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Research article

Subsidy removal and Nigeria's real estate industry: a micro-economic assessment of multiplier effects through mathematical modelling and poverty alleviation dynamics

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Abstract

This study presents a microeconomic assessment of the impact of the May 2023 fuel subsidy removal on real estate affordability and housing access in Nigeria, utilizing cross-sectional data from 400 respondents across the six geopolitical zones. Employing Binary Logistic Regression complemented by a Keynesian multiplier framework, the research investigates the multiplier effects of subsidy removal on Nigeria's real estate affordability. The findings reveal that subsidy removal exerts a coefficient of −40.388 on household income, significantly undermining real estate affordability through two primary channels: the erosion of household income and the cost-push transmission of fuel price increases into construction costs, rents, and property prices (price change effect = −2.494, p = 0.017). Personal finance, with a coefficient of 2.953 (p = 0.008), emerges as the strongest positive determinant of real estate affordability, while the subsidy removal poverty effect (−3.879, p = 0.020) records the most significant compounding negative impact. Low-income earners particularly those earning ₦20,000 and below, who account for 52% of those most affected; middle-aged individuals between 41 and 55 years, and male-headed households, comprising 70% of those impacted, bear the greatest burden of subsidy-induced affordability shocks. These findings underscore the cascading nature of fuel subsidy removal on Nigeria's housing market and call for deliberate policy interventions, including social housing investment, rent stabilisation, and targeted income support programmes.

Keywords: Subsidy removal, Real estate affordability, Housing access, Poverty alleviation, Multiplier effects

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INTRODUCTION

The removal of subsidies has always been a contentious issue, sparking debates and discussions in economies around the world. In the context of Nigeria, a country with a history of government subsidies on essential commodities like fuel and electricity, the impact of subsidy removal in May 2023 on real estate affordability is a subject of significant importance. Nigeria, as one of the largest oil producers in Africa, has heavily relied on subsidies to keep fuel prices artificially low for decades (Gidigbi & Bello, 2020). These subsidies have been a double-edged sword, providing short-term relief for the masses while exerting immense pressure on the country's finances. The government's expenditure on subsidies was substantial, diverting valuable resources that could have been channelled into critical sectors like education, healthcare, and most crucially, affordable housing and real estate development (Evans et al., 2023). According to data from the Nigerian National Petroleum Corporation (Reuters, 2022), the government spent over 500 billion naira on fuel subsidies alone in 2022; funds that could have meaningfully addressed Nigeria's well-documented housing deficit, estimated at over 28 million units. One might argue that these subsidies were essential for poverty alleviation, as they allowed the average Nigerian to access necessities like fuel and electricity at affordable rates (Ikenga & Oluka, 2023). However, the reality is more complex. Subsidies disproportionately benefit the wealthier segments of the population, as they consume more of these subsidized commodities (Labeaga & López-Otero, 2021), while low-income households (already burdened by housing unaffordability) remain the most exposed when subsidy removal triggers a broader cost-of-living crisis.

The real estate sector occupies a unique position in this dynamic. Housing is not merely a commodity; it is a fundamental determinant of poverty status, household welfare, and economic mobility. When subsidy removal drives up fuel prices, the effects ripple directly into the real estate market; thus, increasing the cost of construction materials, raising transportation costs for building supplies, inflating energy costs for property development, and ultimately pushing rents and property prices beyond the reach of low- and middle-income Nigerians. This transmission mechanism means that subsidy removal does not only affect what Nigerians pay at the fuel pump but rather, it fundamentally reshapes what they pay for shelter. The removal of subsidies therefore has the potential to either deepen housing unaffordability and entrench poverty, or, if the fiscal savings are strategically redirected into real estate investment and social housing programs, to contribute meaningfully to poverty alleviation (Deborah & Akullah, 2023). The outcome depends entirely on how the government manages the transition and whether the real estate sector is prioritised as a vehicle for poverty reduction.

