 and 2021¹⁸⁶. Improvements in rural areas, where inadequate access to sanitation is more acute, have not been much better. Although a lower number of households, indulge in public toilets usage in 2021 as compared to 2010, over 50% of Ghanaians used shared toilets (including paid public facilities) in 2021. About 23% of Ghanaian Households (1.6 million households) rely on paid public toilet facilities. Out of 1.2m household toilets built between 2010-2022, only one third were built with public funding

Table 5.14: Toilet Facility Used by Households by Type of Locality

Toilet facilities	Rural	%	Urban	%	Accra	%	Ashanti	%	Northern	%	Total
Household toilet facility	1613161	33%	3339979	67%	1176496	24%	961563	19%	110086	2%	4953140
Improved	1531419	32%	3303507	68%	1165093	24%	949108	20%	105872	2%	4834926
Unimproved	81742	69%	36472	31%	11403	10%	12455	11%	4214	4%	118214
No Household toilet facility	1674863	49%	1728776	51%	521875	15%	560246	16%	327685	10%	3403639
None	1027892	70%	449849	30%	105717	7%	111306	8%	242033	16%	1477741
Public toilet	646971	34%	1278927	66%	416158	22%	448940	23%	85652	4%	1925898

Source: GSS, 2022⁸

²⁸⁰

While progress has been made in enhancing sanitation infrastructure, particularly in urban areas and certain regions, there's a need for continued efforts to address disparities, improve sanitation access in rural areas, and ensure sustainable and equitable access to proper toilet facilities across the country.

- Type of Toilet Facility Households Usually Used

Three in five households have access to a household toilet facility and the proportion is higher among urban households (65.9%) than rural households (49.1%). There are notable differences in toilet facility (see Table 5.14) usage between urban and rural areas as well as across specific regions in Ghana. Urban households predominantly utilize improved facilities like flush toilets, while rural households often rely on traditional pit latrines or have no

facilities at all. Regional variations are evident, with the Northern region showing a high percentage of households with no facilities, emphasizing potential sanitation challenges. Public toilet dependency is significant across all categories, particularly in urban areas, indicating the importance of maintaining and expanding public sanitation infrastructure. The data highlights the need for targeted interventions to improve sanitation practices, promote access to improved facilities in rural areas, and address region-specific challenges in Ghana.

Table 5.15: Type of Toilet Facility Households Usually Use

Type of toilet facility	Urban (%)	Rural (%)	Accra (%)	Volta (%)	Ashanti (%)	Northern (%)	Central (%)
No facilities (bush/beach/field)	5.9	29.0	4	26.6	6.0	57.5	13.3
W.C.	28.6	4.5	36	7.6	24.7	2.6	11.1
Pit latrine	13.6	27.2	9.7	28.9	21	6.4	18.9
Kumasi Ventilated Improved Pit Latrine (KVIP)	15.4	11.9	15.6	11.7	9	5.4	24.6
Bucket/Pan	0.4	0.2	00	0.1	0.9	0.4	0.0
Public toilet (WC/KVIP/Pit, Pan, etc)	36.2	27.2	34.6	29.0	38.5	27.7	32.0
Other	0.0	0.1	0.0	0.0	0.0		0.1

Source: GSS, 2022⁸

- Household Waste Disposal by Methods.

The most prevalent methods on disposal of wastewater is throwing onto the ground/street/outside (70.6%), and this occurs in rural areas (88.9%) as well as 58.7% for urban areas. The Ghana Statistical Service (GSS) reports on the methods of solid waste disposal for households in urban and rural areas, as well as the overall percentages in the 2021 Population and Housing Census Report. Burning is a common disposal method, Indiscriminate dumping is more prevalent in urban areas (38.5%) compared to rural areas (10%), emphasizing the need for

targeted waste management strategies in different environments. Resulting in an overall percentage of 27.3%. However, burning contributes massively to Ghana's greenhouse gas emissions. Detailed discussions of the country's emissions are further presented in the subsequent section (c. Refuse Disposals). Burying waste in the ground is practiced by 13.7% of urban and 5.8% of rural households, making up 10.6% overall as seen in table 5.15. Other disposal methods are reported by 3.2% in urban and 0.9% in rural areas, contributing to a total of 2.3%. These data highlight variations in waste disposal practices between urban and rural settings.

Table 5.16: Methods of Solid Waste disposal by household

Methods Disposal	Urban (%)	Rural (%)	Total (%)
Burn	58.7	88.9	70.6
Dumped Indiscriminately	38.5	10	27.3
Bury in the ground	13.7	5.8	10.6
Other	3.2	0.9	2.3

Source: GSS, 2022⁸

Table 5.17: Wastewater disposal by household

Mode	Rural	Percentage	Urban	Percentage	Total
Total households in occupied dwelling unit	3288024	39%	5068755	61%	8356779
Thrown onto the ground/street/outside	2923055	50%	2973695	50%	5896750
Through the sewerage system	30281	16%	162357	84%	192638
Through drainage into a pit (soak away)	189801	21%	695136	79%	884937
Flows or thrown into drains/gutter	328324	14%	1949077	86%	2277401
Other (Specify)	813	38%	1341	62%	2154

Source: GSS, 2022⁸

b. Refuse Disposal

The boundary between refuse disposal and excreta removal is rather fuzzy in Ghana. Many children and some adults use rubbish tips as toilets, especially at night. In some parts of cities where houses lack sanitation facilities, people relieve themselves into polythene bags and deposit these into the community refuse skips. It is clear that refuse collection is quite rare in urban Ghana; only in GAMA is it a significant way of disposing of refuse; the public dump and indiscriminate dumping are used by 66 and 10 per cent respectively of households in all urban Ghana²⁸¹. Oteng-Ababio & Grant (2020) found a heavy reliance on public dumps in his sample in informal areas of Accra, but the upgrading of 'Sodom and Gomorrah' has resulted in most households there having a

refuse collection service⁵⁸.

In table 5.17, the majority of waste (93%) in urban areas is collected through formal methods like compaction trucks and central containers, while only 7% of waste in rural areas follows similar collection patterns. The formal waste collection methods (Central container and compaction truck) are more prevalent in urban areas (88% and 92%, respectively) compared to rural areas (12% and 8%, respectively) whereas public dump/open space method is more prevalent in rural areas (60%) compared to urban areas (40%). However, there are still significant challenges, such as a high percentage of uncollected waste and environmentally harmful disposal practices like burning and dumping indiscriminately, particularly in rural areas.

²⁸¹ Oteng-Ababio, M., & Grant, R. (2020). E-waste recycling slum in the heart of Accra, Ghana: the dirty secrets. In Handbook of Electronic Waste Management (pp. 355-376). Butterworth-Heinemann.

Table 20: Storage of solid waste by households in the Urban and rural settings

Methods	Rural	Percent	Urban	Percent	Total	Percent
Collected	191666	7%	2603118	93%	2794784	21%
Other vehicles	7124	7%	101386	93%	108510	1%
Central container	91637	12%	664221	88%	755858	6%
Compaction truck	54663	8%	644584	92%	699247	5%
Push carts/Walk-in attendant/ Bicycle/Wheelbarrow	22442	17%	108392	83%	130834	1%
Tricycle	15800	1%	1084535	99%	1100335	8%
Uncollected	1210786	50%	1218592	50%	2429378	18%
Burn	809305	43%	1072741	57%	1882046	14%
Bury in the ground	177034	68%	82499	32%	259533	2%
Dumped indiscriminately	217743	79%	58772	21%	276515	2%
Other	6704	59%	4580	41%	11284	0%
Public dump/open space	1885572	60%	1247045	40%	3132617	23%
Total	4690476		8890465		13580941	100%

Source: GSS, 2022⁸

- Greenhouse Gas Emissions

Waste emissions in Ghana encompass a range of activities, including incineration, open burning, and waste disposal. These emissions are measured in million metric tons of carbon dioxide equivalent (MtCO_{2e}) and are a crucial component of the country's total greenhouse gas emissions. The sources of waste-related emissions in Ghana include activities such as incineration, open burning, and waste disposal practices within different sectors, such as mining, industrial operations, and urban waste management. Waste emissions contribute to Ghana's overall greenhouse gas inventory, affecting the country's emissions profile and environmental sustainability efforts. Understanding and quantifying these emissions are essential for developing effective mitigation strategies and promoting sustainable waste management practices.

In 2019, the largest contributor to greenhouse gas emissions is the energy industry. It makes up 45.7% of Ghana's 59.8 MtCO_{2e} total GHG emissions (Figure

5.5). AFOLU accounts for 44.6% of the country's emissions, making it the second largest source. The IPPU sector emits 2.9% of the emissions, followed by the solid waste industry's 6.9%. The overall number of emissions increased by 16.3% in the years 2016 to 2019. Every sector saw an increase in emissions between 1990 and 2019, with the exception of the IPPU, which saw an 11.8% decrease^{Error! Bookmark not defined.}. However, when the results of all GHG emissions are broken down, Land Use, Land-use Change and Forestry (LULUCF) and agriculture emerge as the two main sources in 2019. Of the nation's greenhouse gas emissions in 2019 LULUCF accounted for 24.3%, whereas AGRIC accounted for 20.3%^{Error! Bookmark not defined.}. The emissions from fixed (16.8%) and mobile (15.4%) combustion sources, as well as fugitive emissions from fuels (13.5%), come after those from land-based activities and livestock. Liquid waste (3.8%), solid fuel (3.1%), and industrial operations (2.9%) account for the remaining sources of emissions.

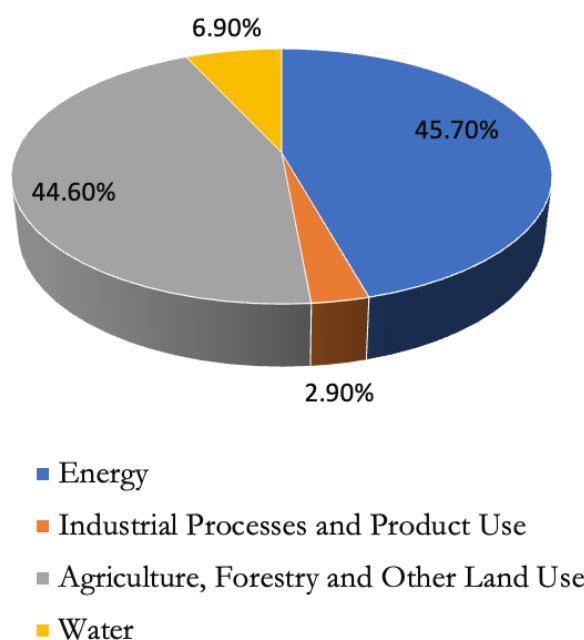


Figure 9: Emissions by source/removals by categories

Source: Environmental Protection Agency (EPA), National Greenhouse Gas Emissions Report²⁸²

5.3.4 Storm and Wastewater Drainage

There's a notable absence of information concerning the disposal of storm and wastewater (sullage) in urban Ghana, particularly in areas prone to frequent heavy rain. As climate patterns shift and more intense storms become commonplace, the effective management of stormwater is poised to gain increasing significance. Presently, drainage systems are insufficient, contributing to frequent local floods and flashfloods. The disposal of wastewater primarily relies on open drains, with only a handful of households equipped with sewer or septic tanks for their sullage. A study by Akuffo in 2007 revealed that 78 percent of participants in informal neighbourhoods dispose of their wastewater in open drains⁷⁸. In many urban areas across Ghana, drainage facilities are concentrated in a few major streets and established residential zones. Accra, for example, relies on a gravity flow drainage system, but the flat and low-lying topography, coupled with haphazard building placements along water courses, impedes efficient drainage. The lack of regular maintenance, coupled with the indiscriminate dumping of refuse and human waste in drains, further exacerbates the issue. Obstructions caused by service and utility lines, undersized culverts crossing roads, and unauthorized structures situated within drain flow paths worsen the problem.

Flooding has turned into a yearly annoyance in Accra and the valleys surrounding Kumasi²⁸³. To reduce scouring and increase carrying capacity, some drain sections need to be lined. Natural scouring along highways and railroads has created open channels that act as rainwater and sullage drainage conduits in low-income neighbourhoods. Sadly, ditches on the side of the road are frequently the end of these channels. As a result, a lot of alleyways in these kinds of neighbourhoods have effectively become stormwater drains, which erode buildings, detract from overall aesthetics, and pose health hazards because they retain water long after the rain stops.

5.3.5 Digital Communications

Digital communications play a crucial role as basic infrastructure in housing in Ghana, contributing significantly to digital inclusion and connectivity within housing communities. Internet penetration rates and the availability of robust telecommunications infrastructure serve as vital indicators of the level of digital inclusion and connectivity within these communities. In Ghana, the government has introduced various digital technologies to expedite public services in urban and rural areas, aiming to enhance connectivity and accessibility to

²⁸² Ghana's Fifth National Greenhouse Gas Inventor. The 2021 National Greenhouse Gas Emissions Report by Environmental Protection Agency, May 2022.

²⁸³ Kagblor, C. (2010). A spatio-temporal study of urbanization and flooding in the Greater Accra Metropolitan Area (GAMA) of Ghana. Unpublished Masters' thesis submitted to the Department of Geography and Resource Development, University of Ghana, Legon, Accra.

digital services for residents²⁸⁴. Initiatives such as the National Digital Property Addressing System (NDPAS) and the Ghana Post GPS have been implemented to improve the digital mapping of properties and parcels of land across the country²⁸⁵, facilitating easy navigation and location identification within housing communities.

The digital communications sector is not only essential for enhancing connectivity but also plays a critical role in disaster management, emergency response services, public safety, and overall governance. By leveraging digital technologies, emergency response institutions can overcome navigation challenges during crises, enabling quicker and more effective responses to accidents, crimes, health emergencies, fires, and other incidents. This improved access to addresses through digital systems enhances the ability of authorities like the police, health providers, fire services, and ambulance services to locate incident sites promptly, ultimately saving lives and improving government operations. Moreover, the utilization of digital addresses in Ghana creates a database of businesses, streamlining tax collection processes, reducing risks for businesses seeking loans, lowering the cost of doing business, and fostering job creation opportunities for Ghanaians²⁸⁶. Additionally, digital communications infrastructure enables citizens to easily locate service providers, enhancing access to essential services within housing communities.

Ghana's internet penetration rates and telecommunications infrastructure availability are critical indicators of digital inclusion and connectivity within housing communities. The country has made significant strides in recent years, but penetration rates remain relatively low, and prices remain high for the average Ghanaian²⁸⁶. According to the Ghana Statistical Service, only 7.9% of households owned a laptop or computer, indicating a low ownership rate of devices for internet access²⁸⁷. Furthermore, disparities between urban and rural ICT ownership and usage remain a challenge, with only 47.8% of Ghanaians owning a mobile phone and 63.4% of urban dwellers owning phones, compared to

only 29.6% of rural dwellers³⁰⁴. The government has recognized the importance of digital inclusion and has introduced various digital technologies to expedite public services in urban and rural areas. The National Digital Property Addressing System (NDPAS), also known as the Ghana Post GPS, is a modern and revolutionary approach to allocating addresses within a defined space with the aid of geocoding²⁸⁸. This system has played a significant role in assigning an address using a system of maps and signs, reviving the nation's designated postal service operator, Ghana Post, and enabling the police service to access addresses and deal effectively with crimes quickly³⁰⁵.

The telecommunications infrastructure in Ghana has evolved significantly over time, with the sector contributing 7.4% to the GDP in 2020²⁸⁹. The industry has undergone several reforms and developments since the liberalization of the sector in 1994, with the National Communications Authority (NCA) overseeing the licensing, regulation, and monitoring of telecommunications operators and service providers³⁰⁶. The main operators in the market are MTN, Telecel, AirtelTigo, Glo, and Surflin, offering services such as voice, SMS, data, internet, and mobile money. The country has made significant progress in mobile connectivity, with a mobile penetration rate of 131.9% in 2020 and a smartphone penetration rate of 50% in the same year³⁰⁶. The main drivers for mobile connectivity include the low cost of SIM cards, the availability of mobile money services, and the increasing demand for social media and online entertainment.

5.4 Housing Construction

The construction industry serves as the primary source of housing. Residences are a combination of different materials and components, brought together on-site by the construction sector. In contrast to most manufacturing industries, it does not rely on centralized factories; rather, it operates on various sites dispersed throughout the entire country. This section explores the characteristics and effectiveness of the construction industry, along

²⁸⁴ Ministry of Communication and Digitalisation, Government of Ghana. National Digital Property Addressing System (NDPAS). Retrieved from <https://www.moc.gov.gh/ndpas>

²⁸⁵ National Communications Authority, Government of Ghana. Telecommunications Industry. <https://www.nca.org.gh/telecoms-industry>

²⁸⁶ Oecd.org, (2017). Case Story Template SurveyMonkey - OECD. <https://www.oecd.org/aidfortrade/casestories/casestories-2017/CS-03-A4AI-Affordable-Internet-in-Ghana.pdf>

²⁸⁷ Statsghana.gov.gh, (2013). Regional Analytical Report -:: Ghana Statistical Service, 2010_PHC_Regional_Analytical_Reports_Greater_Accra_Region.pdf>

²⁸⁸ Myjoyonline.com, (2021). Dr Gameli Mawunyega: Digital addressing system - MyJoyOnline.

²⁸⁹ National Communications Authority (NCA)

with the provision of the materials and components it combines.

Ghana's construction sector employs approximately 420,000 people²⁹⁰. The building industry is frequently described as the engine driving economic growth in the development of a country. This is because it has a great deal of potential to be an important factor in economic development, growth, and activity²⁹¹. For a professional workforce that is varied, it offers a wealth of opportunities. Notably, one of its most important contributions to development is its ability to create jobs, providing opportunities for employment to millions of skilled and unskilled workers who are especially in need of economic betterment. Because lower-wage workers make up majority of the workforce, money made in the construction industry typically is spent close to the job site, meaning that income multipliers are likely to be around two, meaning that for every dollar paid in wages, another \$1 is made locally. It is probable that for every job created directly in the construction industry, at least one more is created in

the industries that supply the building process with parts, transportation, supplies, and sustenance i.e., its backward links. The economic benefits of building housing outweigh those of larger construction engineering projects, and the benefits are even greater when the housing is basic and inexpensive rather than luxurious and well-finished²⁹². Over time, the very fact that there is housing creates a great deal of work in the areas of furnishing, fitting out, and repair in addition to facilitating the operation of several home-based businesses²⁹³.

5.4.1 The Construction Sector - Legal and Regulatory Frameworks

Numerous laws and rules about standard setting, permissions and authorizations, consents and registrations, and other general statutes that affect the construction industry have a significant impact on the construction business. Below are some of the legal frameworks existing within the country pertaining to the construction sector;

Table 5.19: Regulatory frameworks in the construction sector

Act	Section related
National Development Planning Commission Act 1994 (Act 479) Section 2 (2)(c)	Guarantees development policies and programs adhere to sound environmental principles by proposing measures for the preservation of the ecological and physical surroundings.
Local Governance Act, 2016 (Act 936)	Creates an all-in-one document for all local governance matters and harmonizes five current local governance laws. The Act designates each District Assembly as the District Planning Authority, with the District Planning Coordinating Units serving as the district's conduit for planning functions. One of the main duties assigned to the District's Planning Authority is to create a settlement layout plan in accordance with any planning legislation that is pertinent to that process (sections 82,83-84). Furthermore, it requires everyone to abide by approved development plans; in the event that this is not the case, the District Planning Authority has the ability to forbid, mitigate, modify, remove, or demolish any physical growth that does not follow an official District Development Plan. It stipulates that prior to any physical development taking place in the district, authorization in the form of a written permit issued by the District Planning is required (section 91).

²⁹⁰ Kuffo et al, (2023). Africa Housing Finance Yearbook.

²⁹¹ Schlossarek et al. (2016). Economic Growth and Human Development in Developing Countries: Virtuous or Vicious Circle?

²⁹² Boamah (2019). Housing Policy in Ghana: The Feasible Paths

²⁹³ Tipple (2011). Ghana Housing Profile

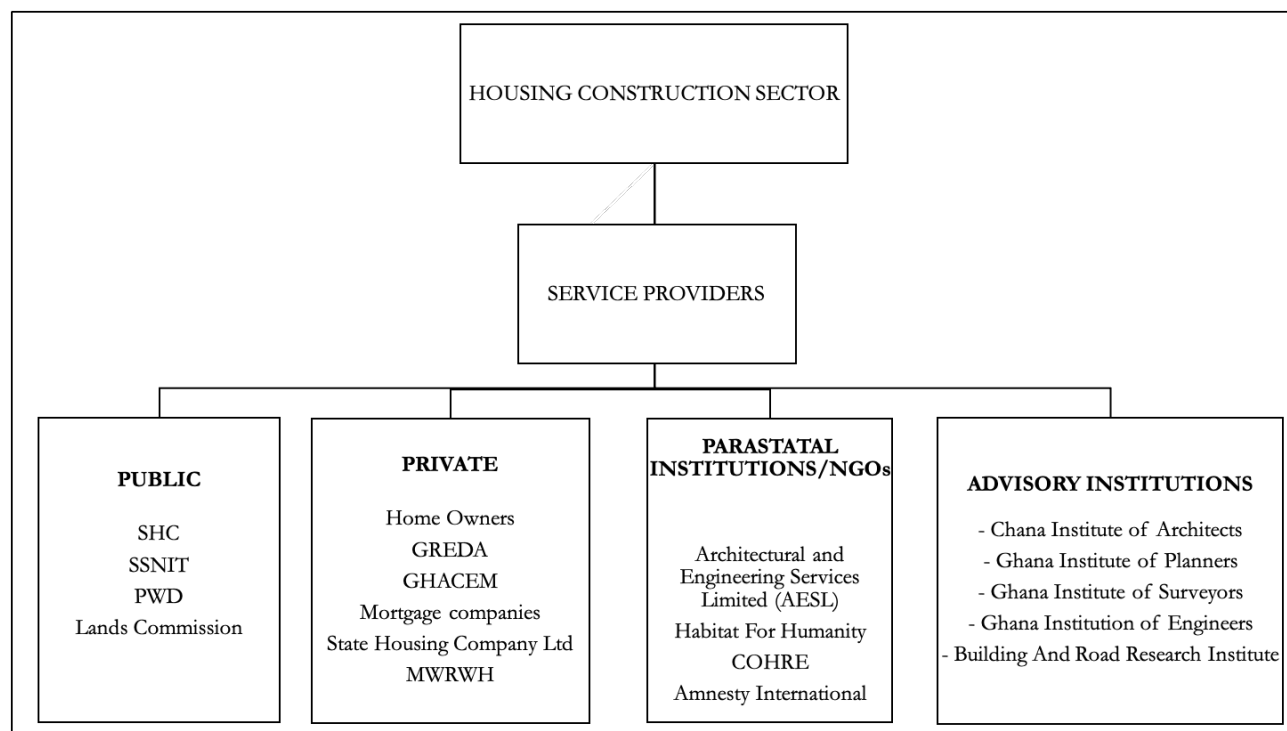
Act	Section related
Land Use and Spatial Planning Act 2016, Act 925 (sections 96, 97,98,99)	It stipulates that, for construction purposes, the transferor has the responsibility of proving to the beneficiary that the land is suitably designated for the transferee's needs. Additionally, it makes it necessary for the transferor to affix proof of appropriate zoning to the transfer document. Any violation is a crime that carries a five-to seven-year jail sentence, fine, or both. The Act further stipulates that a Land Use Certificate issued by the appropriate District Assembly must be submitted with an application for land registration.
National Building Regulations, LI 1630, 1996	The provisions indicated earlier in the Local Governance Act 2016 (Act 936), are reinforced by this regulation. The regulations set requirements for building construction as well as standards for building erection, modification, and extension. Prerequisite provisions include submitting building plans along with an application for permits, submitting the application and the plans to the DPA, demonstrating good title, proving to the DPA that the applicant is the rightful owner of the land shown in the plans, and obtaining a certificate of demarcated corners. A certificate from a licensed surveyor attesting to the fact that the corners of the land where the construction or work is to be done have been permanently marked on the ground under the site plan must also be submitted by the applicant to the
Ghana Building Code GS 1207, (2018)	This extensive building code specifies minimum standards for construction, with the exception of one- and two-family homes under three stories that have a separate escape route. In order to provide architects, government agencies, safety instructors, as well as other building industry stakeholders with a reference standard, the code is compared with the international building code and the green construction code. It is against the law to carry out any development or building activity in breach of the code. In the event of a violation, the person in charge of the continuing work at a site will get a notification of the violation from the Head of Works, along with an order to cease work or mitigate it (code 1.16.2). In the event that the notice is ignored, the Head of Works may ask for legal representation in order to launch an action to stop, rectify, or mitigate the infraction, or to order the building to be taken down or the illegal occupation of the structure to end (Code1.16.3).
Architects Act 1969 (Act 357)	According to the Act, an architect who does not currently reside in Ghana cannot be licensed to practice unless a special application is submitted for an interim registration to complete a particular project. In addition to resident permissions and ordinary work permits, this requirement exists.
Civil Liability Act 1963 (Act 176)	Contributory negligence and concurrent wrongs are covered under the Act. In addition, there are the basic common law rules regarding negligence and torts. A principal is entitled to indemnification from a contractor or subcontractor for any compensation paid by the principle for any industrial injury or death to workers employed on a project under the Workmen's Compensation Act 1987 (PNDCL 187).

5.4.2 Suppliers, Contractors and Service Providers

The primary players in Ghanaian residential construction are teams of masons and tradespeople working in consortia to build a single house that can

house one or more households. Only at the very top end of the market does a contractor build several homes for subsequent sales. There are several key players in Ghana's construction industry, including following:

Figure 5.10: Contractors and service providers in the construction sector



Source: Authors construct (2024).

The figure illustrates the actors and service providers in Ghana's housing sector. It comprises prospective homeowners who collect together the land, materials, contractors, services, etc., to build a complete dwelling at their own instigation. The contractors, many of whom are very small-scale mason-and-mate teams, gather the necessary tradesmen to complete a project. Companies that directly build houses for the state, corporate organizations and individuals include the State Housing Company (SHC), Social Security and National Insurance Trust (SSNIT), Public Works Department (PWD) and, in the private sector, the contractors within Ghana Real Estate Developers Association (GREDA), Building and Civil Engineering Contractors Association, GHACEM and Habitat for Humanity. Working hand in hand, the MMDAs enforce the building regulations by managing the issuance of building permits and making sure that buildings are constructed in compliance with local government regulations.

The Land Use and Spatial Planning Authority has overall control over all aspects of urban planning

and land management, including making sure that land use plans are created. For government building projects, a few parastatal institutions offer technical and consulting services. They include Architectural and Engineering Services Limited (AESL) and other private architectural firms. These organizations sometimes supervise the construction of public buildings. Institutes that provide technical advice and influence policies in the construction industry also include the Ghana Institute of Architects, Ghana Institution of Engineers, Ghana Institute of Surveyors, Ghana Institute of Planners, the Building and Roads Research Institute (BRRI), and the professional associations for draftsmen, builders and contractors.

- a. The Ghana Real Estate Developers' Association (GREDA)

Real estate developers are a relatively new arrival in Ghana's urban housing market, following the establishment of GREDA in 1988. The association started with 14 companies at the time and the number of GREDA members rose over the years and

now has a membership of over 200²⁹⁴. Though even the largest of GREDA members only build a couple of hundred dwellings per annum in good years, together they have completed several thousands. The numbers are unclear as different sources give very different estimates.

Based on the operations and activities of GREDA, they are mainly based in the southern part of Ghana (Greater Accra, Eastern, Western and Ashanti regions). The association members contribute annually to the housing stock. About 60% of the membership are active developers, and about 20% - 30% of that percentage deliver more constantly⁶⁶. The industry has not been spared of the (negative) impact and effect of COVID 19 which gave the Association several challenges with one of the most pressing being the importation of building materials for construction. GREDA focuses on the supply of housing for all needs, from affordable housing to top luxury housing, both residential and commercial. Although the term “affordable housing” is relative, according to the association, the price ranges between \$50,000 to \$65,000 is considered affordable housing, and anything above is in the upper-class⁶⁶. The market for GREDA members tends to be the upper income group, now increasingly described as a middle-upper class, who are employed by any of the many foreign direct investors (FDIs) in Ghana²⁹⁵.

b. Construction Supply Chain

Ghana is traditionally a clinker-and cement-importing region due to the lack of suitable limestone reserves. The adoption of cement/ concrete/sandcrete/ shotcrete masonry building materials in Ghana for external wall construction have also risen sharply, becoming the de facto material in urban areas (82 %) and representing close to 40 % in rural areas (Ghana Statistical Service, 2021).

The structural adjustment programs and neoliberal economic policies adopted by West African nations including Ghana in the 1980s gave rise to a market-led approach to trade which enabled and accelerated private-sector housing production and import of material commodities including building materials. According to Council for Science and Industrial Research- Building and Road Research Institute (CSIR-BRRI) database, as at June 2023 the main building materials for building envelope construction in Ghana can be categorised into sand and stone, cement, aggregates, concrete/blockwork/ concrete block, reinforcement bars/pipes/plates/bars, metallic roofing sheets, asbestos, roofing tiles, wood (Redwood, emire, dahoma, kusia, koto, ceiba and

sapale), plasterboards and PVC pipes. Sand, stones, wood, and bamboo are raw materials that are extracted and used in the building and construction sector in Ghana. While quarrying industries are regulated to a limited extent, sand mining is characterised by weak regulatory regimes, poor surveillance and corruption. Sand mining activities negatively impact the environment, and agricultural lands, affecting livelihoods of peri-urban dwellers.

Refrigerators, air conditioners, and fans are the main appliances used in homes, however, the focus is on room air conditioners and refrigerators as these are responsible for increase in household electricity demand. Data from the Energy Commission indicate that a total of 643,942 units of new refrigerating appliances were imported and inspected at the Tema Port in accordance with Legislative Instrument (L.I. 1958) - Energy Efficiency Standards and Labelling, in 2021, representing an increase of about 23.0% of the 2020 total imports.

A multitude of suppliers, including those that import goods, manufacture locally using imported resources, and manufacture locally themselves, provide the supply of building materials. Most building supplies on the market contain some element of import. For example, domestic roofing sheet production requires the import of aluminium ingots and rolls, whereas cement production requires the importation of clinker.

Retailers base their prices on several factors, including the cost to the producer, the distance that items must be transported, inflation, and frequently, market shortages. Any momentary shortage on the market results in price increases. In Ghana, shortages of building materials are relatively infrequent and only happen when factories are undergoing maintenance or repairs. Imported items' pricing are impacted by import levies, some of which are rather expensive.

c. Labour

Ghana's construction sector is made up of predominantly informal players. Construction labour is reasonably easy to come by for would-be homeowners though this leads to poor quality house construction, development of houses at inappropriate locations and poor pricing of houses. Unskilled labourers are frequently found by word-of-mouth (through friends and/or relatives) or by the skilled hands they work with. Skilled labour is usually hired through recommendations. Workers in most construction projects receive their daily pay at the end of the workday. On construction sites, the workday typically begins and ends early from 7a.m

²⁹⁴ GREDA (Field Survey, 2024).

²⁹⁵ Lentz et al. (2023). Across regional disparities and beyond family ties: A Ghanaian middle class in the making.

to 2p.m to minimize exposure to the sun with a brief break of about 30 minutes. Workers may not begin work until approximately 9 a.m., with an hour break from 12 p.m. to 1 p.m., if housing development is taking place in an area far from their residences. They will then work until 5 p.m. When workers are paid on a daily basis, the owner or a reliable family member will oversee the location.

d. Training

Artisan training is provided in two main ways: through the polytechnics, technical and vocational schools and, in theory, the Junior High Schools (JHS). More commonly, skills are simply acquired through apprenticeship. About one in four of all apprentices in Ghana are in the construction industry but almost all are male. Depending on the trade being learnt in Ghana, apprenticeships last between one to four years. Typically, an apprentice pays a master

craftsman an agreed training fee and receives training in return. Generally, the mean reported in GLSS7 is 28 months. The males take a longer duration (29.5 months) to complete apprenticeship training than females (26.6 months). The longest average duration of apprenticeship training for males is spent on electrical (32.0 months) while the longest for females is textiles, apparel and furnishing (27.8 months) and health service and related activities (27.8 months). Apprenticeship training in the urban areas takes a relatively longer period (average 29.2 months) to complete than training undertaken in rural areas (average 26.6 months)²⁹⁶. Before enrolling as an apprentice, a young man, accompanied by his/her guardians, goes to see the master (mason, carpenter, plumber, electrician, steel bender, air-conditioning, generator, etc.) with a bottle of schnapps and a sum of money to cover the cost of training.

Table 5.20: Skilled Labor Charge-out per day in Urban Ghana

Labour	Job Description	Cost charged per day (GH¢)
Mason	Concrete works	60 - 200
	Block works	60 - 180
Labourer	Concrete works	50 - 60
	Block works	50 - 60
Carpenter	Profile, Columns, beams etc	100 - 160
Joinery	Joinery works (specialized job)	Price charged is a lump sum according to the work to be done.
Plumber	Inserting pipes in slabs	50
Steel bender	Binding rods into beams and columns	50
Electrician	Does the electrical wiring of the house	Price charged is a lump sum according to the work to be done.

Source: Field Survey, 2024.

5.4.3 Building Materials: Traditional and Industrialized Production

Historically, there have been significant challenges in acquiring construction supplies. For instance, in 1980, some people had the good fortune to purchase cement through official channels at a government-subsidized price, which was very slow and subject to corrupt payments. However, the majority of people were forced to rely on the black market, where prices were roughly 20 times higher than the controlled price. Either way, scarcity was widespread. While there were frequent shortages of cement in the 1990s, other building supplies were easily accessible,

and the larger towns had a large number of retail stores⁶⁵.

Homes for customers with high and medium incomes are built using in-situ structural concrete, cement-sand (sandcrete) blocks, and, very rarely, burnt bricks. Prefabricated parts are also utilized occasionally. Internal doors are typically plywood flush doors, while external doors are primarily wood panelled. Windows are made of glass, typically with aluminium carriers and “naco” louvre blades. Due to the rising crime rates in urban areas, security gates and doors that are aesthetically pleasing are either imported or manufactured locally from China or

Italy. Although steel trusses have just been installed, roofing members are still made of wood. Asbestos and other conventional roofing materials are shunned in favour of contemporary coloured metal roofing sheets that are frequently cut to order from factories and occasionally tiled with micro-concrete. For floor finishes, PVC and ceramic tiles are frequently utilized. There are further uses for granolithic finishes, screed, terrazzo, and wooden parquet. Walls, both inside and out, are typically painted. The walls in the kitchen, restrooms, and bathrooms are tiled. Plywood is sometimes used along with standard modern ceiling finishes like plaster of Paris and plastic tongue-and-groove panels.

Most low-income builders use sandcrete blocks for wall construction. The windows are mainly aluminium carriers with glass louvres. Some are fitting low grade glazed windows in place of the louvres. Doors are mainly panelled or flush doors that are mass produced locally and sold on the open timber market. Asbestos roofing sheets, made locally or imported from China, are standard but some coloured roofing sheets are also being used. The majority of wall finishes in bathrooms are emulsion paints, while tiles may be used on the lower part of the walls. Most flooring is made of cement screed. Majority of ceiling materials are plywood, with sporadic tongue-and-grooved plastic panels thrown in. Some households build with temporary materials like plywood, metal sheets, and softwood (wawa) in neighbourhoods where tenancy is precarious. The primary building materials that are used in Ghanaian home construction are:

a. Compacted Laterite, Atakpamé or Swish

Atakpamé is made up of roughly compacted laterite in layers approximately 450mm deep. Although it is not often employed for new construction, it is widespread in the walling of older cities and towns. The building standards and regulations do not permit its use in metropolitan areas without special permission, despite its affordability, durability, and great thermal efficiency. While it is considered a temporary material, it can endure for many generations if properly safeguarded by a roof overhang and sturdy base and its walls several generations if they are shielded from ground splash back and have a well-ventilated roof to prevent excessive rainfall. Around 70% of Ghana's land area is covered in laterite²⁹⁷. Because of its rough, iron-bearing nodules that adhere to one another when compacted, this material is good for construction. A chemical bond strengthens the physical relationship over time, creating a material that is incredibly

resilient.

