https://doi.org/?????????
ISSN: 2805-3346

RESEARCH ARTICLE

Resilient Home Financing: Cooperative Societies and Home Ownership among Staff of the University of Ibadan

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Received: 28 February 2026

Revised: 16 April 2026

Accepted: 13 May 2026

Published: 28 July 2026

Cite article as: Taiwo, T. R. (2026). Resilient home financing: Cooperative societies and home ownership among staff of the University of Ibadan. *African Journal of Housing and Sustainable Development, 8*(1), 107-115. https://doi.org/????????????????????

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ABSTRACT

Many workers in Nigeria struggle with inadequate housing due to ineffective housing policies. To address this issue, they often turn to cooperative societies (CS) as a means of home financing. This study evaluates the impact of CS on home ownership among staff at the University of Ibadan, utilizing a sequential mixed-methods approach. Via purposive and random sampling techniques that achieved a 95% response rate, data was collected from six CS, involving 154 members. Quantitative data were analysed using descriptive statistics (Chi-square), while qualitative insights were gathered from focus group discussions with CS leaders. The findings of this research highlight the resourcefulness and adaptability of university staff in the face of housing insecurity. Thus, CS are shown as a resilient medium through which workers source housing finance despite systemic exclusion.

Keywords: Cooperative societies, Home financing, House ownership, Housing policy, Resilience

1.0 Introduction

House or home ownership represents an expression of autonomy, security and personal identity. The desire for ownership reflects a natural disposition to possess key objects in one's environment (Saunders, 1990). Homeowners often feel more secure and emotionally attached to their homes compared to renters, and homeownership can lead to wealth accumulation, positively affecting society through wider distribution of housing equity. However, limited access to credit can hinder small-scale entrepreneurs from expanding businesses or securing their own homes.

Group-based schemes, e.g., cooperative societies, help share risks and make loans more accessible (Oyewole, 2010). Moruf (2013) highlights credit as a catalyst for enhancing productivity. In Nigeria, cooperative societies are voluntary associations united by common goals, operating under the Nigerian Cooperative Societies Act (2004). However, homeownership can be financially burdensome, especially for medium- and low-income groups. This paper examines the impact of cooperative and thrift societies on homeownership among civil servants in Ibadan, assessing whether they are a more effective source of housing finance and how members use their funds for housing and other needs.

2.0 Literature Review

Synergism Theory provides a basis to understand cooperative societies. Other literature reviewed to provide a background to this study relates to cooperative societies and house ownership, the emergence of cooperative societies in Nigeria, and the National Housing Policy. These would be discussed in turn.

2.1 Synergism Theory

The term "synergy", from the Greek "synergos", means "working together" and has evolved since its emergence as a key concept in 1983 (Corning, 2003). It emphasises the benefits of collaboration in improving living systems and suggests that businesses can create more value through cooperation (Porter & Kramer, 2018). Kagu (2009) defines synergism as the collective impact of distinct entities exceeding their individual effects.
In this study, it is worthy of note that many people aspire to own homes in the face of various barriers, including rising property prices, high construction costs, unfavourable mortgage systems and economic instability. Synergy theory illustrates how prospective homeowners can acquire properties through collaboration among multiple stakeholders in the housing mortgage industry. Group-based schemes like cooperative societies help share risks, making housing more accessible, especially for low-income earners.

2.2 Cooperative Societies and House Ownership: (A Global View)

The Chicago Mutual Housing Network (CMHN) (2004) defines a housing cooperative as a partnership where members own shares in an organization that manages housing, land and buildings. This model grants members the right to occupy units, while also outlining specific rights and responsibilities. Murray and Pearson (2008) describe housing cooperatives as consumer co-operatives where members, as occupiers, consume housing services. Members must purchase a share and sign a legal occupancy agreement detailing their responsibilities. Globally, especially in developed countries, cooperative societies enable members to build equity over time, helping to keep housing affordable for low- and middle-income residents, while contributing positively to the housing sector.