The issue of subsidy removal in Nigeria stands at the intersection of economic policy, real estate market dynamics, and social welfare (Umar et al., 2016). It is a complex and contentious problem that warrants careful analysis and consideration. According to Evans et al. (2023), the central problem revolves around the trade-offs and consequences associated with the removal of subsidies on essential commodities such as fuel and electricity. One key dimension of this problem lies in the fiscal burden that subsidies have placed on Nigeria's government budget for decades (Deborah & Akullah, 2023). The heavy expenditure on subsidies has strained public finances, diverting significant resources that could have been allocated to affordable housing schemes, real estate infrastructure, and urban development initiatives critical to poverty

reduction (Khalid & Salman, 2020). This has been starkly evident in Nigeria's post-subsidy removal economic trajectory, with inflation rising from 24% to 29.6% (CBN, 2023), unemployment climbing from 33.3% to 40.69% (NBS, 2023), and the exchange rate deteriorating from N480/$1 to N752/$1 (CBN, 2023). Each of these macroeconomic shifts has had direct and measurable consequences for real estate affordability, driving up construction costs, weakening household purchasing power, and making homeownership an increasingly distant prospect for the average Nigerian.

Another critical dimension is the social impact of subsidy removal on housing access and real estate affordability, particularly for low-income households (Jibrin & Lawan, 2020). Subsidies have traditionally been seen as a means of ensuring that basic necessities remain within reach of the masses (Bathla et al., 2020). However, when those subsidies are removed without adequate compensatory measures, the resultant price shocks do not remain confined to the fuel sector, but they rather permeate the entire cost structure of the economy, with the real estate market serving as one of the most significant transmission channels. Rental costs rise, new housing developments become more expensive to finance and construct, and the already fragile affordability of housing for low-income Nigerians deteriorates further. The distributional effects of subsidy policies must therefore be scrutinized not only in terms of income and consumption, but specifically through the lens of real estate affordability and housing security (Vandeninden et al., 2022). Furthermore, the challenge extends to governance and policy implementation. Mohammed et al. (2020) posit that the success of subsidy removal as a poverty-alleviation strategy hinges on the government's ability to transparently manage the funds saved from subsidy cuts and redirect them toward poverty reduction initiatives including investment in social housing and real estate development. Ensuring that these funds are efficiently channelled into programs that improve housing conditions and real estate accessibility, rather than being lost to corruption or mismanagement, is central to determining whether subsidy removal becomes a catalyst for poverty reduction or a driver of deeper housing inequality (Itsekor, 2020). Addressing these interconnected issues requires a nuanced and comprehensive approach that places real estate affordability at the heart of Nigeria's post-subsidy poverty alleviation strategy. Therefore, this study focuses on achieving the following specific objectives:

i. To examine the micro-economic impact of subsidy removal on Nigeria's real estate affordability.
ii. To identify the demographic group that bears the major brunt of subsidy removal in Nigeria, with particular focus on real estate affordability and housing access.

LITERATURE REVIEW

A growing body of literature has examined the impact of subsidy removal on poverty alleviation, offering diverse and sometimes contrasting perspectives. Hosan et al. (2023) argue that subsidy removal is an essential step toward addressing fiscal challenges in developing countries, as eliminating subsidies on fuel and other goods frees up resources for social spending and targeted poverty reduction programs. This aligns with Abimanyu and Imansyah (2023) who stress that subsidies often benefit higher-income groups more than the poor, and that removal can be a justifiable policy decision provided effective social safety nets are in place. Within the real estate context, this reallocation of fiscal resources carries significant implications as funds

previously absorbed by subsidies could be redirected toward social housing schemes, urban renewal projects, and infrastructure development that directly improves housing affordability and access for low-income Nigerians. Bazilian and Onyeji (2012) emphasize that the effects of subsidy removal on poverty vary significantly depending on a country's economic structure, the nature of subsidies, and the effectiveness of accompanying policies, cautioning against a one-size-fits-all approach. This observation is particularly relevant to the Nigerian real estate market, where regional disparities in housing demand, land tenure systems, and urban-rural dynamics mean that the ripple effects of subsidy removal are unlikely to be uniform. Ibrahim et al. (2023) reinforce this point, finding that subsidy removal disproportionately affects urban populations due to increased transportation and living costs which are factors that directly translate into higher rental prices, increased construction costs, and reduced real estate investment activity in urban centres.