However, because most of the homes and developers surveyed saw it as “bush” or “rural-ish,” they would not choose to employ it in the construction of new homes. The majority believes it to be ugly and non-durable, despite knowing of its long-lasting village homes attributes. According to one respondent, the building would look out of place in comparison to the nearby sandcrete structures. Ghana has a wide variety of lateritic materials that are predominant, ranging from fine-grained sandy, silty, and clayey soils to rocks, boulders, cobbles, and pebbles. Moulded laterite is increasingly being used as wall components in metropolitan areas²⁹⁸. To mould Hydraform blocks, a mixture of 90% laterite and 10% cement is used. Standard bricks can also be made from laterites that have been sieved and combined with cement.

b. Cement and Pozzolana

Ghana produces cement using imported clinker. The primary cement providers in the nation are GHACEM, Diamond Cement, Dzata, and Dangote Cement. With two handy locations for importing clinker, GHACEM produces two varieties of cement: 32.5N, or super-fast cement, accounting for 90% of total production and is frequently used in home construction. The other form of cement is produced at its two production hubs in Tema and Takoradi. The final 10% of annual output, or 42.5N, is utilized for high-rise building and other constructions requiring high degree of strength. While each has components that are both bulk and bagged, just 1% of the output is bagged. The clay deposits in Ghana have been shown to be rich in pozzolanic materials (silica and alumina) which react with the constituents of Portland Cement and can substitute for up to 40 per cent of the cement's volume.

c. Burnt Bricks

Bricks are not commonly used in Ghana despite efforts to introduce them. They tend to be used as decorative panels or as infill in concrete framed structures.

d. Sandcrete Blocks

Sandcrete blocks are one of the dominant building materials for walls following the general trend towards using cement products and components (sandcrete building blocks and in situ concrete elements) by builders and house-owners alike. The housing sector profile's small sample survey shows how dominant sandcrete blocks are for building walls

²⁹⁷ Ampadu et al. (2022). The field compaction of lateritic pavement layers in a tropical environment.

²⁹⁸ Santha Kumar et al. (2022). Characterization of laterite soil and its use in construction applications: A review.

but landcrete²⁹⁹ seems to be quite popular in Accra, Sekondi-Takoradi, Kumasi and, particularly, Tamale.

Sandcrete blocks consist of cement, sand and water molded into a block, mainly produced by small-scale entrepreneurs using labor-intensive production methods and moving from site to site. Often, the sand used is contaminated with pieces of polythene, stones, roots and other vegetable matter or debris, and the mixing process is less than thorough. Though the standard mix required by regulation is 1 part cement to 6 parts sand, some operators use 1 to 9 so that one 50-kilo bag of cement is used to produce 25, 125 mm blocks (i.e., 125 mm x 300 mm x 450 mm). More commonly, the cement is stretched even further to make about 35, 125 mm blocks from a bag of cement at 1 part cement to 12 parts sand.³⁰⁰

Most blocks are made by pouring the damp mix into wooden moulds. They are not wet cured for full strength but are deliberately exposed to the sun to speed the drying process, considerably reducing their strength. Even with the inadequacy of curing practices and the routine presence of contaminants in sandcrete mixes, the blocks produced tend to be quite adequate for low-strength applications, such as simple, single-storey house construction, but might not suit for anything higher⁷².

Sandcrete blocks are slightly more expensive than using locally sourced and earth-based building materials. However, sandcrete blocks sourced from major block manufacturing companies, such as Bess Block, Bazonta Group and BB Blocks cost about two times those made by small scale manufacturers. The difference in cost arises from the production methods, the composition of the block, and the high quality. For residential construction, most households either buy from small-scale producers or mould their blocks on site with hired labour. Sandcrete blocks are often bought or made in advance and kept on or near the site for years on end awaiting the construction phase.

The Bess Block Factory, in Adamrobe, in the Greater Accra Region, produces more than twenty thousand (20,000pcs) 6 inches building blocks per day and 1000m² paving blocks per day at varying strengths to suit customer specifications. The factory uses river sand, mined from the lakes in Akuse and Adidome in the Volta Region, and various sizes of quarry dust⁶⁵.

e. Aluminium and Asbestos Sheetting

Raw material for the roofing sheets consists mainly of Aluzinc, steel, alloy and aluminium sheets. Steel and alloy sheets originate mainly from India and China which supply approximately 90% of the industry's raw materials (Ghana Commercial Bank, 2022). Roofing materials come in a variety of forms, from slate to commercially produced products such as tiles and aluminium and steel sheets ³⁰¹.

Corrugated aluminium or asbestos replaced corrugated galvanised iron as the roof cladding material of choice during the late 20th century; in 2000, Forty-six per cent (46%) of houses in Accra have asbestos sheet roofing. Aluworks, Metalex, Rocksters, Glanderson, Rainbow etc, are all suppliers of different types of roofing sheets, sold directly or through retailers. Aluworks Ltd is based in Tema and mainly involved in the processing of aluminium ingots, sourced from South Africa, into finished products such as aluminium sheets, rolled aluminium sheets, corrugated sheets, roofing sheets and louvre blades.

Rocksters Roofing Company has factories in Accra, Weija, Tema and Kumasi. They previously obtained raw material from Aluworks, but their production levels have reduced so Rocksters imports rolled sheets from USA, Australia and recently from Asia.

Asbestos is injurious to health, but it has not been prohibited from use on the Ghanaian market and is processed locally. According to Kottek et al.³⁰², prolonged exposure to asbestos fibres can lead to serious health risks, including lung diseases such as asbestosis, lung cancer, and mesothelioma. There is no known ban on the use of asbestos roofing sheets yet, but they are not in use like they were in times past.

f. Micro-Concrete Tiles

The micro-concrete tile was introduced in the late 1980s, but its use tends to be restricted because its weight requires more elaborate wood framing for the roof than sheeting. As timber is valuable as an export product, so is sawn timber for extensive rafters and purlins is rather expensive. Thus, for low-income households at least, the micro-concrete tile roof is not a realistic alternative to the traditional metal roof.

²⁹⁹ Landcrete uses earth instead of gravel and sand to mix with cement in making blocks.

³⁰⁰ Tipple et al. (1999). Housing supply in Ghana: A study of Accra, Kumasi and Berekum.

³⁰¹ Based on UN-HABITAT Ghana's assessment of Ghana's Built Environment Sector under a project titled 'transforming the built environment through sustainable materials'.

³⁰² Kottek et al (2022). Public health risks from asbestos cement roofing.

g. Timber

Timber as a building material is used in almost all dwellings that are constructed in the urban centres of Ghana. It is locally sourced from the rain forests. Various types of timber are used for construction. Soft woods, such as Wawa, are used as casing for columns and beam or scantlings for foundations. In the past, they were used as props for formwork for floor slabs but are now largely replaced by bamboo for most formwork during construction. Hardwoods, mahogany, sapele and odum, are more expensive than wawa boards and often used for roofing members, door and window frames, ceiling noggings and for the manufacture of doors. Timber can be either hand sawn or machine-cut. It comes in different sizes of 1"x12" boards and sectioned timber of 2"x2", 2"x3", 2"x4" and 2"x6". Builders often use the machine-cut timber but, occasionally, some households (both high and low income) have used the hand sawn timber for construction although it is illegal. Local hardwood is subject to illegal logging and processing often to special order. There are timber markets in the big cities.

While higher-income household use expensive timber, such as mahogany and odum, lower-income households use substitutes such as red wood and emire. Sometimes the wawa or red wood boards used for formwork are recycled to manufacture

doors and windows and as formwork. Even though wawa might not be officially suitable for doors and windows, it has served low-income households in this way. Along with plywood sheets, softwood is also used in unauthorized housing structures, such as those in Agbogbloshie, in the form of a frame covered in 300-400mm planking either butted or lapped, or 100mm planks lapped³⁰³.

h. Stone

Stone is mined locally in most parts of the country and is readily available on the market, but it is not a common walling material for housing. Instead, it is used as aggregate in two main forms for construction; namely hand crushed stone and machine-crushed quarry stone. The hand crushed stone is no finer than 12.5mm ($\frac{1}{2}$ ") while machine-crushers can reduce it to 6.25mm ($\frac{1}{4}$ "). Hand crushed stone is used for concrete works; foundation footings, floor slabs, beams and columns in most of the houses constructed in Ghana. Some builders in the middle to high income market use machine-crushed stone during construction. Transportation cost determines the final price of stone supplied to the household so, sometimes, where it is present, households hire skilled artisans to mine the stones from the plot. Where unneeded boulders exist, they are sold to crushers who cart them off the site.

Table 5.21: Household by outside wall material used in the dwelling in urban and rural Ghana (percentages)

MATERIAL	Ghana	Urban	Rural
Mud bricks/earth	29.6	10.6	56.4
Wood	3.2	4.5	1.5
Metal sheet / slate/asbestos	0.8	0.8	0.5
Stone	0.1	0.2	0.1
Burnt bricks	0.5	0.4	0.6
Cement blocks/concrete	64.1	82.5	38.3
Landcrete	1.2	0.9	1.6
Bamboo	0.1	0.0	0.1
Palm leaves/thatch (grass) /Raffia	0.5	0.1	0.9
Tarpaulin/ fabric/ canvas	0.1	0.0	0.1
Other	0.0	0.0	0.0
Total	100%	100%	100%

Source: Ghana Statistical Service, 2021⁸

303 Ushakov et al. (2021). Modern Materials and Wooden Housing Construction Technologies.

5.4.4 Costs of Building in Ghana

The cost of building materials in Ghana varies across regions, with notable distinctions in major cities such as Accra, Kumasi, Takoradi, Sunyani, and Techiman. The prices of construction materials, including cement, iron rods, and roofing materials, are influenced by factors such as transportation, market competition, and availability of resources. Kumasi, another major urban center, tends to exhibit similar trends, albeit with some regional variations. In contrast, cities like Accra, Takoradi, Sunyani, and Techiman may experience slightly lower costs in comparison. Understanding the local dynamics and market factors in each of these cities is essential for an accurate assessment of building material costs, allowing for more informed decision-making and appreciation of the country's housing cost situation.

Table 5.22: Cost of building materials (Takoradi)

COST OF BUILDING MATERIALS (ATALA COMPANY LIMITED)		
Iron Rods		
Type	Length	Unit cost
Mild tensile rebar	16mm	¢94.3
Mild tensile rebar	14mm	¢54.5
Mild tensile rebar	12mm	¢69.5
High tensile rebar	16mm	¢176.5
High tensile rebar	12mm	¢97.9
Cement		
Type	Grade	Unit cost
Diamond cement	42.5N	¢86
Diamond cement	32.5N	¢68
Nails		
Nails	All lengths and sizes	¢52 per box
Binding wire		
Binding wire		¢52 (full)

Source: Field Survey, 2024.

Table 5.23: Cost of building materials (Sunyani)

COST OF BUILDING MATERIALS (K. OFORI LIMITED)		
Iron rods		
High tensile rebars	20mm	¢114.9 (per unit cost) ¢6700 (per tonnage -45pcs)
	16mm	¢94.3(per unit cost) ¢6,600(per tonnage -70pcs)
	14mm	¢69.5 ¢6,600
	12mm	¢52.8 ¢6,600
	11.5mm	¢44 ¢6,600
	10.5mm	¢32.3 ¢5,800
	8mm	¢16.7 ¢5000
Nails	3 inches	¢52
	4 inches	¢52
Binding wire	Full	¢55
	Half	¢25
Cement		
Type	Grade	Unit Cost
SuperCem	42.5 R	¢83
Empire	32.5R	¢66

Source: Field Survey, 2024.

Table 5.24: Type of materials supplied to Ghana's housing sector (K. Gyasi Company Limited - Techiman)

Type/category of Materials	Specification	Price per unit	Origin of materials	Quantity supplied per year
Iron rods	3.8 mm	17	Ghana	250 tonnes
	11.5 mm	44		
	12mm	53		
	14 mm	69		
	16 mm	94		
	20 mm	148		

Type/category of Materials	Specification	Price per unit	Origin of materials	Quantity supplied per year
Cement	CIMAF 32.5R	75	Ghana	-
	CIMAF 4.5R	90		
	SuperCem	90		
	Empire Cem	70		
Nails		55	Ghana	-
Roofing sheet	Aluzinc	1,200	Ghana	-
	Galvanized	850		
Binding wire		55	Ghana	-

Source: Field Survey, 2024.

5.4.5 Sustainability considerations in the building construction sector

Sustainable construction mainly involves encouraging the use of recycled materials, lean construction, efficiency in renovation and adaptation, eliminating pollution and ensuring efficiency in the use of water including quality assurance.³⁰⁴ It refers to the practice of planning, designing, operating, demolishing and maintaining buildings in a way that minimizes their environmental impact while maximizing resource efficiency, occupant health, well-being and inclusion, and the overall economic viability. The concept of sustainable development agenda was at its threshold in the early 1970s, however, many sub-Saharan African economies including Ghana had been hit hard by the Global Oil Crisis. The construction industry was severely affected as cement run short of supply and prices of building materials mainly imported skyrocketed. Ghana thus embarked on technology research and development (R&D) projects towards upscaling laterite-based technologies for housing and building projects.

The technology involved the use of 5 to 10% cement to laterite and compressed into blocks called landcrete Tek-Block. So-called Tek-Block because the Centre for Settlements Studies, then Department of Housing and Planning Research of the KNUST was at the forefront of these R&D projects. With good and appropriate designs, it was possible to build resilient structures in landcrete Tek-Block many of which are still functional after 50 years of use. Improved laterite based atakpame blockwall construction was also part of the R&D technology. It is to be noted that, extensive studies by the Building and Road Research Institute (BRRI) indicates that, over 70% of the land cover of Ghana is lateritic in nature.³⁰⁵

Laterite engenders the efficient use of finite resources, minimize pollution, and is environmentally friendly and a renewable natural resource. Laterite based technologies are therefore potentially responsive to the ideals of meeting most importantly; SDGs 7, 11 and 13. The technologies developed using Tek-Block has the potential for reducing house cost by about 30% or more³²¹. The improved atakpame blockwall also has the potential of achieving approximately 60% cost savings in house building. The Centre for Settlements Studies, KNUST also experimented in timber structures which have performed functionally well since 1974 to date. Presently, wooden shacks are dominating slums in many Ghanaian cities. This prototype timber structure could have served purposely in providing decent houses to many needy Ghanaians.

- How appropriate and sustainable are traditional building materials?

In Ghana, the quality of building materials is standardized and regulated under the Ghana Standard Code of Practice (GSCP) which prescribes the quality of materials or the standards of workmanship. According to the National Building Regulations (Section 30: 1),

“a district planning authority may reject plans for the construction of a building, the materials of which, in the absence of special care, are liable to rapid deterioration or are unsuitable for use in the construction of permanent buildings...”.

Section 32: 1 states that,

“The following materials may be used in the construction of buildings so long as they conform to the provisions of these regulations.

³⁰⁴ Real Estate Journal, (2022). Issue 5.

³⁰⁵ Santha Kumar et al. (2022). Characterization of laterite soil and its use in construction applications: A review.

- Mud or swish used in plastic state to erect an earthen wall or for atakpamé walling;
- Wattle and daub;
- Pisé or earth rammed between wooden or another formwork to make a wall in situ;
- Unburnt earth bricks or blocks (adobe);
- Stabilised earth products, bricks, blocks (or landcrete);
- Burnt clay products;
- Sandcrete, concrete or reinforced concrete;
- Thatch or leaves in roofing or otherwise;
- Timber or bamboo products;
- Asbestos-cement products;
- Metal products;
- Glass and synthetic products;
- Stone products;
- Lime-based products, etc.

Thus, if all these materials may be utilized in compliance with the established guidelines and guidelines, then the building standards do not prohibit their use. Nevertheless, the Ghana Standards Authority has not certified atakpame, adobe, wattle and daub, swish, or thatch. Standard tests have not been created by the CSIR and BRRI researchers, and in the lack of tests, it would be challenging for a planning officer to grant discretionary consent. If any testing is done, it would be compared to cement-based materials and burned bricks, both of which have extremely high compressive strengths. At that point, the local materials wouldn't pass every test that was necessary. Unsurprisingly, there are very few earth products in Ghana's contemporary urban structures.

5.5 Housing Sales and Rental Market

5.5.1 Legal and regulatory frameworks for sales and transfer

Ghana's Legal Framework for Real Estate/Housing Rental Market:

It is essential to understand the legal framework that underpins Ghana's real estate industry. The country has a comprehensive set of laws and regulations governing real estate, including:

Land Title Registration Act, 1986: This act establishes

a system for the registration of titles to land and interests in land.

Rent Control Act, 1986: Regulates the relationship between landlords and tenants and controls rent levels.

Real Estate Agency Act, 2020: Provides for the licensing and regulation of real estate agents and the conduct of real estate transactions.

Land Use and Spatial Planning Act, 2016: Focuses on regulating land use, development, and spatial planning.

Condominium Act, 2020: Addresses issues related to condominium properties and their management.

a. Transaction Processes and Prices

In Ghana, buying a house comes with a range of benefits, including stable property values, a growing economy, and a vibrant cultural scene. With the right research and planning, it is possible to find a home that meets one's needs and budget, whether you are a first-time consumer or an experienced investor. However, it is important to understand the legal requirements and paperwork involved in the transaction and work with a reliable real estate agent. There is also a significant transaction cost that plagues building houses in the country. These are hidden costs. Try obtaining planning permits or registering your plot of land at the Lands Commission. The process is overly bureaucratic and time-consuming. It will take one about 1 year to register a land deed. The facilitation fees one may have to pay to get things done in good time. According to GREDA 2022, developers also face these challenges. During construction, theft, dishonesty and poor craftsmanship abound³⁰⁶.

The transactions of housing units of any real estate or housing suppliers follow a structured series of steps, although the specifics may vary depending on the parties involved. However, each transaction typically has a defined beginning and, ideally, a successful conclusion or closing.

Here is an overview of the typical sequence of steps:

1. **Listing or Search:** The process begins with listing a home for sale or searching for the perfect property. The selling agent lists the property on a multiple listing service and seeks out potential buyers. Buyers should have a pre-qualification letter from their lender and have their down payment ready.
2. **Offers:** The buyer's real estate agent prepares a sales purchase agreement outlining the price,

³⁰⁶ Mr. Gabby Mattouk, former CEO of Paraku Estate, 2022.

terms, and timelines of the offer. The listing price is subject to negotiation, and the final purchase price is agreed upon after negotiations, typically known as “the effective date of the contract.”

3. **Negotiation:** The seller reviews the offer and may counteroffer with revised terms. Negotiations continue until both parties agree on a purchase price and terms. The seller can only negotiate with one buyer at a time, even if multiple offers are received.
4. **Title Company or Lawyer:** The buyer and seller select a title company or legal representation. The buyer pays earnest money to the title company, which holds it in escrow until closing.
5. **Appraisal, Inspections, and Repairs:** The mortgage company appraises the home's value and sends an appraiser to assess the property's condition. The buyer's agent negotiates repairs with the seller based on inspection findings.
6. **Contingency Removal:** The buyer secures financing and releases contingencies by specified dates. Agreed-upon repairs must be completed, and all conditions must be met before closing.
7. **Closing:** The closing process involves finalizing paperwork, transferring ownership, and disbursing funds. It is crucial to stay informed and organized throughout this critical phase of the real estate transaction.

5.5.2 Rental Market

Renting is the most common form of tenure in urban Ghana with over 50 percent of all urban households in rented accommodation,³⁰⁷ most often a single room. The rental market within the housing sector plays a crucial role in the overall housing sector. In general, renting a room out to someone can be a way for an owner to increase his/her income to help pay for a house. Thus, renting can be part of the homeowner's financial strategy. In most cases, the owner will expect to receive a rent which pays off the cost of the rooms rented over a period of anything from eight to twenty years, including interest on the capital. In Ghana, however, there is little perception that rent

pays off the cost of the room and it is not usually charged at the level at which it would³⁰⁸. Instead, some financial gains derived from the renting out of rooms tend to only contribute to maintenance costs for the property. Since the onset of rent advances, landlords have an improved source of income with which to add rooms or carry out maintenance to increase the longevity of their houses. Income from renting, however, is not a substantial part of housing finance in urban Ghana even though renting is the predominant tenure form.

Over 90% of tenants in Ghana and the majority of Africa rent from private landlords³⁰⁹. Landlords have been accused of taking advantage of tenants by charging unrealistic (high and exorbitant) rents³¹⁰. The present rents on these properties typically do not align with the expectations of the market on the appropriate rental amount. The informal sector of Ghana's rental housing market contributes to these differences in residential rental values⁷⁹. Private landlords control the majority of the rental market in Ghana^{79,81}. They may require lengthy advance payments from renters, or they may demand shorter terms with yearly increases³¹¹. The majority of homes available for rent are empty, suggesting that renters must pay extra money to furnish their rentals before moving in. The majority of tenants in Ghana want to strive towards buying and moving into their own homes because of how exploitative the renting market is there. By doing this, they cohabitate for several years as tenants and home builders before becoming owners¹⁷.

The formal and informal sectors make up the two main segments of Ghana's housing market. The formal market is associated with housing that is more easily accessible to essential services and where construction adheres to building and planning codes. The formal market, which is primarily located inside high income neighbourhood, has high land and rental values. The majority owner-occupied Apartments, Flat and Townhouses comprise the formal market, demonstrating the close connection between housing typologies, forms, and submarkets. Conversely, the informal market is primarily located within low-income neighbourhoods and is represented by the concept

307 Adu-Gyamfi, A., Cobbinah, P.B., Gaisie, E. et al. Accessing Private Rental Housing in the Absence of Housing Information in Ghana. *Urban Forum* **32**, 67–85 (2021). <https://doi.org/10.1007/s12132-020-09407-3>

308 Ghana Housing Profile, 2011

309 Emmanuel Kofi Gavu (2022) Conceptualizing the Rental Housing Market Structure in Ghana, *Housing Policy Debate*, 32:4-5, 767-788, DOI: 10.1080/10511482.2020.1832131

310 Asante, Gavu, Quansah, & Osei Tutu, 2018; Owusu-Ansah & Abdulai, 2014; Owusu-Ansah, Ohemeng-Mensah, Abdulai, & Obeng-Odoom, 2018.

311 Asante et al., 2018.

of urban sprawl, which occurs when development takes place before planning³¹². A wide variety of low-quality properties without essential facilities (such as easy access to water, roads, and drainage) can be found in this market. According to Arku, Luginaah, and Mkandawire (2012), homes in the unofficial market are overcrowded, badly located, without the necessary planning permissions, and without access to emergency services³¹³. Compound houses are the main player in the unofficial market, mostly offering rental housing. It should be mentioned that homes in middle-class neighbourhoods have traits from both formal and informal marketplaces.

• Comparison of Housing Rental Prices Across Different Cities in Ghana

A comparative analysis of rental prices for various types of housing across different cities in Ghana, including Tamale, Wa, Sunyani, Accra, and Kumasi.

Table 5.22 highlights the significant variations in rental costs based on housing type, amenities, and geographic location within the country. Understanding these differences is crucial for individuals and businesses seeking accommodation or investment opportunities in Ghana's real estate market. For instance, single room self-contained units with toilet facilities range from GH¢70.00 to GH¢90.00 in Tamale, GH¢60.00 to GH¢80.00 in Wa, GH¢100.00 to GH¢120.00 in Sunyani, and GH¢150.00 to GH¢400.00 in Accra and Kumasi. Similarly, rental prices for one-bedroom apartments, two-bedroom apartments, and three-bedroom apartments also vary considerably across these cities, with additional costs for amenities like air conditioning. This data underscores the importance of considering location, housing type, and amenities when assessing rental affordability in different urban centres within Ghana.

Table 5.25: Rent value ranges (GH¢) per month (2024)

Type of Housing	Tamale (GH¢)	Wa (GH¢)	Sunyani (GH¢)	Accra (GH¢)	Kumasi (GH¢)
Single room self-contain without toilet and bathroom	50.00 – 80.00	55.00 – 70.00	80.00 -110.00	130.00-300.00	140.00-250.00
Single room self-contain with toilet and bathroom	70.00 – 90.00	60.00 – 80.00	100.00 -120.00	150.00-400.00	150.00-400.00
One bedroom apartment	80.00 – 130.00	85.00 – 100.00	100.00 - 200.00	300.00-650.00	250.00 – 500.00
One bedroom apartment with Air condition	135.00 -170.00	110.00 -150.00	150.00 - 300.00	700.00-950.00	500.00-850.00
Two-bedroom without toilet	160.00 -195.00	140.00 -165.00	150.00 - 200.00	150.00-350.00	120.00-280.00
Two-bedroom apartment	190.00 -220.00	165.00 -190.00	300.00 - 500.00	1000.00-3000.00	800.00-1000.00
Two-bedroom apartment with Air condition	225.00 -280.00	190.00 -250.00	400.00 - 600.00	4000.00-5500.00	800.00-1200.00
Three-bedroom apartment without ac	225.00 -350.00	200.00 -30.00	1100.00 - 1500.00	2000.00-4500.00	1300.00-3500.00
Three-bedroom with air conditioner	390.00 -485.00	360.00-450.00	1700.00 – 3000.00	10,000.00-20,000.00	2500.00-7500.00

Source; Real Estate Developers and Landlords, 2024³¹⁴.

312 Cobbinah, Poku-Boansi, & Adarkwa, 2018

313 Arku, Luginaah, and Mkandawire 2012

314 Real Estate Developers and Landlords, 2024

• Understanding the Dynamics of the Rental Market (Supply, Demand, and Pricing)

In the realm of real estate, the rental market stands as a dynamic arena governed by a complex interplay of factors. Central to this landscape are the fundamental principles of supply and demand, which dictate the ebb and flow of available housing units and consumer preferences. However, the changing aspects of the rental market extend beyond these foundational concepts, encompassing a diverse range of influences that shape pricing strategies and consumer behaviour.

The rental market operates within a multifaceted framework influenced by the dynamic interplay of supply and demand for housing units³¹⁵. However, this interaction is not solely governed by these two principles but is also shaped by a myriad of external factors. Providers in the market, whether they are governmental bodies or private individuals, play a pivotal role in supplying housing units to the general public. Their supply decisions are intricately tied to consumer preferences, varying demand types, and the purchasing power of prospective renters, as delineated in the “Considerable Factors” depicted in Figure 2. Furthermore, factors such as the type of demand for instance short-term versus long-term and the geographical location of housing units exert a substantial influence on the pricing strategies adopted across different accommodation options. These pricing dynamics, in turn, have a direct impact on consumer demand, thereby influencing individuals in making informed decisions regarding their rental choices.

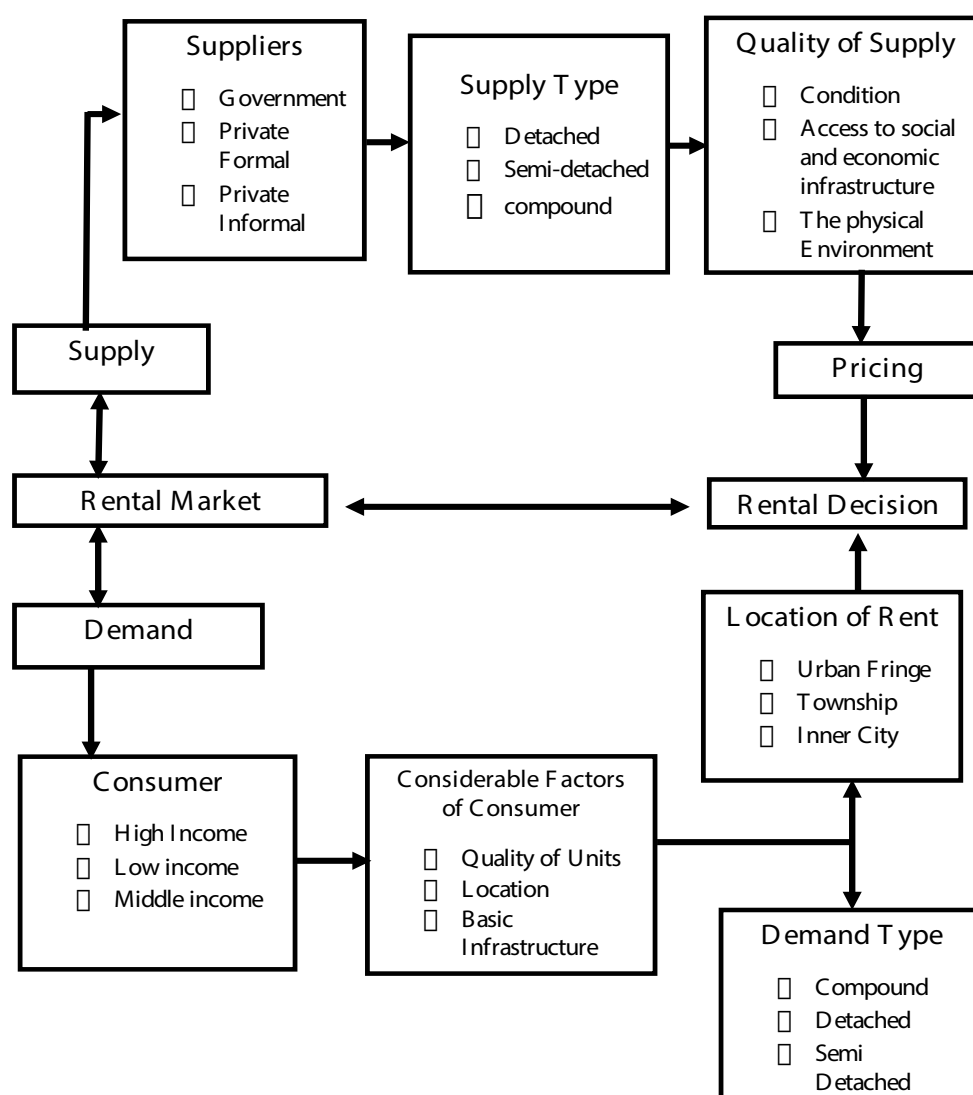


Figure 5.11: The Rental Housing Structure

Source; Adopted from Dzangmah, 2012 and Nsiah, 2017³¹⁵

³¹⁵ Adopted from Dzangmah, 2012 and Nsiah, 2017

• Trends in Rental Demand

Understanding the trends in rental demand is essential for stakeholders in the housing and real estate industry. Factors such as population growth, migration patterns, economic conditions, and cultural shifts significantly influence the demand for rental properties. Analysing these trends provides valuable insights for investors, developers, and policymakers.

a. Rental Market Challenges

Despite its importance, the rental market faces several challenges that impact both landlords and tenants. Issues such as rental affordability, housing supply constraints, regulatory complexities, and tenant-landlord relationships require careful consideration and strategic interventions.

From table 5.22, Consumer Spending Patterns seems to be high especially from Accra and Kumasi. Higher rental costs in cities like Accra and Kumasi may lead to increased pressure on household budgets, potentially impacting discretionary spending on retail goods and services. Consumers in these areas may prioritize essential expenses, affecting retail sectors that rely heavily on discretionary spending. Retailers on the other side may adjust their strategies based on the affordability of housing in different cities. They may focus more on offering competitive pricing, promotions, and discounts in cities with lower rental costs to attract budget-conscious consumers. Retailers in higher-cost cities may target affluent customers with premium products and personalized services.

However, there could be influence on retail expansion and investment decisions. Cities with moderate rental prices and growing populations, such as Tamale, Wa, and even Sunyani, may attract retail investors looking for opportunities in emerging markets. On the other hand, cities with high rental costs like Accra and Kumasi may see slower retail expansion or a shift towards luxury and niche markets. Suppliers operating in different cities must consider the cost of doing business, including rental expenses, when managing their supply chains. Higher rental costs may

lead to increased operational expenses, which could impact pricing strategies, inventory management, and overall profitability. Overall, the data on rental prices in various Ghanaian cities from table 5.22 can provide valuable insights for retailers regarding consumer behaviour, market dynamics, and strategic decision-making in the retail sector.

Looking at the trends from 2020 to 2022, we can see variations in the number of complaints in some regions. For example, the Greater Accra region shows an increase in complaints from 2021 to 2022. Generally, a higher number of complaints can indicate underlying issues such as housing affordability, landlord-tenant relationships, or housing conditions. These issues can impact the overall rental market dynamics by influencing rental prices, vacancy rates, and tenant rights. In 2022, the Rent Control Department registered a total of 20,129 cases concerning rental issues raised by both landlords and tenants. Among these, 6,471 cases (32.1%) pertained to overdue rent payments, while 13,658 cases (67.9%) dealt with various other rental matters. During the same period, the Greater Accra Region reported the highest number of overdue rent cases, accounting for 2,985 (46.13%), whereas the Oti Region had the lowest number with only 15 cases (0.23%). In addition, the Greater Accra Region had the most cases related to other rental issues, totalling 5,638 (41.28%), while the Oti Region had the fewest at 30 cases (0.22%)³¹⁶. When comparing 2022 to 2020, there was a decrease in the total rent arrears cases received by the department, from 7,289 in 2020 to 6,471 in 2022. Ten out of Fourteen Regions experienced a decrease in rent arrears cases. The number of other rent-related cases increased from 10,709 in 2020 to 13,658 in 2022. Rent arrears cases decreased by 14.13 percent from 2020 to 2021 but increased by 3.39 percent from 2021 to 2022. On the other hand, cases on other rent-related matters increased by 30.37 percent from 2020 to 2021 but decreased by 2.18 percent from 2021 to 2022. In as much as there are challenges in the rental market, advantages and opportunities are created within the market space.

Table 5.26: Rent Cases Received from Landlords and Tenants

Region	Type of Complaint					
	2020		2021		2022	
Ahafo			85	60	45	100
Ashanti	1,457	2,141	760	2,891	760	2,926
Bono	129	190	26	354	26	354

Type of Complaint						
Region	2020		2021		2022	
Bono-East	112	165	97	217	97	217
Central	820	1,206	858	1,997	1,160	1,695
Eastern	788	1,159	563	1,183	557	1,179
Greater Accra	3,119	4,583	3,022	5,546	2,985	5,638
Northern	62	92	55	102	55	102
Oti	12	16	15	30	15	30
Upper East	55	83	42	147	42	147
Upper West	45	61	24	83	24	83
Volta	304	442	242	512	281	347
Western	329	485	420	729	375	729
Western-North	57	86	50	111	49	111
Sub Total	7,289	10,709	6,259	13,962	6,471	13,658
Total	17,998	20,221	20,12			

Source; **Ministry of Works and Housing, (2022 Statistical Report)**

5.6 Housing Maintenance and Management

Housing maintenance is essential for preserving the value of properties, ensuring the comfort and safety of occupants, and prolonging the lifespan of buildings. It often involves the engagement of skilled professionals such as plumbers, electricians, carpenters, and painters, as well as regular inspections to identify and address any issues promptly. Ghana's housing profile is characterized by a growing population and increasing urbanization, leading to a high demand for adequate and affordable housing and to meet this demand, both the public and private sectors play crucial roles in the maintenance and management of housing in Ghana. Housing maintenance and management play pivotal roles in preserving the longevity and structural integrity of residential properties across the country. Routine maintenance practices involve tasks such as roof inspections, plumbing checks, and addressing wear and tear to ensure a safe and habitable living environment.

5.6.1 Public sector housing management

The public sector is responsible for providing affordable housing options for low and middle-income earners. One of the key methods employed

by the public sector for housing maintenance and management is the development of housing schemes and projects. These schemes are aimed at providing affordable housing units to Ghanaians, and they are often implemented through partnerships with private developers and financing institutions.

Public housing maintenance in Ghana faces significant challenges due to ineffective management, poor maintenance culture among occupants, and lack of financial resources^{317,318}. The conditions of public housing units are generally poor, with visible signs of deterioration such as leaking roofs, cracked walls, and dysfunctional systems. Local authorities play a crucial role in the management of public housing, but their performance is often substandard.³¹⁹ Furthermore, the improvement of walls using locally sourced materials is a sustainable approach gaining prominence. Sun-dried brick or block construction, Compressed Earth Blocks (CEB), Pozzolana-Portland Stabilization, and Stone in Pozzolana-Cement Mortar are notable methods embraced for wall construction and enhancement. These techniques not only utilize readily available local materials but also contribute to sustainable construction practices. Pozzolana-portland stabilization and the addition of stones in Pozzolana-cement mortar provide durability, enhancing the resilience of walls against weathering.