2.3 Emergence of Cooperative Societies in Nigeria

According to Wahab (1984), cooperatives enable individuals to access resources and facilities that may be otherwise unreachable. The cooperative movement in Nigeria has its roots in communal activities and mutual support among people with shared cultural backgrounds. Oki (2011) observed that international trade and poor governance had spurred the emergence of organised cooperative societies, particularly to ensure quality control of key exports, e.g., cocoa. This need led to colonial government involvement and the registration of societies. Today, around five million families in Nigeria belong to over 50,000 cooperatives, significantly contributing to crop production for export, reducing exploitation by middlemen and providing funds through thrift and credit systems (Federal Ministry of Agriculture and Rural Development, 2002).

2.4 The National Housing Policy (NHP)

Housing policy in Nigeria is not totally new; Olawale et al. (2015) identified five political cum historical phases of housing policy in the country: the Pre-Independence Era (the period before 1960), the Post-Independence Era (the period between 1960 and 1979), the Second Republic Era (the period between 1979 and 1983), the Military Era (the period between 1984 and 1999), and the Post-Military Era or the Third Republic (1999 to date).

A few key policies and programmes stand out in these historical phases and they are as follows.

- National Housing Policy (1991, which was later revised in 2006): The policy promoted multiple tenure systems, including cooperative ownership and co-ownership schemes. It also shifted government's role from direct provider to enabler, which encouraged community-led and group-based housing delivery.
- National Housing Fund Scheme (1992 till date): Through this scheme, government workers contribute to a specific pooled fund that can access loans individually or through various cooperatives societies.

- National Cooperative Housing Development Scheme NCHDS (2020 till date): This scheme was designed specifically to finance housing through cooperative societies. It encouraged workers to form cooperative societies and pool resources together, after which they are able to access loans up to ₦15 million on a long-term basis).

In the course of the twenty-first century, successive Nigerian governments attempted to deliver affordable housing to a large percentage of citizens; however, these efforts failed to achieve their aim, owing to various factors (Onyike, 2012). High interest rates, inadequate infrastructure, difficulties in obtaining necessary building documents and approvals, and non-availability of mortgage loans, etc., led to the failure of housing policies and programmes to deliver affordable housing to Nigeria's low-income earners (Ibem, 2011).

3.0 Methodology

3.1 Research Design

The study adopts a sequential mixed-method design using data collected from six purposively selected cooperative societies in the University of Ibadan. The researcher visited and sampled members of the selected cooperative societies in order to acquire first-hand qualitative and quantitative data for all the variables. Interviews were conducted with some of the executives of the cooperative societies to get more information about the members and how the societies operate. A well-structured questionnaire was administered to some members of the sampled cooperative societies.

3.2 The Study Area

Ibadan, recognized as the largest traditional city in sub-Saharan Africa, has seen significant growth from a population of 70,000 in 1856 to a bustling metropolitan area of over 2million people in 2026. This rapid expansion was particularly noticeable during Nigeria's oil boom of the 1970s, leading to a shift from a predominantly indigenous city to a multicultural urban settlement (Adelekan, 2016). The United Nations (2014) noted that Ibadan is one of the West African cities growing by over 100,000 inhabitants annually due to natural increase and migration.

The University of Ibadan, located about 8 kilometres from the city centre, is Nigeria's oldest university and probably the country's most prestigious institution. It has a staff population comprising 2,604 academic staff, 953 senior staff, 1,651 non-academic staff, and 1,080 junior staff.

3.3 Study Population and Sampling

The sample size of the members of the cooperative societies was obtained from the administrative officers of the societies, who supplied the populations of their members. Based on a sample size of 5%, 12 copies of the designed questionnaires were administered at the Faculty of Technology Cooperative society, 25 at Agric Family Cooperative Society, 77 at UI Workers CICS, 12 at UI PG College CICS, 8 at Jaja Staff Cooperative Society and 20 at Muslim Staff CICS. The total number of questionnaires used for this study was 154.

