

Examining Partnership Structures and Microfinance Bank Financing Involvement in Low-Income Housing Delivery in Ondo State, Nigeria

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Abstract: Housing remains one of the most pressing socio-economic challenges in Nigeria, with low-income earners disproportionately excluded from formal mortgage systems due to high interest rates, stringent collateral requirements, and unstable income. Microfinance banks (MFBs) have emerged as a potential bridge for this financing gap, yet their integration into structured, government-backed housing delivery frameworks remains poorly documented, particularly at the subnational level. This study examined the nature of partnership frameworks between the Ondo State Government and microfinance banks in low-income housing delivery, and assessed the level of microfinance bank involvement in financing low-income housing projects in the state. A quantitative research design was adopted, and structured questionnaires were administered to 400 stakeholders comprising government housing officials, microfinance bank personnel, construction professionals, and low-income housing beneficiaries selected through stratified random sampling from a study population of 337,905. A total of 361 valid responses (90.3% response rate) were analyzed using descriptive statistics and the Relative Importance Index (RII). Findings revealed that moderate partnership frameworks exist between the Ondo State Government and microfinance banks (mean = 3.99; RII = 0.797), with stakeholder inclusion of the private sector/NGOs and transparent loan processing ranking as the strongest dimensions, while political commitment and monitoring systems remained comparatively weak. Microfinance bank involvement in financing low-income housing was similarly found to be moderate (mean = 3.92; RII = 0.784), driven primarily by cooperative/group lending models and a rising volume of housing-related loans, though affordability constraints, particularly high interest rates and short repayment tenures, limited the depth of accessibility for low-income earners. The study concludes that while functional structures for government–microfinance bank collaboration exist in Ondo State, both the partnership framework and the extent of microfinance bank financing require strengthening through improved political commitment, institutional monitoring, and affordability-focused reforms to meaningfully expand low-income housing access.

Keywords: Housing Finance, Microfinance Banks, Public–Private Partnership, Low-Income Housing, Government–Microfinance Collaboration.

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I. INTRODUCTION

Housing is a fundamental human necessity and a key indicator of socio-economic development. In many developing countries, including Nigeria, the demand for adequate housing continues to far exceed supply, particularly among low-income earners who face significant barriers to accessing affordable and sustainable housing (World Bank, 2020). Low-income earners, in this context, refer to households in the lower-income categories of the population who are unable to access formal mortgage financing due to

affordability constraints, unstable income, and strict lending requirements. Such households typically rely on incremental building methods or informal financing mechanisms and are often excluded from conventional housing markets (UN-Habitat, 2022; Ajayi & Soyemi, 2021; Adebayo & Aluko, 2022).

Ondo State, like many other states in Nigeria, continues to experience rapid urbanization, rising construction costs, and weak housing finance mechanisms, which have further intensified the housing deficit and made it increasingly

difficult for low-income households to secure decent housing despite ongoing government interventions (UN-Habitat, 2022; Adebayo & Aluko, 2022). Traditionally, housing finance in Nigeria has been dominated by commercial banks and mortgage institutions, which largely serve high- and middle-income groups due to high interest rates, stringent collateral requirements, and weak mortgage systems (Ajayi & Soyemi, 2021). Commercial banks are often reluctant to finance long-term housing projects because of macroeconomic instability and perceived credit risks, a situation that has created a persistent financing gap for low-income housing delivery.

In response to this gap, microfinance banks (MFBs) have emerged as important financial institutions capable of extending credit to underserved populations. They provide small, flexible, and often non-collateralized loans that can support incremental housing development and other livelihood needs (Ferguson & Smets, 2010; Daphnis & Ferguson, 2004). However, despite this potential, MFBs in Nigeria have not fully capitalized on their role in addressing the housing deficit, owing to a limited capital base, regulatory constraints, and operational inefficiencies. State governments, on the other hand, possess institutional authority and contextual understanding of local housing needs, positioning them strategically to collaborate with microfinance banks in developing inclusive and sustainable housing finance frameworks. Such partnerships have the potential to improve access to housing finance, particularly for low-income earners who remain excluded from formal systems. In Ondo State, various housing programs have been implemented to improve housing accessibility for low-income groups; however, these initiatives have been constrained by limited public funding, institutional inefficiencies, and inadequate implementation capacity, thereby limiting their overall effectiveness (Ojo & Akinwunmi, 2020; Adenutsi, 2014).