317 Dick-Sagoe et al. (2023). Stakeholder perceptions on causes and effects of public project failures in Ghana.

318 Aziabah et al. (2023). Organizational challenges of public housing management in the Global South. A systems assessment of Ghana.

319 Afrane et al. (2022). An Examination of Private Real Estate Developers' Perspectives on Effectiveness of Government Support to the Ghanaian Housing Industry

By integrating these local material methodologies into housing maintenance and management strategies, Ghana can foster sustainable and resilient housing solutions that cater to both environmental and economic considerations.

Table 5.27: Wall improvements using local materials

Stabilized material	Methods and materials available for wall improvement
Sun-dried brick/block	Adobe, laterite mixed with sand and rice husk and sundried. A 28-day wet compressive strength of 1.5 MPa has been achieved. Owing to its vulnerability to the rain, its use on the exterior without rendering with an impervious material should be discouraged.
Compressed Earth Block (CEB)	Started with the TEK block produced by KNUST in the 1970s using laterite with 5-10 per cent cement. The introduction of pozzolana as a replacement of 40 per cent of Portland cement has improved its chemical properties and cost. 2 to 5 MPa has been achieved for 28-day compressive strength.
Lime stabilized earth blocks	The lime in Ghana is produced from limestone, dolomite deposits and clam shells on a small-scale basis even though good reserves exist in the Northern part of the Country at Buipe, Nauli and Bongo. Reserves are 6-500 million tonnes. A mixture of lime: laterite of 1:10 is proposed. However, 6-7 per cent of lime mix has successfully been produced at the CSIR-BRRI exposure site.
Lateritic stone	The aluminous laterite stone is generally abundant in high rainfall areas while the ferruginous ones are dominant in the semi-arid and dry sub-humid areas. The specific gravity of laterite stone ranges from 2.6 to 3.0 g/cm ³ . The compressive strength ranges from 3.1 to 17.2 MPa. It is used together with pozzolana-Portland cement or lime mortar. Some fused laterites have been found to possess even greater compressive strength than engineered bricks. Two ways of using the material are in the regular or natural irregular forms. Irregular ones use much mortar making it uneconomical. When it is used for the substructure, rectilinear forms are recommended to avoid rendering.
Pozzolana-Portland stabilization	Pozzolana is a material containing silica and alumina as well as other constituents which react with the constituents in Portland cement. The advantages of its use include providing a more plastic and workable paste when used with Portland cement, binding better than Portland cement mortar, greater resistant to water and gaining more in strength even after a year. This is a form of stabilization in which cement mortar is used to bind aggregates, burnt bricks, stones, fused laterite, etc., to give the walls the needed strengths. Test blocks should be made on site to determine the suitability and proportions of the mixture. In its application in sandcrete block moulding, 28-day compressive strength of 3 MPa was achieved with 14.3 per cent by volume Portland pozzolana cement as compared to the required 2.28 N/mm ² .
Stone in Pozzolana-cement mortar	Stones are suitable as components for structural aspects of buildings and especially with the reduction in the volume of Portland cement used as a result of its replacement by pozzolana, but porous stones should not be used with it. Important positions for these stones in the structural elements include foundations, columns and beams, and walls.

Source: Ghana Housing Profile, 2011

Stabilized material	Methods and materials available for wall improvement
Coal tar and bitumen stabilization	Heated bitumen can be added to a mixture of earth and sand. Bitumen is effective for earth which has low clay content. Though more expensive, emulsified tar could be used. The best mix ratio should be determined on test samples. A 28-day compressive strength of 2 to 5MPa has been achieved with this method with 5 to 9 per cent bitumen emulsion.

Table 5.28: Rendering method and locally available materials available for wall finishing

Rendering Method	Method and material available for wall finishing
Earth renders	An indigenous mixture of dawa dawa fruit extract, cow dung, ash and 'yellampour' - a local climbing plant meant to last up to 8 years. Coal tar or bitumen, and stabilization with a weak pozzolana Portland cement mix, gives a very good bonding and strength when used with earth. Pozzolana performs well with earth because its component is also clay.
Lime-earth renders	Lime stabilization has its greatest effect on clayey soils when it is in large quantities, often over 10 per cent. A lime-stabilized rendering is best applied to a stabilized surface. The mix should be determined on test samples.
Bitumen stabilized renders	Bitumen-stabilized soils should neither be too clayey nor too sandy and dusty. The quantity of bitumen ranges from 2 to 6 per cent. Where bituminous emulsions are used, the mixture must be made slowly in order to avoid any breakdown of the emulsion.
Painting	Pozzolana-Portland cement slurry emulsified and oil-based paints are used on external walls as supplement to the sealing of pores and bonding of particles. Local extracts from plants and shale are also available particularly in the South.

Source: Ghana Housing Profile, 2011

5.6.2 Private sector housing management

The private sector also plays a significant role in housing maintenance and management in Ghana. Private real estate developers and companies are involved in the construction, maintenance, and management of housing units across the country. They often focus on catering to the housing needs of the middle and high-income earners, and they employ various methods such as property management services, regular maintenance schedules, and the use of modern technology for efficient housing management.

The private sector in Ghana relies on housing price schemes held by real estate developers to determine the affordability of housing units. However, it is important to note that there are challenges and limitations in both the public and private sectors' approaches to housing maintenance and management in Ghana. One of the challenges in the public sector is the limited funding and resources for housing maintenance and management. In the private sector, one challenge is ensuring affordable

housing options for low-income earners. Despite these challenges, there are potential solutions that can enhance housing maintenance and management in both sectors.

Private sector involvement in housing management in Ghana has increased over the years, with the government playing a facilitator role in creating an enabling environment for private developers. However, the limited capacity of private developers to address the country's housing deficit has become a challenge. The government's support to private real estate developers in housing development has been found to be inadequate, particularly in addressing affordability issues for low to middle-income households. Additionally, the use of informal channels such as networks of friends, relatives, and informal agents is common for renters to find rental properties due to the absence of publicly available rental data. To improve private sector housing management in Ghana, suggestions include streamlining the land tenure system, establishing land banking, providing infrastructure development, and assisting in mortgage financing schemes.

5.7 Capacity Assessment of Ghana's Housing Market

The real estate market in Ghana is still growing and very few are emerging from other cities like Techiman, Sunyani, Wa, Ho and others except the three largest cities in the country. cultural tradition frowns on the sale of properties and many Ghanaians would rather hold onto their properties than maximize the economic returns of outright sale . The activities of real estate agency are regulated but other private land providers are largely unregulated. There were attempts to pass the estate agency bill, but that has now been successful . A proposal by the Ghana Institution of Surveyors, to set up the Board of Estate agency under the proposed bill that will license estate agents based on a performance bond.⁹⁴

The Rent Control Department is overwhelmed with cases and operating far below its intended capacity. There should be staff for 170 district offices and 16 regional offices, in addition to the three principal rent officers required to support the chief rent officer. There is a need to provide capacity building for the entire department, especially in the fields of law and management through both short refresher courses and longer-term academic programmes up to master's level.

In light of the need, how far does the supply fall behind and how much is required in future? Clearly, the service delivery in the sector is poor, resulting in high health and coping costs as well as environmental degradation, in addition to drudgery and inconvenience for a large section of the urban population. The cost that the consumers and government pay (health and coping costs) may well be higher than the costs of providing safe and continuous improved services, especially of water and sanitation. Looking at spending needs and existing spending and potential efficiency gains, there is a large annual funding gap, most of it associated with power supply. To meet the challenges facing the sector, reforms need to focus on improving service delivery. This would require easing the financial constraints facing the sector as well as addressing the institutional and managerial issues.

Using appropriate local technology in a sustainable way is clearly at the root of many infrastructure difficulties facing the various urban regions. Technology decisions should potentially serve Ghana's interests more broadly rather than just reflecting consumer preferences. The industry must be reorganized such that managers have the independence to consistently work in a commercial setting to address the institutional and managerial shortcomings.

CHAPTER SIX

06

HOUSING FINANCE

6.1 Financial Sector

With a rapidly growing population, urbanization trends, and evolving consumer preferences, the dynamics of housing finance and the market in Ghana are undergoing significant transformations, presenting opportunities and challenges for stakeholders across the housing ecosystem. This chapter highlights the intricate interplay between housing finance mechanisms, market dynamics, regulatory frameworks, and socio-economic factors that shape the housing finance landscape in Ghana.

As with all too many Sub-Saharan African countries, Ghana has little formal-sector finance to offer to most prospective homeowners. The pattern through history has been to establish institutions to provide housing finance ostensibly targeted at ordinary urban Ghanaians. Governments have then watched them decline and fail and then established new institutions which have also failed. In the cycle of decline, each has turned to the high-income market for a safe environment for its lending. In reality, none of the institutions has targeted most urban households who have remained without any alternative to housing finance.

Homeownership in Ghana is seen only by some as a hedge against inflation. In the rest of the world, this would mean that not only is a house today cheaper than one is likely to be tomorrow, in conditions of house-price inflation, but also that the house can be sold, and the investment turned into cash or other benefits, e.g., health care in old age. There is, however, much to indicate that this is not the case in Ghana; that most owners would not sell except under the most severe hardship or need. Thus, only the first part of the hedge against inflation counts here.

Before Ghana's independence in 1957, the importance of housing development to the overall economic growth of the country was recognised. At first, the government provided long-term funding to State Housing Corporation (SHC) and Tema Development Corporation (TDC) for subsidised fixed-rate long-term housing loans to workers. The First Ghana Building Society (FGBS) was established in 1956 to

mobilise savings and lend to members for housing. Neither of these could be sustained through the economic decline of the 1970s; neither could make a major impact on finance for housing development.

In an attempt to save the situation, the government established the Bank for Housing and Construction in 1972 to be solely responsible for financing housing and the construction industry. However, it diverted its attention from these core issues to commercial banking after the government was overthrown in 1979. It was later liquidated owing to fraud. At the same time, the Social Security and National Insurance Trust (SSNIT) was given the additional responsibility of providing rental accommodation to public sector workers at affordable rates with funds from its social security contributions. SSNIT collaborated with local and foreign companies and the Ghanaian government over the years to develop housing estates in the Greater Accra and Ashanti Regions. These partnerships improved housing solutions and infrastructure in the communities, demonstrating SSNIT's commitment to urban development and housing needs.

Private financial institutions only became involved in the housing finance industry after the 1970s economic decline when the Ghana Commercial Bank, the Standard Chartered Bank and Barclays Bank (now ABSA Bank) all offered limited mortgage finance to a very few borrowers who were well-off, influential or in high-level government or bank employment. The institutions suffered from the universal problem of 'borrowing short but lending long' which, in a period of hyperinflation, bleeds out all their equity. Thus, by 1990, there was almost a complete absence of long-term mortgage finance in Ghana.

These problems led to the establishment of the Home Finance Company Limited (HFC) now Republic Bank in 1990 with a core objective of providing housing finance, as a secondary finance institution, through drawing on long-term funds from its initial capital and, later, through the issuing of bonds. Its target groups were "moderate income earners" with permanent jobs who were, nevertheless, among the richest 20 percent. At the same time, there was a thriving informal sector housing supply financed

from savings and loans from relatives and many houses were being built from finance from expatriate Ghanaians in London and elsewhere.

In a nutshell, the approaches to housing finance in Ghana over the last six decades have been by the successive governments directly or indirectly funding state and quasi-state housing finance institutions and a majority of households financing their construction activities from their own and their family's savings. The unstable macroeconomic environment did not encourage private sector institutions to be involved in housing finance. The banks are understandably risk-averse and so only lend to the least risky clients – the rich and permanently well-paid.

It is a well-known feature of Ghanaian finance that people do not tend to borrow to build housing; they borrow to do business and then use business profits to build housing. In addition, Ghanaians seem averse to spending the percentages of household income on housing that city-dwellers elsewhere do routinely, despite every household's avowed keenness to own a home.

Despite the considerable potential for growth and development, the housing finance sector in Ghana faces several challenges that hinder its ability to effectively address the housing needs of the population. These challenges stem from various economic, social, and institutional factors, constraining access to affordable housing finance and hindering the sector's growth. Below are some of the key problems facing the housing finance sector in Ghana:

- The fluctuating macro-economic environment with high interest rates and high-yielding treasury bills, which had led many lenders to invest in them;
- Weak property titles;
- The difficulty, if not impossibility of foreclosure in Ghana's customary land administration system; so, land is not accepted as collateral.
- Weak institutional arrangements and coordination, and inadequate land dispute resolution;
- Poor management by the government of the land it owns or manages.
- High-interest rate spreads. For instance, table 6.1 indicates the actual percentage rates (APR) and average interest (AI) paid on deposits, mortgages and other consumption loans.

6.2 Institutional, Legal and Regulatory Frameworks Governing Housing Finance

The institutional, legal, and regulatory frameworks governing housing finance in Ghana provide the necessary guidelines, rules, and procedures for the operation and functioning of housing finance institutions, ensuring efficiency, transparency, and accountability in the provision of housing finance services.

6.2.1 Bank and Non-Bank Institutions

The total number of registered and licensed bank and non-bank financial institutions in Ghana as of January 2019 was 770. This comprises 23 fully recapitalised Universal Banks, 37 Savings & Loans Companies, 144 Rural Banks, 484 Microfinance Companies, 70 Micro-Credit Institutions, and 12 Financial Non-Governmental Organizations. Savings & Loans Companies, Rural Banks, Microfinance Companies, Micro-Credit Institutions, and Financial Non-Governmental Organizations fall under the non-bank financial institutions category. The universal banks that survived the recapitalisation and restructuring exercise conducted by the Bank of Ghana are expected to be liquid and solvent.

The 23 fully recapitalised universal banks consist of fourteen (14) foreign-controlled banks and nine (9) domestically controlled banks. The banking sector report released in January 2019 by the Bank of Ghana attributes the increase in total banking assets from 13.3% to 14.7% as of December 2018 to the recapitalisation exercise.

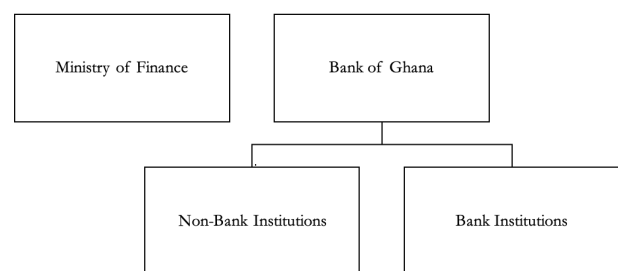


Figure 6.1: Organogram of Financial Institutions Relative to Housing

Source: Adapted from BoG³²⁰

6.2.2 Regulatory Frameworks

The Bank of Ghana (BoG) plays a crucial role in regulating the financial sector in Ghana, including aspects related to housing finance. Under the BoG's mandate, various financial acts and regulations

are implemented to govern mortgage lending activities, promote financial stability, and ensure consumer protection in the housing finance market. The Banking Act, along with subsequent amendments and directives issued by the BoG, establishes regulatory frameworks for banks and non-bank financial institutions offering mortgage products. These regulations cover aspects such as capital requirements, loan-to-value ratios, credit risk management standards, and disclosure requirements, aimed at safeguarding the interests of borrowers and maintaining the soundness of the financial system.

In Ghana, several financial acts and regulations govern various aspects of housing finance, aiming to ensure transparency, stability, and consumer protection within the housing sector. The Mortgage Act, Act 770 of 2006, provides the legal framework for mortgage transactions, regulating the activities of mortgage lenders, borrowers, and other stakeholders involved in mortgage financing. The Securities Industry Act, Act 929 of 2016, and the Securities and Exchange Commission Act, Act 929 of 2016, oversee capital markets activities, including the issuance of mortgage-backed securities (MBS), which serve as an alternative source of funding for mortgage lenders. Additionally, the Credit Reporting Act, Act 726 of 2007, facilitates the establishment and operation of credit bureaus, promoting the sharing of credit information among lenders to assess borrowers' creditworthiness accurately. These acts and regulations, along with other financial laws and directives issued by regulatory authorities such as the Bank of Ghana and the Securities and Exchange Commission, collectively create a comprehensive framework to govern housing finance activities,

promote financial stability, and safeguard the interests of consumers in Ghana's housing market.

6.3 Financing Privately Supplied Housing

Financing privately supplied housing in Ghana plays a vital role in meeting the diverse housing needs of the population and promoting sustainable development in the real estate sector³²¹. Private housing in Ghana refers to housing units constructed and financed by private individuals, developers, or companies, as opposed to government-funded or social housing initiatives. There are several key factors to consider when it comes to financing privately supplied housing in Ghana. Access to finance is a major challenge for both developers and potential homeowners. Limited access to financing options, including mortgage loans, makes it difficult for developers to secure the necessary funds for housing projects. This limits their ability to construct and sell affordable housing units. Additionally, potential homeowners face barriers in accessing financing for purchasing privately supplied housing. This is largely due to high interest rates and the lack of affordable mortgage products tailored to meet the needs of low-income individuals.

6.3.1 Self-financing

The great bulk of housing in Ghana is supplied by individual households acting out of their own will to supply a home for themselves and members of their families. This privately supplied housing is mostly financed from personal savings accumulated over many years. Studies in low-income neighbourhoods in Accra indicate that 'own savings' is the major source of housing finance for low-income people living in urban areas in Ghana³²² (table 6.1).

Table 6.1: Sources of housing finance in some selected low-income urban communities in Ghana (percentages)

Source	Ashaiman	Nima	James Town	Saltpond	Tamale
Own Savings	80.0	72.0	66.0	42.5	32.5
Relatives/friends	18.0	24.0	20.0	52.5	62.5
Susu/money lenders	2.0	4.0	2.0	7.5	-
Credit Union	-	-	-	-	2.5
Bank Credit	-	-	-	-	-
Others	-	2.0	-	-	-

Source: Braimah³²³

³²¹ Acheampong, R A., & Anokye, P A. (2015) Housing for the urban poor: towards alternative financing strategies for low-income housing development in Ghana.

³²² Akuffo (2007). and Braimah (2008)

³²³ Braimah (2008)

In the five low-income urban communities sampled, savings and assistance from relatives provide over 90 per cent of the money for construction. This confirms findings in other studies, conducted in recent years which found that only 4 per cent of homeowners in peri-urban Accra had borrowed money from a bank and 88 per cent used their savings. In the SUF study of Tulaku, Ashaiman, only one per cent of respondents had ever taken a loan. In Tipple et al's sample of households who had recently built a house in 1993, only one in 50 in Accra and eight out of 75 in Berekum had borrowed money and only one of those was from a bank. In Kumasi, 21 per cent had raised a loan but none from a bank. The usual sources were friends, family members and, occasionally, an employer. Some relied on such windfall gains as retirement lump sums and still others had worked overseas or had sources of cash from relatives overseas. In Kumasi, 32 per cent had worked abroad themselves but this was less common in the Accra and Berekum samples (6 and 13 percent respectively).

These are not the statistics one would expect of a country with a well-functioning housing finance

system, this lack of bank or financial institution participation in the housing supply process is one of the major stumbling blocks to housing development and, for most, home-ownership is only possible in late working age. It must be remembered that 'own savings' hides a multitude of strategies used, of which two are very important.

Ghana is the second-highest receiver of remittances in sub-Saharan Africa (after Nigeria) making remittance a growing feature as a source of housing finance in Ghana. An estimated US\$4.6 billion was sent to Ghana in 2022, equivalent to 6.1% of GDP³²⁴.

The assembly of materials ahead of construction. Its most visible form is the piling up of concrete blocks on the site or in a convenient location in the street near the currently rented rooms. The blocks may be made many years before the construction project, locking in capital, materials and energy which could be used for more productive functions. In the wildly inflationary times of the late last century, block-saving made at least a little sense, now it is less obviously beneficial and seems to be wasteful of resources.

Table 6.2: Sources of finance used by housing estate developers

Source	Percent
Self-financing	72.7
Bank Loan (Domestic)	36.4
Mortgage Financing	18.2
Clients Deposits	18.2
Bank Loan (Foreign)	9.1
Government Guarantee	4.5
Loans from Directors	4.5
Credit from suppliers	4.5
Note: As many uses more than one, the total is more than 100 per cent	

Source: Bank of Ghana³²⁵

In the formal private housing sector, where private estate developers supply about two percent of Ghana's urban housing stock, the sources of frontend financing put together by the developers are not

much different. Self-financing through personal savings, used by 72.7%, is still the main source of financing with an additional mixture of domestic bank loans (used by 36.4%), mortgage financing and client deposits (both used by 18.2%) (see Table 6.2).

324 Centre for Affordable Housing Finance in Africa: Housing Finance Yearbook (2023)

325 Bank of Ghana (2007)

6.3.2 Mortgages

As shown in Table 6.2, only 18% of developers use mortgage financing as funding. The mortgage market in Ghana is still developing, with low levels of financial inclusion. According to the Centre for Affordable Housing Finance in Africa, in 2017, only 10.2 per cent of Ghana's adult population had borrowed formally. The mortgage-to-GDP ratio is 0.78 per cent showing that the mortgage market in Ghana is relatively small compared to the size of the economy indicating room for growth in this sector. However, there has been an increase in total mortgages granted over the years, with significant improvements in loan performance. According to the Africa Housing Finance Yearbook, the total value of outstanding mortgage loans in Ghana was reported to be US\$566 million in 2020.

The new development of built housing estates is raising a market for mortgage loans for buying complete houses in either Ghana Cedis or US Dollars. The interest rates for mortgages in Ghana Cedis range around 29 to 37 per cent per annum. There are several types of mortgages as follows³²⁶, all requiring applicants to submit registered, clear and undisputed title to the property:

- **Home Purchase Mortgage:** A home purchase mortgage is designed to finance the acquisition of a residential property. Borrowers use this type of mortgage to purchase an existing home or newly constructed property. The loan amount covers the purchase price of the property, and borrowers repay the loan, plus interest, over an agreed-upon term.
- **Home Equity Mortgage:** A home equity mortgage allows homeowners to access the equity in their properties by borrowing against the value of their homes. Homeowners use this type of mortgage to obtain funds for various purposes, such as home improvements, debt consolidation, or other financial needs. The loan amount is determined based on the equity in the property, and borrowers repay the loan according to the terms agreed upon with the lender.
- **Home Completion Mortgage:** A home completion

mortgage is used to finance the completion of a partially constructed or unfinished home. Borrowers who have initiated construction but require additional funds to complete the project can obtain a home completion mortgage. The loan amount covers the remaining construction costs, and borrowers repay the loan in instalments as construction progresses.

- **Home Improvement Mortgage:** A home improvement mortgage provides financing for renovations, repairs, or upgrades to an existing home. Borrowers use this type of mortgage to fund home improvement projects, such as kitchen remodels, bathroom renovations, or structural repairs. The loan amount is based on the estimated cost of the improvements, and borrowers repay the loan according to the terms agreed upon with the lender.
- **Buy, Build, and Own a Home:** This type of mortgage financing option is tailored for individuals or families who wish to purchase land, build a home, and become homeowners. Borrowers use the funds to acquire land, finance construction costs, and complete the homebuilding process. The loan amount is disbursed in stages as construction progresses, and borrowers repay the loan over the agreed-upon term.
- **Mortgage Refinancing:** Mortgage refinancing involves replacing an existing mortgage with a new loan, typically to take advantage of lower interest rates, reduce monthly payments, or access equity in the property. Borrowers may refinance their mortgages to secure more favourable terms, consolidate debt, or tap into home equity for other purposes. The new loan pays off the existing mortgage, and borrowers repay the refinanced loan according to the terms agreed upon with the lender.

All these are only available to applicants with clear, registered title to the land. This link between obtaining finance being the most secure form of formal land ownership is an issue in Ghana where most titles are through the customary system.

Table 6.3: Classification of mortgage products by the various banks

Republic Bank Ghana (formerly HFC Bank)	Ghana Home Loans (now First National Bank)	Stanbic Bank
Home purchase mortgage	Home purchase (first-time buyer)	Home purchase mortgage

Republic Bank Ghana (formerly HFC Bank)	Ghana Home Loans (now First National Bank)	Stanbic Bank
Home equity mortgage	Homeowner's mortgage	Equity release mortgage
Home completion mortgage	Home completion mortgage	Home completion mortgage
Home improvement mortgage	Home improvement mortgage	Home improvement mortgage
Buy, build, and own a home	Construction Mortgage	Developer construction
—	Mortgage refinance	Mortgage refinance

Source: Adade et al (2022)³²⁷

Table 6.3 presents a classification of mortgage products offered by three prominent banks in Ghana. Each bank offers a range of mortgage products tailored to meet the diverse needs of borrowers in the Ghanaian market. Additionally, mortgage refinancing options are available to help borrowers

lower their interest rates or access additional funds by replacing their existing mortgages with new loans. These offerings reflect the commitment of Ghanaian banks to provide flexible and comprehensive mortgage solutions to facilitate homeownership and property investment in the country.

Table 6.4: Number of mortgage accounts and the value of mortgage loans in Ghana

Year	Number of Mortgage Accounts	Value of Mortgage Loans (GHS)
2016	11,947	573,634,000
2017	11,574	607,546,000
2018	11,034	671,947,000
2019	10,753	744,304,000
2020	10,684	810,476,000

Source: Bank of Ghana³²⁸

Table 6.4 points out that the number of mortgage accounts has significantly decreased from 2016 to 2020 by 10.6 per cent. This decline is largely attributed to economic uncertainties including fluctuations in the exchange rates and inflation, deterring individuals from taking on long term financial commitments. Despite the decreasing mortgage accounts over the years, the value of mortgage loans increased by 41.3 per cent. This is largely attributed to the depreciation of the Ghana Cedi to the US Dollar translating to higher property prices and construction costs leading to the overall increase in the value of mortgage loans.

Less than 1 per cent of Ghanaians use mortgages as a source of finance for housing and is dominated by formal sector workers due to the structured income stream making it a challenge for workers in the informal sector. There are disparities between male and female access to mortgage loans.

Accessing mortgage financing can be challenging for women in Ghana due to various barriers. Female-led households in Ghana typically earn less income and are often engaged in the informal sector, lacking the steady income and documentation required for access to formal housing finance products. Additionally, women face constraints such as a lack of formal sources of income, clear documentation of ownership, and limitations imposed by social norms or legal frameworks that restrict their ownership and inheritance rights³²⁹.

³²⁷ David Adade, Elias Danyi Kuusaana, Walter Timo de Vries & Emmanuel Kofi Gavu (2022) Housing Finance Strategies for Low-Income Households in Secondary Cities: Contextualization Under Customary Tenure in Ghana, Housing Policy Debate

³²⁸ Bank of Ghana, Annual Report (2021)

³²⁹ David Chiwetu, Alison Tshangana and Montserrat Ganuza (2023): Unlocking housing finance for women in Ghana and Senegal:

Table 6.5: Characteristics of mortgage products by the various banks

Item	Republic Bank Ghana (formerly HFC Bank)	Ghana Home Loans (now First National Bank)	Stanbic Bank
Maximum loan	Subject to the customer's credit history	\$400,000	Depends on the applicant's income
The ratio of the loan amount to property value	80%	80%	- 80% for home purchase - 70% for equity release
Minimum deposit	20%	20%	20%
Maximum term	20 years	- 15 years for dollar-denominated - 10 years for cedi denominated	20 years
Age requirement	Must be under 60 years old at the end of the loan term	Must be under 60 years old at the end of the loan term	Must be under 60 years old by the 240th month
Minimum income	–	GH¢ 1800	–
Interest rate type	Fixed or variable	Fixed or variable	Fixed or variable
Current mortgage rate	- Commercial rate 24% -Public-sector employees 11.90% - Dollar 11.50%	- Base rate 12.5% -Salaried 13.5% - Nonsalaried (minimum) 14.5% - Kumasi +0.01%	Ranges from 25% to 33% depending on the level of risk.
Currency	GH¢ or \$	GH¢ or \$	GH¢ or \$
Processing fee	1.5% of the proposed loan	\$500 payment for processing, legal, and facility fees	Nil
Legal or registration fee	Stamp duty fee of 1% of property value 0.5% of the loan amount for mortgage deed and title registration fee of GH¢ 1500		Nil
Facility fee	Nil		2% of the approved loan amount

Source: Adade et al (2022)

Table 6.5 presents a comparison of mortgage product characteristics offered by some selected commercial banks. Each bank offers varying terms and conditions for mortgage financing, including maximum loan amounts, loan-to-value ratios, minimum deposits, maximum loan terms, age requirements, minimum income thresholds, interest rate types, current mortgage rates, currencies, processing fees, legal or registration fees, and facility fees. While some similarities exist, such as maximum loan-to-value ratios of 80% across all the banks, there are notable differences in areas such as maximum loan amounts, maximum loan terms, and interest rates. Borrowers can choose mortgage products that best align with their financial needs, preferences, and eligibility criteria, with each bank offering a range of options to accommodate diverse borrower profiles and housing financing requirements.

Table 6.6: Interest Rates: Actual Percentage Rates (APR) on different loans in selected banks

Banks	Vehicle Loans	Mortgage	Other Consumer Credits
ABSA Bank	-	26	-
Ecobank	22.9	22.9	22.9
Ghana Commercial Bank	22.6	N/A	22.6
Republic Bank	24.6	22.4	24.6
Standard Chartered Bank	N/A	N/A	14.0 - 42.0
Stanbic Bank	22.8	22.8	N/A
First Atlantic Bank	21.0 - 32.0	21.0 - 32.0	21.0 - 32.0
Fidelity Bank	N/A	30.5	27.8
First National Bank-GHL Bank	N/A	N/A	34.4
Prudential Bank	25.6-32.3	30.4 - 32.3	25.6 - 32.3

Source: Bank of Ghana, 2019³³⁰

Annual Percentage Rate (APR) represents the annual rate charged by banks for lending to the public, expressed as a percentage of the yearly cost of funds over the term of the loan. The APR includes the interest rate and all other charges applicable

against a credit (e.g., insurance fee, processing fee, commitment fee, income foregone on mandatory security deposits, etc.). The APR reflects the true cost of borrowing from banks by the public.

6.3.3 Financing stakeholders who are involved in providing mortgage support for housing

Financing stakeholders play a vital role in providing mortgage support for housing in Ghana. Here is a detailed overview of some key stakeholders involved:

a. Commercial Banks:

Commercial banks such as First National Bank, Republic Bank Limited, Fidelity Bank Limited, Stanbic Bank, GCB Bank PLC, Ecobank, and Cal Bank are major providers of home mortgages in Ghana. They offer a range of mortgage products to individuals and developers, helping them finance the purchase or construction of homes. These banks typically provide both US dollar-denominated and Cedi-denominated mortgages at varying interest rates and loan-to-value ratios.

On July 5, 2020, First National Bank (FNB) acquired Ghana Home Loans and became the country's leading mortgage lender. FNB provides various services, including mortgages for home purchases, home construction, and land purchases. The bank will pay up to 80% of the purchase price of a home and 75% of the purchase price of land (serviced plot).

b. Social Security and National Insurance Trust (SSNIT):

Since 1974, the Social Security and National Insurance Trust (SSNIT) has been actively involved in real estate development, initially focusing on providing residential accommodation for contributing members. The core principle was to offer social benefits to workers during their employment years, ensuring access to decent and affordable housing while also generating income for the Social Security fund. SSNIT constructed various types of housing units, ranging from bedsitters to detached and semi-detached houses, with the allocation process managed through employer-based Allocation Committees. Despite challenges such as rent arrears and slow returns on investments, SSNIT ultimately developed 7,168 housing units nationwide, predominantly sold to salaried workers, thereby contributing to the creation of townships with essential infrastructure.

From 2008 to 2016, SSNIT expanded its housing development efforts through partnerships with local and foreign companies, as well as the Government of Ghana, particularly focusing on the Greater Accra and Ashanti Regions. These collaborations

330 Bank of Ghana (2019) Annual Percentage Rates (APR) of Banks (bog.gov.gh)

enabled SSNIT to further enhance its housing estates, demonstrating a continued commitment to addressing housing needs and fostering urban development. Through its initiatives, SSNIT not only provided housing solutions but also contributed to the overall improvement of infrastructure and amenities in the communities where its housing estates were developed³³¹.

c. Participating Financial Institutions (PFIs):

Under the National Mortgage Scheme (NMS), the government supports developers by providing concessionary rates at PFIs. These institutions offer lower borrowing rates for housing developers, facilitating the construction of affordable housing units. The NMS ensures favourable borrowing conditions for developers, including provisions for high loan-to-value ratios, to stimulate the housing supply in the country.

d. Microfinance Institutions:

Microfinance institutions also play a role in providing housing finance, especially to low and middle-income households. While they account for a smaller percentage of the banking industry in Ghana, these institutions offer more general-purpose loans that can be utilized for housing purposes. With the right regulatory framework, microfinance institutions can serve as an alternative source of housing finance for underserved segments of the population.

e. Informal Sector Lending:

In addition to formal financial institutions, some individuals and developers rely on informal sources of financing for housing projects. These may include personal savings, equity, retained profits, client deposits, credit from suppliers, and other private sources. While informal financing can be more flexible, it may also come with higher risks and limited access to larger capital amounts compared to formal sources.

Rather than offering long-term housing finance, the informal finance sector consists of money lenders who tend to work on the six-week to two-month cycle of borrowing and repaying suited to the Ghanaian traditional funeral. In the very strong kinship support structure extant in most of Ghana, loans from members of the kin group are relatively common in assisting house-building and other major expenses. However, most households do not borrow to build but borrow to do business and then use those earnings to build. Thus, prospective

homeowners in Ghana must rely on saving up for materials and cash to be able to build a house. This delays homeownership into middle age.

f. National Housing and Mortgage Fund (NHMF)

The NHF was established by the government of Ghana under the Decent Homes, Better Life initiative to provide mortgages at low-interest rates for eligible public workers and civil servants. The NHF partners with banks like GCB Bank Limited, Stanbic Bank, and Republic Bank to offer affordable mortgages to qualified individuals. The NHMF plays a crucial role in addressing the funding challenges faced by mortgage lenders and promoting the availability of affordable housing finance in the market.

The growing Ghanaian population has continued to widen the housing deficit which is estimated at 1.8 million housing units³³². The Government of Ghana has intervened in the housing situation in the country to provide affordable housing, especially for public sector workers. The Government through the 2018 Budget and Economic Policy has approved the establishment of a National Homeownership Fund to provide extensive construction of residential housing across the country to promote social equity and stimulate the economy. In this regard, the Ministry of Finance has designed a Scheme and set up the National Housing and Mortgage Fund (NHMF) to address the two (2) main constraints to homeownership by Ghanaians — access to mortgages to buy homes by low to middle-income earners and high cost of financing for the construction of residential homes; and to ensure sustainability in the opportunity to own homes by large segment of Ghanaians³³³.

Through the Scheme, the Government will facilitate cheaper local currency mortgage loans to workers and construction finance to real estate developers and encourage the building of communities across the country. The scheme will also allow low-income public workers to rent property at affordable rates from Real Estate Investment Trusts (REITs) under the Rent to Own Scheme. Currently, the Government through the National Housing and Mortgage Fund (NHMF) has partnered with three Banks - Stanbic, Republic and GCB Bank Limited to deliver cedi mortgages at affordable interest rates to Public Sector workers and construction finance to local developers.

331 Social Security and Nation Insurance Trust, (2024), <https://www.ssnit.org.gh/about-us/investments/>

332 Ghana Statistical Service, Population and Housing Census, 2021

333 Ministry of Finance, (2019) National Housing and Mortgage Fund (NHMF) Survey

6.3.4 Rents as Housing Finance

In general, renting a room out to someone can be a way for an owner to increase his/her income to help pay for a house. Thus, renting can be part of the homeowner's financial strategy. In most cases, the owner will expect to receive rent which pays off the cost of the rooms rented throughout anything from eight to 20 years, including interest on the capital. In Ghana, however, there is little perception that rent pays off the cost of the room and it is not usually charged at the level at which it would. Instead, any financial gain from renting out rooms tends only to contribute to maintenance costs for the property.