Table 1: Sample Frame and Sample size Distribution of the Cooperative Societies

S/N	Name of Cooperative Society	Population Size of Members	Sample Size at 5% (No of Questionnaires)
1	Faculty of Technology Cooperative Society	235 members	12
2	Agric Family Cooperative Society	500 members	25
3	University of Ibadan Cooperative Society	1,542 members	77
4	U.I. PG College CICS	235 members	12
5	Jaja Staff Cooperative Society	150 members	8
6	Muslim Staff Cooperative Society	400 members	20
	Total	**3,062**	**154**

Source: Author's Field Survey

3.4 Data Collection and Analysis

The data collection instrument was a questionnaire, which was used to elicit information from respondents on the subject matter of resilient home financing in relation to staff of the University of Ibadan. Field assistants helped in administering the questionnaire. Besides the questionnaire, however, the researcher also undertook direct personal observation and conducted interviews in ordinary conversation and key informant interviews. The Statistical Package for Social Sciences (SPSS) was used to analyse the primary data, which analysis was descriptively presented in terms of frequencies and percentages, supported by tables and charts.

4.0 Results and Discussion

4.1 Distribution of Respondents

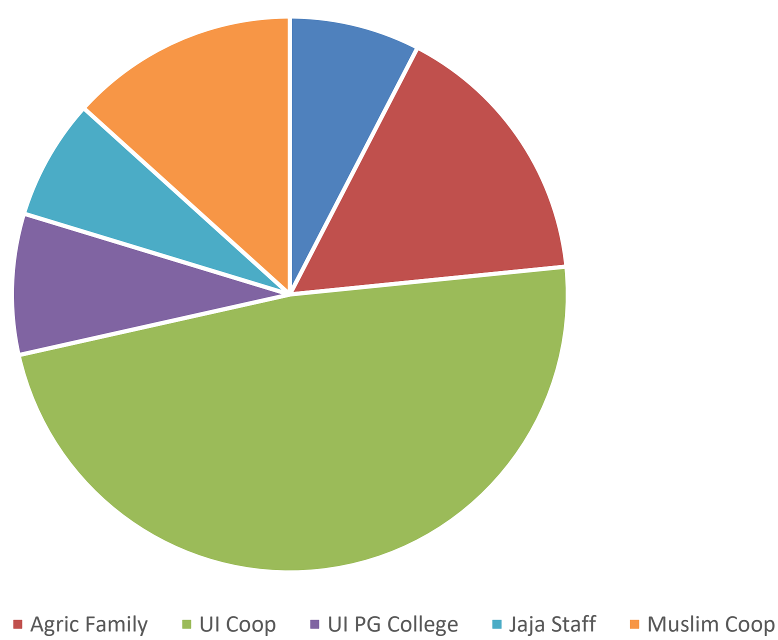
Table 2 below shows the distribution of the respondents in the study and Figure 1 illustrates this in a pie chart.

Table 2: Distribution of Respondents

S/N	Cooperative Society	Frequency	Percent
1.	Faculty of Technology Cooperative Society	12	7.8
2.	Agric Family Cooperative Society	25	16.2
3.	University of Ibadan Cooperative Society	77	50
4.	UI PG College CICS	12	7.8
5.	Jaja Staff Cooperative Society	8	5.2
6.	Muslim Cooperative Society	20	13.0
	Total	**154**	**100.0**

Source: Author's Field Survey, 2021

Figure 1: Distribution of Respondents



Source: Author's Field Survey, 2021

Table 2 shows that respondents at the University of Ibadan Workers Cooperative Society accounted for 50% of the total number of respondents, followed by 20% from the Muslim Cooperative Society, 16.2% from the Agric Family Cooperative Society, 12% from the Faculty of Technology Cooperative Society, 7.8% from the UI PG College Cooperative Society, and 8.0% from the Jaja Staff Cooperative Society.