Despite the potential benefits of state government–microfinance bank partnerships in addressing housing deficits, there remains limited empirical evidence on how such collaborations are structured and the extent to which microfinance banks are actively involved in financing low-income housing projects in Ondo State. This lack of data-driven evidence creates a significant gap in the literature and limits evidence-based policymaking in the housing finance sector. Therefore, this study seeks to examine the nature of partnership frameworks between the Ondo State Government and microfinance banks in low-income housing delivery, and to assess the level of microfinance bank involvement in financing low-income housing projects in Ondo State, Nigeria, with a view to generating empirical evidence that will inform more deliberate and effective housing finance collaboration strategies.

➤ *Research Hypothesis*

- H₁: There is a significant relationship between the nature of partnership frameworks adopted by the Ondo State Government and microfinance banks and the level of

microfinance bank involvement in financing low-income housing delivery in Ondo State, Nigeria.

II. LITERATURE REVIEW

➤ *Housing Issues*

After clothing and food, housing is often seen as one of the most essential human requirements. It is essential to general quality of life, health, and social stability. However, because of poverty, fast urbanization, and a lack of institutional assistance, housing problems persist in many emerging nations, especially in Sub-Saharan Africa.

Over one billion people live in substandard housing conditions globally, many of them in slums or informal settlements, according to UN-Habitat (2020). Millions of people in Nigeria lack adequate housing due to the country's severe housing shortage of around 20 million units (Ebekozen & Aigbavboa, 2021). High building material costs, a dearth of accessible finance options, inadequate urban planning, and fast population increase are the main causes of this imbalance (Akinmoladun & Oluwoye, 2007).

Affordability continues to be the largest obstacle for those with low and medium incomes. Many families live in cramped and subpar conditions due to the high expense of renting or owning a home in relation to income levels. Furthermore, options for affordable housing are further restricted by insecure land tenure and poor financing availability (Aribigbola, 2008). Because inadequate housing is associated with illnesses, insecurity, and low productivity, housing issues are not only an economic problem but also a social and health one.

➤ *The Concept of Government–Microfinance Bank Partnerships*

A partnership in housing finance generally refers to a cooperative arrangement in which two or more parties combine complementary resources institutional authority, capital, or technical capacity to achieve outcomes neither could accomplish alone. State governments possess institutional authority and contextual understanding of local housing needs, positioning them to collaborate with microfinance banks in developing inclusive and sustainable housing finance frameworks (Ferguson & Smets, 2010). Microfinance banks (MFBs), for their part, provide small, flexible, and often non-collateralized loans suited to incremental housing development, but have not fully capitalized on this role in Nigeria due to a limited capital base, regulatory constraints, and operational inefficiencies (Daphnis & Ferguson, 2004; Ojo & Akinwunmi, 2020).

➤ *Public–Private Partnership (PPP) Frameworks in Housing Delivery*

A public–private partnership (PPP) is a cooperative agreement between public and private organizations to provide services or infrastructure that would otherwise be entirely funded and run by government, combining the private sector's efficiency and innovation with the public sector's regulatory guarantee of public interest (Grimsey & Lewis, 2004). PPPs are widely accepted in the housing

industry as a long-term response to housing shortfalls, with governments supplying land, infrastructure, and legislative frameworks while private developers execute projects (Yescombe, 2011). The World Bank (2020) defines housing PPPs as multi-party agreements combining public and private sectors to finance, construct, manage, and run housing projects, with the public side typically contributing land, policy support, or subsidies, and the private side contributing project management, expertise, and capital.

In Nigeria, PPPs have been applied to large-scale housing projects, including the Lagos HOMS initiative, which demonstrated how coordinated partnerships can expand access to housing through jointly funded mortgage programs (Adebayo & Aluko, 2022). However, poor policy execution, lack of transparency, and land acquisition disputes have limited PPP effectiveness generally (Ibem & Aduwo, 2012), and Ondo State has not yet fully utilized this model, though a comparable state-level supervisory arrangement involving MFBs as financial intermediaries has been proposed (Ojo & Akinwunmi, 2020).