Rental housing plays a crucial role in providing housing finance for individuals who do not have immediate access to homeownership or prefer the flexibility of renting. In many countries, including Ghana, renting is a common housing option for a significant portion of the population (34.6 per cent), ranging from the urban poor to middle- and high-income groups³³⁴. Rents serve as a form of housing finance by allowing individuals to access shelter without the immediate financial burden of purchasing a property. This is particularly important for individuals who may not have the financial means to buy a house outright or prefer not to commit to a long-term mortgage. Renting provides a more flexible and affordable option for housing, especially in urban areas where property prices may be high and access to formal housing finance may be limited.

In Ghana, the rental market is dominated by private property owners who may require tenants to pay long periods of advance rent or face regular rent increases. While some tenants may view this as exploitative, renting still provides a viable option for housing finance, allowing individuals to access housing while they work towards owning their property in the future. Since the onset of rent advances, landlords have an improved source of income with which to add rooms or carry out maintenance to increase the longevity of their houses. Income from renting, however, is not a substantial part of housing finance in urban Ghana even though renting is the predominant tenure form.

6.3.5 Renters as housing financiers

In Ghana, renters play a significant role as housing financiers as 34.6 per cent of Ghana's population rent a house, contributing to the housing market dynamics and providing financial support for property owners. Renters, who make up a substantial portion of the population in urban areas (46 per cent), contribute to the housing finance ecosystem in several ways. Renters in Ghana provide a steady stream of income for property owners, including individual landlords

and real estate companies. This rental income serves as a form of housing finance for property owners, helping them cover mortgage payments, property maintenance costs, and generate profits from their real estate investments.

Renting allows individuals and families in Ghana to access housing without the immediate financial burden of purchasing a property. This is particularly important for those who may not qualify for traditional mortgage financing or prefer the flexibility of renting over homeownership. Renters contribute to the housing finance market by paying monthly rent, which helps property owners recoup their investment and continue to provide housing options. Renting provides flexibility for individuals and families to choose housing options that suit their current financial situation and lifestyle. Renters can select properties in different locations, sizes, and price ranges based on their needs and budget. This flexibility in housing choices contributes to the diversity of the rental market in Ghana and allows renters to participate actively in the housing finance landscape¹⁸.

The demand for rental housing in Ghana drives property development and investment in the real estate sector. Property developers and investors respond to the needs of renters by constructing rental properties, including apartments, townhouses, and other rental units. Renters, therefore, indirectly contribute to the growth of the real estate market and support the expansion of housing options in Ghana. In some cases, renters build their rooms onto a landlord's house in return for the use of the room rent-free for a stated period. Both these advances are solutions suited only to very financially constrained housing supply systems and both demonstrate how deeply damaged is the housing supply process in urban Ghana.

6.4 Housing Funds and Government Subsidies

6.4.1 Subsidies to GREDA

From 1987, the government instituted several measures as incentives to induce the formal private sector to invest in real estate. These have been maintained in their original form up to date and are made to members of GREDA. Subject to approval by Parliament, real estate investors are allowed:

- a tax moratorium of five years;
- an exemption from the payment of import duties on materials, equipment and other supplies;
- an exemption from the payment of rent and property rates on temporary structures and

buildings erected on site for sole purposes of the residential development project;

- to transfer, in any convertible currency;
- o Dividends or net profit attributable to the investment.
- o Payments in respect of loan servicing where a foreign loan has been obtained.
- o Fees and charges in respect of any technology transfer agreement registered.
- o The proceeds (net of all taxes and other obligations) in the event of sale or liquidation of the enterprise or any interest attributable to the investment.

These represent a transfer of general tax income to developers which only benefits some of the very richest people in Ghana.

6.4.2 Budgetary Allocations for Housing

Budgetary allocations for housing development are made as a percentage of the national budget allocated to the Ministry of Works and Housing (MWH) from the Medium-Term Expenditure Framework (MTEF). The annual housing budgetary allocation goes to specific areas of intervention, which are normally determined by the ministry. It includes the provision of infrastructure, building rental accommodation and development of middle and junior government staff bungalows. The approved budget for the Ministry of Works and Housing for 2021 was GH¢175,046,585.00.³³⁵ The Ministry undertook various activities in 2021, under the Human Settlement Management Programme, the Ministry engaged and collaborated with the Ministry of Lands and Natural Resources and the Lands Commission to acquire 8,783.83 acres of land at various locations in the Greater Accra and Ashanti Regions to undertake a National Affordable Housing Programme. In addition, the Tema Development Company Limited continued with the construction of 139 blocks made up of 3,016 housing units under the Kpone Affordable Housing Program. The Phase III of the 320 housing units being constructed at the Ghana National Police Training School, Tesano was 53% complete.

6.5 Resource Mobilisation and Savings Systems

6.5.1 Microfinance Institutions

There is a long tradition of microfinance in Ghanaian urban culture. The circulating savings groups called “susu,” operate locally among people who know and trust each other. As with other Rotating Savings and Credit Associations (ROSCAs), the members save a set amount each day and at the end of the month one person is given the whole month’s money. They might decide this by lot, by rotation, or by special need. Microfinance involves the provision of financial services and the management of small amounts of money and system of intermediary functions (housing micro loans, savings, insurance, money transfer services and other financial services) that are targeted to low-income clients.³³⁶ Microfinance in Ghana has seen significant growth in terms of both number of institutions involved and volume of loans made. Currently, there are three types of microfinance institutions in Ghana;

- Formal suppliers (i.e. rural and community banks, savings and loans companies, commercial banks);
- Semi-formal suppliers (i.e. credit unions, financial non-governmental organisations (FNGOs), and cooperatives);
- Informal suppliers (e.g., susu collectors and clubs, rotating and accumulating savings and credit associations - ROSCAs and ASCAs -, traders, moneylenders and other individuals).³³⁷ The number and volume of loan disbursement of the microfinance institutions has grown significantly year on year.

The Bank of Ghana (BoG) characterizes the microfinance sector in the Non-bank Financial Institution Act 2008 and the Banking Act 2004. BoG utilizes a four-tier approach to license and oversee microfinance institutions due to the large number of sector participants. According to the Bank of Ghana, there are 37 licensed savings and loans (S&L) companies, which are the most significant type of microfinance institution. These institutions are identified as deposit-taking, non-bank financial institutions. S&L companies engage in tier 1 activities, similar to commercial banks, and must adhere to strict capital requirements and pre-operating conditions.³³⁸ Smaller microfinance institutions are obligated to comply with the rules and guidelines for microfinance institutions, established by BoG in 2011. They engage in tier 2 activities, which exclude the provision of cheque accounts, involvement in foreign exchange trades, and trading activities. Out of the

³³⁵ Ministry of Works and Housing (2021)

³³⁶ Bank of Ghana (2007)

³³⁷ Government of Ghana (2006). Budget Statement and Economic Policy

³³⁸ Bank of Ghana (2019)

total of 37 licensed S&L companies in Ghana, only four have entered the realm of housing microfinance: Procredit S&L, which was acquired by Fidelity Bank in 2015; Sinapi Aba S&L (Sinapi Aba); Opportunity International S&L; and Global Access S&L (Global Access). Bofo Microfinance Services Limited (HFC

Bofo) is the sole non-deposit taking microfinance institution that provides housing finance. Informal housing loans can also be sought from informal lenders, such as “susu” collectors, informal traders, and rotating savings and credit associations.³³⁹

Table 6.7: Characteristics of the three microfinance institutions

	HFC Bofo	Global Access	Sinapi Aba
Date of establishment	April, 2007	June, 2000	May, 1994
Tier	2	1	1
Shareholding	51% HFC Bank Ghana 49% Global Communities	Company limited by shares	Company limited by shares
Products	Micro enterprise loans and SME loans, individual lending and group lending, housing microfinance	Savings, international and domestic money transfers, micro enterprise loans, SME loans, housing microfinance	Savings, micro enterprise loans, SME loans, consumer loans, asset financing, agricultural loans, school loans, construction loans and micro housing loans, insurance
Introduction of HMF	2007	2000	2013
Number of active borrowers (2015)	3 447	NA	137 487
Number of depositors (2015)	No depositors; depositors bank with HFC Bank	NA	165 611
Geographical presence	All regions in Ghana, except upper east and west	Accra and Kumasi	All regions in Ghana
Legal status	MFI (non-deposit taking)	Non-bank financial institution, S&L company, licensed and supervised by Bank of Ghana	Non-bank financial institution, S&L company, licensed and supervised by Bank of Ghana

Source: CAHF, 2016³⁴⁰

Among the three microfinance institutions (MFIs) examined, Sinapi Aba (formerly Sinapi Aba Trust) stands out as the oldest financial institution, having commenced operations in 1994 as a financial non-governmental organization (NGO) offering microloans to low-income households. In 2013, it transitioned into a licensed and supervised savings and loans company. Sinapi Aba's involvement in the housing microfinance (HMF) sector began in 2010 when it received donor funding from USAID for the “Housing Finance and Land Title for Ghana's Poor” project. This initiative aimed to enhance housing finance accessibility through product development

and capacity building, including the development of the “property folio” to facilitate property registration and land title acquisition.

In contrast, HFC Bofo, a subsidiary of HFC Bank, partnered with Global Communities to implement HMF products in Ghana in 2007. The collaboration resulted in the development of the HI-5 loan, targeting clients underserved by HFC Bank due to low-income levels and self-employment. However, HFC Bofo's focus shifted towards enterprise finance, with its loan portfolio increasingly comprising SME and micro-enterprise loans instead of housing finance.

339 Awuwafo, S. A. (2013). Affordable housing in urban areas in Ghana: Issues and recommendations

340 Chongo, B., Laufer, H., & Planet, P. (2016). Housing microfinance for the self-employed in Ghana: The case of three lenders. Johannesburg: Centre for Affordable Housing Finance in Africa.

Global Access, the third institution, received minimal technical assistance and no donor funding during the development and implementation of its HMF product. Unlike Sinapi Aba and HFC Bofo, Global Access primarily focuses on enterprise lending, with its HMF portfolio constituting a small percentage of its total portfolio.

While Sinapi Aba and HFC Bofo benefited from international stakeholders' engagement, including

Opportunity International and Habitat for Humanity International's Center for Innovation in Shelter and Finance (CISF), Global Access relied mainly on its own resources for the implementation of its HMF product. As of 2015, Sinapi Aba's HMF portfolio accounted for 2.45 percent of its total portfolio, while HFC Bofo's HMF portfolio contributed 11 percent to the institution's portfolio.

Table 6.8: Characteristics of housing microfinance portfolios of the three MFIs

Housing Microfinance	HFC Bofo	Global Access	Sinapi Aba
Year of introduction	2007	2013	2010
Volume of HMF portfolio, 2015 (Percentage of total portfolio, 2015)	GH¢ 4 794 750 (11%) US\$ 1 213 860 ³⁴¹	GH¢ 505 855 (not available) US\$ 128 064	GH¢ 2 010 693 (2.45%) US\$ 509 036
Number of active HMF clients	245	60	560
Average loan size	GH¢ 19 570 US\$ 4 954	GH¢ 8 430 US\$ 2 134	GH¢ 3 590 US\$ 909

Exchange rate used: 1 US\$ = 3.95 GH¢, as per coin mill in July 2016

Source: CAHF, 2016³⁴¹

HFC Bofo, Global Access Savings and Loans, and Sinapi Aba each offer housing finance products tailored to the needs of their clientele. These products primarily focus on providing loans for home improvement and incremental housing finance, catering to both existing and new clients. Eligible applicants include self-employed individuals, informal or semi-formal businesses, and salaried workers with side businesses.

While similarities exist among the products offered by these institutions, each has distinct features. HFC Bofo's flagship product, the HI-5 housing finance product, offers a maximum loan size of GH¢ 100,000, with a term ranging from 12 to 36 months. On the other hand, Global Access provides the Housing Micro Loan, with a maximum loan size of GH¢ 50,000 and a term of 12 to 24 months. Sinapi Aba offers the EFIPA (Micro Housing) Loan, with a maximum loan size of GH¢ 20,000 and a term also ranging from 12 to 36 months.

In terms of housing technical support services, HFC Bofo verifies land purchases through mortgage finance structures, ensuring the legality of the transactions. Global Access provides referrals to building material/artisans to assist clients in their housing improvement endeavours. Sinapi Aba offers comprehensive housing technical support services, including property folio development, assistance in land title application, provision of surveyors, and various trainings to empower clients in their housing projects.

Interest rates and fee structures vary among the institutions. HFC Bofo charges an interest rate of 36% per annum, while Global Access charges 42% per annum, with a change to 60% in March 2016. Sinapi Aba also charges 42% per annum. Additionally, all three institutions have a fee structure that includes processing, insurance, and application fees.

Collateral requirements differ slightly, with HFC Bofo and Global Access requiring cash collateral ranging from 10% to 15%, depending on the credit history, savings patterns, and strength of guarantors. Sinapi Aba also requires a 10% cash collateral, along with land security and a savings account.

³⁴¹ CAHF (2016). Housing Microfinance for the Self-Employed in Ghana: The Case of Three Lenders

Table 6.9: Product characteristics of the three HMF products

Feature	HFC Baofo: HI-5	Global Access Savings and Loans: Housing Micro Loan	Sinapi Aba: EFIPA (Micro Housing) Loan
Clientele	<ul style="list-style-type: none"> Existing and new clients Self-employed, informal or semi-formal businesses Salaried workers with sidebusinesses 	<ul style="list-style-type: none"> Existing and new clients Self-employed, informal or semi-formal businesses 	<ul style="list-style-type: none"> Existing and new clients Self-employed, informal or semi-formal businesses Salaried workers with side-businesses
Maximum Loan Size	GH¢ 100 000 (US\$ 25 316)	GH¢ 50 000 (US\$ 12 658)	GH¢ 20 000 (US\$ 5 063)
	All three MFIs have increased their maximum loan amounts in the past years		
Term	12-36 months	12-24 months	12-36 months
Purpose	<ul style="list-style-type: none"> Home improvement Incremental housing finance in structure five steps: <ol style="list-style-type: none"> 1. Land purchase 2. Structure construction 3. Roofing 4. Fittings and fixtures 5. Finishing 	<ul style="list-style-type: none"> Home improvement Incremental housing finance 	<ul style="list-style-type: none"> Home improvement, Incremental housing finance
Housing Technical Support Services	<ul style="list-style-type: none"> Check land purchase with Ghana Land Commission through HFC bank's mortgage finance structures before loan granted 	<ul style="list-style-type: none"> Referrals to building material/ artisans that are SME clients of the institution 	<ul style="list-style-type: none"> Property folio development: assistance in land title application Surveyors Trainings
Interest	36% p.a. (flat rate)	42% p.a. (flat rate) Changed to 60% p.a. in March, 2016	42% p.a. (flat rate) 32% p.a. in 2013
Fee Structure	<ul style="list-style-type: none"> Processing: 2% Insurance: 1% Application: GH¢ 10 (US\$ 2.5) 	<ul style="list-style-type: none"> Processing: 3% Insurance: 1% Application: GH¢ 20 (US\$ 5) 	<ul style="list-style-type: none"> Processing: 3.5% Insurance: 1% Application: GH¢ 5 (US\$ 1.5)

Feature	HFC Baofo: HI-5	Global Access Savings and Loans: Housing Micro Loan	Sinapi Aba: EFIPA (Micro Housing) Loan
Collateral	<ul style="list-style-type: none"> • 15% cash collateral³⁴², but dependent on credit history, savings patterns, and strength of guarantors • Guarantors: 2 	<ul style="list-style-type: none"> • 10% cash collateral, but dependent on credit history, savings patterns and strength of guarantors • Guarantors: 1-2 	<ul style="list-style-type: none"> • 10% cash collateral, but dependent on credit history, savings patterns and strength of guarantors • Guarantors: 1-2
Requirements	<ul style="list-style-type: none"> • Land security: Indenture/Lease Agreement • Savings account with HFC bank 	<ul style="list-style-type: none"> • Land security: Indenture/Lease Agreement • Savings account and history 	<ul style="list-style-type: none"> • Land security: Indenture/Lease • Agreement for Land • Savings account
Services	<ul style="list-style-type: none"> • Financial education • Consultation • Business skills development 	<ul style="list-style-type: none"> • Financial education 	<ul style="list-style-type: none"> • Financial education • Strong focus on training for clients • Business skills development for specific businesses, e.g. micro-schools

The exchange rate used: 1 US\$ = 3.95 GH¢, as per coin mill in July 2016

Source: CAHF, 2016370

6.5.2 NGOs and Community-Based Organisations' Housing Initiatives for the Urban Poor

NGOs and community-based organizations (CBOs) have played a crucial role in addressing the housing needs of low-income and urban poor communities in Ghana. One prominent organization is Habitat for Humanity Ghana, a non-profit that has been actively involved in providing affordable housing solutions since 1986. They work in partnership with communities, local organizations, and volunteers to build and renovate houses, offer housing finance, and provide construction training. Notable initiatives include the Ashaiman Maternal Housing Project, the Accra Decent Affordable Housing Project, and the Home Construction Loan Program.

Another significant player is the People's Dialogue on Human Settlements (PD), a Ghanaian NGO that promotes sustainable human settlements and aims to improve the living conditions of urban poor communities. Their housing initiatives encompass the Ghana Homeless People's Federation, a network of savings groups that collectively finance housing projects for their members, as well as the

Slum Upgrading and Affordable Housing Project, which aims to enhance living conditions in slum communities through infrastructure development and affordable housing provision.

The United Nations Human Settlements Programme (UN-Habitat) has also been actively involved in promoting sustainable urbanization and addressing housing challenges in Ghana. Their initiatives include the Participatory Slum Upgrading Programme (PSUP), which aims to improve living conditions in slums through infrastructure development, housing improvement, and community empowerment, as well as the Ghana Sustainable Development Investment Partnership (GSDIP), which mobilizes resources for sustainable development projects, including affordable housing initiatives.

On the community level, organizations like Amui Djor, a community-based organization in Old Ningo, have implemented projects such as the Amui Djor Housing Cooperative and the Amui Djor Community-Led Construction Project, which provide affordable housing solutions to members through collective savings, loan schemes, and community-

³⁴² Cash collateral refers to a deposit, a pre-defined share of the total loan amount that has to be made by the client prior to disbursement of the loan. This is a requirement used to assess the character of the loan. (BFA, 2011).

led construction using locally available materials and labour. The Ashaiman Women's Development Association (AWDA) in Ashaiman has also been actively involved in housing initiatives, including the AWDA Housing Cooperative and the AWDA Slum Upgrading Project, which aim to improve living conditions in informal settlements.

Furthermore, the Savelugu-Nanton Federation of the Urban Poor, based in the Northern Region of Ghana, is part of the larger Ghana Homeless People's Federation and focuses on addressing the housing needs of its members through the Savelugu-Nanton Housing Cooperative and the Savelugu-Nanton Slum Upgrading Project. These NGOs and CBOs have been instrumental in addressing the housing challenges faced by low-income and urban poor communities in Ghana, involving community participation, mobilization of resources, and the provision of affordable housing solutions through various approaches.

6.6 The Structure and Functioning of the Housing Finance Market

The Ghanaian housing finance market comprises a multitude of institutions that facilitate funding for housing development and home acquisition. At the core are formal financial institutions like commercial banks which provide mortgage loans secured by the property being financed.³⁴³ Major commercial banks engaged in mortgage lending include Ghana Commercial Bank, Stanbic Bank, and Fidelity Bank. Rural and community banks also offer mortgage products, playing a key role in meeting housing finance needs across urban, peri-urban and rural areas.³⁴⁴ Non-bank financial institutions form another crucial component, serving niche segments through specialized housing microfinance loans and products.³⁴⁵ This category includes credit unions, savings and loans companies, and microfinance institutions. Their financing solutions cater to low-income households often excluded from traditional mortgage markets.

Several government and public institutions shape the housing finance landscape as well. The Bank of Ghana, the central bank, regulates and supervises banking sector activities related to housing finance.³⁴⁶ Ghana Home Loans, a state-owned specialized home finance company, was established to increase access to affordable housing finance across the country.³⁴⁷ The Social Security and National Insurance Trust (SSNIT) also provides mortgage loans to its contributing members from pension contributions accumulated during employment.³⁴⁸ Informal finance sources like personal loans from relatives, microfinance groups, cooperative credit unions, and private money lenders continue to play a role by filling gaps in access, especially for low-income households.³⁴⁹ Income from rental properties also serves as a funding source for some prospective homeowners.

The key housing finance products include mortgages offered by banks and select non-bank institutions, home construction loans for building or renovating properties, and specialized housing microfinance targeted at low-income groups.³⁵⁰ However, challenges persist around high interest rates, stringent collateral requirements that price out many low-income families, limited long-term funding sources for mortgage lenders, weak foreclosure laws hampering mortgage market expansion, and inadequate affordable housing supply. The Bank of Ghana's regulations and norms govern housing finance operations by banks and non-bank financial institutions. Additionally, the Home Mortgage Finance Act of 2008 provides the legal framework for Ghana Home Loans to facilitate affordable housing finance. Despite these structures, the outcomes highlight significant barriers around affordability and access to housing finance, especially for low-income residents in major urban areas like Kumasi.

6.7 Formal and Informal Housing Finance Markets

Housing finance in Ghana is provisioned by formal sources (banks), semi-formal sources (micro-finance

343 Afrane, S. K., Owusu-Manu, D., Donkor-Hyiaman, K. A., & Bondinuba, F. K. (2016). Towards innovative housing financing in Ghana: An evidence-based from South Africa's pension housing financing system.

344 Ofor, T. N., & Alagba, O. S. (2019). Housing finance market and economic growth of West Africa region: a study of Nigeria and Ghana.

345 Konadu-Agyemang, K. (2001). A survey of housing conditions and characteristics in Accra, an African city

346 Bondinuba, F. K., Hedidor, D., Opoku, A., & Teye, A. L. (2017). De/motivations in housing microfinance delivery in Ghana

347 Arku, G., Luginaah, I., & Mkandawire, P. (2012). "You Either Pay More Advance Rent or You Move Out": Landlords/Ladies' and Tenants' Dilemmas in the Low-income Housing Market in Accra, Ghana.

348 Obeng-Odoom, F. (2020). Property, institutions, and social stratification in Africa.

349 Arku, G. (2009). Housing policy changes in Ghana in the 1990s: Policy review

350 Boamah, N. A. (2010). Housing affordability in Ghana: a focus on Kumasi and Tamale.

institutions) and informal sources (incremental building). Formal sources of finance in the form of mortgages is hindered by a non-existent secondary mortgage market, an underdeveloped primary mortgage market, and exorbitant interest rates, with an average commercial lending rate of 31.66% as of April 2023.³⁵¹

The formal housing finance market, who are the main providers of home mortgages in Ghana are First National Bank (FNB), Republic Bank Limited, Fidelity Bank Limited, Stanbic Bank, Ghana Commercial Bank PLC, Ecobank Limited and Cal Bank. Driven by the volatility of the Ghanaian cedi in relation to the US dollar, the majority of financial institutions provide mortgages denominated in US dollars at a reduced interest rates compared to loans denominated in Cedi (FNB recorded a base rate of 13.5% for US dollar loans and 29.8% for Cedi loans in 2023). When it comes to Cedi-denominated mortgages, FNB permits a markup of 8%, resulting in a maximum mortgage interest rate of 37%. Typically, lenders in the mortgage industry allow loan-to-value (LTV) ratios of 80% and present repayment durations spanning from 15 to 20 years.³⁵²

Incremental housing, a methodology characterized by the gradual construction of housing units using personal and familial resources as they become available, constitutes a significant majority, exceeding 90%, of all recent housing developments in Ghana.³⁵³ The prolonged timeframe for completing projects under the incremental housing approach, typically ranging from 5 to 15 years, poses a notable obstacle to its capacity to effectively address the substantial housing shortfall within the nation. Despite the potential for non-bank entities such as microfinance institutions, rural banks, and savings and loan companies to offer more versatile financial support, their current share in the banking sector stands at a mere 7.44%. These semi-formal financial institutions have the capability to cater to the financial needs of low and moderate-income households, provided that appropriate regulatory measures are in place. However, out of the 366 non-bank institutions officially registered, only a minuscule number of five reported extending any form of housing-related financial assistance over the past decade.

6.8 Housing Market Regulations

The housing finance market in Ghana is highly underdeveloped due to an unfriendly or poor regulatory environment.³⁵⁴ Past housing policy interventions in Ghana have failed to achieve their intended objectives, and it is suggested that housing policies should focus on developing the housing finance market, establishing community-based housing finance schemes, enforcing planning controls, and confining the government's role in regulating the housing market.³⁵⁵ The weak and unstable macro-economic environment in Ghana has also contributed to the underdevelopment of the housing finance market, with the exchange rate being the only significant factor influencing mortgage origination in the country.^{356, 357} While the use of a Secondary Mortgage Market (SMM) could potentially address the housing finance problems in Ghana, the current conditions are not suitable for its successful implementation, and it is recommended to focus on solving basic problems such as limited mortgage origination, slow adjudication process, inadequate collateralization, and poor land title regime.

6.9 Capacity Needs Assessment for the Financial Market

6.9.1 Institutional Landscape

In terms of staff and logistical needs, the formal housing finance sector in Ghana is well-staffed for its current levels of operation, with highly qualified personnel and equipped with computers and other relevant software. Interaction with some conventional mortgage lending institutions and some rural banks and microfinance institutions revealed that staff capacity was adequate. Ghana's housing finance sector benefits from the presence of several institutions providing financing, including banks, non-bank financial institutions, mortgage companies, and government-backed entities such as the Social Security and National Insurance Trust (SSNIT). While the number of institutions is relatively diverse, there is a need to further expand the range of financing options available, particularly for low and middle-income earners.

³⁵¹ Bank of Ghana. Interest Rates. <https://www.bog.gov.gh/economic-data/interest-rates/> (Accessed 11 August 2023).

³⁵² GCB (2022). Construction Sector Focus on Real Estate Development

³⁵³ IFC (2023). Her Home II Housing Finance for Women in Ghana, Senegal, and Indonesia.

³⁵⁴ Boamah, N. A. (2011). The regulatory environment and housing finance market in Ghana

³⁵⁵ Boamah, N. A. (2014). Housing Policy in Ghana: The Feasible Paths

³⁵⁶ Boamah, N. A. (2011). The Macro-Economy and Housing Credit Market in Ghana.

³⁵⁷ Boamah, N. A. (2009). Secondary mortgage market (smm): is it right for financing housing in ghana?

Table 29: Number of Institutions Providing Housing Financing

Year	Commercial Banks	Rural and Community Banks	Non-Bank Financial Institutions (NBFIs)
2020	23	144	69
2022	23	145	72

Source: Bank of Ghana Annual Report 2020³⁵⁸ & 2022³⁵⁹

The number of institutions providing housing financing in Ghana has remained relatively stable over the past few years. The commercial banking sector, which plays a significant role in mortgage lending, has maintained a consistent presence with 23 banks operating in both 2020 and 2022. However, there has been a slight increase in the number of Rural and Community Banks and Non-Bank Financial Institutions (NBFIs), which also contribute to housing finance. These figures suggest a steady supply of housing finance options, although the market may benefit from further diversification and expansion of

institutions.

6.9.2 Human Resource Capacity

The housing finance sector in Ghana relies on skilled professionals across the entire value chain, including mortgage specialists, underwriters, appraisers, legal advisors, and financial analysts. While there is a considerable workforce engaged in the sector, there are opportunities to enhance skill levels, promote transparency, and improve governance practices.

Table 6.11: People Engaged in the Finance Sector Along the Entire Value Chain

Year	Total Employees in Banking Sector	Employees in NBFIs
2020	27,458	7,892
2022	28,113	8,245

Source: Bank of Ghana Annual Report 2020 & 2022

The number of employees in the finance sector, including both the banking sector and Non-Bank Financial Institutions (NBFIs), has shown a moderate increase from 2020 to 2022. The total number of employees in the banking sector grew from 27,458 in 2020 to 28,113 in 2022, representing a 2.4% increase. Similarly, the number of employees in NBFIs rose from 7,892 in 2020 to 8,245 in 2022, reflecting a 4.5% increase. These figures indicate a growing workforce in the finance sector, which could potentially support the expansion of housing finance activities. However, specific data on skill levels and transparency levels within the housing finance value chain may not be readily available.

6.9.3 Technological Advancements

Technology improvements have the potential to revolutionize the housing finance sector in Ghana, particularly in enhancing access to finance, streamlining processes, and improving transparency. Digital platforms for mortgage origination, credit scoring, payment systems, and data analytics facilitate faster and more efficient transactions, reduce operational costs, and enhance risk management practices. Embracing financial technology (fintech) solutions, digitizing land records, and promoting e-commerce platforms for property transactions would unlock new opportunities for innovation and growth in the housing finance market.

³⁵⁸ Bank of Ghana., (2020). Annual Report and Financial Statement

³⁵⁹ Bank of Ghana., (2022). Annual Report and Financial Statement

Table 6.12: Technology Improvements in the Sector

Year	Banks with Digital Banking Platforms	Banks with Mobile Banking Apps
2020	18	21
2022	22	23

Source: Bank of Ghana Annual Report 2020 & 2022

The finance sector in Ghana has witnessed notable technological advancements in recent years, with an increasing number of banks adopting digital banking platforms and mobile banking applications. In 2020, 18 banks had digital banking platforms, and 21 banks offered mobile banking apps. By 2022, these numbers had increased to 22 banks with digital banking platforms and 23 banks with mobile banking apps. Additionally, the introduction of the Ghana Mortgage Refinancing Company's digital platform for mortgage processing and underwriting in 2022 has further streamlined housing finance operations. These technology improvements enhance accessibility, efficiency, and transparency in the housing finance market, contributing to its overall capacity and potential for growth.

6.9.4 Government Initiatives and Incentives

Tax incentives and other incentives significantly influence housing finance and market dynamics in Ghana. Legal frameworks, policies, and government initiatives aimed at promoting homeownership through tax breaks, subsidies, or grants stimulate demand for housing finance and incentivize investment in the sector.

a. The Mortgage Market Initiative (2019)

Ghana introduced a mortgage market initiative in 2019 to increase access to housing finance. This included tax incentives for real estate investment trusts (REITs) and mortgage-backed securities (MBS).³⁶⁰ These incentives have effectively rendered REITs and MBS more attractive to investors, consequently amplifying the flow of funds into the housing finance market. Notably, REITs offer investors a vehicle to participate in the real estate market without direct ownership, thereby enhancing liquidity and facilitating financing for housing projects. Similarly, MBS enable lenders to bundle and sell mortgages as securities, thereby freeing up capital for further lending and augmenting the overall capacity of the mortgage lending market. Increased investment in REITs and MBS serves as additional sources of funding for housing finance activities,

thereby bolstering the market's overall capacity. By attracting a wider pool of investors and diversifying financing sources, the mortgage market initiative is poised to facilitate a larger volume of mortgage lending, thereby enhancing access to housing finance for prospective homebuyers. Consequently, the initiative is pivotal in bridging the gap between housing demand and available financing, ultimately fostering greater homeownership and contributing to the country's socioeconomic development.

b. The National Housing and Mortgage Fund (2020)

The establishment of the National Housing and Mortgage Fund in 2020 marked a significant milestone in Ghana's housing finance landscape, as reported by the Ministry of Works and Housing in 2020.³⁶¹ This initiative was introduced to address the longstanding issue of limited availability of long-term financing for housing and mortgage lending, which had posed a significant constraint in the market. With the fund in place, financial institutions now have access to dedicated long-term financing, thereby enabling them to offer mortgage products with longer tenures that better align with the typical duration of home loans. By providing a reliable and dedicated source of long-term financing, the fund directly addresses the capacity limitations previously faced by lenders in originating and sustaining a larger volume of mortgage loans. Consequently, financial institutions are empowered to expand their mortgage lending activities, catering to a broader segment of the population, and fostering increased homeownership.

Furthermore, the availability of long-term funding through the National Housing and Mortgage Fund serves as a catalyst for broader sectoral growth. Access to such funding incentivizes more financial institutions to enter or expand their participation in the mortgage lending market, thereby enhancing the overall capacity and competitiveness of the housing finance sector. This influx of new players and expanded financing options bodes well for addressing the housing affordability challenge and stimulating economic development through

³⁶⁰ Oxford Business Group., The Report: Ghana 2022

³⁶¹ Ministry Of Works and Housing. (2021). President Akufo-Addo Commissions National Housing Mortgage Fund Estates in Tema. MINISTRY OF WORKS AND HOUSING - Republic of Ghana. Retrieved 2024, from <https://www.mwh.gov.gh/president-akufo-addo-commissions-national-housing-mortgage-fund-estates-in-tema/>

increased investment in the housing sector.

Through the National Housing Mortgage Fund (NHMF), mortgages have been underwritten at the rates of 10 to 12 percent by GCB Bank Limited, Republic Bank and Stanbic Bank. President Akufo-Addo stated that, under the National Housing and Mortgage Scheme, mortgages have been reduced by about 60 percent, compared to the average rate of 28 percent on the market which will help solve the problem of multiple sale of lands, issues of land guards, the high cost of building materials, high interest rate among others that make home owning very difficult. The Minister of Finance, Hon. Ken Ofori

Atta, also stated that, GH¢80 Million was allocated to the NHMF. This amount helped to deliver model community houses at the cost of about GH¢45 million, aimed to help middle- and lower-income earners to rent and own houses in Tema. According to him, the scheme will deepen the local currency mortgage and housing finance market, while leveraging the banking and capital market. He further mentioned that the government aims to increase funding for the NHMF to approximately GH¢1 billion. This increased funding would facilitate the development of similar model communities in various districts across the country, replicating the success of the initial model housing project.

CHAPTER SEVEN:

07

EMERGING HOUSING ISSUES

7.1 *The Changing Environment of Ghana's Housing Sector*

In spite of its many challenges, Ghana's housing sector has witnessed significant progress. According to the Ghana Statistical Service, there is a 33% reduction in housing shortfall, decreasing from 2.8 million in 2010 to 1.8 million in 2021³⁶². Thus, in the last 10 years, there has been the production of about 1 million housing units. This positive change is attributed to a thriving real estate market and a substantial 72.8% growth in rental housing over the last decade³⁶³. Nonetheless, rapid urbanisation in the greater metropolitan areas of Accra, Kumasi, Sekondi-Takoradi, and Tamale; increasing population growth in regional capitals; and rapidly growing secondary towns, has led to an increased demand for residential facilities³⁶⁴. This increasing need for residential housing, especially in urban Ghana, has been described as an increase in the general well-being and socio-economic development of the Ghanaian people³⁶⁵.

Government initiatives such as the Real Estate Agency Act, 2020 (Act 1047) and the Land Act, 2020 (Act 1036) have been implemented to create an enabling environment for the growth of residential and commercial properties. The key focus of the Real Estate Agency Act, 2020 (Act 1047) and the Land Act, 2020 (Act 1036) in Ghana is to revolutionize the real estate and land sectors. The Real Estate Agency Act aims to regulate real estate agencies, ensuring professionalism and ethical conduct in the industry³⁶⁶. On the other hand, the Land Act 2020 consolidates Ghana's land laws, updating the legal framework for

land administration and management, with a focus on sustainable practices and efficient land tenure³⁶⁷.

These legislations are enhancing the housing sector in Ghana by introducing regulations that promote transparency, fairness, and sustainable land administration and have been positively received by the institutions and stakeholders in Ghana's housing sector. The Real Estate Agency Act is improving professionalism and ethical standards among real estate agencies, fostering trust between buyers and sellers³⁶⁸. The Land Act 2020 is streamlining land laws, addressing issues like foreign ownership restrictions, customary land management practices, compulsory land acquisition, and protection against discriminatory practices³⁶⁹.