On the other hand, Gu (2023) presents a more cautious perspective, suggesting that the immediate effects of subsidy removal such as increased fuel and food prices, can disproportionately impact low-income households, potentially raising poverty levels in the short term, even if long-term economic growth benefits eventually emerge. This short-term shock is particularly acute in the real estate sector, where fuel price increases drive up the cost of building materials, logistics, and energy-intensive construction processes, making new housing developments more expensive and further widening the affordability gap. Saeediankia et al. (2023) take a more critical stance, arguing that subsidy removal often falls short of its poverty alleviation goals due to governance failures and resource leakage which is a concern directly applicable to Nigeria, where mismanagement of saved subsidy funds could prevent meaningful investment in the housing sector. Cheng et al. (2023), however, offer a more optimistic case study, demonstrating that when subsidy removal is accompanied by well-targeted protective policies, overall poverty rates can decline suggesting that a carefully managed transition, with deliberate real estate and housing investment , could yield positive outcomes for Nigeria.

Two key theoretical frameworks underpin this analysis. The Neoclassical Economic Theory holds that free markets, when unimpeded by government intervention, allocate resources efficiently and drive optimal economic outcomes (Bradshaw and Smit, 1997). Applied to Nigeria, artificially suppressed fuel prices distort market signals, encourage overconsumption, and create fiscal burdens — as evidenced by Nigeria's expenditure of over 500 billion naira on fuel subsidies in 2022 alone (Reuters, 2022) — while also masking energy cost signals that discourage efficient investment in housing and construction. Subsidy removal is thus expected to restore price efficiency and stimulate long-term growth, though short-term distributional effects on low-income households remain a critical concern (Oduyemi et al., 2021).

Complementing this, the Income Inequality Theory examines how policy changes affect the distribution of income and wealth (Mulya-Firdausy, 1997), using metrics such as the Gini coefficient to measure inequality on a scale from 0 to 1 (Cornia, 1996). In the context of subsidy removal, price hikes on essential commodities erode the purchasing power of low-income households, manifesting in the real estate market as rising rents, reduced homeownership prospects, and growing housing insecurity. However, if subsidy savings are effectively redirected into poverty alleviation and affordable housing investments, removal can contribute to more equitable income distribution over time (Fathurrahman et al., 2017). Policy design, particularly the implementation of targeted social safety nets and housing subsidies, is therefore central to

determining whether subsidy removal ultimately narrows or widens Nigeria's inequality gap (Zarepour & Wagner, 2022).

RESEARCH METHOD AND MATERIALS

This study adopts a cross-sectional survey design to examine the microeconomic effects of Nigeria's fuel subsidy removal on real estate affordability across the country's six geopolitical zones. Cross-sectional designs are particularly suited to capturing a snapshot of socioeconomic conditions at a specific point in time, thereby enabling comparisons across population subgroups (Heylen et al., 2014). A structured questionnaire was administered to 400 respondents (both employed and unemployed individuals) drawn from one representative state per geopolitical zone: Ebonyi (South East), Ekiti (South West), Bayelsa (South-South), Benue (North Central), Sokoto (North West), and Bauchi (North East). Purposive and stratified random sampling techniques were employed to ensure geographic representativeness and variation in income, gender, age, and location (urban/rural), consistent with best practices in household survey research (Kunovac & Zilic, 2022). The questionnaire was structured into eight thematic sections, each designed to operationalise the study's variables. Section A collected sociodemographic information including the respondent's age, gender, household size, and state of residence. Section B assessed respondents' income levels and subjective assessments of their financial situation before and after subsidy removal, operationalising the income level variable through questions on monthly earnings and perceived changes in purchasing power. Section C captured the price level of essential commodities by asking respondents to evaluate price changes in goods such as food, transportation, and utilities following subsidy removal, including both perceived price level and price change effect. Section D measured real estate affordability (the study's dependent variable) through questions on current rental or property costs as a proportion of household income, as well as self-reported changes in housing accessibility since the subsidy removal policy. Section E examined the subsidy removal's poverty and income effects by asking respondents to rate the extent to which the policy had worsened or improved their income adequacy and overall living conditions. Section F assessed government support through two proxies: (i) whether respondents had benefited from any government social programme (beneficial government programme), and (ii) their rating of the effectiveness of such programmes (government programme efficiency). Section G collected location-specific data to distinguish between urban and rural housing market experiences. Section H included open-ended and attitudinal items on subsidy removal perceptions to provide qualitative context for the quantitative findings.