➤ *Legal and Regulatory Basis for Partnership Frameworks*

Government–MFB partnerships in Nigeria operate within a layered legal and regulatory environment. Housing is framed as a state responsibility under Section 16(2)(d) of the 1999 Constitution, though this exists as a guiding principle rather than an enforceable right (Ebeku, 2006). The Central Bank of Nigeria regulates MFBs through its Revised Regulatory and Supervisory Guidelines (2020), which permit licensed institutions to support housing-related products within their operating limits, though MFBs must attain full microfinance bank status with adequate capital before extending mortgage-type credit. The National Housing Policy (2012) explicitly encourages states to collaborate with cooperatives, microfinance institutions, and home builders to improve affordability, but implementation has been hindered by bureaucratic bottlenecks and weak inter-agency coordination (Federal Ministry of Works and Housing, 2012). The Land Use Act (1978), which vests land ownership rights in state governors, further shapes how partnership frameworks can function, since delays in obtaining Certificates of Occupancy remain a recurring bottleneck for collateralizing housing loans (Agbola & Jinadu, 1997).

➤ *International Models of Government–Microfinance Housing Partnerships*

Comparative international experience offers useful reference points for partnership design. In India, the National Housing Bank's collaboration with the Micro Housing Finance Corporation has expanded urban poor households' access to housing loans through flexible, small-sum lending backed by government and private investment (Mahadeva, 2014). In Bangladesh, the Grameen Bank model integrates housing finance with broader social development, extending house loans particularly to rural women alongside construction training (Yunus, 2007). In Kenya, the Kenya Women Microfinance Bank collaborates with NGOs and developers to provide incremental housing loans (Shelter Afrique, 2020), while in South Africa, the National Housing Finance Corporation provides wholesale financing and

technical support to micro-lenders targeting underprivileged communities (Gilbert, 2014). These cases suggest that successful partnerships tend to be inclusive and locally responsive, involve deliberate capacity-building for the microfinance side, and depend on state-level catalytic support such as land allocation and policy reform.

➤ *The Role and Level of Microfinance Bank Involvement in Housing Finance*

Microfinance was developed as a strategy for extending financial services to those historically excluded from formal banking (Yunus, 2007), and housing microfinance in particular offers small, incremental loans suited to the erratic income patterns of low-income households, in contrast to the large sums and long repayment periods required by conventional mortgages (Daphnis & Ferguson, 2004). In Nigeria, MFBs were formally recognized under the CBN's Microfinance Policy, Regulatory and Supervisory Framework (2005), yet despite the evident overlap between housing shortage and financial exclusion, their role in housing delivery has remained underused (Adenutsi, 2014).

In Ondo State specifically, MFBs have become increasingly involved in housing-related lending, offering products for land acquisition, home improvement, and incremental building finance, typically ranging from ₦50,000 to ₦500,000 depending on the borrower's income and repayment capacity (Ojo & Akinwunmi, 2020; Daphnis & Ferguson, 2004). Their local presence allows them to evaluate risk based on familiarity with clients' economic realities and, in some cases, to pair lending with financial literacy training (Schmidt & Zeiting, 2004).

➤ *Constraints Limiting Microfinance Bank Involvement in Housing Finance*

Despite their potential, several institutional, financial, regulatory, and infrastructural constraints limit the depth of MFB involvement in housing finance (Ferguson & Smets, 2010). MFBs typically rely on short-term deposits unsuited to the long repayment terms housing loans require, and lack access to refinancing windows available to dedicated mortgage institutions such as the Nigerian Mortgage Refinance Company (Okonkwo, 2015). Interest rates on microfinance housing loans commonly range from 25–40% annually, which can deter borrowers or extend repayment burdens beyond what low-income households can sustain (Onyenechere & Nwosu, 2014). Many MFBs also lack technical capacity to appraise construction-related projects (Ferguson & Haider, 2000), face regulatory ambiguity regarding housing-specific lending (CBN, 2011), and encounter land tenure and documentation barriers that prevent property from being used as loan collateral (Agboola & Olatubara, 2003). Weak integration into national and state housing policy further limits MFBs' visibility and institutional support in the housing finance space (Ajanlekoko, 2001).