To further delve into the housing financing landscape in Ghana, various stakeholders play crucial roles in providing mortgages, subsidies, and housing support. These stakeholders include the National Development Bank of Ghana, commercial banks like First National Bank, Republic Bank Limited, Fidelity Bank Limited, Stanbic Bank, GCB Bank PLC, Ecobank, and Cal Bank, microfinance institutions such as Microfinance and Small Loans Centre (MASLOC), and the Ghana Enterprise Agency (GEA). Additionally, financial services have emerged to assist different income groups in accessing housing. These services encompass green housing finance and microfinance provided by institutions like IFC and Ghana Venture Capital Trust. Moreover, the government has introduced new tax incentives and financial reliefs to bolster affordable housing initiatives. These measures aim to stimulate housing

³⁶² Ghana Statistical Service (GSS). (2021). Ghana 2021 Population and Housing Census.

³⁶³ CAHF (2021). Housing finance in Africa (Ghana)

³⁶⁴ MWH (2022). Reduction in national housing deficit reassuring to addressing housing challenges.

³⁶⁵ Danso-Wiredu et. al (2021). Increasing Housing Needs in Urban Ghana and Vegetation Sustainability.

³⁶⁶ GNA (2023) Real Estate Agency Act is a game-changer- Housing Minister

³⁶⁷ (Ashun, et.al, 2020). Key highlights of Ghana's Land Act 2020

³⁶⁸ Real Estate Agency Act 2020 (Act 1047)

³⁶⁹ Land Act, 2020 (Act 1036)

demand, increase housing supply, and address affordability challenges³⁷⁰. The implementation of these strategies is vital, especially in urban areas where the demand for affordable housing is high. By leveraging public-private partnerships, innovative financing models, and policy reforms, Ghana is striving to bridge the gap in housing finance accessibility and affordability across income segments in urban settings.

Despite these advancements, challenges persist in the housing sector. Affordability and availability are significant challenges in Ghana's housing sector. Low household incomes coupled with high borrowing costs hinder property acquisition for many individuals. This issue restricts access to decent housing for a large portion of the population, exacerbating the housing deficit in the country³⁷¹. Also, land disputes and litigation pose substantial obstacles to real estate development in Ghana. These disputes lead to financial losses and project delays, impacting the overall growth and efficiency of the housing sector¹⁰. Resolving these issues is crucial to fostering a more conducive environment for sustainable real estate development.

Inflation and currency depreciation significantly impact construction costs in Ghana. The depreciation of the Ghanaian cedi against foreign currencies raises material expenses for developers, adding financial strain to housing projects. Recent changes in monetary policy, such as the Central Bank of Ghana raising its benchmark rate to 30%, have resulted in increased mortgage rates from lenders, further burdening prospective homebuyers³⁷².

7.2 Housing Investments by Expatriate Ghanaians [Ghanaians living abroad]

Ghanaians living abroad are significantly contributing to housing development in Ghana through various means. They engage in Foreign Direct Investments for building houses, purchase properties from Real Estate Agencies, hire Estate Agencies for construction, invest in rental properties, and send

remittances for family housing renovations. In terms of monetary contributions and housing production, Ghanaians abroad play a substantial role, with approximately 60% of Ghana's housing market being driven by them³⁷³. These expatriates are also involved in creating communities with housing designs reflecting their host countries, even naming neighbourhoods after European cities, showcasing the impact of foreign investments on Ghana's housing sector.

The Ghanaian expatriate consists of around 3-4 million individuals globally. Migration flows from Ghana to other countries (OECD Countries) reached 27,400 persons in 2019, with the United States attracting the largest number of Ghanaian nationals annually. Remittances play a significant role in Ghana's economy, with the country being the 2nd largest recipient of remittances in Sub-Saharan Africa³⁷⁴. In 2021, Ghana was among Africa's top 5% remittance-receiving countries³⁷⁵. The total remittances for all purposes in Ghana amounted to 4.7 billion U.S. dollars in 2022. Additionally, in 2022, personal remittances received in Ghana covered 6.3 percent of the country's Gross Domestic Product (GDP)³⁷⁶. According to Seso Global³⁷⁷, the diaspora is recognized as a significant contributor to the growth of real estate markets in Africa, with approximately one billion US Dollars flowing into real estate in Ghana annually.

The emergence of Real Estate Investment Trusts (REITs) in Ghana's housing sector aims to support Foreigners and Ghanaians living abroad to build or acquire their housing in Ghana³⁷⁸. Real estate investment trusts (REITs) in Ghana began with collective investment schemes, which are governed by Securities Industry (Amendment) Law 2000 (Act 590) and regulated by the Securities and Exchange Commission (SEC). REITs work in the housing sector by pooling funds from investors to invest in real estate assets, such as residential properties, to generate income through rental payments or capital appreciation³⁷⁹. Investors in REITs receive dividends

370 Afranie (2021). Making affordable housing accessible through more inclusive housing financing: a case study of Ghana

371 Abdulai (2023). Ghana's Housing Sector Progresses Amidst Challenges

372 BoG (2023)

373 Marigold (2023) Diaspora Investments drive Ghana Housing Market with 60% Contribution

374 Acp-eu. (2018). Review of Financial Transfers and Remittance mechanisms in Ghana

375 Anaman et.al. (2023). International remittances and political participation in Ghana

376 World Bank Data. Personal remittances, received - Ghana

377 Seso Global. (2023). Ghana Diaspora Mortgage Platform

378 Opoku, N. (2023). A practical guide to Real Estate Investment Trusts (REITs)

379 Oxford Business Group Report (2016). Ghana | Financial Services

from the rental income or profits generated by the properties held by the trust. This investment model allows individuals to indirectly invest in real estate without owning the properties themselves³⁸⁰. Some challenges of REITs in Ghana include high construction costs, limited access to mortgage financing, bureaucratic hurdles in land acquisition, and the need for innovative financing models to expand housing affordability options. Additionally, factors like inflation, high-interest rates, and economic challenges can impact the performance of REITs in the real estate sector.

The impact of foreign investments on the Ghanaian real estate market has been substantial, leading to increased infrastructure development, job creation, diversification of real estate offerings, and an increase in housing supply³⁸¹. Foreign investment injects capital into the sector, transfers knowledge and technology, and boosts tourism and hospitality, but can also lead to price appreciation and affordability concerns. While it presents growth opportunities, there are challenges such as housing affordability issues and potential social tensions due to large-scale development⁴¹⁰. Research by Mensah shows that the influx of expatriates has led to soaring prices and rent surges in areas like Accra, impacting locals who struggle with increased living costs and property prices³⁸².

7.3 Emergence of gated communities and elite housing in urban Ghana

Globalization and the implementation of neo-liberal urban restructuring ideas have indeed contributed to the increasing prevalence of gated communities worldwide. Studies have shown that this phenomenon is not limited to specific regions but has a global impact, including in Africa. The rise of gated communities is a result of neo-liberal urban restructuring policies dating back to the 1980s, as indicated by research. This trend reflects a shift in social policies towards enhancing private development profits and transforming suburban areas into spaces characterized by elite consumption patterns.

Gated community development has grown significantly in Ghana in the past few years³⁸³. These

gated residential neighbourhoods have become increasingly popular in Ghana's capital, Accra, with real estate developers playing a key role in their construction and maintenance³⁸⁴. These communities consist of detached homes, semi-detached houses, and flats, contributing to the suburbanization of the city³⁸⁵. Official statistics on the number of gated communities in Ghana are unavailable but there are about a hundred in GAMA.

7.3.1 History of Gated Communities in Ghana

During the late 1980s and early 1990s, Ghana underwent significant changes in its housing sector, with the government reducing its direct involvement and opening up the market for private sector participation, in line with Structural Adjustment Policies and World Bank recommendations. This shift aimed to encourage private sector investment in housing, leading to the formation of the Ghana Real Estate Developers Association (GREDA) in July 1988, which now boasts around 160 member firms.

As a result of neoliberal policies, numerous real estate development companies emerged, particularly in the Accra and Tema Metropolitan Areas. Notable entities include TAYSEC Construction Limited, Regimanuel Gray Limited, Trasacco Valley, and Golden Gate Hospitality, all of which belong to GREDA. Additionally, the Social Security and National Insurance Trust (SSNIT), a state-run pension fund management institution, has been actively involved in developing high and middle-income housing, either independently or in partnership with private developers.

The emergence of gated housing estates represents a significant shift in Ghanaian housing, influenced by political, economic, and social factors. While residential quarters with walls and fences have historical precedents under colonial rule, modern gated communities reflect new trends in urban real estate development. This phenomenon gained momentum alongside liberalization efforts in the 1990s and has since seen rapid growth, particularly among high-income groups.

Private developers have targeted the diaspora market, emphasizing exclusivity, which has

³⁸⁰ El-Awuku (2022). A Silent Revolution: GCB REIT Reshaping Home Rental and Ownership

³⁸¹ Boateng (2023). The impact of foreign investment on real estate market

³⁸² Mensah. (2023). How gentrification is forcing Ghanaians out of Accra

³⁸³ Otchere, et.al (2023). Drivers of gated community developments in Ghana: perspective of developers

³⁸⁴ Ehwi. (2020). The Proliferation of Gated Communities in Ghana: A New Institutionalism Perspective

³⁸⁵ Aboagye et.al. (2013). The Emergence of Gated Communities in Ghana and their Implications on Urban Planning and Management

contributed to the proliferation of gated residential communities. Studies have documented the growth of these communities, with Grant (2005) identifying 23 gated communities in the Accra metropolis as of June 2004, and subsequent studies reporting even more significant numbers, such as 64 gated

communities in 2007 and approximately 100 estates across the Greater Accra Metropolitan Area in more recent years³⁸⁶.

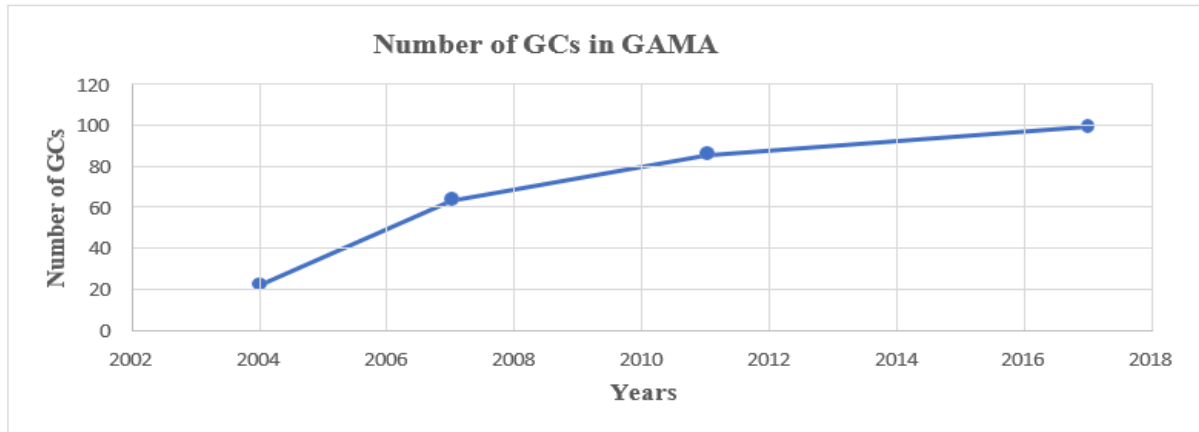


Figure 7.1: Number of Gated Communities in GAMA from 2004-2017

Source; Otchere, 2023

7.3.2 Typologies of gated communities in Ghana

Ehwi, Tyler, and Morrison (2019)³⁸⁷ identified three main types of gated communities in Ghana based on their development models: master-planned gated communities, serviced plot gated communities, and hybrid gated communities.

a. Master-planned gated communities:

These are the most popular types of gated communities in Ghana. In these communities, developers design and construct housing units without allowing homeowners to modify them. Services such as infrastructure and amenities are already provided by the developers. The rationale behind this approach is to ensure uniformity in design and to reduce the cost associated with developing different designs. An example is Devtraco's Community 25 in Tema.

b. Serviced plot gated communities:

These communities are prevalent in peri-urban areas where basic physical infrastructure may be lacking. Developers acquire land and provide essential services such as road networks, drainage systems, water, and electricity. Plots within these communities are sold to individuals who then have

the freedom to build their own houses according to their preferences. However, developers may impose certain restrictions on the type of houses built. Examples include Airport Hills and Shandonia properties.

c. Hybrid gated communities:

These communities combine features of both master-planned and serviced plot communities. Developers acquire land, provide services, and subdivide it into lots. While part of the land is master planned by the developer, another portion is left as serviced plots for purchasers to build their preferred houses. An example is the Adom Gate Community in Tema.

7.3.3 Drivers of Demand and Supply of Gated Communities in Ghana

The drivers of demand and supply for gated communities in Ghana are multifaceted and influenced by various factors that shape the real estate landscape in the country. One significant driver is Ghana's growing economy and expanding middle class. With the economy expanding at rates averaging 6-8% annually, there is a surge in demand for improved housing, particularly among the middle class. This segment of the population is a key driver for the demand for mid-range and luxury properties

³⁸⁶ Grant, R. (2005). "The emergence of gated communities in a West African context: Evidence from Greater

³⁸⁷ Ehwi (2019). Gated communities and land administration challenges in Ghana: reappraising the reasons why people move into gated communities.

within gated communities³⁸⁸.

The emergence of gated communities in Ghana can also be attributed to the greater income inequality in the country. Income inequality plays a significant role in intensifying the formation of gated communities. As income inequality rises, it leads to social segregation and the concentration of wealth among certain groups, prompting the development of gated communities as a response to security concerns and the desire for exclusive amenities. This trend reflects a broader socio-economic landscape where disparities in income distribution drive the spatial organization of communities, creating enclaves that cater to specific income brackets and lifestyles.

Again, Ghana is experiencing rapid urbanization, with an estimated urbanization rate of 3.4% per year. As more people migrate to cities like Accra and Kumasi, there is a pressing need for housing, leading to overcrowding and a significant housing deficit. This trend is a crucial driver for the demand for gated communities that offer security and modern amenities.

Furthermore, Ghana's population is growing steadily at 2.2% annually, with household growth projected at 3% per year. This demographic trend, coupled with increasing nuclear families and declining occupancy rates, is boosting the demand for housing. Gated communities cater for the evolving needs of households, driving their popularity in the real estate market. Ghanaians have a strong cultural preference for homeownership, with an ownership rate of around 48.4% compared to rentals at 34.6%. This preference drives the demand for residential properties, including those within gated communities, as they offer a sense of ownership, security, and community living.

The availability of infrastructure, such as roads, power, water, and sanitation, plays a crucial role in driving the demand for gated communities. These developments often offer modern amenities like generators, water supply, security systems, and recreational facilities, attracting buyers and tenants seeking a higher quality of life. The challenges with security in acquiring land and the challenges landowners face with land guards is also a reason for homeowners going for gated communities.

7.3.4 Impacts of Gated Community Developments in Ghana

The impacts of gated community developments in Ghana are multifaceted. These developments have been shown to influence the quality of life (QoL) of residents in various ways. One significant impact is the enhancement of community connections between individuals of different social statuses. Gated communities facilitate interactions between rich and poor residents, fostering a sense of belonging and social mobility among residents³⁸⁹.

Additionally, these developments attract government attention to provide essential amenities and services to peri-urban areas, thereby integrating social amenities throughout the neighbourhood and promoting functional integration within communities. Moreover, gated communities contribute to the economic growth of host communities by drawing in more residents and opening up areas for further development, ultimately increasing residents' attachment to their neighborhoods. Furthermore, gated communities in Ghana offer benefits such as enhanced security, exclusive amenities, a sense of community, increased privacy, and higher property values. The heightened security in gated communities provides residents with a sense of safety and peace of mind, leading to lower crime rates compared to non-gated areas. The privacy afforded by gated communities allows residents to enjoy solitude and seclusion, enhancing their overall living experience³⁹⁰.

7.3.5 Criticisms of gated communities

The rise of gated communities in African cities, especially in Ghana, has been a subject of intense debate among scholars and urban planners. These exclusive, high-security enclaves are often criticized for promoting spatial fragmentation, privatizing public space, and reinforcing urban segregation. The emergence of gated communities is primarily attributed to the rise in crime and the search for good quality living environments, as well as the globalization of lifestyles among the urban elite³⁹¹.

Gated communities have been criticized for creating spatial fragmentation within urban areas, contributing to the physical separation of different socio-economic groups and leading to segregated living environments. This spatial fragmentation can hinder community integration and social cohesion, as gated communities prioritize security and exclusivity,

³⁸⁸ Ehwi (2020). Modelling the supply-side factors influencing the provision of amenities in gated communities

³⁸⁹ Owusu (2021) The impact of Gated Communities' Developments on the quality of life of local residents in Peri-urban areas

³⁹⁰ Sani (2023) Benefits of Gated Communities

³⁹¹ Bandaiko et. al (2022) A systematic review of gated communities and the challenge of urban transformation in African cities

potentially isolating residents from the broader social fabric of the city.

The privatization of public space is another significant criticism of gated communities. By limiting access to shared spaces and amenities, gated communities create exclusive enclaves that restrict interaction with the broader community. This can lead to a loss of community integration and social cohesion, as residents are less likely to engage with diverse social groups outside their enclaves.

Gated communities are also accused of reinforcing urban segregation, often catering to specific social groups and leading to the exclusion of marginalized populations. This can perpetuate social inequalities and exacerbate socio-economic disparities, creating visible divides between the affluent residents of gated enclaves and the surrounding communities.

The presence of gated communities poses challenges for urban planning and management, as they may complicate efforts to create inclusive and sustainable urban environments. This can lead to tensions in city development, as urban planners and managers strive to balance the need for secure neighbourhoods with promoting inclusive urban societies.

7.4 Sustainable Development Goals and the Housing Sector

The housing sector in Ghana is crucial in achieving the SDGs, particularly SDGs 5, 6, 7, and 11, which aim to provide affordable and clean energy; promote gender equality; improve access to clean water and sanitation; and make cities and human settlements inclusive, safe resilient, and sustainable.

7.4.1 Affordable and Clean Energy

Affordable and clean energy is a critical issue in Ghana, with the country aiming to increase access to electricity and transition to more sustainable energy sources. Ghana has made significant progress in recent years, with about 85% electricity access, ranking it one of the highest in sub-Saharan Africa³⁹². However, about 5 million people still do not have access to electricity, mostly in rural areas. This lack of access to energy has significant implications for economic growth, environmental sustainability, and social development.

The United Nations Development Programme (UNDP) in Ghana is also playing a significant role in promoting clean energy transition in the country. The UNDP is ready to deepen its partnerships with governments, the private sector, and foundations to

provide the needed support to transition businesses and communities to clean energy solutions in Ghana. The UNDP is also supporting the government in developing an Article 6 strategy to resolve policy issues around Ghana's Nationally Determined Contributions (NDCs) under the Paris Agreement, which could potentially mobilize green/climate finance at scale to implement clean energy solutions.

The private sector plays a significant role in Ghana's clean energy transition, with various policies and initiatives in place to support private sector investment in the energy sector. The Strategic National Energy Plan (SNEP-2006, updated in 2019), the National Energy Policy (NEP-2010), and the Energy Sector Strategy and Development Plan (EESDP-2010) guide the energy sector's development. The National Renewable Energy Act of 2011 lays the groundwork for renewable energy development and private sector participation in the renewable energy subsector, with provisions for licensing, feed-in tariffs, and renewable energy subsidies.

7.4.2 Gender equality

Gender equality and housing in Ghana are interconnected issues that require policy interventions and initiatives to address. The United Nations Special Rapporteurs on the Right to Adequate Housing have identified seven elements of the right to housing and women's lives, which provide guidelines for realizing women's right to adequate shelter. These elements include security of tenure, habitability, availability of services, infrastructure, and public facilities, affordability, accessibility, cultural adequacy, and social and community participation. These elements are essential in addressing gender equality and housing in Ghana, particularly for women-headed households who live in inadequate housing in poor locations with scarce access to potable water, toilets, electricity, public transportation, and health and education services³⁹³.

7.4.3 Clean water and sanitation

The Government of Ghana's National Community Water and Sanitation Programme (NCWSP) aims to increase the effective and sustainable use of improved community water and sanitation services in rural communities. Developed within the framework of the country's national decentralization programme and National Water Policy, NCWSP principles serve as the blueprint for the delivery of services, with facilitation by the sub-sector agency responsible for water and sanitation services in rural communities and small towns, the Community Water

³⁹² UNDP (2021). Clean energy transition in emerging economies: closing the financing gap

³⁹³ UN-Habitat. Gender Issue Guide. Housing and slum upgrading

and Sanitation Agency (CWSA)³⁹⁴.

The National Community Water and Sanitation Strategy (NCWSS) provides the overall framework for implementation of the sub-sectors strategy to achieve the Government of Ghana's vision for the sector, enshrined in the Water Sector Strategic Development Plan (WSSDP): 'all people living in Ghana have access to adequate, safe, affordable, reliable and sustainable water services, and practice safe sanitation and hygiene'⁴²³.

7.4.4 Sustainable cities

Ghana is committed to achieving sustainable housing and urban development, as evidenced by its participation in the UN-Habitat Assembly and its collaboration with UN-Habitat on various critical issues, including climate change adaptation and the impact of rapid urbanization on communities, cities, and economies. The country recognizes the strong linkage between sustainable urban development and regional economic integration, particularly as the host country of the African Continental Free Trade Area (AfCFTA).

UN-Habitat has supported the Government of Ghana in formulating the Ghana Housing Profile, National Housing Policy, National Urban Policy, and National Slum Upgrading and Prevention Strategy, and has contributed to various projects in Ghana, such as Slum Upgrading Programmes, Water, Sanitation, and Hygiene Programmes, and the development of the Ghana Housing Profile³⁹⁵. These efforts aim to promote socially and environmentally sustainable human settlement development and the achievement of adequate shelter for all, with a focus on the well-being of people, particularly those most disadvantaged and marginalized.

Ghana faces challenges in achieving sustainable cities, such as the scarcity of affordable houses, the nature of political will, and unconcerned community participation in sustainable city development³⁹⁶. However, Ghana's commitment to collaborating with UN-Habitat and its partners in adopting accelerated and innovative strategies to achieve the objectives outlined in the New Urban Agenda and the Sustainable Development Goals signifies its determination to address these challenges and contribute to the global efforts in creating inclusive

and resilient cities for all.

7.5 Environmental Sustainability and Climate-Resilient Housing

Environmental sustainability and climate-resilient housing in Ghana are important topics that have been explored in several studies. The construction industry in Ghana has made efforts to implement sustainable practices, but there are still barriers such as perceived initial cost and lack of incentives for environmentally sustainable homes³⁹⁷. The city of Accra has been studied as a case study to understand how urban climate policy is emerging and how it can contribute to building resilience and adaptive capacity. Ghanaian cities face challenges in terms of resilience to climate change, including limited financial support for disaster response and failure to enforce land-use planning regulations. In the Ghanaian construction industry, green building technologies related to energy efficiency are gaining momentum, but there is a need for ongoing research to develop more environmentally friendly building technologies³⁹⁸.

7.5.1 Green Infrastructure in Ghana's housing sector

Green infrastructure in Ghana is crucial for mitigating climate change, improving air quality, enhancing well-being and liveability, and promoting gender equality and women's empowerment. Ghana has already witnessed the emergence of various urban greening initiatives, such as rooftop garden projects on commercial buildings in Accra, vertical forests in Kumasi, and urban parks and public gardens in various cities. These initiatives promote community engagement and enable residents to actively participate in urban greening activities.

The Ghana Infrastructure Plan (GIP) 2018-2047 highlights the importance of green infrastructure in achieving the Sustainable Development Goals (SDGs) and improving the quality of life of all Ghanaians. The plan aims to build world-class, resilient infrastructure by 2047, with foreign direct investment for infrastructure needs estimated at \$37.9 billion annually³⁹⁹.

In addition, the Ghana National Adaptation Plan (NAP) emphasizes the importance of aligning SMPs

³⁹⁴ NCWSS (2014). National Community Water and Sanitation Strategy (NCWSS)

³⁹⁵ UN-Habitat (2023). Achieving sustainable urbanization

³⁹⁶ Annoh-Dompreh (2021). Building sustainable cities in Africa: The case of Ghana

³⁹⁷ Ahiabu, 2022

³⁹⁸ Anzagira et.al (2022)

³⁹⁹ GNIP (2021). Ghana Infrastructure Plan

and Environmental Impact Assessments (EIA) with national climate change adaptation plans. This can be achieved by observing recommendations set out in regional studies on coastal management, such as the West Africa Coastal Area Management (WACA). The study by Ntiamo-Baidu et al. (2023)⁴⁰⁰, highlights the importance of mapping and assessing coastal infrastructure for adaptation to coastal erosion along the coast of Ghana. The study recommends the use of green, grey, and hybrid infrastructure categories for coastal protection, with contemporary trends supporting green and hybrid infrastructure due to their ability to provide coastal ecosystem services and build the resilience of coastal communities.

The Land Use and Spatial Planning Authority (LUSPA) Act, 925 (Act 2016) of Ghana provides guidelines and standards for land use and spatial planning, including physical planning standards and development guidelines. The LUSPA Act emphasizes the importance of sustainable development, judicious use of land, and the promotion of health and safety in respect of human settlements. It also highlights the need for a decentralized planning system, which allows for the involvement of District Assemblies in the planning and implementation of land use and spatial planning policies.

In terms of green infrastructure, the LUSPA Act emphasizes the importance of environmental sustainability and the preservation of natural resources. It also highlights the need for the protection of open spaces, which can serve as recreational areas and contribute to aesthetics. The Act also provides regulations on setbacks, height zoning, and protective buffers, which can indirectly affect the availability and quality of green spaces in urban areas. For example, the Act requires a minimum setback of three (3) meters for the proposed development in residential enclaves and a height zoning of up to two storeys for residential zones. The Act also requires the provision of protective buffers of at least 50 meters between residential areas and other land uses, with most of the area covered with vegetation to serve as windbreaks, noise barriers, and passive

recreation areas.

Evidence has shown that covering urban areas with at least 30% tree cover could prevent more than one third of the deaths attributable to heat islands⁴⁰¹. However, there are disparities in tree cover distribution as shown in Figure 7.2. From the same figure, seventy-seven (77) – a third of the 261 MMDAs, mostly in northern Ghana and some parts of Greater Accra Region, have a tree cover coverage of less than 10% of their total land area, significantly below the recommended planning standard of 10% and above. In addition, more than half (52%) of the MMDAs have less than 30% of their total areas covered by tree cover. At the city/metropolitan level, research has shown significant disparities in distribution and access to green infrastructure among neighbourhoods.

An analysis of tropical tree cover data from Global Forest Watch demonstrates that eight (8) MMDAs in the Greater Accra Metropolitan Area have green space per capita below the nine (9) sqm WHO recommended standard for green spaces per capita. These MMDAs are: Accra Metropolitan Assembly, Ayawaso Central Municipal Assembly, Ablekuma West Municipal Assembly, Ablekuma Central Assembly, Ayawaso East Municipal Assembly, Ayawaso North Municipal Assembly, Ablekuma North Municipal Assembly, and Ashaiman Municipal Assembly.

Table 7.1 shows the share of urban area in streets and open public spaces and the share of urban population with convenient access to an open public space - defined as share of urban population within 400 meters walking distance along the street network to an open public space. The average share of the urban area allocated to streets in the four Ghanaian cities, as shown in Table 7.1, is 11.3%, compared to the Sub-Saharan Africa average of 16.9%. Similarly, the average share of the urban population with convenient access to a public open space in the four cities is 12%, significantly below the Sub-Saharan African average of 48%.

⁴⁰⁰ Ntiamo-Baidu et al (2023). Mapping and assessment of coastal infrastructure for adaptation to coastal erosion along the coast of Ghana

⁴⁰¹ Longman et al (2023). Cooling cities through urban green infrastructure: a health impact assessment of European cities. Available at [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(22\)02585-5/abstract](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(22)02585-5/abstract)

Table 30: Average share of urban areas allocated to streets and open public spaces and share of urban population with convenient access to an open public space

City	Share of urban area in streets and open public spaces (%)	Share of urban population with convenient access to an open public space (%)
Cape Coast	8.4	18.8
Sekondi Takoradi	9.5	8.2
Tamale	11.3	8.8
Accra	16.0	12.0

Source: UN-Habitat Urban Indicators, 2024

Built up surface including increasing use of concrete pavements as against grass and the absence of tree cover tend to increase land surface temperatures. These temperatures drive the demand for cooling systems in housing, increase energy consumption and adversely impact health and wellbeing of the population. By combining percent tree cover,

population density and percent-built surface, Figure 7.2 shows the districts at risk of extreme heat. It shows that much of the districts in northern and eastern Ghana together with the two main largest cities, Accra and Kumasi, are at greatest risk of extreme heat.

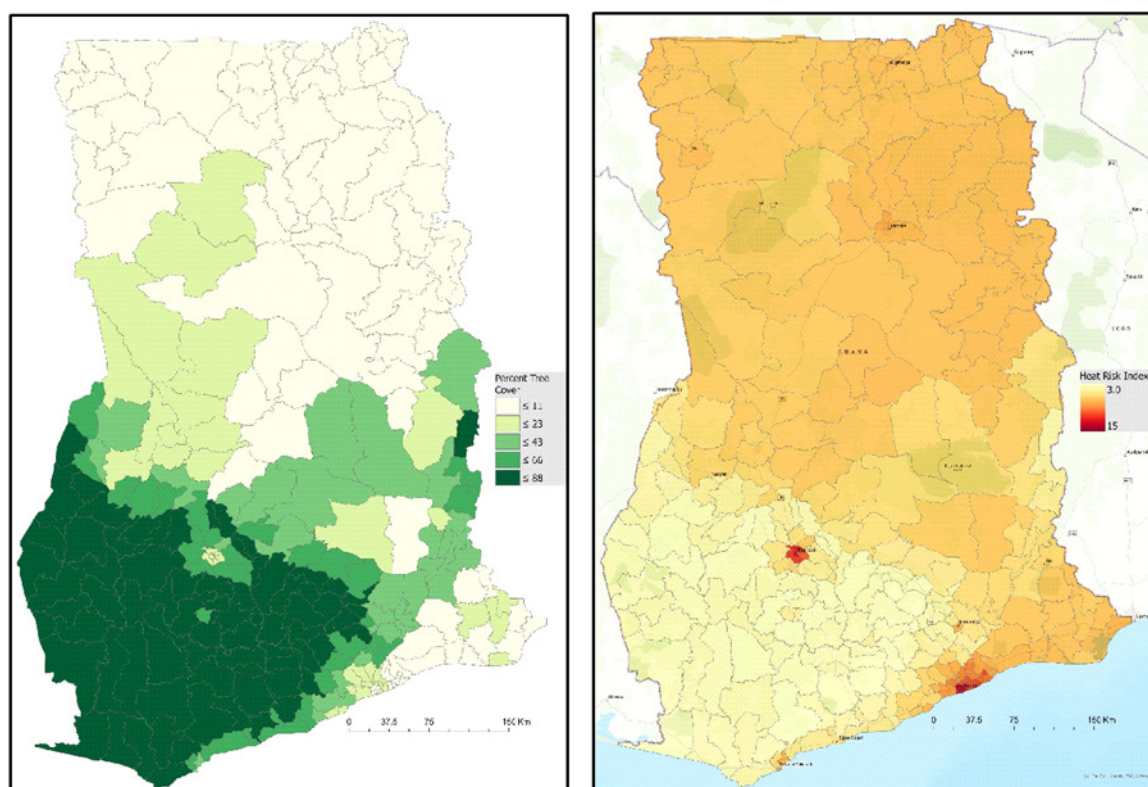


Figure 12: Percent trees cover by districts (left) and heat risk (right)

Source: UN-Habitat, Ghana – 2024; Based on tropical tree cover data from Global Forest Watch.

7.5.2 Regulatory and Legal Framework for Sustainable Building and Resilient Housing in Ghana

Regulatory and legal regimes that have emerged to support building sustainable and resilient housing in Ghana include measures outlined in the Resilient Infrastructure Roadmap, which focuses on adaptation needs and financing options for climate resilience⁴⁰². This roadmap serves as a strategic guide for enhancing the country's infrastructure to withstand the impacts of climate change and promote sustainable development.

Additionally, the Country Climate and Development Report for Ghana emphasizes the importance of pursuing a development pathway that builds resilience to climate change. This report underscores the need for Ghana to transition towards a more sustainable future by integrating climate resilience into its development strategies. By emphasizing the importance of climate adaptation and mitigation measures, Ghana aims to address the challenges posed by climate change while fostering sustainable growth.⁴⁰³

These regulatory and legal frameworks demonstrate Ghana's commitment to promoting green building standards and environmental sustainability. By incorporating resilience-building measures into its infrastructure development plans, Ghana is taking proactive steps to mitigate the effects of climate change and create a more sustainable built environment. Through these initiatives, Ghana is positioning itself as a leader in sustainable building practices and resilient housing solutions, setting a positive example for other countries to follow.

7.5.3 Institutions involved in ensuring that the housing sector in Ghana is resilient and sustainable

The housing sector in Ghana benefits from the collaborative efforts of key institutions such as the Ministry of Works and Housing (MWH), Ministry of Environment, Science, Technology and Innovation (MESTI), the Global Centre for Adaptation (GCA), the United Nations Office for Project Services (UNOPS), and the United Nations Environment Programme (UNEP)⁴⁰⁴. These organizations work together to

develop strategies, policies, and capacity-building initiatives aimed at enhancing climate adaptation and mitigation within the housing sector.

Also, UN-Habitat has been actively involved in supporting programs that contribute to housing resilience in Ghana, particularly in the context of sustainable urbanization. The organization focuses on the wellbeing of people, particularly those most disadvantaged and marginalized, and their ability to enjoy their fundamental rights and opportunities. UN-Habitat adopts a systemized methodology for sustainable cities approach in the implementation of the UNSDCF, which is the United Nation's central framework for planning and implementation of development activities at the country level⁴⁰⁵.

By pooling their expertise and resources, these institutions play a crucial role in promoting resilience and sustainability in Ghana's housing industry. Through their joint efforts, they contribute to the development of robust frameworks and practices that help mitigate the impact of climate change on housing infrastructure and communities. This collaborative approach underscores the importance of multi-stakeholder partnerships in addressing complex challenges and fostering long-term resilience in the face of environmental pressures.

7.5.4 Technologies and advancements supporting resilient and sustainable housing in Ghana

Technologies and advancements supporting resilient and sustainable housing in Ghana are highlighted in the Resilient and Sustainable Housing Models against Climate Change study, which contributes to strengthening housing against climate challenges⁴⁰⁶. These technologies aim to enhance the resilience of housing structures to climate hazards and promote sustainability in the built environment.

Technologies and advancements supporting resilient and sustainable housing in Ghana include appropriate technology and design, digital property address systems (DPAS), sustainability assessment models, and energy auditing. Appropriate technology and design, such as hydra foam, adobe bricks, timber homes, and wattle and daub, are considered the most used and acceptable for sustainable and affordable housing delivery⁴⁰⁷. Also, the use of DPAS is seen as

402 OCHA (2022) Ghana: Roadmap for resilient infrastructure in a changing climate

403 The World Bank (2022). Ghana Climate Development Report

404 UNOPS (2022). A roadmap for resilient infrastructure in a changing climate

405 UN-Habitat (2023). Achieving Sustainable Urbanization. Ghana

406 Ruiz et.al (2023). Resilient and Sustainable Housing Models against Climate Change

407 Tekpe et.al (2022). Appropriate Technology and Design: A Solution for Sustainable and Affordable Housing Delivery in Major Cities of Ghana

beneficial, but operational difficulties and non-use by government agencies hinder its full potential ⁴⁰⁸.

A sustainability assessment model has been developed to guide sustainable construction and green retrofitting of affordable housing, with indices accounting for different aspects of sustainability⁴⁰⁹. Energy auditing of residential homes has been explored to minimize energy wastage, with significant potential for energy savings and environmental benefits⁴¹⁰. These technologies and advancements contribute to addressing housing sustainability and affordability in Ghana.

7.5.5 Strategies, projects, and programmes to support resilience and sustainable housing in Ghana

Strategies, projects, and programs currently being implemented to support resilience and sustainable housing in Ghana include the development of a pipeline of climate-resilient projects, policies, and capacity-building initiatives focused on the energy, water, and transport sectors²⁹. These initiatives aim to align with Ghana's national strategic development plans and policies for sustainable and resilient housing.