4.2 Housing-related Activities Funded by the Cooperative Societies

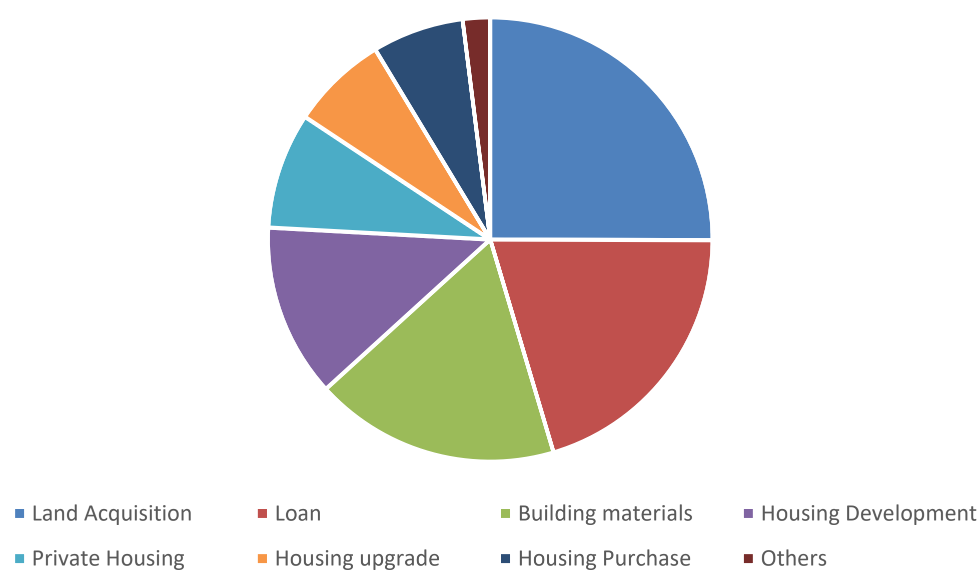
Table 3 below shows the housing-related activities funded by cooperative societies, while Figure 2 illustrates this in a pie chart.

Table 3: Housing Delivery Methods

Method of Housing Delivery	Frequency	Percent
Land acquisition	139	88.0
Loan for housing development	113	71.5
Building materials procurement	99	62.7
Housing development	70	44.3
Private housing project	47	29.7
Housing upgrading and repairs	39	24.7
Housing purchase for members	37	23.4
Other methods	11	7.0

Source: Author’s Field Survey, 2021

Figure 2: Housing Delivery Methods



Source: Author’s Field Survey, 2021

With regard to housing activities funded by the cooperative societies, 88% of the respondents indicated that their society engages in large-scale land acquisition to sell to members at reduced prices. Additionally, 71.5% reported receiving loans for housing development, while 62.7% noted their societies procure building materials in bulk at subsidized rates. Also, 44.3% reported that their societies participate in housing development for members and 29.7% stated that the cooperatives aid individuals in building their homes. Smaller percentages indicated involvement in housing upgrades (24.7%) and purchases (23.4%). About 7% reported other unspecified housing delivery methods. Overall, these findings suggest that cooperative societies significantly facilitate home ownership through various effective methods.

4.3 Access to Housing-related Facilities and House Ownership

Table 4 shows the beneficiaries of housing-related empowerment by the cooperative societies.

Table 4: Beneficiaries of any Housing-related Empowerment from the Cooperative Society

Beneficiary of Housing-related Empowerment	**Frequency**	**Percent**
Yes	77	50
No	72	46.8
No response	5	3.2
Total	**154**	**100.0**

Although cooperative societies have made significant efforts, only 50% of respondents reported benefiting from housing-related empowerment programmes. By contrast, 46.8% reported not having received any benefits, probably because of the large number of people applying for loans relative to the limited funds available.