➤ *Empirical Review and Identified Gaps*

Empirical literature on Nigerian housing delivery has tended to examine either institutional/structural constraints or financing constraints in isolation, without connecting the two

to a specific partnership model. Akinmoladun and Oluwoye (2007) identified poverty, urbanization, and weak institutions as key barriers to housing delivery but did not examine structured government–microfinance collaboration. Ajanlekoko (2001) demonstrated that PPPs improve efficiency in housing provision but did not adapt the PPP model to low-income or microfinance-based systems. Arku (2006) confirmed that low-income households in Ghana rely on incremental, self-help construction, consistent with Turner's (1972) incremental housing theory, but did not examine institutional financing mechanisms such as microfinance partnerships. Ferguson and Smets (2010) established the global relevance of housing microfinance but were not Nigeria-specific, leaving a contextual gap regarding how microfinance interacts with PPP frameworks and state policy in Ondo State.

On the financing side, Aribigbola (2008) found that Akure residents relied on personal savings due to limited mortgage access but did not assess microfinance institutions as an alternative financier. Omole (2010) argued that formal mortgage systems exclude the poor through stringent entry requirements but did not empirically test microfinance banks as a solution. Okeke (2025) found that microfinance investment positively affects the Human Development Index at the national level but did not isolate housing-specific outcomes, while Babarinde (2022) found mixed long-run effects of microfinance on income and welfare without linking these to housing delivery or subnational partnerships.

Across this literature, three persistent gaps recur: MFBs lack institutional capacity and long-term funding to expand housing products independently; national reforms and refinancing tools have prioritized formal mortgage markets, leaving incremental and informal housing underserved; and few empirical studies offer a concrete account of how a subnational government might structure collaboration with MFBs to address land, guarantee, technical, and regulatory barriers. This study addresses these gaps by examining the nature of partnership frameworks between the Ondo State Government and microfinance banks, and assessing the level of microfinance bank involvement in financing low-income housing in the state.

III. RESEARCH METHODOLOGY

➤ *Research Design*

The study adopted a quantitative research design to enable the collection of measurable data from a wide range of respondents and support statistical analysis of the relationships between variables (Saunders, Lewis, & Thornhill, 2019).

➤ *Study Area*

The study was conducted in Ondo State, Nigeria, which comprises urban and semi-urban settlements experiencing growing demand for affordable housing, and where several public housing initiatives targeted at low-income earners have been implemented.

➤ *Population and Sample Size*

The population of the study consisted of key stakeholders involved in low-income housing delivery in Ondo State: officials of housing and urban development agencies, managers and credit officers of registered microfinance banks, construction professionals engaged in housing projects, and low-income earners as direct beneficiaries. The estimated population comprised 336,420 low-income earners, 1,245 construction professionals, 144 microfinance bank staff, and 96 government housing officials, giving a grand total population of 337,905. Using the Taro Yamane (1967) formula for finite populations at a 0.05 precision level, a sample size of approximately 400 respondents was determined, proportionally allocated as 280 low-income earners, 80 construction professionals, 20 microfinance bank staff, and 20 government housing officials.

➤ *Data Collection*

Primary data were collected using a structured questionnaire administered across the identified strata, comprising closed-ended items measured on a five-point Likert scale (Likert, 1932). Secondary data were sourced from government policy documents, microfinance bank reports, academic journals, and textbooks (Bryman, 2016).

➤ *Method of Data Analysis*

Data were analyzed using the Statistical Package for Social Sciences (SPSS). For the objectives addressed in this study, descriptive statistics frequency, percentage, mean score, and standard deviation were used to identify respondents' characteristics and perceptions of partnership frameworks, while the Relative Importance Index (RII) was computed on the five-point Likert scale to rank key indicators of partnership structure and microfinance bank financing involvement.

➤ *Reliability of Research Instrument*

Reliability was tested using Cronbach's Alpha coefficient, with a minimum acceptable threshold of 0.70 (Nunnally & Bernstein, 1994). Content validity was ensured through expert review by scholars and practitioners in construction management and housing finance.

IV. DATA ANALYSIS AND PRESENTATION

➤ *Response Rate*

A total of 400 questionnaires were administered to respondents across the four stakeholder groups. Of these, 372 were retrieved, and 361 were found valid and suitable for analysis, representing a response rate of 90.3%.

