

THE DETERMINANTS OF RESIDENTIAL HOUSING CHOICE IN A THIRD WORLD MEGACITY

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Housing plays a very vital role in an economy in general and to an individual in particular. Unlike other products, housing as a consumer durable product has certain qualities. These include heterogeneity, spatial fixity and infrequency of sales which distinguishes it from other products. It also performs such vital functions as: shelter, comfort, security, symbol of social status, among others. Due to its significance to human existence, every individual household strives to provide some form of housing for itself. The decision as to where to reside or occupy is taken after a thorough cognitive search and consequent selection out of a set of feasible attainable alternatives. The choice is made from a choice set guided by rationality assumption underlying individual household's behaviour, subject to financial restraints imposed by his/her limited resources and such vital diverse factors usually covered by '*other things being equal*'. Empirical evidence has revealed the determinants of housing choice to include: wanting to live close to workplace, accessibility to good transport modes, life-cyclical factors like age, sex, education, marital status and racial factors all these are well documented in the housing literature. Little is therefore known about developing countries particularly sub-Saharan African of which Nigeria typifies where 'local peculiarities' are known to play very key roles in determining household choice of residence. Consumer behavioural approach is employed as the study theoretical framework in which utility is subjected to household's budget constraints. The study will use 1500 respondents across the metropolis in Lagos, Nigeria through stratified multiple random sampling technique. The use of random choice model of which multinomial logit model (MLM) will be applied will likely reveal that the importance of activities of informal housing agents and tribal sentiments which come under 'local peculiarities' pervasively influence the choice of residence. The outcome of the findings will assist in formulating housing policy that would meet up with people housing choice specifications and residential housing types in Lagos in particular and Nigeria in general.

Keywords: Housing choice, Megacity, Local peculiarities and Multinomial Logit Model