Table 5: House Ownership Status

House Ownership	**Frequency**	**Percent**
Yes	95	61.7
No	55	34.8
No response	4	2.6
Total	**154**	**100.0**

Source: Author's Field Survey, 2021

To determine if respondents used cooperative loans to acquire their houses, we found that 62.0% own a house and 34.8% do not, while 2.6% did not disclose their status. Among homeowners, 45.6% utilised cooperative loans for their purchase, possibly for buying land, materials or construction costs. By contrast, 24.7% did not use loans, likely receiving their houses as gifts, inheritance or through other means.

Table 6: Use of Cooperative Loan in Acquiring Houses

Response	**Frequency**	**Percent**
Yes	72	45.6
No	39	24.7
No response	43	27.2
Total	**154**	**100.0**

Source: Author's Field Survey, 2021

4.4 Preferred Source of Housing Finance

The information shown in Table 7 accounts for additional data which offer another insight into the robustness of this research. Hence, Table 7 below shows the respondents' preferred source of housing.

Table 7: Source of Housing Finance

Source of Housing Finance	**Frequency**	**Percent**
Housing Cooperative Society	95	61.7
Commercial Bank	6	3.8

NHF	30	19.0
None	11	7.0
No response	12	7.6
Total	**154**	**100.0**

Source: Author's Field Survey, 2021

Regarding the housing financing options available to staff members, the data shows that co-operators prefer cooperative societies to bank loans and the National Housing Fund. Table 7 reveals that 61.7% of respondents preferred housing cooperative societies as their sources of housing finance, 3.8% preferred commercial banks and 19.0% opted for the NHF, while 7.6% did not state their preference.

4.5 Level of Satisfaction with Cooperative Loans

Table 8 below shows the level of satisfaction with cooperative loans based on the following attributes: interest rate, utilisation, accessibility of loan, transaction cost, adequacy of loan, collateral/convenience of payback.

Table 8: Level of Satisfaction with Cooperative Loans

	Level of satisfaction						
Loan attributes	**Not at all satisfied**	**Not satisfied**	**Satisfied**	**Much satisfied**	**Very much satisfied**	**No response**	**Total**
Interest Rate	16 (10.1)	11 (7.0)	68 (43)	21 (14.8)	26 (16.5)	12 (7.6)	154 (100)
Utilisation	5 (3.2)	18 (11.4)	62 (39.2)	23 (16.1)	32 (20.3)	14 (8.9)	154 (100)
Accessibility of loan	10 (6.3)	10 (6.3)	61 (38.6)	28 (19.3)	38 (24.1)	7 (4.4)	154 (100)
Transaction cost	12 (7.6)	16 (10.1)	64 (42.0)	21 (13.3)	30 (19.0)	11 (7.0)	154 (100)
Adequacy of the loan	2 (1.9)	26 (16.5)	60 (38.0)	25 (17.4)	27 (17.1)	13 (8.2)	154 (100)
Collateral/Convenience of payback	4 (2.5)	16 (10.1)	50 (32.5)	33 (20.9)	34 (21.5)	18 (11.4)	154 (100)

Source: Author's Field Survey, 2021

Following the determination of preferred source of housing fund, it was considered necessary to also measure recipients' level of satisfaction with cooperative loans on various attributes. For interest rate, 16.5% of respondents said they were very satisfied, largely due to low or no interest from the cooperatives. Similarly, in terms of loan utilization, 20.3% of respondents reported high satisfaction, as the loans served their intended purposes. Accessibility was another attribute used to measure respondents' satisfaction, where 24.1% of respondents expressed satisfaction with the ease of access for regular members. Nineteen percent of the respondents said they were very satisfied with the transaction costs of their cooperative societies since they benefited from lower costs compared to banks. Adequacy and collateral/payback were other attributes used to measure satisfaction of respondents with cooperative loans, with 17.1% and 21.5% respectively of the respondents claiming they were very satisfied with their cooperative loans, mostly because of the absence of collateral requirements and the easy repayment options.

Overall, cooperative loans received high satisfaction ratings across these attributes.

Test of Hypothesis

A hypothesis was tested to ascertain the level of satisfaction of co-operators with cooperative loans for housing among different cooperative societies.