➤ *Demographic Characteristics of Respondents*

This section presents the demographic characteristics of respondents, including respondent category, educational qualification, years of experience, organizational type, and level of involvement in low-income housing delivery.

• *Respondent Category*

The table below indicates that low-income housing beneficiaries constituted the largest respondent group with

49.8%, reflecting the study's focus on housing accessibility among low-income earners. Construction professionals accounted for 21.6%, while project managers/site engineers represented 12.5%. Government officials and microfinance

bank personnel accounted for 8.9% and 7.2% respectively. The distribution demonstrates balanced representation of both demand-side and supply-side stakeholders involved in low-income housing delivery.

Table 1 Respondent Category

Respondent Category	Frequency	Percentage (%)
Government Housing Officials	32	8.9
Microfinance Bank Officials	26	7.2
Construction Professionals	78	21.6
Project Managers/Site Engineers	45	12.5
Low-Income Housing Beneficiaries	180	49.8
Total	361	100.0

Source: Field Survey, 2026

- Educational Qualification of Respondents*

The findings reveal that respondents with B.Sc/B.Tech qualifications constituted the highest proportion (41.0%), followed by ND/HND holders (26.6%). Respondents with

Master's degrees accounted for 22.7%, while PhD holders represented 5.0%. This suggests that the majority of respondents possessed sufficient educational background to provide informed responses regarding housing finance and partnership frameworks.

Table 2 Educational Qualification

Qualification	Frequency	Percentage (%)
ND/HND	96	26.6
B.Sc/B.Tech	148	41.0
Master's Degree	82	22.7
PhD	18	5.0
Professional Certification	17	4.7
Total	361	100.0

Source: Field Survey, 2026

- Years of Experience*

The table below shows that respondents with 6–10 years of experience formed the largest category with 29.4%,

followed by respondents with 1–5 years of experience (25.5%). This indicates that most respondents had adequate industry exposure and practical understanding of housing delivery and financing issues in Ondo State.

Table 3 Years of Professional Experience

Years of Experience	Frequency	Percentage (%)
1–5 years	92	25.5
6–10 years	106	29.4
11–15 years	81	22.4
16–20 years	49	13.6
Above 20 years	33	9.1
Total	361	100.0

Source: Field Survey, 2026

- Type of Organization*

The findings indicate that low-income beneficiaries represented the highest respondent category (49.8%), while

private developers/contractors accounted for 25.2%. This confirms that the study adequately captured both institutional and beneficiary perspectives necessary for evaluating partnership effectiveness.

Table 4 Organizational Distribution

Organization Type	Frequency	Percentage (%)
Government Agency	32	8.9
Microfinance Bank	26	7.2
Private Developer/Contractor	91	25.2
Consultancy Firm	32	8.9
Low-Income Beneficiary	180	49.8
Total	361	100.0

Source: Field Survey, 2026

- *Level of Involvement in Low-Income Housing Projects*

The Table below reveals that 59.3% of respondents were directly involved in low-income housing projects, while

24.7% were indirectly involved. Beneficiaries accounted for 16.0%. This indicates that the majority of respondents possessed practical knowledge and experience relevant to the subject under investigation.

Table 5 Respondents' Involvement in Low-Income Housing Delivery

Level of Involvement	Frequency	Percentage (%)
Directly Involved	214	59.3
Indirectly Involved	89	24.7
Beneficiary Only	58	16.0
Not Involved	0	0.0
Total	361	100.0

Source: Field Survey, 2026

➤ *Partnership Frameworks Between Ondo State Government and Microfinance Banks*

Table 6 Partnership Frameworks Between Ondo State Government and Microfinance Banks

Partnership Framework Variables	Mean	SD	RII	Rank
Formal partnership exists between government and MFBs for housing delivery	4.12	0.81	0.824	3
Roles of partners are clearly defined	3.96	0.88	0.792	6
Coordination structures exist between stakeholders	4.01	0.84	0.802	5
Government provides risk-sharing support/guarantees	3.78	0.91	0.756	8
Technical support is provided to beneficiaries	3.92	0.86	0.784	7
Loan processes are transparent and efficient	4.18	0.77	0.836	2
Monitoring and evaluation systems are in place	3.84	0.89	0.768	9
Policy framework supports partnership sustainability	4.06	0.83	0.812	4
Political commitment supports housing partnerships	3.74	0.95	0.748	10
Partnership includes private sector/NGOs	4.24	0.74	0.848	1