Mathematical Modelling of Multiplier Effects

Before specifying the econometric models, it is important to establish the mathematical foundation that captures the multiplier dynamics of subsidy removal on the real estate industry. Drawing from the Keynesian multiplier framework, the fiscal multiplier is expressed as:

$$k = \frac{1}{1 - MPC}$$

where k is the multiplier coefficient and MPC is the marginal propensity to consume. This multiplier quantifies how an initial fiscal shock (in this case, the removal of fuel subsidies),

propagates through the economy in successive rounds of spending and investment. Within the real estate sector, the aggregate income effect of subsidy-induced changes in real estate investment is captured as:

$$\Delta Y = k\,.\Delta I_{RE}$$

Where ΔY is the change in aggregate household income or output and ΔI_{RE} represents the change in real estate investment resulting from subsidy-related fiscal reallocation. Furthermore, the price transmission effect of subsidy removal on real estate costs is modelled as:

$$P_{RE} = f(P_F, C_M, E_R)$$

where P_{RE} is the real estate price level, P_F is the fuel price level post-subsidy removal, C_M is the cost of construction materials, and E_R is the exchange rate (all of which are directly influenced by subsidy removal and collectively determine housing affordability). These mathematical relationships provide the theoretical scaffolding upon which the econometric models below are built.

Econometric Model Specification

The logit model is adapted from Gujarati (2021) and is specified as:

$$P_i = \frac{1}{1+e^{-z_i}} = \frac{e^z}{1+e^z} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

where $z_i = \beta_1 + \beta_2 X_i + \beta_3 X_j$

Equation 1 represents the cumulative logistic distribution function. As z_i ranges from –oo to +oo, P_i remains bounded between 0 and 1, and is linear in parameters but nonlinear in its relationship to the probability. If P_i, the probability of being financially inclusive, is given by equation 1, then $(1 - P_i)$, the probability of being financially exclusive, is given as:

$$1 - P_i = \frac{e^z}{1+e^{z_i}} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (2)$$

We thus obtain the log-odds ratio:

$$L_i = \text{In}\left(\frac{P_i}{1-P_i}\right) = Z_i \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (3)$$

For the purposes of this study, the logit model is specified as:

$$L_i = \text{In}\left(\frac{P_i}{1-P_i}\right) = \beta_1 + \beta_2 X_i + \beta_3 X_j + \mu_i \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (4)$$

To ascertain the short-run and long-run effects of subsidy removal on poverty alleviation in Nigeria, with particular emphasis on the real estate industry, the following model is adopted:

REA = β_0 +β_1AGE + β_2HHSIZE + β_3INC + β_4PL + β_5GS + β_6L + β_7SE + β_8GEN + ui ……(5)

The dependent variable, REA (Real Estate Affordability Index), is measured by the ratio of average rental or property costs to household income, capturing the extent to which subsidy-induced price movements have affected housing accessibility. A higher REA value indicates that a greater proportion of household income is consumed by housing costs, signalling worsening living standards attributable, in part, to the cascading effects of subsidy removal on the real estate market; a transmission channel that has been largely underexplored in existing literature (Kunovac & Zilic, 2022). The independent variables are defined as follows. AGE refers to the age of the respondent in years, which is included to capture lifecycle differences in housing demand and vulnerability (Ajuwon & Abiodun, 2025). HHSIZE denotes household size the number of persons in a respondent's household and is expected to positively correlate with housing cost burden, as larger households require more living space relative to their income (Onuoha et al.,

2025). INC represents the respondent's monthly income level, measured in naira, serving as the primary proxy for purchasing power and financial capacity to access housing; income is expected to be negatively associated with the affordability index (i.e., higher income reduces housing cost burden). PL captures the price level of essential commodities including food, transportation, and utilities as perceived by respondents, operationalised through both a price level score and a price change effect score derived from Sections B and C of the questionnaire; rising commodity prices are hypothesised to crowd out housing expenditure (Kunovac & Zilic, 2022). GS denotes government support, proxied by two components: a binary indicator of whether the respondent has benefited from any post-subsidy government programme (beneficial government programme), and a Likert-scale rating of the effectiveness of such programmes (government programme efficiency). L is a binary location variable distinguishing urban (1) from rural (0) respondents, reflecting well-documented differentials in housing costs between urban and rural areas in Nigeria (Onuoha et al., 2025). SE represents the subsidy effect, measured through two proxies namely subsidy removal poverty effect and subsidy removal income effect, capturing respondents' self-reported assessments of income adequacy and poverty exposure following the policy change. Finally, GEN is a binary variable for gender (1 = male, 0 = female), included to account for gender-differentiated exposure to housing insecurity in the Nigerian context (Ajuwon & Abiodun, 2025). The intercept term β_o anchors the model, and u_i is the stochastic error term. Descriptive statistical tools are used to analyse the third objective, which identifies the demographic group most affected by subsidy removal.