The “Transforming the Built Environment through Sustainable Materials” project led by UNEP and implemented jointly by UN-Habitat and UNOPS aims to develop a roadmap to decarbonize the buildings and construction sector. This initiative focuses on setting minimum environmental performance standards for materials, encouraging the use of low-carbon materials, and increasing stringency over time to drive the market towards sustainable solutions. It emphasizes the importance of financial incentives, research and development, and policy interventions to promote the adoption of sustainable materials and construction practices. The roadmap outlines specific technology targets and timelines for sustainable materials, highlighting the need for reducing embodied carbon in building projects and promoting material efficiency and energy efficiency

in production. National, state, and local governments play a crucial role in driving action towards net-zero embodied carbon by setting standards, implementing legislation, investing in R&D, and deploying financial measures to shift the market towards sustainability. The roadmap also stresses the significance of life-cycle assessments, waste management planning, and material labelling or certification to enhance transparency and promote sustainable practices in the building sector.⁴¹¹

Another initiative is the “Increased Resilience to Climate Change in Northern Ghana” program, which aims to enhance the resilience and adaptive capacity of rural livelihoods to climate impacts and risks on water resources in the northern region of Ghana. This project focuses on improving water access, enhancing climate-resilient management of water resources, and diversifying the livelihoods of rural communities in the Upper East, Upper West, and Northern Regions⁴¹².

Additionally, “Ghana’s Integrated Resource and Resilience Planning Program,” implemented by USAID, focuses on strengthening infrastructure resilience in Ghana by collaborating with regional and local governments to enhance social and economic well-being, especially for vulnerable households in the Northern Region.⁴¹³

Another significant project is the “Resilience in Northern Ghana (RING) Project” by USAID, which aims to bolster local structures in Ghana’s poorest regions by providing grants to local governments for development priorities identified by local officials and communities. This project emphasizes improving livelihoods, nutritional status, and agricultural market value chains in targeted communities in the Northern Region⁴¹⁴.

Moreover, the “Climate Certified Affordable Housing Project” in Tamale, led by Reall, has achieved EDGE Certification, showcasing that climate-smart homes can be affordable. This project provides low-income individuals with access to affordable housing

⁴⁰⁸ Mensah et.al (2023). A digital turn for urban management? Residents’ perception and utilisation of the digital property address system in Accra, Ghana

⁴⁰⁹ Adu-Gyamfi et.al (2020). Assessment of housing exposure to accelerated coastal erosion in Keta Municipality of Ghana

⁴¹⁰ Adabre et.al (2020). Towards a sustainability assessment model for affordable housing projects: the perspective of professionals in Ghana

⁴¹¹ GlobalABC, IEA, & UNEP. (2020). GlobalABC Roadmap for Buildings and Construction 2020-2050. Global Status Report

⁴¹² Adaptation Fund (2011). Increased Resilience to Climate Change in Northern Ghana through the Management of Water Resources and Diversification of Livelihoods

⁴¹³ USAID (2020). Ghana’s Integrated Resource and Resilience Planning Program

⁴¹⁴ USAID (2019). Resiliency in Northern Ghana (RING)

while promoting green building standards and sustainability⁴¹⁵

The United Nations Office for Disaster Risk Reduction (UNDRR) is also collaborating with the Ministry of Works and Housing to implement the “Enhancing Infrastructure Resilience in Ghana” project. This initiative involves a multisector approach to identify vulnerabilities in infrastructure systems, assess current practices, and prioritize actions to enhance the country’s infrastructure resilience, setting an example for the region⁴¹⁶.

The interventions and initiatives in Ghana aimed to address the impacts of climate change on housing through various strategies and actions include investing in sea defense projects along the coastline, restricting gas flaring in petroleum exploration, building the resilience of smallholder farmers in drylands, implementing city-wide resilient infrastructure planning, managing climate-induced health risks, enhancing climate education and services, early warning systems, disaster risk management, and integrated water resources management^{417,418}.

Additionally, the government has developed the National Climate Change Policy and National Adaptation Strategy and Action Plan, focusing on promoting renewable energy, sustainable land use practices, and climate-smart agriculture to mitigate and adapt to climate change impacts⁴¹⁹. Ghana’s efforts also involve cross-sectoral collaboration, creating a National Climate Change Committee and Climate Change Units in key ministries to coordinate climate change actions across sectors⁴²⁰.

7.6 The level of state housing provision

Over the years, successive Ghanaian governments have attempted to tackle the housing issue in the country by including provisions for housing in their budgets. However, they have consistently failed to deliver enough affordable housing to meet the needs of the population. State institutions such

as the State Housing Corporation and the Tema Development Corporation Limited were established after Independence to build affordable housing units, but their efforts have not kept pace with the growing demand for housing in Ghana⁴²¹.

Recent efforts to address Ghana’s housing crisis include proposals for a pro-poor housing policy, enforcement of existing regulations, and initiatives like the National Rental Assistance Scheme to ensure basic facilities like toilets are provided before renting properties. Ghana’s government has also implemented several housing policies and programs aimed at improving access to affordable housing for its citizens. These initiatives include the National Housing Policy, the Affordable Housing Project, and the National Mortgage Scheme, among others. However, despite these efforts, the gap between housing demand and supply remains substantial.

Nevertheless, the level of state housing provision in Ghana has shifted from direct government involvement to more private sector involvement, with the government acting as a facilitator in creating an “enabling environment” for housing provision. State interventions in housing provision were prominent until the late 1970s, but economic crises led to a relaxation of these efforts⁴²². As a result, there is a housing deficit of over one million houses in Ghana, leading to the involvement of private developers in addressing the situation.

However, private developers face challenges such as inadequate mortgage finance, and a defective land tenure system, which hinder their performance in addressing the housing deficit⁴²³. The management of public housing by local authorities in Ghana has been substandard, with issues of adequacy, decency, and affordability⁴²⁴. Most housing in Ghana is provided outside official channels, often in urban slums, where nonstate providers play a significant role in housing provision.

⁴¹⁵ Reall (2022). Cutting EDGE: The first climate certified affordable housing project in Northern Ghana.

⁴¹⁶ UNDDR (2024). Ghana demonstrating a strong commitment for enhancing infrastructure resilience

⁴¹⁷ Arhin (2022). Climate Change Adaptation in Ghana: Strategies, Initiatives, and Practices

⁴¹⁸ Würtenberger et. al (2011) Initiatives related to climate change in Ghana

⁴¹⁹ Heliyon (2023). Managing the challenges of climate change mitigation and adaptation strategies in Ghana

⁴²⁰ UNEP (2024). Climate and coalition

⁴²¹ Ayrakwa(2022). Housing and the Ghanaian Economy

⁴²² Danso-Wiredu, E. Y. (2018). Housing strategies in low-income urban communities in Accra, Ghana.

⁴²³ Aziabah (2018). Better public housing management in Ghana: An approach to improve maintenance and housing quality

⁴²⁴ Paller (2015). Informal networks and access to power to obtain housing in urban slums in Ghana

Table 31: Recent and ongoing housing programs or initiatives by the state

Housing Programs and Initiatives	Overview
National Rental Assistance Scheme	The National Rental Assistance Scheme (NRAS) is a government-backed initiative in Ghana aimed at providing low-interest loans to eligible citizens to enable them to pay rent advances. The objective of the scheme is to remove the financial burden of rent advances and make housing more affordable for Ghanaians. The scheme has been designed for individuals with a reliable and verifiable source of income from the public and private sectors.
National Housing Policy	The revised national housing policy in Ghana is designed to address the country's chronic shortage of housing, which currently stands at 1.8 million units. The policy focuses on addressing inadequate urban planning, limited investment in affordable housing, land acquisition and registration bottlenecks, and a rapidly growing population.
Affordable Housing Project	The government of Ghana has recognized the need for affordable housing and has launched several initiatives to address the problem. The affordable housing project aims to provide decent and affordable houses for sale in Ghana, addressing the affordability of housing, which is a critical issue for a large portion of the population.
National Mortgage Scheme	The Government, through the 2018 Budget and Economic Policy, sanctioned the creation of a National Housing and Mortgage Finance Scheme aimed at fostering social equity and economic growth by facilitating widespread construction of residential housing nationwide. In alignment with this initiative, the Ministry of Finance formulated a Scheme and established the National Housing and Mortgage Finance Fund to tackle the primary obstacles to homeownership in Ghana. These hurdles include the accessibility of mortgages for purchasing homes by individuals with low to moderate incomes and the exorbitant costs associated with financing the construction of residential properties. The overarching goal is to ensure long-term viability in enabling a significant portion of Ghanaians to become homeowners.

Source; Author's Construct, 2024

7.7 Changing Structure and performance of the private sector in housing

The changing structure in Ghana, particularly regarding housing policy and the performance of the private sector, has evolved. In the 1990s, there was a notable shift in policy focus away from direct state provision towards active private sector participation in housing production and financing⁴²⁵. This change aimed to enhance the involvement of private entities in the housing sector.

7.7.1 The Private Sector housing and its performance in Ghana's housing development

Housing has indeed become a critical issue globally, especially in Africa where urban poverty is on the rise. Unprecedented levels of deterioration have occurred because of this situation, and it seems that this tendency will continue⁴²⁶. Many African countries, in an attempt to alleviate the severe housing scarcity, had spent enormous sums of money on public housing initiatives, but all these attempts have failed⁴²⁷.

Ghana initiated an Economic Recovery Programme (ERP) and Structural Adjustment Programme (SAP) in 1983, supported by the World Bank and IMF, to

⁴²⁵ Arku (2009). Housing Policy Changes in Ghana in the 1990s

⁴²⁶ P. Ofori (2020), "Housing poverty in developing countries: Challenges and implications for decent accommodation in Swedru, Ghana," Acta Structilia, vol. 27, no. 2, pp. 57-92.

⁴²⁷ V. I. Ogu and J. E. Ogbuozobe (2001), "Housing policy in Nigeria: Towards enablement of private housing development," Habitat International

enhance macroeconomic stability and growth⁴²⁸. The World Bank recommended Ghana to transition from direct state housing provision to promoting private sector involvement in various sectors of the economy. This shift aimed to create an enabling environment for private sector participation, particularly in the housing industry, to facilitate the delivery of affordable housing stock⁴²⁹. During this time, private real estate firms began to appear in the housing market of Ghana and have played a major role in housing delivery in the country^{430,431}.

The housing supply in Ghana has been dominated by the private sector. The private sector, particularly through the emergence of private real estate companies, has become a dominant force in housing supply. According to the GoG/MWH report from 2012, the yearly housing supply ranges from 30,000 to 40,000 units. The private sector contributes significantly to this supply, accounting for 95% of the total, while the government's contribution is only around 5%⁴³². Most well-planned communities in cities like Accra, Tema, Takoradi, and Kumasi have been predominantly developed by private real estate developers.

The government has made notable investments in infrastructure and amenities driving growth in private sector housing developments, reflecting efforts to enhance liveability and attract investors and businesses into the industry. Through the PPP initiative, private investments, and fiscal plans for infrastructure, the government plans to boost infrastructure to support the country's construction sector.

7.7.2 Challenges Facing Private Developers in the Housing Industry

Private developers in the housing industry in Ghana face several challenges that impact their operations. These challenges include:

- High Cost of Land:

One of the issues confronting private developers in the housing industry is the high cost of residential

land⁴³³. Acquiring urban residential land in Ghana is costly, limiting the area developers can purchase for development and reducing housing production. In truth, the industry has endured years of high land costs in urban areas due to the lack of transparency in land transactions in the country.

- High Cost of Funding:

Developers struggle with high funding costs and a lack of long-term capital, as there are limited affordable financing options and high interest rates in Ghana. This is as a result of insufficient mortgage financing institutions in Ghana compared to developed countries. The high borrowing costs from these institutions prevent private developers from accessing loans, as most of them do not have enough equity capital to support long-term real estate projects in Ghana.

- Lack of infrastructure and support services:

Infrastructure development plays a crucial role in the construction sector, significantly impacting overall costs. It is widely acknowledged that these facilities foster growth and draw in prospective investors to specific regions. Nevertheless, in numerous areas of Ghana, infrastructure and services are not keeping pace with building advancements. According to UN-Habitat (2010)⁴³⁴, inadequate (or non-existent) housing infrastructure and support services pose a serious threat to real estate developers in the housing industry.

- High cost of building materials:

Building materials' expensive nature poses a significant challenge for private real estate developers in Ghana's housing sector, with these materials representing half of the construction's total value. This is as a result of the insecurity of micro-economic indicators such as high tariffs and indirect taxes on imported building materials. The real estate sector is facing challenges in managing this situation due to its impact on the expenses associated with housing development.

428 P. Nugent (2004) *Africa Since Independence*, New York: Palgrave Macmillan

429 Afrane et. al (2022). *An Examination of Private Real Estate Developers' Perspectives on Effectiveness of Government Support to the Ghanaian Housing Industry*

430 E. Afrane, A. A. B. Bujang, H. S. Liman, and K. Iddrisu (2016) "Major factors causing housing deficit in Ghana," *Developing Country Studies*, vol. 6, no. 2

431 Bank of Ghana (2007) *The Housing Market in Ghana: Prospects and Challenges*, Bank of Ghana, Accra

432 GoG/MWRWH. (2012). *Brief on Ghana National Housing Project*.

433 E. Afrane (2014) "The contributions and challenges faced by private developers in addressing the housing deficit in Ghana," M.S. thesis, Dept. Real Estate, Universiti Teknologi Malaysia

434 U. Habitat (2010), "Housing as a strategy for poverty reduction in Ghana," United Nations Human Settlements Programme

7.7.3 Changing Structure and Technology Options of the Housing Construction Sector

The housing construction sector in Ghana is undergoing notable transformations in both its structural framework and technological options. Despite the burgeoning demand for housing, the adoption of appropriate technology and innovative design approaches remains relatively scarce, particularly in major urban centres. This deficiency underscores the need for a paradigm shift towards embracing modern construction methodologies and technologies.

- a. Creative strategies enhancing the structural and technological aspects within the housing construction industry.

In Ghana, innovative solutions are being implemented to address the housing sector's challenges and promote sustainable development through advanced structural and technological options. Modular construction has emerged as a cost-effective and efficient method to provide affordable housing solutions. This approach involves constructing homes using pre-fabricated modules manufactured off-site and then assembled on-site, leading to reduced labour costs, faster construction times, and increased quality control⁴³⁵. There are successful case studies of modular housing projects in Ghana. The Portside Affordable Housing Project in Tema, for instance, consists of 108 one-bedroom units built using prefabricated concrete panels manufactured off-site. The entire project was completed within six months for \$4 million, which is significantly lower than the cost of traditional construction methods.

Furthermore, initiatives like the Ghana Building Technology Fair showcase cutting-edge solutions such as ProtaStructure, a comprehensive Building Information Modeling (BIM) solution that enhances the modelling, analysis, and design of buildings using various materials. ProtaStructure integrates reinforced concrete design codes, steel design standards, and seismic design excellence, demonstrating its versatility and efficiency in the construction sector⁴³⁶.

Additionally, companies like Innovative Construction Resources Ghana Ltd. (ICRG) are leveraging innovative financing and green technologies to address Ghana's housing and infrastructure challenges sustainably. ICRG collaborates with technology partners like EchoStone and Cypher Environmental to provide affordable housing solutions and

environmentally friendly road stabilization and dust control technologies, contributing to sustainable development in the country. EchoStone's business model is revolutionizing the construction industry by providing a technology-driven solution for developers and contractors to build sustainable and affordable housing at a scale⁴³⁷.

These innovative approaches and partnerships in Ghana's housing construction sector highlight a shift towards more efficient, cost-effective, and sustainable building practices, aiming to meet the growing demand for quality and affordable housing while promoting sustainable development and technological advancements.

7.8 Provision of Sustainable Housing for Increasing Households

The provision of sustainable housing for increasing households is a critical component of global development efforts, particularly in the context of achieving the Sustainable Development Goals (SDGs). Sustainable housing plays a major role in addressing various challenges and opportunities related to economic growth, environmental sustainability, and social equity.

To ensure sustainable housing solutions, Ghana has implemented various policies and initiatives, such as the National Housing Policy (NHP) focusing on low and middle-income earners, affordable housing projects like the Saglemi Housing Project, and the Rent Control Act regulating landlord-tenant relationships.

Eligibility for affordable housing credit in Ghana considers factors beyond household income, including social, cultural, and demographic aspects like household size, number of generations, and prior asset ownership. The government has launched housing funds and loan programs to support low-income earners, but challenges in determining eligibility have led to delays in program execution⁹.

Moreover, sustainable housing in Ghana requires a multi-stakeholder approach involving the government, private sector, and civil society to stimulate housing demand while increasing housing supply. By promoting property development, enhancing the construction industry through building codes and regulations, and supporting sustainable practices, Ghana aims to provide adequate and sustainable housing for its citizens. Continuous evaluation, stakeholder feedback, and adherence

⁴³⁵ African Land (2020). Affordable Housing Solutions: Exploring the Potential of Cheap Modular Construction in Ghana

⁴³⁶ Ghana Institution of Engineering (2024). Innovative Building Solutions Spotlighted at Ghana's Premier Building Technology Fair

⁴³⁷ EchoStone (2015) Innovative Construction and Technology for Affordable and Sustainable Housing

to sustainability metrics like energy efficiency and waste management are essential to ensure the effectiveness of housing policies and regulations.

In partnership with organizations like UN-Habitat, Ghana is committed to sustainable urbanization, climate change adaptation, and the provision of affordable housing. Initiatives such as the establishment of the Ghana Housing Authority

(GHA) aim to create a robust institutional framework for developing and implementing affordable housing programs across the country. By prioritizing affordable housing, planning sustainably and inclusively, and engaging key stakeholders, Ghana is working towards a brighter future for its housing sector, ensuring that citizens are adequately provided shelter that meets their basic and felt needs⁴³⁸.

438 MWH (2022). Un-habitat to partner with Ghana on sustainable urbanization

CHAPTER EIGHT:

08

THE FUTURE OF HOUSING IN GHANA – POLICY IMPLICATIONS AND STRATEGIES

8.1 Summary and recommendations for creating a conducive environment for adequate housing supply

The housing profile revealed that the average household size in Ghana has reduced from 3.8 persons in 2010 to 3.6 in 2021 according to the 2021 Population and Housing Census⁴³⁹. The report indicates that most households in Ghana either occupy one room (44.5%) or two rooms (24.6%). Families in rural areas have more rooms available to them than those in urban areas. About 51% of households in urban Ghana live in single rooms (51.4%) while 35.9% in rural areas live in single rooms.

The profile indicates that Ghana faces a substantial housing deficit of about 1.8 million units according to the Ghana Statistical Service, down from 2.8 million in 2010. This decrease is partly due to a 72.8% increase in residential structures, driven by a real estate boom. However, despite improvements, the housing deficit is still significant and challenging. Factors contributing to this deficit include high costs of building materials, land, rentals, and mortgages coupled with low incomes, unemployment, and poverty. Affordability remains a major issue, particularly for small to middle-income groups who are often priced out of the housing market. The 2021 Census also revealed that approximately 12.7% of counted housing structures in Ghana are vacant, further highlighting the complex challenges within the housing sector.

The profile revealed that affordable housing in Ghana is unattainable for a significant portion of the population due to the disparity between individuals' incomes and the cost of housing units. Consequently, only about 1% of households can afford the least expensive homes available from formal developers, indicating that most homes on the formal real estate market are financially inaccessible to most people. In 2015, the most affordable homes were priced at around USD 24,297. To afford this, a mortgagee would need a monthly income of USD 612 and must be able to make a monthly payment of USD 245 over a 20-year period, after covering a 20% deposit. However, this level of affordability is achievable by

only 1% of the population, underscoring the significant challenge of housing affordability in Ghana. Bank lending rates are around 30% per annum and thus making housing finance through the banking system available to very few people in the country.

The government of Ghana's position in housing delivery is underpinned by the National Housing Policy (NHP), 2015. The policy includes creating conditions conducive for greater participation by the private sector in providing quality and affordable housing. Various programmes outlined in the policy require the government to supply housing directly through public-private partnerships. The State Housing Corporation and Tema Development Corporation are the primary quasi-state institutions responsible for housing delivery. However, there have been other attempts at direct state provision of affordable housing in Borteyman, Kpone, Asokore-Mampong, Koforidua, Tamale, and Wa. The Saglemi Housing Project is one of the government's most recent attempts to provide affordable housing, but it has faced various setbacks.

To meet the required scale, cost, and speed of supply and prevent increased density in urban areas and overall overcrowding, there is a need for fundamental shift in approaches to housing supply in urban Ghana. The current emphasis on producing a limited number of high-quality homes on fully serviced plots for middle- and high-income households do not effectively tackle the key housing supply issues. There is a need to shift towards creating conditions that support the expansion of the housing supply both in quantity and variety in terms of size, type, and location. This change will facilitate the rapid provision of affordable housing. This chapter identifies crucial issues and proposes necessary adjustments to tackle the housing challenges in Ghana.

8.1.1 Institutional framework and regulations

Housing development in Ghana is governed by a combination of national policies, laws, regulations, and institutions. The institutional framework for housing development in Ghana involves various government ministries, agencies, and private sector

entities. National and Public Sector Institutions in the housing industry play key roles in developing and carrying out policies, plans, and projects that cater for the housing needs of the country. Some of the key National and Public Sector Institutions in Ghana's housing sector include the Ministry of Works and Housing, the National Housing Authority, the Social Security and National Insurance Trust (SSNIT), among others.

The current institutional framework is wholly unsuited to rapid housing supply at the scale and pace of delivery required. The concentration of resources and political efforts on the formal sector at the top of the market is both inappropriate and unfair to most Ghanaians. While institutions such as SHC, TDC, SSNIT etc., and associations such as GREDA have a role in high-end niche markets, the bulk of housing is and will continue to be, provided by households making agreements with small contractors on land leased from traditional authorities. Several regulatory bodies oversee aspects of housing development in Ghana. They include the Ghana Standards Authority (GSA), which sets construction standards and codes, and the Rent Control Department, which regulates rental agreements and resolves disputes between landlords and tenants. Other key stakeholders of the housing sector in Ghana are non-governmental players such as the People's Dialogue for Human Settlements, Housing the Masses, Center for Housing Rights and Evictions (COHRE), CHF Ghana, and Habitat for Humanity. The developers may include members of the Ghana Real Estate Developers Association.

The existing institutional arrangements in the housing sector remain fragmented, inconsistent with existing regulations, and inadequately funded. It is characterized by a lack of clear roles, responsibilities, definitions, and appropriately delineated lines of accountability.

The key to making efficient gains in housing supply is to shift the majority of housing resources to informal processes rather than directing effort at the formal suppliers who only produce a few thousand dwellings per annum and do so out of the price range of the majority.

Policymakers should widen their focus from just single-household villas for ownership to encourage multi-occupancy types for renting and family houses (which provide free accommodation to the poorest households). Thus, the current institutional framework may need to change radically to provide for what is discussed above.

To overcome the problems of discontinuity in policy and institutional organisation, there are some recommendations to improve the institutional and

regulatory framework for housing development in Ghana:

- a. There is a need for an integrated, inclusive and participatory approach to housing policies. Participation in policy discourse should not be limited to civil servants, private sector participation in housing policy space should be encouraged. The policy formulation process should accommodate critical thinking about the intermediate milestones structuring among stakeholders.
- b. Strong collaboration between the central government and the private sector is crucial for providing affordable housing in Ghana. The housing policy and framework should create conditions that allow both the public and private sectors to work together effectively toward delivering efficient, affordable, and sustainable housing in the country.
- c. Housing is a right, not a commodity. Adequate housing is recognized as part of the right to an adequate standard of living in Article 25 of the 1948 Universal Declaration of Human Rights and Article 11.1 of the 1966 International Covenant on Economic, Social and Cultural Rights. The state should acknowledge its role and responsibilities in realizing housing rights. While the state needs to oversee the housing sector, regulations should not mean state control. The state should not monopolize housing delivery or attempt to control the private sector in delivering and financing housing projects. However, efforts should be made to ensure that the private sector does not only focus on the high-income bracket of the market but rather builds what is needed to meet the needs of all income classes, especially low-income households.
- d. Government and sector players should move away from its arbitrary estimates of current and projected supply and demand, as the basis for policy, to more carefully calculated estimates. Indeed, the profile's estimate of the need for new rooms is a step in this direction.
- e. There is a need for a clear definition of institutional roles and responsibilities for the various governmental agencies directly involved in the provision of housing and infrastructure facilities for an efficient and integrated approach to housing development in Ghana.
- f. The government should improve its institutional capability so that the key political actors in the ministry can use reliable evidence to make policy and promote the inter-sectoral cooperation needed for sustainable and

served housing development. The Directorate staff must keep up with contemporary global housing policy advice, much of which can be found through UN-Habitat's website, and its implications for Ghana. Thus, the profile proposes that institutional capacity building in the housing sector includes helping Directorate staff to build networks of support locally and internationally and to establish a community of good practice in housing policy promulgation and implementations.

- g. There is a need to strengthen the Housing Unit within the MMDAs. Local government should be more active in enabling effective urban housing policies, but this should not include direct construction or allocation of housing.
- h. Strengthening the capacities of subnational governments in Accra and secondary cities in Ghana to address housing issues is crucial, given the expected growth in these areas. Granting more autonomy to subnational governments, specifically in urban planning, land use, and regulations, is essential. By prioritising these areas, subnational governments in Accra and secondary cities can be better prepared to tackle the housing challenges posed by rapid urbanisation and population growth in Ghana.
- i. There is also a need to provide technical support and guidance for individuals who are interested in building their own houses. It is important to create a platform to ensure that key players in the housing sector are involved or consulted when undertaking housing projects.
- j. Although housing delivery according to the housing profile is dominated by self-housing, government and relevant agencies should support community-led housing initiatives. By promoting community participation in housing development projects, Ghana can achieve more cost-effective solutions that are tailored to local needs. Community land trusts, cooperatives, and self-help housing schemes empower residents to take control of their housing situation and reduce costs through collective action.
- k. The government in collaboration with relevant stakeholders should establish a clear policy for rental housing in Ghana to address challenges in the rental market and improve housing affordability and availability. This policy should clearly define the rights and responsibilities of both landlords and tenants, including guidelines for rent increases, lease agreements, and eviction processes. Existing rent control measures should be reassessed to protect tenants while allowing landlords to maintain their properties.

Rent controls should prevent exploitative rent increases without discouraging investment in rental housing. Additionally, mechanisms should be put in place to ensure that the rent control department and other responsible bodies have the necessary resources and support to effectively enforce the policy. A clear and comprehensive rental housing policy in Ghana will help create a more stable and equitable rental market, ensuring an increase in access to safe, affordable, and adequate housing.

8.1.2 Land delivery for housing

The price of acquiring land in Ghana is influenced by different factors. The primary determinants are the size and location of the property. The Land Act, 2020 (Act 1036) is the principal legislation that regulates land acquisition in the country, outlining the necessary steps and conditions for completing a land transaction. In Ghana, land ownership falls into different categories, including family, public, private, and stool lands. Each category has specific procedures for acquiring land within it. Generally, the process involves engaging with the relevant land-owning authority, such as a traditional stool, family, or a governmental entity like the Lands Commission or Customary Land Secretariat and obtaining the requisite land ownership documents.

The current ranges of land prices for 100 ft x 100 ft (approx. 30m x 30m) peri-urban plots are between GH¢8,000 to GH¢ 2,000,000. The price of land reflects the location and services available and, therefore, the price of land in serviced neighbourhoods is usually higher than those without services. For instance, the range of prices in Accra and Kumasi is between GH¢40,000 to GH¢2,000,000 and GH¢25,000 to GH¢1,000,000, respectively, while the prices in Tamale and Wa is between GH¢9,000 to GH¢60,000 and GH¢8,000 to GH¢45,000, respectively.

In Accra, land prices in suburbs like Oyibi, Amasaman, and Kasoa range from USD\$10,000 to \$25,000, while closer areas like East Legon Hills, West Legon, Spintex, and Airport residential can cost between USD\$50,000 to \$300,000 per plot. There is a growing concern about the pace of inflation in land prices especially in the bigger cities like Accra and Kumasi. The mean prices of both formal and informal housing land per acre in some selected areas of Accra and Kumasi have upsurged astronomically in recent years.

The most common land holding agreement for housing is the leasehold interest for a period between 50 and 99 years. Although Ghana Cedis is the official currency for transactions in Ghana, prices of land for housing are quoted and charged in both

Ghana Cedis (GH¢) and US Dollars (\$). Moreover, the transaction costs of documenting land through the Lands Commission are between GH¢876 and GH¢1,168. The cost of a cadastral survey is GH¢800 per plot.

The way forward to ensure efficient land allocation for housing and real estate development requires the following considerations.

- a. The delivery of appropriate, effective and litigation-free land for housing would be achieved if traditional landowners were involved in the planning process. Their collaboration must be supported by thorough auditing to prevent malpractice, such as granting multiple leases on the same plot, to avoid the perpetuation of unclear property titles and high transaction costs. Taking legal action against some landowners for fraudulent activities across multiple transactions could deter others.
- b. Simplify and speed up land acquisition and title registration to reduce bureaucratic hurdles and associated costs for developers and homebuyers. The approach will lessen the cost and complicated process builders or developers go through in acquiring land for housing provision. The development will also ensure the smooth registration of land and housing properties which can go a long way to reduce the high incidence of litigations in Ghana.
- c. Strengthen data collection on land use and allocation to ensure that land management decisions are based on accurate and updated data. The move can inform equitable and solution-based allocation of land for housing development in Ghana.
- d. Spread the payment of structure of land from single payments to multiple payments over several years. The approach will make room for low-income earners who cannot afford one term payments to acquire land on flexible terms.
- e. A conventional land market, in which outright sales are the norm, is very unlikely to develop in the next decade due to cultural norms related to land ownership. Therefore, the expansion of bankable land is improbable and should not be the basis of housing policy. It would be preferable to base policy on the assumption that housing will remain a family-level investment for at least the next decade or more, rather than merely a market commodity.
- f. There is also the need to explore mechanisms such as land pooling or land banking to make land available and at affordable prices for personal housing and large-scale housing

delivery. The land tenure system in Ghana has created fragmented ownership of land into smaller pieces with different ownership. The approach will make room for the acquisition of large parcels of land housing development.

- g. There is a need to reverse the land registration process to allow sellers to register land before they are sold to buyers and developers. The existing practice has demonstrated the weakness of the inability to facilitate legal responsibility of transactions by sellers with allodial or freehold interest. The changes will make land transactions more secure while protecting the interests of lessees.
- h. MMDAs, in collaboration with land-holding communities and service providers, should provide land for housing in large tracts with plot layouts, trunk services (laterite roads, storm drains and preliminary water supply) and reserves for public uses ahead of demand. The focus should be on supplying land that can be serviced incrementally after the initial development of dwellings. This is called incremental land development. In the rapid pace of development required, enough security cheaply and quickly is better than full security at high expense and transaction cost.
- i. MMDAs must ensure that they have updated structure plans and should implement them through a process that involves all relevant sector ministries. Planning authorities should draw up plans for major urban expansions in collaboration with MMDAs, major landowners and land-holding communities. It is essential to promote improved liaison between traditional landholders and planners to synchronise plans for new neighbourhoods. Land-use planning competence needs to be upgraded to a level that planning staff can keep up with the pace of development. Capacity-building is also required in land policy and management.

8.1.3 Housing Finance

The housing sector profile has revealed that housing financing options in Ghana encompass self-financing, traditional mortgages, construction loans, private capital (including remittances from abroad), microfinance loans, and government housing funds and incentives. Self-financing is predominant, aided by remittances which are a major economic factor. Approximately 60% of funding for housing projects in Ghana comes from Ghanaians living abroad. Foreign nationals working in Ghana also contribute to housing funding.

The profile further shows that formal financial

institutions, such as commercial banks (e.g., GCB Bank, Stanbic Bank, Fidelity Bank), rural/community banks, and non-bank financial institutions (credit unions, savings and loan companies, microfinance institutions) play significant roles. They offer mortgage loans, particularly to low-income households underserved by traditional mortgage markets. Government entities like the Bank of Ghana regulate housing finance activities. Ghana Home Loans, a state-owned entity, aids affordable housing finance. Social Security and National Insurance Trust (SSNIT) provides mortgage loans to its members using pension contributions.

Despite these efforts, challenges persist, including high interest rates, stringent collateral requirements limiting access for low-income families, inadequate long-term funding for mortgage lenders, weak foreclosure laws hindering market expansion, and a shortage of affordable housing. There exists a significant barrier to affordability and access, especially in major urban areas like Kumasi and Accra.

Mortgage lenders only serve a small minority of households. Even so, their efficiency should be improved so that all the minority who can afford mortgages can access them. A housing fund to provide long term funding guaranteed by the government to housing finance institutions is likely to be of assistance in this. Ghana's exploitation of oil reserves and other mineral resources could provide much-needed housing finance. It might be helpful to enact a law that will ensure the use of a certain percentage of the oil revenue for the housing fund.

Land-based finance and value capture instruments can be valuable tools for financing housing development in Ghana. The government can engage the public and implement development charges on new constructions and major renovations. These charges, levied on developers, should be used to finance infrastructure improvements and affordable housing projects. The charges should be structured to reflect the added value from public investments in roads, utilities, and public amenities. By leveraging the increase in land value resulting from public investments in infrastructure and urban development, the government can generate substantial resources to fund housing projects. Through effective use of land finance and value capture, Ghana can improve housing affordability and accessibility for its citizens.

Financial stability creates incentives for positive economic outcomes and supports economic growth and development in any country. Ensuring financial stability is critical for the smooth operation of an economy. Achieving financial stability in Ghana will require stability in building materials and services. Stabilizing the economy will create a secure financial environment for housing delivery in Ghana.

Obtaining a mortgage loan from a bank or financial institution is one of the most common ways to finance real estate purchases and housing investments in Ghana. Interest rates on mortgage loans in Ghana typically range from 25-35%, which is high compared to other countries where rates can be as low as 0-3%. Lowering the interest rates would significantly help in reducing the housing deficit and make them more affordable in Ghana. Similarly, there is a need to establish a mortgage system with affordable interest rates and longer repayment periods to make homeownership more attainable for low and middle-income earners who make up the majority of the population. There is a need to introduce waivers to promote the use of mortgages, as they have the potential to increase housing supply in the country.

The current stringent financier requirements should be reformed to allow more actors to enter the housing finance field. More could also be done through the current Pension Act to encourage SSNIT contributors to use part of their contribution to finance housing. A government guarantee or other means of securing loans would greatly help here. The report on the accessibility to mortgage and building assistance from traditional financial institutions shows that only a few Ghanaians are eligible and can satisfy loan eligibility. The implication is that the majority of Ghanaians are priced out of the housing loan based on their income. Therefore, there is a need to introduce financing mechanisms tailored to low-income households, such as microfinance, housing cooperatives, and rent-to-own schemes, to improve access to affordable housing. Facilitating access to financing options for potential homeowners, especially for low-income earners can improve housing affordability.

Incentives, such as tax rebates, should be provided to housing finance providers only insofar as they lend to households with income lower than the median income in urban Ghana. In all cases, household income should be measured through household expenditure.

Micro-finance for housing based on the income of households emerges as the most suitable option for the majority, warranting policy encouragement. It is advisable to foster collaboration between banks and micro-lenders, potentially facilitated through initiatives like the UN-HABITAT ERSO facility. For many households, accessing loans of a few thousand GHC over short durations proves to be the most impactful intervention. Such loans, tailored for incremental construction or housing enhancements—such as roofing, wall reinforcement, sanitary facilities, or additional rooms—would offer more practical assistance than extending mortgages further down the market. Micro-finance institutions

and other lenders should extend small loans with short maturities, aligning with the incremental building process to enhance efficiency. Furthermore, enhancing business incomes through microfinance initiatives would also contribute positively to housing conditions.

Traditional savings groups like ROSCAs (susu) play a vital role in Ghanaian urban communities and could potentially expand informal financing and micro-loan opportunities. Monitoring the progress of initiatives such as HFC Bofo Susu Savings is crucial to gauge the efficacy of savings group approaches for housing purposes in urban Ghana.