Average Mean: 3.99; Average RII: 0.797 (Source: Field Survey, 2026)

The results show an average mean of 3.99 and an overall RII of 0.797, indicating that respondents generally agreed that functional partnership structures exist between the state government and microfinance institutions in Ondo State. The highest-ranked variable was inclusion of private sector/NGOs in the partnership (Mean = 4.24; RII = 0.848), followed by transparency and efficiency of loan processes (Mean = 4.18; RII = 0.836) and the existence of formal partnership agreements (Mean = 4.12; RII = 0.824). The

lowest-ranked variables were political commitment to sustaining housing partnerships (Mean = 3.74; RII = 0.748) and the existence of monitoring and evaluation systems (Mean = 3.84; RII = 0.768), indicating that while partnership structures exist, sustainability and supervisory mechanisms remain weak.

➤ *Microfinance Bank Involvement in Financing Low-Income Housing*

Table 7 Microfinance Bank Involvement in Low-Income Housing Financing

Microfinance Bank Involvement Variables	Mean	SD	RII	Rank
MFBs offer housing-specific loan products	4.11	0.82	0.822	3
Loan tenure is adequate for housing repayment	3.74	0.93	0.748	8
Interest rates are affordable for low-income earners	3.58	0.98	0.716	10
Government support reduces lending risk	3.86	0.89	0.772	6
Informal income earners can access housing loans	4.04	0.84	0.808	4
Loan disbursement is timely	3.93	0.87	0.786	5
MFBs support group/cooperative housing loans	4.18	0.79	0.836	1
Financial literacy programs are provided	3.82	0.91	0.764	7
Loan monitoring reduces default rates	3.79	0.90	0.758	9
Housing lending volume is increasing	4.16	0.80	0.832	2

Average Mean: 3.92; Average RII: 0.784 (Source: Field Survey, 2026)

The analysis produced an average mean of 3.92 and an overall RII of 0.784, indicating that microfinance banks are moderately involved in low-income housing financing in Ondo State. The highest-ranked indicator was MFB support

for group/cooperative housing loans (Mean = 4.18; RII = 0.836), followed by an increase in housing lending volume (Mean = 4.16; RII = 0.832) and the availability of housing-specific loan products (Mean = 4.11; RII = 0.822). The

lowest-ranked indicators were affordability of interest rates for low-income earners (Mean = 3.58; RII = 0.716) and adequacy of loan tenure (Mean = 3.74; RII = 0.748), indicating that affordability and repayment flexibility remain major constraints on accessibility.

A composite Microfinance Bank Involvement Index (MFB_IDX), computed by averaging responses across the ten financing indicators, yielded a value of 3.92, confirming a moderate-to-high level of microfinance bank participation in low-income housing delivery in Ondo State.

➤ *Effect of State Government–Microfinance Bank Partnerships on Low-Income Housing Delivery Performance in Terms of Cost, Time, and Quality*

To achieve this objective, respondents were asked to evaluate the influence of state government–microfinance bank partnerships on housing delivery performance indicators, including cost efficiency, project completion time, housing quality, beneficiary satisfaction, and the reduction of the housing deficit. The responses were analyzed using mean score analysis, standard deviation, Relative Importance Index (RII), Pearson Product Moment Correlation, and Multiple Regression Analysis.

Table 8 Effect of Partnership on Low-Income Housing Delivery Performance

Housing Delivery Performance Variables	Mean Score	Std. Dev.	RII	Rank
Partnership reduces housing cost	4.08	0.83	0.816	3
Partnership reduces construction time	3.94	0.88	0.788	6
Housing quality has improved	4.12	0.80	0.824	2
More housing units are delivered	4.18	0.77	0.836	1
Beneficiaries are satisfied	4.03	0.84	0.806	4
Contractor performance has improved	3.88	0.91	0.776	7
Access to finance has improved	4.01	0.85	0.802	5
Loan default rates have reduced	3.72	0.94	0.744	9
Housing deficit has reduced	3.80	0.90	0.760	8

Average Mean: 3.97, 0.794 Source: Field Survey, 2026

The table above presents respondents' assessment of the effect of government–microfinance bank partnerships on low-income housing delivery performance in Ondo State.