RESULT PRESENTATION AND DISCUSSION

Before the binary logistic regression analysis was conducted, a descriptive analysis was carried out to understand the nature and distribution of the data obtained. From this descriptive analysis, several findings emerged that are particularly relevant to understanding how subsidy removal affects real estate affordability and housing access across different demographic groups in Nigeria.

The descriptive analysis reveals that males were the most affected of the two genders by subsidy removal, accounting for 70% of those impacted compared to 30% of females. This is largely attributable to the fact that men predominantly serve as the primary household providers in Nigeria, meaning that fuel-driven price increases directly erode their capacity to meet housing costs and rental obligations. As the financial burden of maintaining a household intensifies (partly through rising real estate costs), male breadwinners bear a disproportionate share of the affordability squeeze triggered by subsidy removal. This has broader implications for housing access, as a reduction in the primary earner's purchasing power translates directly into reduced capacity to service rent, mortgage commitments, or invest in property.

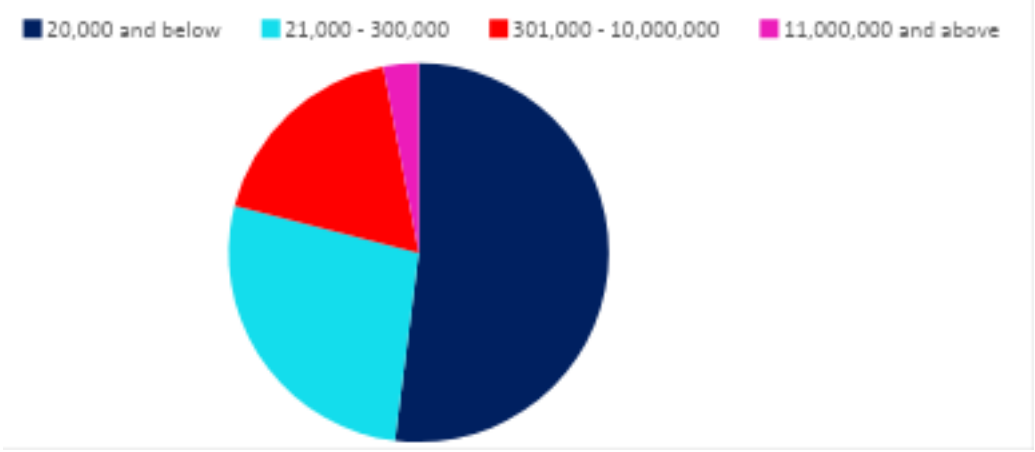


Figure 1. Income level of respondents

Figure 1 highlights the distributional impact of subsidy removal across income brackets, revealing stark disparities in real estate affordability. Low-income earners making ₦20,000 and below are the most significantly affected, with 52% reporting notable impacts on their financial stability. For this group, the cascading effect of subsidy removal on housing costs is particularly severe, as rising fuel prices increase construction and logistics costs, which feed directly into higher rents and property prices, pushing affordable housing further out of reach. Middle-income households, earning between ₦21,000 and ₦300,000, also experience real estate affordability pressures, though their relatively stronger financial buffers provide some resilience. Upper-income and high-income earners, by contrast, demonstrate considerably greater capacity to absorb real estate cost increases, further underscoring how subsidy removal widens the housing affordability gap along income lines.