Improved knowledge and skills in non-conventional housing financing are urgently needed in Ghana. Developing means of finance that are relevant to most people's housing needs will require training for some experienced personnel so they can devise and manage non-conventional loans and financial arrangements.

Renting is likely to remain a major tenure form and should not be regarded as 'failed ownership'. The addition of rooms to existing houses, especially

to rent out, is a very important supply method in Ghanaian cities. More financial encouragement is needed for multi-occupied house types, especially those partly used for renting or providing rent-free rooms for needy members of the family. Financial assistance should be available to home-owners/landlords to add rooms and, to follow, they should be able to charge reasonable levels of monthly rent, calculated on replacement costs of the rooms.

The traditional Ghanaian attitude to real estate seems to be an important part of urban culture, especially outside Accra. However, the non-availability of land for collateral purposes is a serious limitation on housing finance. It would be worth exploring ways to increase the bankability of land and property while retaining Ghanaian traditional attitudes on property. This is probably the greatest challenge to the housing supply in Ghana; how to improve the accountability and performance of traditional land owners and introduce a new regulatory framework to enable alternative forms of collateral, decrease risks, and give more reliability to whatever market grows. The summary of recommendation to improve housing finance in Ghana is outlined in Table 8.1.

Table 32: Summary of recommendation to improve housing financing

S/n	Recommendations
1	Promote financial stability
2	Enact a law that will ensure the use of a certain percentage of the oil and other mineral revenue for the housing development
3	Introduce/strengthen land-based finance and the use of value capture instruments
4	Reduce interest rates on mortgage loan
5	Establish a mortgage system with affordable interest rates
6	Introduce financing mechanisms tailored to low-income households, such as microfinance, housing cooperatives, and rent-to-own schemes
7	Introduce tax rebates to housing finance providers who lend to households with income lower than the median income in urban Ghana
8	Foster collaboration between banks and micro-lenders with international and local organisations involved in housing development.
9	Provide financial assistance to homeowners/landlords to provide rooms at affordable price for low-income households

Source: Authors' Construct, 2024

8.1.4 Infrastructure provision for housing

Investments in basic infrastructure for housing have evolved significantly over previous generations, reflecting the changing needs and priorities of societies. Urbanization and population growth have accelerated the scope of basic infrastructure investments in Ghana. Basic infrastructure for housing in Ghana includes water supply, electricity

or power supply, sanitation and waste disposal, road and accessibility.

Servicing agencies need to have both long-term sustainability and sufficient funding to extend services ahead of development. This inevitably means that either they are consistently subsidised by the central government or that they can charge prices that reflect the cost of provision. The former

is impossible in Ghana; the latter is the only realistic alternative. At the same time, the infrastructure agencies must seek ways to become more cost-effective, efficient, and increase coverage. There is a great need for a rethink of infrastructure provision in Ghana to bring it in line with good practice in Sub-Saharan Africa. It should address, among other things, avoiding spending the infrastructure budget on expensive technology for the few and focusing on supplying the needs rather than protecting the institution.

Premised on the current state of infrastructure the way forward to improve infrastructure provision should include the following;

- a. Goal 11 of the SDGs aims to “create inclusive, safe, resilient, and sustainable cities and human settlements.” Target 11.5 specifically addresses the need to reduce the number of people affected by and the losses caused by “water-related disasters” and other challenges. Water is vital for human life in both rural and urban areas, playing a critical role in food production, hygiene, health, and energy. While there have been positive developments in water access, particularly in urban areas, efforts should continue to address disparities and enhance the efficiency of water supply systems, especially in rural regions, to ensure that all communities have timely and convenient access to safe drinking water.
- b. Human settlements usually require basic infrastructure to support the habitability and wellbeing of households. Investment in infrastructure development is crucial for opening new housing development corridors. Enhancing infrastructure, like roads, water supply, and electricity, in peri-urban and rural areas can open new areas up for housing development. This can ease the strain on urban housing markets and decrease costs by offering more affordable land choices.
- c. Climate change and its impacts are becoming a significant concern for human settlements, particularly in sub-Saharan Africa including Ghana. Despite contributing less to the phenomenon, the region is predicted to suffer the most. Therefore, it is essential to incorporate climate resilience considerations into future housing through infrastructure planning and design. This can be achieved by integrating green infrastructure, implementing flood mitigation measures, and developing drought-resistant water supply systems.
- d. There is a global discussion on the impact of energy consumption on the environment and

climate change, as well as the cost of energy on household expenditure. The issue highlights the need to reduce the use of fossil fuels towards renewable energy. There is the need for Ghana to invest in renewable energy technologies to reduce reliance on fossil fuels and enhance energy security in housing developments. Investing in renewable energy technologies and associated initiatives such as solar, wind, and geothermal energy, housing developments in Ghana can contribute to sustainability, resilience, and energy independence while contributing to global efforts to combat climate change and promote environmental stewardship.

- e. Building designs have been recognized as a critical strategy for conserving energy. Improving insulation and using more efficient windows, doors, and skylights can all help in reducing household energy consumption. There is a need to promote energy-efficient building designs and appliances to complement renewable energy investments. The implementation of smart meters, energy-efficient lighting, and appliances can assist households in reducing their overall energy consumption. This, in turn, enhances energy security and affordability.
- f. Although progress has been made in enhancing sanitation infrastructure, particularly in urban areas and certain regions, there's a need for continued efforts to address disparities, improve sanitation access in rural areas, and ensure sustainable and equitable access to proper toilet facilities across the country.
- g. Roads are essential infrastructure demanded by Ghanaians in peri-urban areas, especially in the main cities of Accra and Kumasi, to enhance connectivity and mobility. Despite the implementation of various road projects by successive governments, the problem persists partly due to rapid urbanization, sprawl and lack of funding. There is a need to establish proactive funding mechanisms to ensure a continuous flow of resources for road development projects. Explore public-private partnerships and alternative funding sources to supplement existing budgetary allocations.
- h. Advocating for reforms in the statutory planning committee to streamline processes and reduce bureaucratic delays is recommended. There is a need to implement a more efficient and transparent planning system to expedite road development projects.
- i. Strengthening collaboration channels between community representatives, local assemblies, and other relevant stakeholders on infrastructure

planning and delivery is highly recommended. There is a need for synergies, communication, mutual understanding, and shared responsibility in the decision-making process.

- j. One of the main challenges to spatial development in Ghana is the lack of enforcement of regulations and standards. There is a need to implement strict enforcement of development guidelines and regulations. Ensure that permits are issued judiciously, considering the long-term impact on road infrastructure and community development.
- k. There is a need for affordable and appropriate sanitation systems, including on-site, composting and recycling. Efforts should be made to establish sustainable means of funding solid-waste disposal and recycling systems.
- l. The consequences of global concerns, such as climate change, are experienced locally, and their impact varies depending on geographical, social, and economic factors specific to each country. Therefore, efforts to address global climate change must involve and find synergies with local efforts. Consequently, efforts should be made to promote endogenous technology in infrastructure service delivery.
- m. The cost of building in Ghana continues to rise, primarily because of the importation of building materials and the challenges related to exchange rates. This situation partially accounts for the lack of affordable housing for numerous households. To attain a more self-reliant and sustainable development process, it is crucial for Ghana, as a developing nation, to build its national capacities using its own potential and resources. Promoting the use of local materials in infrastructure provision is highly recommended.
- n. The housing sector profile highlights the crucial role of the private sector to housing supply and delivery in Ghana. Consequently, there is a need for strong collaboration between state institutions, community-based organisations with small-scale housing suppliers in making servicing easier to obtain and fit.
- o. The profile demonstrates that addressing the housing deficit, affordability, and development requires the involvement of all key stakeholders, including local communities. A bottom-up approach to development has been recognized as a crucial strategy, as it enables the local community and local players to contribute to shaping the development direction for their area in accordance with their own views, expectations,

and plans. Bottom-up and integrated approach to infrastructure improvement planning, installation and operation is recommended.

- p. Several studies and reports have highlighted challenges with the supply of infrastructure facilities according to standards in Ghana. Most of the facilities are overpriced and raise questions about efficiency and effectiveness of resource use and value for money. Reviewing and enforcing affordable and incremental supply standards for each service is recommended. However, this should be done in consultation with relevant stakeholders and consideration of the existing economic circumstances.

Few urban households can afford a self-contained dwelling on a fully serviced plot, but large numbers of households' having to rely on public facilities is increasingly inappropriate in the twenty-first century. Infrastructure provision should aim at minimising shared taps, bathrooms and toilets within houses rather than public sanitation and water supply. Incremental land development is undoubtedly the way forward. However, all new areas should be provided with minimal supply standards ahead of development, especially in sufficient access and water supply to allow construction. These should then be capable of improving, incrementally and over time as plots are occupied ever more intensively.

The existing institutions are inadequate to cope with service provision at the speed and scale required. Efforts must be made to improve the capacity of the institutions to deliver services at an adequate level for all. This will be easier if they collaborate (at the city level), with neighbourhood leaders and with householders to supply services. To this end, there is a need to harmonise the legal frameworks which govern service provision.

8.2 Increasing incomes for improved affordability

Housing affordability in Ghana is largely an issue of low incomes. Most urban land, building materials, labour rates and construction tasks are relatively cheap in international terms, so the potential for reducing costs is very small. The main problem is that wages and incomes from business are very low and, even by having multiple income streams, the majority of urban Ghanaians struggle to make ends meet let alone live in adequate housing.

Global experiences consistently demonstrate that in regions where poverty has been successfully reduced, a key factor has been the government's active role in increasing the availability and quality of affordable housing. Therefore, any comprehensive poverty reduction program should prioritize a strong affordable housing provision. The approach will

not only address the immediate need for shelter but will contribute to broader social and economic stability by improving living conditions and enabling individuals and families to focus on other aspects of economic advancement. By integrating a robust housing provision strategy into poverty reduction efforts, governments can establish a foundation for sustainable development, reducing inequality and enhancing the overall quality of life for marginalized populations.

The good news is, however, in a low-wage society, building housing is one of the most developmentally helpful activities; far ahead of other industries, mining or farming. Construction can contribute more jobs per dollar invested than any other comparable activity, in all three of direct activity, income multipliers resulting from building workers' expenditure patterns, and the backward and forward linkages arising from house-building.

The maximum economic benefit from housing construction comes from the low-cost end of the market, which is dominated by small-scale, low-technology contractors who employ local people

to use local technologies with very little imported material. Conversely, the top end of the market uses skilled craftsmen, imported machinery, fuel and materials, and energy-rich manufactured materials. These generate considerably reduced benefits to the economy but improve the living conditions of those who can afford them.

As the employment generation aspect of low-cost house-building can achieve a great deal in and of itself to raise incomes among the lower-paid workers in Ghanaian cities, the government should be doubly willing to concentrate their incentives on the informal sector, small-scale contractors building simple, low-cost housing in local materials. Training allows a way up through the earnings ladder and prevents workers from being trapped in low pay. Similarly, assistance with front-end finance can encourage small firms to grow and prosper, becoming more effective providers on the way. Both of these must be integral parts of the policy package to ensure fair chances for all. The summary of recommendations to increase the affordability of housing for low-income households is outlined in Table 8.2.

Table 8.2: Summary of recommendations to increase income to improve affordability to housing

S/n	Recommendations
1	Promote/initiate poverty reduction programmes
2	Provide incentives to support the informal sector of the economy
3	Provide financial assistance to small firms to grow and prosper
4	Support individuals in acquiring skills

Source: Authors' Construct, 2024

8.3 Reducing the cost of housing.

As argued in the report, there is a lower limit to the cost of housing and many Ghanaian urban buildings must be very close to it. There is still, however, a preoccupation to reduce prices further, even while adopting high standards and making the use of cheap local materials difficult in the formal sector.

To lower construction costs, it is necessary to promote affordable construction technologies. By encouraging the adoption of sustainable, cost-effective construction methods and materials, housing expenses can be greatly reduced. This involves promoting alternative building materials, such as locally sourced bricks, bamboo, or stabilized earth blocks, which can be more economical

compared to traditional materials like concrete or steel. There is already a large legacy of building materials and technology research built up by BRRI and the universities in Ghana. These should be exploited in local construction.

The National Housing Policy focuses on encouraging alternative materials in general to reduce the cost of housing. There are great potential benefits to be gained from using local alternatives to imported materials and removing the colonial legacy in the building regulations. The tax holidays received by GREDA members should be tied to the use of local materials and housing that are affordable. Summary of recommendations to reduce the cost of housing in Ghana are outlined in Table 8.3.

Table 8.3: Summary of recommendation to reduce the cost of building

S/n	Recommendations
1	Encourage the use of local and alternative building materials to reduce the cost of housing.
2	Promote the development and use of affordable construction technologies
3	Provide tax holidays to GREDA members and other suppliers that provide housing at affordable price
4	Provide incentives to suppliers who use local materials

Source: Authors' Construct, 2024

8.4 Overall challenges of the Ghana housing sector

The housing profile has revealed several challenges in the Ghanaian housing sectors that undermine the effort towards affordable and sustainable housing. Some of the key challenges are outlined.

- a. There is a significant gap between the demand and supply of housing units in the country and has resulted in a huge housing deficit. This problem is further exacerbated by the growing urban population, as more people migrate from rural to urban areas in search of economic opportunities.
- b. Housing affordability is a major issue in Ghana, as many households struggle to afford suitable housing due to low incomes, high construction costs, and limited access to mortgage financing. The increasing cost of land and building materials has made it challenging for people especially low-income households to buy or rent adequate housing.
- c. Rapid urbanization without a proportional increase in affordable housing has led to an increase in informal settlements or slums in major cities like Accra and Kumasi. These areas often lack essential infrastructure, including clean water, sanitation, and electricity, posing health and safety hazards to residents.
- d. Complex land tenure systems, along with unclear property rights, pose significant challenges to land acquisition, property transactions, and housing development projects. The presence of informal land markets and conflicting claims to land ownership further exacerbate these issues.
- e. Many built-up areas in Ghana lack essential infrastructure such as roads, drainage systems and utilities like water, and in other instances, electricity. This undermines the habitability and attractiveness of these areas.
- f. Limited access to mortgage finance is a significant concern for the housing sector in

Ghana. The profile reveals that a large majority of Ghanaians face limitations in accessing affordable long-term financing for housing. The combination of high interest rates and strict lending criteria pose challenges for many Ghanaians seeking mortgage loans.

- g. Climate change and resilience are cross-cutting issues that continue to threaten the built environment in Ghana, as in many countries across the world. Climate change poses risks to housing infrastructure, particularly in coastal areas susceptible to rising sea levels and flooding. Variability in temperature is also a challenge for the housing sector. Building resilient housing and infrastructure is crucial for sustainable development.
- h. The housing sector profile has identified governance, policy, and regulatory challenges. Bureaucratic hurdles, inconsistent policies, and corruption within the housing sector discourage investment and development.

8.5 Conclusions

Ghana has a staggering housing deficit of about 1.8 million, and although the country has recorded a decrease in the national housing deficit over the last decade affordability remains a challenge. The housing delivery system has not met the needs of small to middle income groups, as most of these groups are outpriced in the housing market. It is clear that affordable housing is not affordable to a large number of Ghanaians based on the income of individuals and the cost of housing units. Only 1% of households can afford the cheapest homes supplied by formal developers, meaning most homes sold on the formal real estate market are out of reach for the large majority of Ghanaians. Consequently, self-financing is the dominant financing option most households use to fund housing.

Housing development in Ghana is governed by a combination of national policies, laws, regulations, and institutions. The current institutional framework

is wholly unsuited to rapid housing supply at the scale and pace of delivery required. The future of housing should entail reshaping the institutional framework to facilitate sufficient housing for the average Ghanaian household. This requires a fundamental shift away from merely sustaining the existing housing supply towards establishing mechanisms that ensure abundant and sustainable housing availability at affordable rates. The primary goal should be to serve the vast majority of households living in poverty.

To meet the required scale, cost, and speed of supply, and to achieve sustainable cities, there is a need for a fundamental change in approaches to housing supply in urban Ghana. Moreover, financial stability creates incentives for positive economic outcomes and supports economic growth and investment in any country. Ensuring financial stability will be critical to attracting local and foreign investment in housing. Stability in the cost of building materials, land and services will be critical for the future housing in Ghana. There is also a need for pro-poor financing mechanisms for low-income households, such as microfinance, housing cooperatives, and rent-to-own schemes, to improve access to affordable housing for a large portion of the population.

Attempts should be made to simplify and speed up land acquisition and title registration to reduce bureaucratic hurdles and associated costs for developers and homebuyers. There is a need to explore mechanisms such as land pooling or land banking to make land available at affordable prices for personal housing and large-scale housing delivery.

The urban housing profile has shown that only a limited number of households have the means to afford self-contained residences with exclusive facilities such as water, toilets, and bathrooms. A significant portion of urban dwellers depend on public amenities, a situation that is no longer fitting for the demands of the twenty-first century. The lessons from COVID-19 and its associated sanitary mechanisms are indications of a need for a paradigm shift in shared facilities in the urban landscape.

Consequently, infrastructure development should prioritize ensuring that each household has access to essential amenities such as shared taps, bathrooms, and toilets within their residences, rather than relying on public sanitation and water supply systems.

A strong collaboration between community representatives, local assemblies, and other relevant stakeholders on infrastructure planning and delivery is needed to ensure participatory and integrated development that incorporates the support of communities and stakeholders. Collaboration between the central government and the private sector is crucial for providing affordable housing in Ghana. The housing policy and framework should create conditions that allow both the public and private sectors to work effectively toward delivering efficient, affordable, and sustainable housing in the country.

Investing in the development and training of construction skills is essential. By bolstering local expertise in construction trades and related skills, Ghana can elevate the standard of housing while also cutting down the cost of building. Vocational training programs and apprenticeships should be used to create avenues for equipping individuals with the essential skills needed to thrive in the construction sector.

The Ghana Housing Sector Profile reveals that formal housing supply institutions and mechanisms are currently incapable of meeting the staggering demands for housing especially affordable houses for low-income households. While the informal sector performs relatively better and is more suitable for the majority, it still falls short in delivering housing at the necessary pace to address the existing backlog and meet the anticipated surge in urban housing demand over the next decade. The Profile proposes pathways that would serve as a reality check for the Ghana housing sector and guide the progress toward enhancing sustainable supply at the requisite cost and scale.

GALLERY



Plate 9.1: A high-rise wooden housing structure in Kumasi

Source: Field Survey, 2024



Plate 9.2: A wooden housing structure in a slum in Accra

Source: Field Survey, 2024



Plate 9.4: Slum settlement in Asawase

Source: Field Survey, 2024



Plate 9.5: An aerial view of Ayigya

Source: Field Survey, 2024



Plate 9.6: A mixed-use one-storey building in Sunyani

Source: Field Survey, 2024



Plate 9.7: A mixed-use one-storey building in Takoradi

Source: Field Survey, 2024



Plate 9.8: A four-storey building in Kumasi

Source: Field Survey, 2024



Plate 9.9: A one-storey building in Takoradi

Source: Field Survey, 2024



Plate 9.10: A single or detached building in Kumasi

Source: Field Survey, 2024



Plate 9.11: A detached public housing unit in Takoradi.