The findings produced an average mean score of 3.97 and an overall RII value of 0.794, indicating that the partnership has positively influenced low-income housing delivery performance. The highest-ranked variable was “More housing units are delivered” (Mean = 4.18; RII = 0.836). This suggests that the partnership arrangement has contributed significantly to increasing the supply of low-income housing units in Ondo State. The second-ranked variable was “Housing quality has improved” (Mean = 4.12; RII = 0.824), indicating that financing partnerships have enhanced construction quality standards and project supervision. Similarly, “Partnership reduces housing cost” (Mean = 4.08; RII = 0.816) suggests that collaborative

financing mechanisms contribute to improved affordability and cost efficiency in housing delivery. However, lower-ranked variables include “Loan default rates have reduced” (Mean = 3.72; RII = 0.744) and “Housing deficit has reduced” (Mean = 3.80; RII = 0.760). These findings indicate that despite improvements in housing delivery performance, repayment challenges and overall housing shortages remain substantial concerns.

• *Pearson Correlation Analysis*

Pearson Product Moment Correlation Analysis was conducted to determine the relationship between Partnership Strength Index (PART_IDX), Microfinance Bank Involvement Index (MFB_IDX), and Housing Delivery Performance Index (PERF_IDX)

Table 9 Correlation Matrix of Partnership Variables and Housing Delivery Performance

Variables	PART_IDX	MFB_IDX	PERF_IDX
PART_IDX	1.000	0.681	0.742
MFB_IDX	0.681	1.000	0.708
PERF_IDX	0.742	0.708	1.000

Correlation is Significant at the 0.01 Level (2-Tailed).

Source: Field Survey, 2026

The results in Table 9 reveal a strong positive relationship between partnership strength and housing delivery performance ($r = 0.742$, $p < 0.01$). This implies that stronger collaboration between the state government and microfinance banks leads to improved housing delivery outcomes in terms of cost, time, and quality. Similarly, microfinance bank involvement was positively correlated

with housing delivery performance ($r = 0.708$, $p < 0.01$), indicating that increased financial participation by microfinance institutions enhances project effectiveness and accessibility. The positive relationship between PART_IDX and MFB_IDX ($r = 0.681$, $p < 0.01$) further suggests that stronger institutional partnerships encourage greater microfinance participation in housing delivery.

- *Multiple Regression Analysis*

Multiple Regression Analysis was conducted to determine the predictive effect of partnership strength and microfinance bank involvement on low-income housing delivery performance.

Table 10 Model Summary

Model	R	R ²	Adjusted R ²	Std. Error
1	0.781	0.610	0.604	0.417

ANOVA Result

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	98.642	2	49.321	283.714	.000 ^b
Residual	63.218	358	0.177		
Total	161.860	360			

Regression Coefficients

Variables	Beta (β)	t-value	Sig.
Constant	1.214	6.811	.000
PART_IDX	0.486	9.734	.000

Dependent Variable: PERF_IDX

Source: Field Survey, 2026

The regression analysis reveals that partnership strength and microfinance bank involvement jointly explain 61.0% of the variation in housing delivery performance ($R^2 = 0.610$). The ANOVA result indicates that the regression model is statistically significant:

$$F(2,358) = 283.714, p < 0.05$$

This confirms that partnership variables significantly influence low-income housing delivery performance. The regression coefficients further show that Partnership strength ($\beta = 0.486$, $p < 0.05$) and microfinance bank involvement ($\beta = 0.392$, $p < 0.05$) both exert significant positive effects on housing delivery performance. This implies that improved institutional collaboration and stronger financial participation by microfinance banks contribute positively to housing cost efficiency, project completion time, and housing quality.