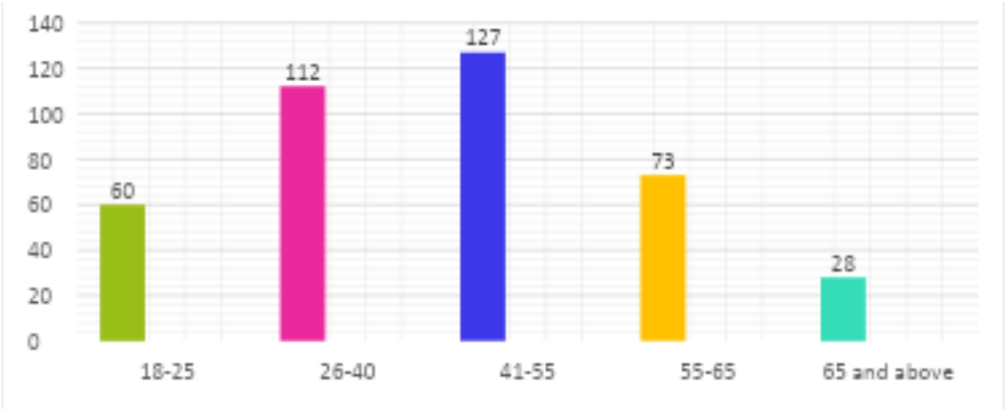


Figure 2. Age distribution among respondents

Figure 2 shows that the age group most affected by subsidy removal is those between 41 and 55 years, followed by those aged 26 to 40. These are largely individuals in their prime working and family-building years (the demographic most likely to be actively seeking homeownership or managing significant rental commitments). The heightened vulnerability of this age group to subsidy-induced real estate cost pressures underscores the need for targeted housing support policies that account for life-stage financial responsibilities.

Having established a clear understanding of the demographic characteristics of the data, the results of the binary logistic regression analysis examining the short-run and long-run impact of subsidy removal on real estate affordability in Nigeria are presented below.

Table 1. Binary Logistics Regression Result

Standard Liv	Coef,	Std. Err.	z	Prob	[95% Conf. Interval]	
					Lower	Upper
Gender	0.897	0.991	0.408	0.365	0.059	2.844
HH Size	-22.140	31299.38	41248	0.999	0.000	0.000
Price Level	-2.424	1.564	0.089	0.121	0.004	1.902
Price Change Eff	-2.494	1.932	12.11	0.017	0.274	534.05
Beneficial Govt Program	1.001	0.680	2.721	0.141	0.718	10.31
Govt Program Efficiency	-0.881	1.325	0.414	0.506	0.031	5.564
Personal Finance	2.953	1.117	19.17	0.008	2.148	171.08
Sub-removal Poverty Eff	-3.879	1.661	0.021	0.020	0.001	0.536
Sub-removal Income Eff	-40.388	13111.59	0.000	0.048	0.000	0.000
Age	0.008	0.038	1.008	0.038	0.937	1.085
Location	1.205	1.183	0.300	0.308	0.030	3.043
Number of Obs = 400; LR chi^2 = 34; Prob > chi^2 = 0.000						
-2 Log Likelihood = 69.651; Nagelkerke R^2 = 0.745						

The dependent variable for this analysis is the real estate affordability index (REA). The independent variables are gender, household size, age, price level of essential goods (proxied by price level and price change effect), government support (proxied by beneficial government program and government program efficiency measured through a five-point Likert scale where respondents rated their agreement with statements such as "the government programmes introduced after subsidy removal have effectively cushioned the impact on low-income households" and "I have seen tangible improvements in public services since subsidy savings were redirected"), income level (proxied by personal finance), subsidy effect (proxied by subsidy removal poverty effect and subsidy removal income effect), and location. The probability value on the omnibus test confirms that the model is a good fit, with a p-value of 0.000, which is less than the 5% significance level. The Nagelkerke R^2 of 0.745 indicates that the predictor variables adequately explain the variation in the dependent variable.

Gender, household size, price level, beneficial government program, government program efficiency, and location are insignificant ($p < 0.05$). Price change effect is negative (-2.494) and significant ($p < 0.05$). Personal finance is positive (2.953) and significant ($p < 0.05$). Subsidy removal poverty effect is negative (-3.879) and significant ($p < 0.05$). Subsidy removal income effect is negative (-40.388) and significant ($p < 0.05$). Age is positive (0.008) and significant ($p < 0.05$).