Source: Field Survey, 2024



Plate 9.12: A single or detached building in Sunyani

Source: Field Survey, 2024



Plate 9.13: A multi-storey housing unit under construction in Kumasi

Source: Field Survey, 2024



Plate 9.14: A two-storey housing unit under construction in Sunyani

Source: Field Survey, 2024

MAPS

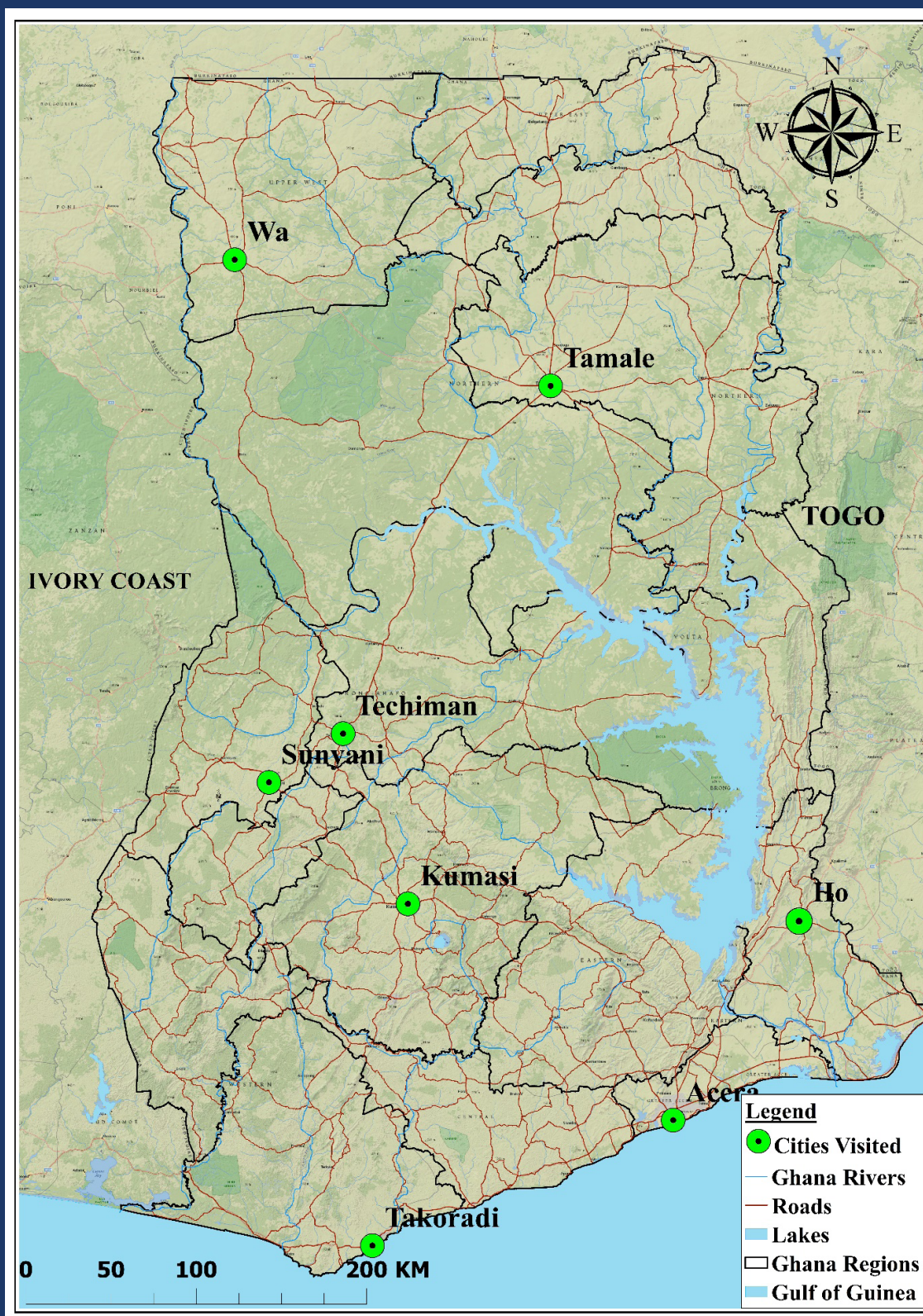


Figure 9.1: A Map of Ghana Showing the Cities Visited

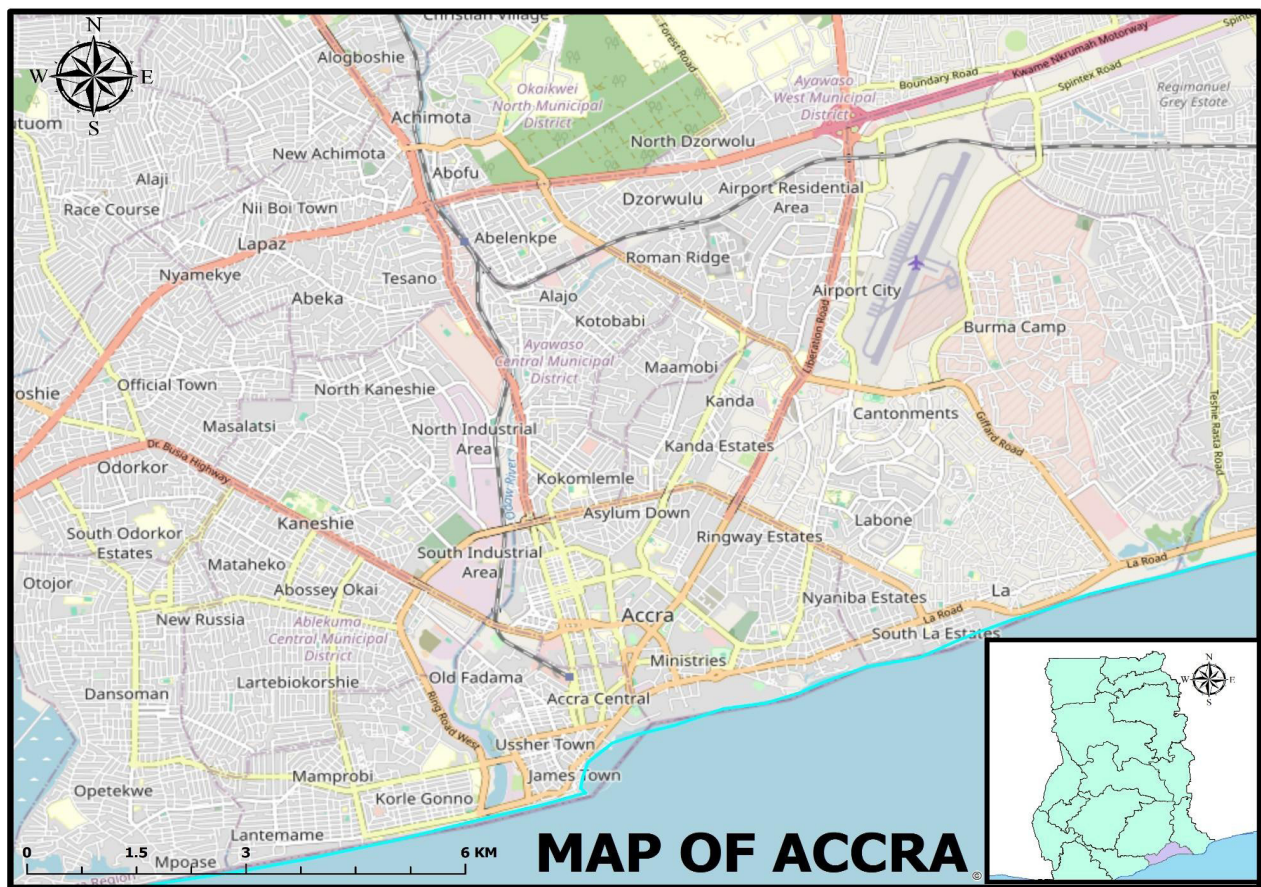


Figure 9.2: A Contextual Map of Accra

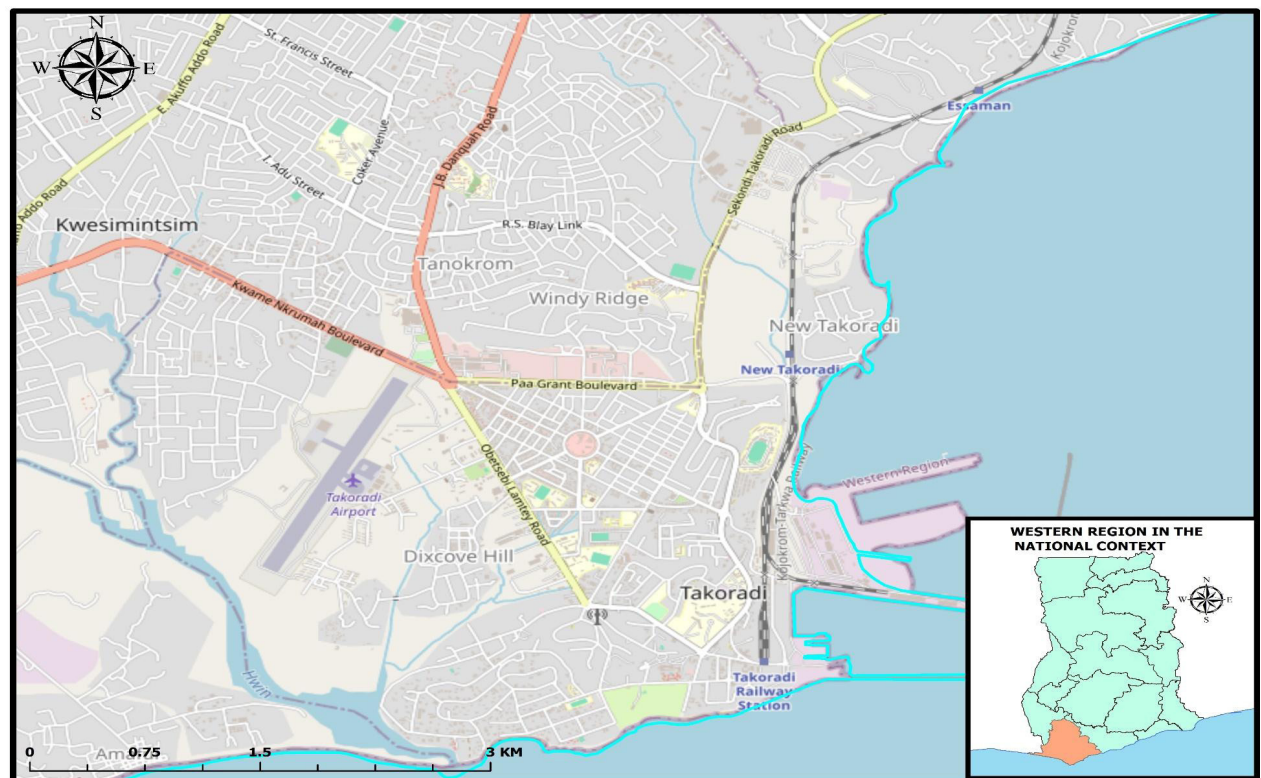


Figure 13: A Contextual Map of Takoradi

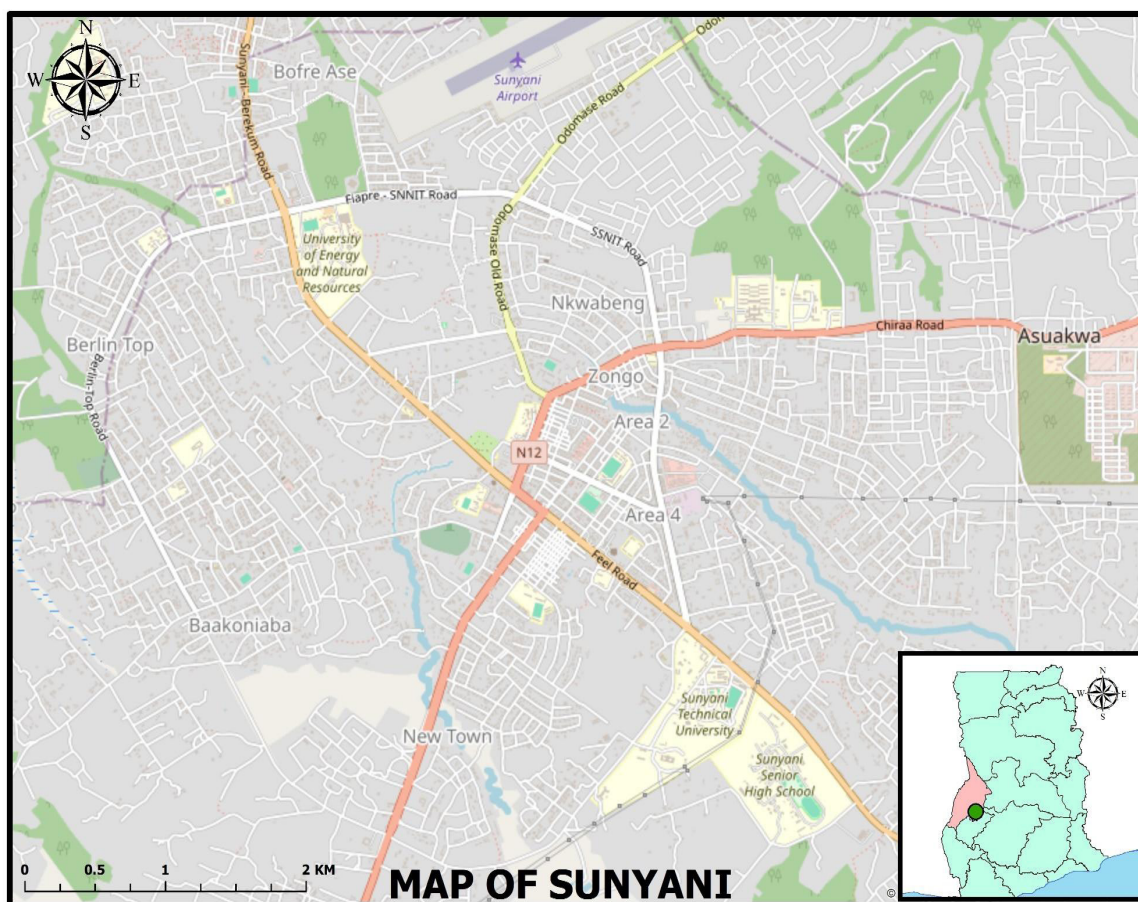


Figure 14: A Contextual Map of Sunyani

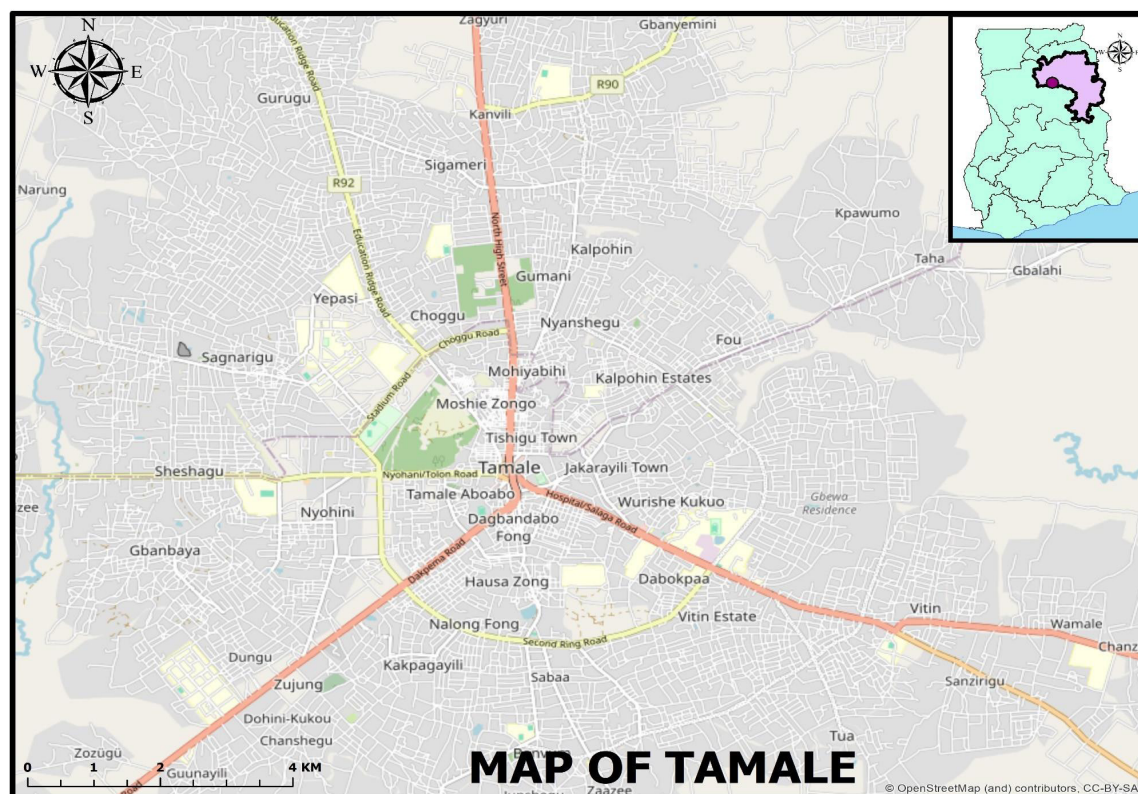


Figure 15: A Contextual Map of Tamale

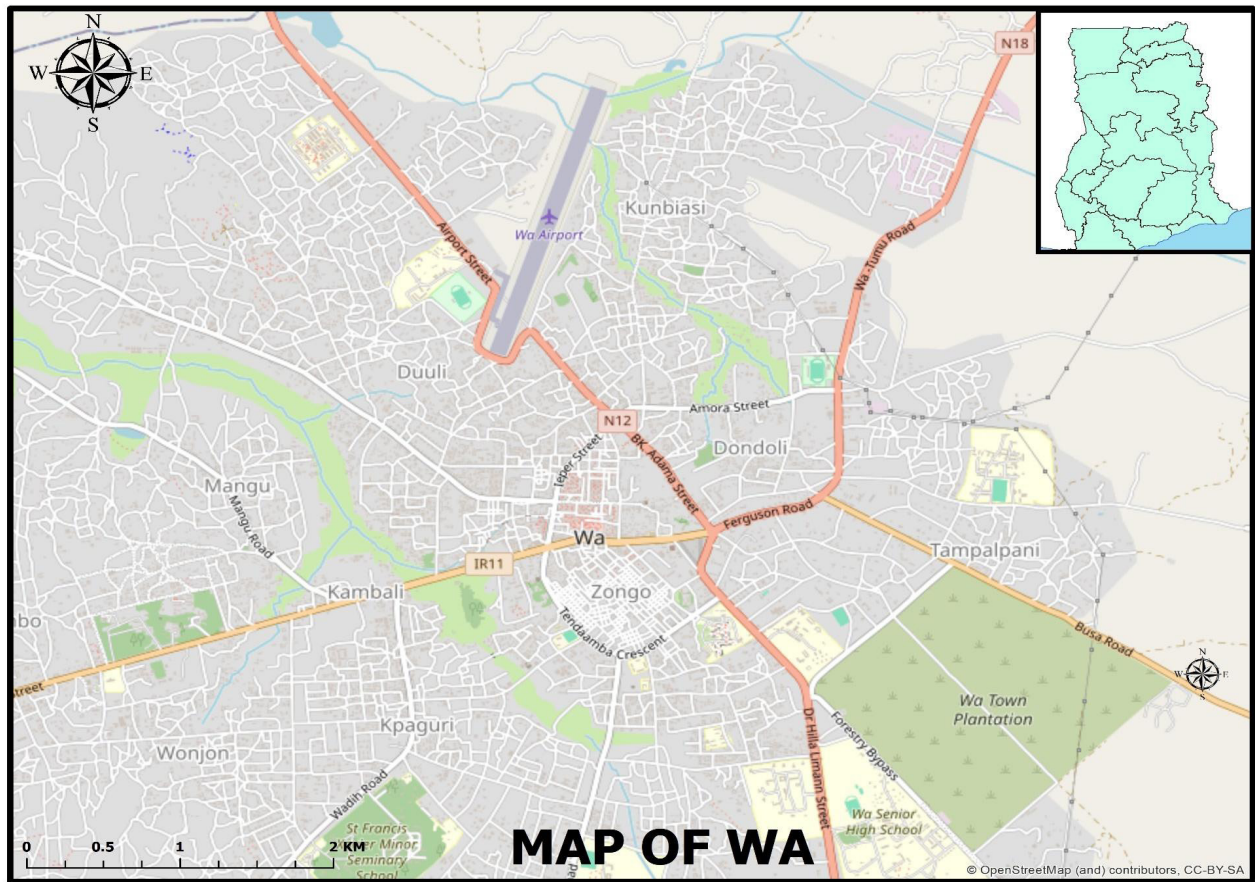
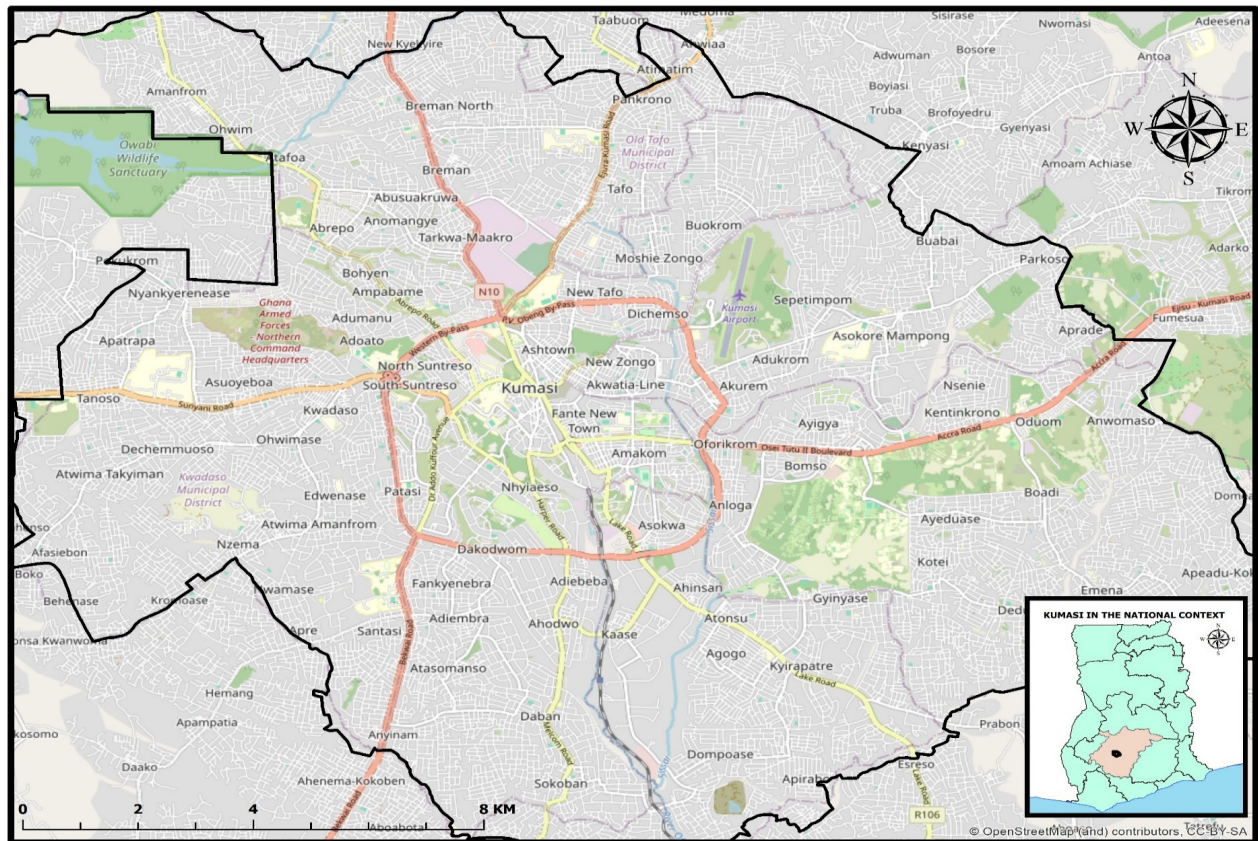


Figure 16: A Contextual Map of Wa



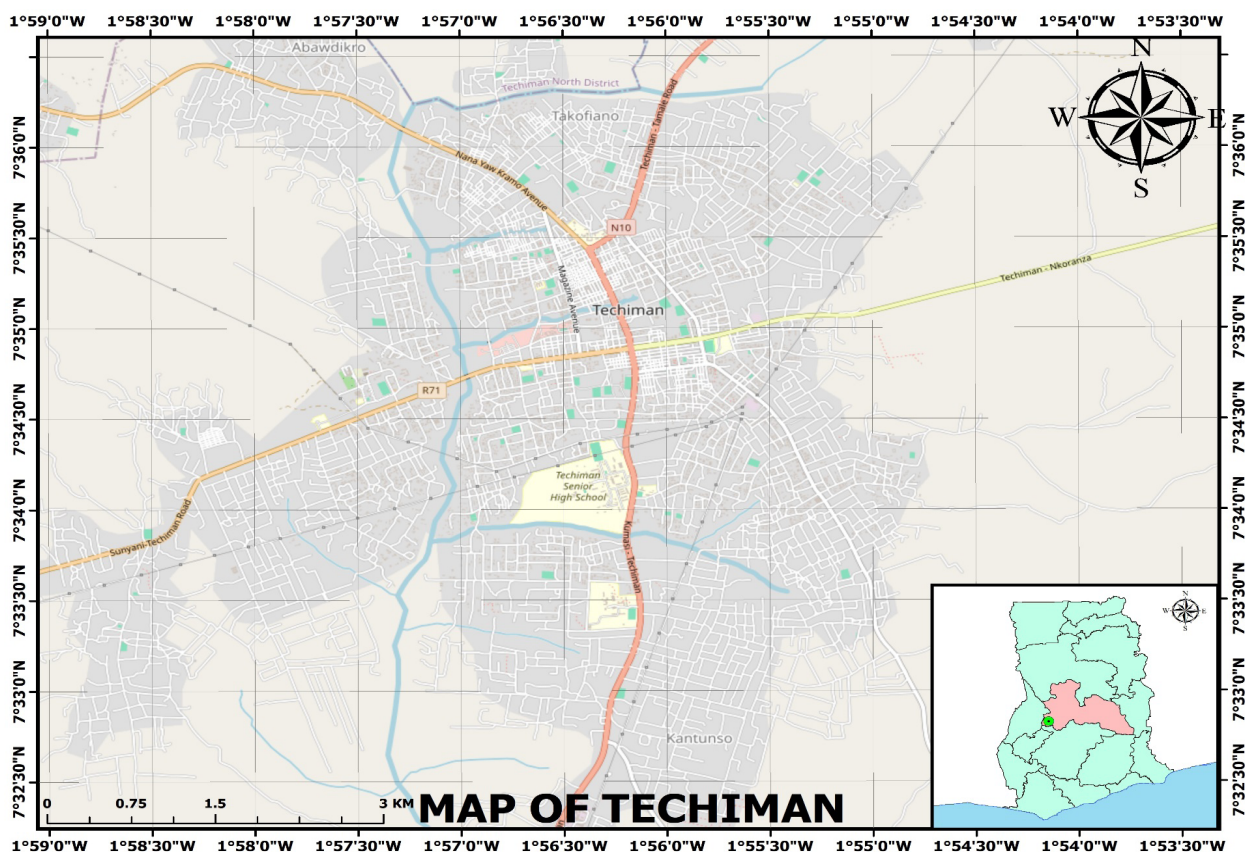


Figure 18: A Contextual Map of Techiman

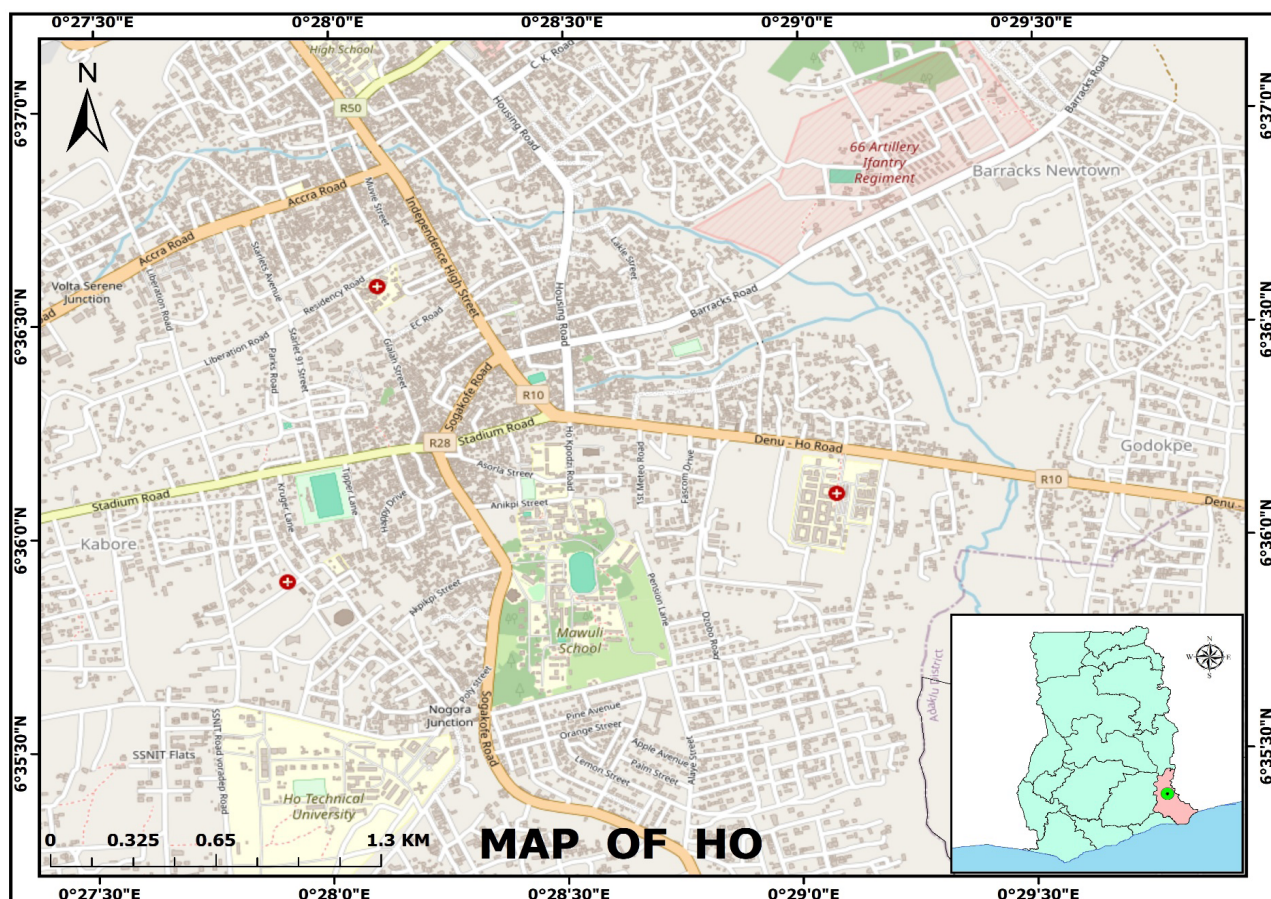


Figure 9.9: A Contextual Map of Techiman

APPENDICES

APPENDIX 1

SN	Stakeholder	Sector	Action Areas	Secondary action areas
1	Ghana Institution of Quantity Surveyors	Professional Body	Institutional and Regulatory Frameworks	Construction and Materials
2	Ghana Institution of Engineers	Professional Body	Institutional and Regulatory Frameworks	Construction and Materials
3	Peoples' Dialogue on Human Settlements	Civil Society Organizations	Housing Data	
4	Habitat for Humanities	Civil Society Organizations	Housing Data	Housing Supply
5	Cities Alliance	Civil Society Organizations	Institutional and Regulatory Frameworks	
6	Ghana Federation of the Poor	Civil Society Organizations	Housing Supply	Housing Data
7	National Tenants Union of Ghana	Civil Society Organizations	Housing Demand	
8	Rental Housing Association of Ghana	Civil Society Organizations	Housing Supply	
9	Ministry of Works and Housing	Public Sector	Housing Supply	Basic Infrastructure
10	Rent Control Department	Public Sector	Institutional and Regulatory Frameworks	Housing Data
11	Land Use and Spatial Planning Authority	Public Sector	Land Management and Urban Planning	Institutional and Regulatory
12	Ministry of Local Government, Decentralization and Rural Development	Public Sector	Housing Supply	Institutional and Regulatory
13	Ghana Statistical Service	Public Sector	Housing Data	
14	Department of Urban Roads	Public Sector	Basic Infrastructure	Construction and Materials
15	Ghana Water Company Limited	Public Sector	Basic Infrastructure	Housing Data
16	Lands Commission	Public Sector	Land Management and Urban Planning	Institutional and Regulatory
17	Electricity Company of Ghana Limited	Public Sector	Basic Infrastructure	Housing Data
18	National Development Planning Commission	Public Sector	Institutional and Regulatory Frameworks	Institutional and Regulatory
19	Department of Rural Housing	Public Sector	Housing Supply	Housing Data

SN	Stakeholder	Sector	Action Areas	Secondary action areas
20	Ministry of Environment, Science, Technology and Innovation	Public Sector	Institutional and Regulatory Frameworks	
21	Ministry of Women and Children's Affairs	Public Sector	Institutional and Regulatory Frameworks	
22	Ministry of Lands and Natural Resources	Public Sector	Land Management and Urban Planning	Institutional and Regulatory Frameworks
23	Metropolitan, Municipal and District Assemblies	Public Sector	Basic Infrastructure	Housing Data
24	Architect Registration Council	Public Sector	Institutional and Regulatory	
25	Social Security and National Insurance Trust (SSNIT)	Public Sector	Housing Finance	Basic Infrastructure
26	Tema Development Corporation	Public Sector	Housing Supply	Construction and Materials
27	Institute of Local Government Studies	Public Sector	Institutional and Regulatory Frameworks	
28	Community Water and Sanitation Agency	Public Sector	Basic Infrastructure	
29	UN-HABITAT	International Development Organizations	Housing Data	
30	World Bank	International Development Organizations	Basic Infrastructure	Housing Data
31	Ghana Commercial Bank	Financial Institutions	Housing Finance	
32	CAL Bank	Financial Institutions	Housing Finance	
33	Republic Bank	Financial Institutions	Housing Finance	
34	Stanbic Bank	Financial Institutions	Housing Finance	
35	International Finance Corporation	Financial Institutions	Housing Finance	
36	University of Ghana, Legon, Accra	Academia	Housing Data	
37	Faculty of Built Environment, Kwame Nkrumah University of Science and Technology, Kumasi	Academia	Housing Data	
38	Traditional Authorities	Traditional Authorities	Urban Land Supply	
39	UNOPS	International Development Organizations		

APPENDIX 2 : LIST OF STAKEHOLDER INSTITUTIONS INTERVIEWED

No.	ORGANIZATION
ACCRA	
1.	Peoples Dialogue
2.	Rent Control
3.	Tema Development Cooperation
4.	Ghana Standard Authority
5.	Department of Rural Housing
6.	Fiiifi/Kasapa Landlord Association
7.	Adenta Municipal Assembly
8.	Weija/Gbawe Municipal Assembly
9.	First National Bank
10.	LUSPA
11.	GREDA
12.	AMA physical planning department
13.	Urban Roads
14.	Ghana Water Company
15.	Fire Service
16.	Ministry of Woks and Housing
17.	Republic Bank
18.	Home Fund Manager
19.	Devtraco Court Estates
20.	Contractors' association
21.	The Ministry of Local Government and Rural Development
SUNAYI	
22.	Rent Control Office
23.	Sunyani Municipal Assembly
24.	Land Use and Spatial Planning Authority (LUSPA)
25.	Aidings Real Estate Development
26.	Landlord
27.	Relax City Real Estate
28.	BEKSFEL Construction Company
29.	Ace Tech Consult
30.	Nana Kwasi Oppong Company Limited
31.	Prudential Bank Limited
32.	Ghana Commercial Bank (GCB)
33.	GLICO Insurance Company
34.	Unique insurance company
35.	Rent Control Office
36.	Aidings Real Estate Development
37.	Landlord
38.	Prudential Bank Limited

No.	ORGANIZATION
TECHIMAN	
39.	Municipal Planning Coordinating Unit
40.	Land Use and Spatial Planning Authority
41.	Vanguard Assurance
42.	Rent Control
43.	Lands Commission
44.	Architectural Firm- Willnock Consult
45.	Roofing Firm
46.	Ghana Water Limited
47.	K. Gyasi Company Limited
48.	NedCo
49.	Customary Land Secretariat
50.	Local Artisans (Masons)
51.	Local Artisans (Carpenters)- Y.B.S Carpentry
52.	Financial Institutions
53.	Landlords Association
KUMASI	
54.	Land Use and Spatial Planning Authority
55.	Land Commission
56.	Republic Bank
57.	Absa Bank
58.	Stanbic Bank
59.	Cal Bank
TAKORADI	
60.	Rural Housing Department
61.	LUSPA
62.	Stool Lands
63.	Department of Works (EKMA)
64.	Physical Planning Department (EKMA)
65.	Department of Works (STMA)
66.	Atala Company Limited
67.	K. Ofori Limited
68.	Rural Housing Department

APPENDIX 3: LIST OF STAKEHOLDERS AT THE VALIDATION WORKSHOP AND KICK OFF MEETING

NO.	NAME	ORGANIZATION
1	Ing. Joshua Allotey	GHIE
2	Vasco Baffour-Kyei	CWSA
3	Gloria A. Adzaku	UNOPS
4	Elizabeth Obenewaa Owusu	Calbank PLC
5	Dela K. Dzudzor	UG Department of Geography
6	Prosper Korah	UN-Habitat
7	Emmanuel Attianah	UN-Habitat
8	Mercy Ayitey	NDPC
9	Claude Adams	Ghanaian Times
10	Harry Anim-Danso	ABC ECG
11	Josephine E. Asmah	MWH
12	Charles T. Adamnor	MWH
13	Ernest Nyarku	GSS
14	Irene Okofo	DUR
15	Seth Affi Kyem	DUR
16	Gyasi Frimpong	RCD
17	Emmanuel H. Kporku	Rent Control
18	Gideon Abagna Azunre	Concordia University
19	Gilbert Acheampong	Concordia University
20	Anang Moite	Rent
21	Asare Nyadu Samuel	TDC LTD
22	Nathan Wleh	MESTI
23	Cledoris Oppong Afriyie	University of Ghana
24	Dina Oppong	UN-Habitat
25	Ewurama Greenslade	UN-Habitat
26	Winifred Nkansah	GCB Bank
27	Rhody Amponsah	Daily Graphic
28	Kwesi Korankyi	Daily Graphic
29	Fosln Buabeng	GNAT
30	Tonfigu Aloki	GNAT
31	Abena Ntori	UN-Habitat
32	Gifti Adjei	GTV
33	Hoppe Nyavnu	Cal bank
34	Cecil Kwatchey	Stanbic bank
35	Tontie Binado	UN-Habitat
36	Abibata Bavug	UN-Habitat
37	Ebenezer Doku	Adentan Municipal Assembly
38	Edna Salvo-Kotey	Daily Graphic
39	Ruth Karikari Boakye Yiadom	DUR
40	Edward Nyarko	First National Bank
41	Paul Edem Ashlelepy	MWH
42	Afia Adwubi Brefo	TDC Ghana LTD

NO.	NAME	ORGANIZATION
43	Isaac Arthur	CUMS, UG
44	Dr. Abu Ahmod	World Bank
45	Augustine Oliver A. Prempeh	UN-Habitat
46	Vanessa Nana Adwoa Bandoh	UN-Habitat
47	Gideon Okyere-Gyan	MWH
48	Elvis Adjei-Baah	MWH
49	Gilbert Nkrumah	GTV
50	Betty Arthur	GTV
51	Wilson Kyeremeeh	GCB Capital
52	Edem Afanou	TV Africa
53	Evic wily	TV Africa
54	Hazarah M. Bawah	MLGDRD
55	Ifeoma Charles-Monwuba	UNOPS
56	William Sarpong	Democrat
57	Abass Bin Wilson	ECG
58	Prosper Leachi	ABCECG
59	Abigail A. Bugli	TMA
60	Philip Acheampong	NDPC
61	Osei Owusu Peprah	Lands Commission
62	Alhassan B. Fuseini	P.D GHAFUP
63	Jason Addo	MWH
64	Manasseh Atta Boahene	MWH
65	Salifu Abdul-Mujeeb	PD
66	Brenda Asuo	MWH
67	Sam Ekuban	Brick & Tile Ass.
68	Hilde Opoku	UN-Habitat
69	K.O Safah	GARID
70	Frank Oppong-Yeboah	Republic Bank
71	Richard A. Dan-Barimah	MWH
72	Stephen Opoku Agyeman	ECG
73	Akua Sakyiboa Vancleer-Pallen	DUR
74	Mohammed A. Damba	GIP
75	Dr. Gabriel	IPMP
77	Rev. Pius Baidoo	OVTEA
78	Verna Sakyi	MWH
79	Bernard Ayensu	MWH
80	Estelle Irie Lou	MWH
81.	Benjamin Nii Tackie	TDC
82.	A. Kanyi Foli. A	TDC
83.	Naa Doamekpor	GHIS (Ghana Institution of Surveyors)
84.	Yaw L. Sekui	MWH
85.	Okay Kilinc	GHACEM LTD
86.	Felix Kiat	GTV/GBC

NO.	NAME	ORGANIZATION
87.	Banji Ojekunle	B5 plus group
88.	Gertrude Awumee	GHIE
89.	Dora Laryea	M.E.N
90.	Linda Agbesi	UNOPS
91.	Celia Nantimet	UNEP
92.	Alicia Regodon	UNOPS
93.	Mercy Frema Dovu	UNOPS
94.	Cyril N.A. Tetteh	Ghana Green Building Summit
95.	Dr. Emmanuel Eyiah-Botwe	ARC
96.	Arc. Josephine Kpesese	ARC
97.	Sandra Gavor	CIMAF Ghana LTD
98.	Emmanuel Asamoah Frimpong	Ghana Hydrological Authority
99.	Ing. John T. Ohipenu	GHACEM LTD
100.	Ebenezer Sam	MWH
101.	Samuel Worwui	GM Bamboo Eco City
102.	Ebenezer Kyere	Energy Commission
103.	Stephanie Birikoray	Ghanaian Times
104.	Emile K. Ofori	Ghana Chamber of Construction Industry
105.	Nyarko Abrouomaa Walker	GBC News/ GTV
106.	Fredrick Wireko	CSIR-BRRI
107.	Sylvanus K. Adzornu	DRH
108.	Ing. Richard Appiah	G.S.A
109.	William K. Lartey	G.S.A
110.	Ing. Kweku M. Solomon	GHIE
111.	N.V.V. Chalapathi Rao	B5 plus
112.	Bernard Ato Arthur	UTV
113.	Richard K. Pantsil	UTV
114.	Ebow Nyankah	Jimam Co. LTD

ANNEX:

PROCESSES IN LAND ADMINISTRATION IN URBAN GHANA

LAND ACQUISITION

The Process

1. Plan to buy a land and make sure you see the land with your eyes.
2. Go on some sight-seeing and get a broker to assist.
3. Have a realistic budget (Right location, right price).
4. Get your own trusted surveyor (don't depend on the seller's site plan)
5. Conduct official searches in the 3 departments of Land Commission
6. Sign a purchase and transfer agreement.
7. Get a lawyer to prepare the documents.
8. Check for litigants.
9. Take possession of the land.
10. Dig around and pour sand and stones on the site.

Red flags

1. Poor or no documentation
2. Property owner cannot be accessed.
3. Empty or inaccessible property
4. Have a trusted real estate broker or lawyer to guide you.
5. Deal too good to be true.
6. When the whole process is rushed
7. Always try not to pay cash

Box 5.2: Land Purchase Processes and Pointers

LAND DOCUMENTATION

The procedures for land documentation in the country differ slightly from one Regional Lands Commission to another but, on the whole, the procedures follow similar stages:

Stage 1: Records Section: Checks the accuracy of plans and transactions against the official records.

Stage 2: Legal Section: Examines and vets documents.

Stage 3: Estate Section: Undertakes inspection of the proposed site if necessary; Assesses the rent.

Stage 4: Legal Section: Recommends concurrence to the transaction.

Stage 5: Chairman of Regional Lands Commission: Executes concurrence to the transaction.

Stage 6: Recording at the Record Section: Embosses the transaction; Indexes the transaction; Plots the transaction.

Stage 7: Payment and collection of documents: Note that these are general procedures that are applicable to all land documents. The specific time taken for executing particular land documents are indicated in the following paragraphs.

DEEDS REGISTRATION

Deeds registration is governed by the Land Registry Act of 1962 (Act 122) in Ghana, which mandates the registration of all documents related to land ownership and transactions. Under this act, registration serves as notice to the entire community, and any instrument affecting land must be registered to have legal effect. However, it's important to note that registration does not confer title to land; rather, it serves as evidence of the order in which instruments were registered.

The processes and procedures for deeds registration may vary depending on factors such as ownership, control, and management of land. As a result, there may be slight differences in procedures from one region to another, and even within the same region. Nonetheless, the general processes and procedures for deeds registration in Ghana typically follow a set of guidelines.

Deeds registration of State and Stool Vested land.

The Public and Vested Lands Management Division, under the new Lands Commission, manages State and Stool Vested Land in the country. Box 3 outlines the processes and procedures of deeds registration on such land.

- 1) Application to the Lands Commission or the Regional Lands Commission for a plot of land.
- 2) Submission of State Land Regulations forms (form 5) and questionnaire with two passport photographs.
- 3) Consideration and approval by the Commission.
- 4) Offer Letter or refusal is communicated to the applicant.
- 5) Premium and Development charge is paid.
- 6) Lease prepared and executed by parties.
- 7) Applicant pays ground rent.
- 8) Document is released for stamping at the Land Valuation Division.
- 9) Applicant obtains Tax Clearance Certificate at the Internal Revenue Service.
- 10) Document finally registered at the Deeds Registry at the Lands.
- 11) Original copy of document released to the Applicant.
- 12) Duration for perfecting the title is four months.

Source: Lands Commission

Box 5.3: Processes of acquiring a lease and registering deeds on State and Stool Vested land

a) Processes and procedures for deeds registering on Stool, Family and Individual Land

The processes and procedures for documenting and registering stool, family and individuals' land have some slight variations in the regions because of inter- and intra-communal land ownerships regimes and practices. On the whole, however, they follow Box 5.7.

Pre-submission requirements

- 1) Three copies of the document (an indenture) executed between the chief/family head (as the case may be) and the applicant must be submitted to the Lands Commission.
- 2) A solicitor of the Supreme Court must sign the back of each copy with his stamp duly affixed.
- 3) Each copy of the document must have the site plan attached. Two extra site plans, making five in all must accompany the documents.
- 4) The back of the site plans is to be endorsed by both the chief/family head (lessor)/seller and the Applicant (lessee)/buyer.
- 5) Each site plan is to be certified with the stamps of a Licensed Surveyor and the Regional Surveyor (as stipulated by L.I. 1444) and duly dated.
- 6) The site must fall within a statutory planning area and its plan must conform to the statutory planning scheme of the area.
- 7) At least two Principal elders of the stool (with stated status) must sign as witnesses.
- 8) The witnesses of the applicant (lessee)/buyer must write full names, provide addresses and signatures.
- 9) Submission for concurrence and final deeds registration
- 10) Submit the documents (with site plans attached) in triplicate to the Regional Lands Commission.
- 11) Applicant pays for the processing and registration fees. The amount to be paid depends on the size of the plot.
- 12) Chairman of Regional Lands Commission grants concurrence in the case of stool/skin lands as stipulated in the 1992 Republican Constitution.
- 13) Document released for stamping at Lands Valuation Board.
- 14) Applicant obtains Tax Clearance Certificate at Internal Revenue Service.
- 15) Document Registered at Deed Registry at Regional Lands Commission.
- 16) Original copy of the document released to the applicant.

Duration: Two months

Source: Lands Commission Brochure

Box 5.4: Procedures for registering stool, family and individuals land under the Deed Registry

b) Processes and procedures for consent for assignments/mortgages/sub-leases under the Deeds Registry

Application for consent for assignments/mortgages/ sub-leases follows the procedures listed in Box 2

Average turn-around time for Deeds Registration

According to the Land Administration Project, it takes a minimum of three months to register documents on public and vested land and stool land because the Lands Commission Board meets quarterly. In contrast, customary registration of documents on private or family land takes about two weeks or even less as it is not subject to any approval by the Lands Commission Board.

- 1) Application from the lessee.
- 2) Verification of Title.
- 3) Inspection of site to ascertain compliance with lease covenant.
- 4) Rent to be paid up to date.
- 5) Drafting and signing of consent certificate.
- 6) Applicant pays consent fee and receives consent certificate.
- 7) Executed document and consent certificate are recorded.

Stool, Family and Individuals Lands

- 1) Apply to the Regional Lands Commission for Consent. Attach to the application letter, the following:
 - i) A photocopy of the draft Assignments and the original lease; and
 - ii) Consent certificate from the appropriate stool/family/individual
- 2) After the granting of Consent, the applicant is informed and asked to submit three copies of the original lease for processing.

In both cases, the duration for registration is one month for assignments, subleases and mortgages and four months for sub-divided plots.

Source: Lands Commission

Box 5.5: Application for consent for assignments/mortgages/sublet

Processes and procedures of Land Title Registration

Under the Land Title Registration Law of 1986 (Law 152), registration of title in declared districts, currently limited to Greater Accra and Kumasi, is compulsory. Transactions involving Government/Vested Lands and Stool Lands must adhere to the provisions outlined in Articles 258(1) and 267(3) of the Constitution, necessitating submission to the Lands Commission Secretariat for compliance before lodging at the Land Title Registry. It's also encouraged for heads of families to deposit documentation related to their grants with the Land Title Registry prior to application.

Landowners are advised to ensure that their parcel plans accurately reflect the plot sizes indicated in their documents and site plans. Furthermore, ground rents should be promptly paid to the Administrator of Stool Lands or the relevant agency. Documents and application forms pertaining to land should be stamped by the Land Valuation Division and Internal Revenue Service before submission. Upon lodging, the applicant is required to pay the requisite registration fees and provide all relevant previous documents. If the grant originates from the government or a stool, concurrence from the Lands Commission must be obtained. (Land Title Registry brochure)

First Registration

- 1) Submit a copy of an indenture to the Cashier's office and purchase the appropriate form.
- 2) Fill in forms and have them signed by both transferor and transferee with one witness each (in case of corporate body).
- 3) Pay stamp duty at the LVB/IRS (Corporate body).
- 4) Submit a Certificate of Incorporation, Statutory Law setting up the corporate body.
- 5) Have an oath of proof sworn at the High court.
- 6) Pay registration fees, attach all necessary documents and submit at the Lodgement Desk.
- 7) Collect acknowledgement 'Yellow Card' and take a letter to the Survey Department three clear days after submission at the Lodgement Desk.
- 8) Have a Parcel Plan prepared by the Survey Department and submit it to the Land Title Registry (Note: Until Parcel Plans are submitted to the Registry, the process is on hold).
- 9) Pay for the publication notice and wait for any objection (Four weeks).
- 10) After publication, the notice must be posted on the site.
- 11) At the same time, the Land Title Registry conducts search at the Lands Commission (4-6 weeks).
- 12) If there is no objection or conflicting search report, Drafting, Typing, Signing, Plotting, Sealing Certificate (takes two weeks).

Source: Land Title Registry brochure

Box 5.6: Steps for acquiring Land Title Certificate (Individual and corporate bodies/companies)

Presentation and procedures for acquiring a Land Title Certificate

Box 5 indicates the various steps in acquiring a land title certificate. The following procedures must be followed for the registration of transfers of whole or parts of land.

- 1) Submit copy of document to the Cashiers office and purchase the appropriate forms.
- 2) Fill in forms and have them signed by both transferor and transferee with one witness each. Pay stamp duty at LVB.
- 3) Pay registration fees and lodge the application at the Registry.
- 4) Collect acknowledgement 'Yellow Card' and letter to Survey Department three clear days after submission at Lodgement Desk.
- 5) Have Parcel Plan prepared by Survey Department and submit to Land Title Registry (Note: Until Parcel Plans are submitted to the Registry the process is on hold).
- 6) Submit the original Land Certificate of the transferor to the Registry. Source:
Land Title Registry brochure

Box 5.7: Registration of transfers of whole or part of land

To register mortgages, discharge and power of attorney, the processes in Box 5.11 must be followed.

- 1) Submit a copy of the mortgage, discharge deed and Power of Attorney to the Cashiers office and purchase the appropriate forms, fill in and attached the mortgage and discharge deed.
- 2) Pay stamp duty at LVB.
- 3) Pay registration fees.
- 4) Lodge application at the Registry.

Source: Land Title Registry

Box 5.8: Registration of mortgages, discharge and power of attorney



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