V. DISCUSSION OF FINDINGS

The findings on partnership frameworks align with Ajanlekoko (2001), who argued that public–private collaboration enhances housing delivery through resource sharing, and with Ferguson and Smets (2010), who found that institutional partnerships improve access to housing finance among low-income households. Conversely, the weak political commitment and limited monitoring mechanisms identified support the observations of Agbola and Olatubara (2003), who noted that governance instability negatively affects public housing delivery in Nigeria.

The moderate level of microfinance bank involvement is consistent with Kamau and Ngigi (2015), who found that cooperative housing financing significantly improves access to affordable housing among low-income populations, and with Ferguson and Smets (2010), who emphasized housing microfinance as a realistic alternative to conventional mortgage systems. However, the low ranking of affordability indicators corroborates Omole (2010), who argued that high

interest rates and short repayment periods continue to exclude low-income earners from formal housing finance in Nigeria.

The study found that partnerships between the Ondo State Government and microfinance banks significantly improve low-income housing delivery performance in terms of cost efficiency, project completion time, and housing quality. This conclusion is supported by the overall grand mean score of 3.97 and RII value of 0.794. Among the performance indicators assessed, increased delivery of housing units ranked first with a mean score of 4.18 and RII value of 0.836, indicating that respondents perceived the partnership arrangement as effective in expanding housing supply. Improvement in housing quality ranked second with a mean score of 4.12 and RII value of 0.824, while reduction in housing cost recorded a mean score of 4.08 and RII value of 0.816. These findings suggest that the partnership contributes positively to construction efficiency and housing affordability.

The correlation analysis presented further revealed a strong positive relationship between partnership strength and housing delivery performance ($r = 0.742$, $p < 0.01$). Similarly, microfinance bank involvement recorded a strong positive correlation with housing delivery performance ($r = 0.708$, $p < 0.01$). These findings indicate that stronger institutional partnerships and greater financial participation by microfinance banks significantly improve housing delivery outcomes. The regression analysis equally revealed that partnership strength and microfinance bank involvement jointly explained 61.0% of the variation in housing delivery performance ($R^2 = 0.610$). The regression coefficients showed that partnership strength ($\beta = 0.486$, $p < 0.05$) and microfinance bank involvement ($\beta = 0.392$, $p < 0.05$) exert statistically significant positive effects on housing delivery performance.

The findings support the work of Adebayo (2012), who found that collaborative housing frameworks improve project

affordability and delivery efficiency. The results also align with the findings of Ferguson and Smets (2010), who concluded that housing microfinance positively influences housing accessibility and project performance among low-income households. Nevertheless, reduction in housing deficit recorded a relatively lower mean score of 3.80 and RII value of 0.760, while reduction in loan default rates recorded the lowest mean score of 3.72 and RII value of 0.744. These findings suggest that despite the positive effects of the partnerships, the overall housing deficit and repayment challenges remain substantial concerns within the state. The findings reinforce the assumptions of PPP Theory, which posits that collaborative financing and shared institutional responsibilities improve project outcomes in public infrastructure delivery.

VI. CONCLUSION AND RECOMMENDATIONS

➤ Conclusion

The study established that moderate partnership frameworks exist between the Ondo State Government and microfinance banks in low-income housing delivery, with stakeholder collaboration, formal partnership arrangements, and transparent loan procedures constituting the strongest dimensions, while political commitment and monitoring systems remain comparatively weak. The study further found that microfinance banks are moderately involved in financing low-income housing projects in the state, with cooperative housing financing, housing-specific loan products, and rising loan portfolios representing the strongest areas of involvement, while affordability constraints, particularly high interest rates and short repayment periods, remain significant limitations. Overall, the findings indicate that while functional structures for government–microfinance bank collaboration exist, both the partnership framework and the depth of microfinance bank participation require strengthening to meaningfully improve low-income housing access in Ondo State.

➤ Recommendations

Based on the findings, it is recommended that the Ondo State Government formalize and strengthen coordination and monitoring mechanisms within existing partnership structures, particularly by improving political commitment to long-term sustainability. Microfinance banks should be encouraged, through targeted policy and capacity support, to expand affordable, longer-tenure housing loan products, while government-backed guarantees or interest rate support mechanisms should be explored to improve affordability for low-income borrowers. Further collaboration between government agencies and microfinance institutions should also prioritize expanding cooperative and group-based lending models, which respondents identified as the most effective existing financing approach.

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