H_0: level of satisfaction with cooperative loans differs significantly across cooperative societies.

H_1: level of satisfaction with cooperative loans does not differ significantly across cooperative societies.

Table 9 shows cross-tabulation between the levels of satisfaction with interest rates offered by the different cooperative societies.

Table 9: Level of Satisfaction with Cooperative Loans across Cooperative Societies

Cooperative Society	Level of satisfaction with Cooperative loans					Total
	Not at all satisfied	Not satisfied	Satisfied	Much satisfied	Very much satisfied	
Faculty of Technology Cooperative Society	1 (10.0)	1 (10.0)	7 (70.0)	0 (0.0)	1 (10.0)	**10 (100)**
Agric Family Cooperative Society	0 (0.0)	2 (8.3)	12 (50.0)	6 (25.0)	4 (16.7)	**24 (100)**
University of Ibadan Cooperative Society	11 (15.1)	6 (8.2)	34 (46.6)	14 (19.2)	8 (11.0)	**73 (100)**
UI PG College CICS	0 (0.0)	0 (0.0)	7 (53.8)	4 (30.8)	2 (15.4)	**13 (100)**
Jaja Staff Cooperative Society	2 (20.0)	1 (10.0)	6 (60.0)	1 (10.0)	0 (0.0)	**10 (100)**
Muslim Cooperative Society	2 (12.5)	1 (6.3)	2 (12.5)	0 (0.0)	11 (68.8)	**16 (100)**
Total	**16 (11.0)**	**11 (7.5)**	**68 (46.6)**	**25 (17.1)**	**26 (17.8)**	**146 (100)**

Source: Author's Field Survey, 2021

Investigation was done to test the null hypothesis (H_0), which states that level of satisfaction with cooperative loans differs significantly across cooperative societies. A chi-square test was used to test this hypothesis and the result is summarised in Table 10. It shows that the chi-square value of 47.606 at 20 degree of freedom was significant at a 0.05% level ($p = 0.000001$). The null hypothesis is, therefore, rejected. The implication of this result is that members of all the cooperative societies had similar levels of satisfaction with the interest rates offered by the cooperative society they belonged to.

Table 10: Chi-square Test for Table 9

	Value	**df**	**Asymptotic Significance (2-sided)**
Pearson Chi-Square	47.606[a]	20	.000
Likelihood Ratio	50.185	20	.000
Linear-by-Linear Association	3.082	1	.079
N of Valid Cases	146		
a. 22 cells (73.3%) have expected count less than 5. The minimum expected count is .75.			

5.0 Summary of Major Findings, Conclusion and Recommendation

This study highlights the crucial role of cooperative synergism theory in home financing, enabling prospective homeowners to acquire properties with support from various stakeholders. Group-based schemes, such as cooperative societies, allow risk-sharing, making housing more accessible for low-income earners.

The major findings of this study are highlighted below:
(i) Cooperative societies significantly aid members in achieving homeownership through land acquisition, housing loans and building materials procurement. About 65.8% of respondents reported easy access to this means.
(ii) Members expressed high satisfaction with cooperative loans based on attributes such as interest rates and accessibility, indicating favourability compared to other sources of home financing.

Despite potential funding limitations, cooperative societies aid homeownership among University of Ibadan workers and provide essential support. Therefore, Nigeria's National Housing Policy should be revised to pay more attention to cooperative societies in the bid to upgrade their activities, while ensuring equal distribution of funds to all, especially the low-income earners. This intervention will contribute to alleviating the challenges of homeownership. Additionally, these societies should seek funding beyond members' contributions by collaborating with mortgage providers and banks to increase available housing finance. No doubt, implementing a workable and fair cooperative funding model can effectively reduce housing shortage for workers across the country.

Declaration of AI-Assisted Technologies in the Writing Process

During the preparation of this work, the author used the Grammarly AI tool to fine-tune the language, following which the manuscript was reviewed and edited by the author. The core research findings, data analysis and theoretical conclusions remain the original work of the human author.

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