Discussion of Findings

The regression results reveal that subsidy removal has a significant and largely adverse impact on real estate affordability in Nigeria, operating through multiple interconnected channels. The subsidy removal income effect records the largest negative coefficient (-40.388),

indicating that as subsidy removal erodes household income through inflation and currency depreciation, the capacity of Nigerians to meet housing costs diminishes sharply. This directly validates the Keynesian multiplier argument that a fiscal shock of this nature cascades through the economy, with the real estate market serving as a critical transmission channel. Furthermore, the subsidy removal poverty effect (-3.879) further compounds this outcome. As subsidy removal deepens poverty, households already spending a disproportionate share of their income on housing are pushed further into housing insecurity which is consistent with income inequality theory, which predicts that such fiscal shocks widen socioeconomic disparities and manifest concretely as growing inaccessibility of affordable housing for the poor. The price change effect (-2.494) captures the cost-push dimension of this dynamic, where rising fuel prices drive up construction costs, logistics, and energy-intensive building processes, which are ultimately passed on through higher rents and property prices. Notably, it is the rate of price increases (not merely the static price level) that most significantly undermines housing affordability, an important distinction for policy design.

Personal finance is the strongest positive determinant of real estate affordability (2.953), reinforcing that household income remains the primary gateway to housing access. Age also positively influences affordability, reflecting the financial advantage that accumulated savings and earning experience confer over time. Gender, location, household size, and government program variables, while directionally informative, do not reach statistical significance, suggesting that economic factors (particularly subsidy-induced income erosion and cost-push price pressures) are the dominant drivers of real estate affordability in Nigeria.

However, this also highlights a critical irony that subsidy removal directly compresses the household incomes upon which real estate affordability depends. Overall, the findings strongly suggest that subsidy removal policies must be accompanied by deliberate real estate sector interventions including social housing investment, rent stabilisation, and income support programs.

CONCLUSION

This microeconomic assessment of the impact of subsidy removal on Nigeria's real estate affordability provides valuable insights into how fiscal policy shifts translate into tangible housing affordability and access challenges. The findings reveal that subsidy removal exerts a significant and largely adverse effect on real estate affordability, operating through multiple channels that collectively undermine the housing security of vulnerable Nigerians.

The subsidy removal income and poverty effects emerge as the most consequential variables, confirming that as subsidy removal erodes household incomes and deepens poverty, real estate affordability deteriorates sharply – pushing decent and accessible housing further out of reach for low-income households. The price change effect further compounds this outcome, as fuel-driven construction cost increases are transmitted directly into higher rents and property prices.

These findings underscore a critical policy concern: subsidy removal, while fiscally necessary, deepen Nigeria's already significant housing deficit not accompanied by deliberate real estate sector interventions. Based on these findings, the following recommendations are made:

i. *Real Estate Investment and Social Housing:* The fiscal savings from subsidy removal should be strategically redirected toward affordable housing schemes and social housing development, directly addressing the housing affordability gap widened by subsidy-driven price increases.
ii. *Targeted Income Support Programs:* Given the dominant role of personal finance in determining real estate affordability, income support and financial literacy programs should be prioritised for low-income households, helping them maintain housing access during the subsidy transition period.
iii. *Gradual Subsidy Phaseout:* A phased approach to subsidy removal would allow households and the real estate market to adjust more gradually to new price realities, reducing the severity of affordability shocks (particularly for low- and middle-income earners).
iv. *Rent Stabilisation Mechanisms:* Policymakers should consider rent control frameworks or stabilisation measures that protect low-income tenants from the full force of subsidy-driven construction and energy cost increases being passed on by landlords and developers.
v. *Age and Demographic-Sensitive Housing Policies:* Recognising that middle-aged individuals bear the greatest affordability burden, housing policies should be tailored to support those in their prime family and career-building years, including accessible mortgage financing and cooperative housing schemes.
vi. *Monitoring and Evaluation:* A robust system for tracking the effects of subsidy removal on real estate affordability should be established, enabling policymakers to make timely adjustments and ensure that housing sector interventions remain responsive to evolving market conditions.

Ultimately, subsidy removal need not be a driver of housing inequality if it is managed with deliberate attention to the real estate sector. With well-designed policies that prioritise affordable housing investment, income protection, and market stabilisation, Nigeria has the opportunity to transform a difficult fiscal transition into a catalyst for more equitable and sustainable poverty alleviation.

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