



**EFFECTS OF LAND ACQUISITION CHALLENGES ON RESIDENTIAL PROPERTY
PROVISION BY PRIVATE REAL ESTATE DEVELOPERS IN LAGOS STATE**

John Oyewole ADERIBIGBE

EDMP12/13/H/0991

**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF
MASTER OF SCIENCE (M.SC.) DEGREE IN ESTATE MANAGEMENT**

**DEPARTMENT OF ESTATE MANAGEMENT
FACULTY OF ENVIRONMENTAL DESIGN AND MANAGEMENT
OBAFEMI AWOLowo UNIVERSITY
ILE-IFE, NIGERIA**

2016

CERTIFICATION

This study, carried out by Aderibigbe John Oyewole has been read, approved and adjudged to meet part of the requirements for the award of Master of Science degree in Estate Management of Obafemi Awolowo University, Ile Ife.

Dr. J. B. Oyedele

Supervisor

Prof. O. Ojo

Head of Department and Chief Examiner

.....

Date

.....

Date

OBAFEMI AWOLOWO UNIVERSITY ILE-IFE, NIGERIA

HEZEKIAH OLUWASANMI LIBRARY

POSTGRADUATE THESIS

AUTHORISATION TO COPY

AUTHOR: ADERIBIGBE, JOHN OYEWOLE

TITLE: EFFECTS OF LAND ACQUISITION CHALLENGES ON RESIDENTIAL
PROPERTY PROVISION BY PRIVATE REAL ESTATE DEVELOPERS IN
LAGOS STATE

DEGREE: M.SC. (ESTATE MANAGEMENT)

YEAR: 2016

I, ADERIBIGBE, John Oyewole, do hereby authorize the Hezekiah Oluwasanmi Library to copy my thesis, in part or whole, in response to requests from individual researchers and organizations for the purpose of private study or research.

Date -----

Signature-----

DEDICATION

This project is dedicated to God Almighty for His supremacy, faithfulness, abundant grace, guidance, mercy, sufficiency and protection throughout the course of study.

OBAFEMI AWOLOWO UNIVERSITY

ACKNOWLEDGEMENT

First and above all, I praise God, the almighty for providing me this opportunity and granting me the capability to proceed successfully. I return all the glory to God Almighty especially for the benevolence bestowed on me during this study, for giving me the courage, strength and enablement to accomplish this assigned task.

This thesis appears in its current form due to the assistance and guidance of several people. I would therefore like to offer my sincere thanks to all of them.

I express my profound gratitude to my noble supervisor, Dr. J. B. Oyedele for his thoughtful guidance, critical comments, correction of the thesis, the insightful discussion, offering valuable advice, for your support during the whole period of the study, and especially for your patience and guidance during the writing process in ensuring an excellent research work. May God crown all your efforts with the desires of your heart and grant your entire household all their wishes for His glory and your benefit.

My profound gratitude goes to the Head of Department, Prof. O. Ojo, for his fatherly care and also for providing the enabling environment and support for the success of this research. I would like to thank all the fathers in the Department of Estate Management, Prof. B.T. Aluko (Dean of the Faculty), Prof. C.A. Ajayi, Prof. O. A. Ogunba, Prof. A. Olaleye; and to all the lecturers; Dr. O.J. Adegoke, Dr M. O. Oyewole, Dr. T. T. Oladokun, Dr A. O. Agboola, Dr. F. M. Araloyin, Mr , A. A. Odebode, Mr Ayorinde, Mr. Gbadegesin, Mr Ayodele, Mr Ekemode,

Mr Ajayi, Mr Oladokun, Mr Oyelami, and all the non-academic staff in the department Mrs. Adeyefa, Mr. Oyelaran, Mr. Olushola, Mrs. Ogunshola and Mama Owoo for their concern and encouragement.

My profound gratitude to some of my classmates Chioma, Faith, Mrs. Ojo, Mrs. Omoare, Ronke, Biodun, who were really of great help towards this work, thank you very much for making the atmosphere of the class as friendly as possible. Also to Mummy Dominion and Mr. Falope, a staff at the Faculty office.

I cannot finish without thanking my family. I warmly thank and appreciate my parents: Mr. and Mrs. Aderibigbe for their material, spiritual and financial support in all aspects of my life. I also would like to thank my brother and sisters, for they have provided assistance in numerous ways.

My immense appreciation goes to Capt. and Mrs Adeola, God bless you sir and ma, Dr. Fagbohun (Department of Local Government studies) and Engr. Ayangade (Department of Building). Also to my close friends Mr. Onyekachi, Samuel and Adewunmi

And finally, I know that you did not want to be named, my precious wife, Omolola, for her love, care, dedication and help. I can just say thanks for everything and may God give you all the best in return.

TABLE OF CONTENTS

| | |
|---------------------------------------|------|
| Title | i |
| Certification | ii |
| Authorization | iii |
| Dedication | iv |
| Acknowledgement | v |
| Table of Contents | vii |
| List of Tables | xi |
| List of Appendices | xiii |
| Abstract | xiv |
| CHAPTER ONE | |
| INTRODUCTION | 1-14 |
| 1.1 Background to the Study | 1 |
| 1.2 Statement of the Research Problem | 5 |
| 1.3 Aim and Objectives | 9 |
| 1.4 Justification of the Study | 10 |
| 1.5 Scope of the Study | 12 |

| | | |
|-----|----------------|----|
| 1.6 | The Study Area | 13 |
|-----|----------------|----|

CHAPTER TWO

| | | |
|--|--|-------|
| LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK | | 15-48 |
|--|--|-------|

| | | |
|-----|-------------------|----|
| 2.1 | Literature Review | 15 |
|-----|-------------------|----|

| | | |
|-------|------|----|
| 2.1.1 | Land | 15 |
|-------|------|----|

| | | |
|-------|---|----|
| 2.1.2 | Procedures, Channels and Challenges of Land acquisition | 16 |
|-------|---|----|

| | | |
|-----|-------------|----|
| 2.2 | Land models | 19 |
|-----|-------------|----|

| | | |
|-------|------------------------|----|
| 2.2.1 | Land Acquisition Model | 20 |
|-------|------------------------|----|

| | | |
|---------|--|----|
| 2.2.1.1 | Socio-Economic-Ecological simulation model of Land acquisition | 20 |
|---------|--|----|

| | | |
|---------|----------------------|----|
| 2.2.1.2 | Ecological component | 20 |
|---------|----------------------|----|

| | | |
|---------|------------------------|----|
| 2.2.1.3 | Sociological component | 21 |
|---------|------------------------|----|

| | | |
|---------|--------------------|----|
| 2.2.1.4 | Economic component | 21 |
|---------|--------------------|----|

| | | |
|-------|-------------------------|----|
| 2.2.2 | Land Development Models | 21 |
|-------|-------------------------|----|

| | | |
|---------|-------------------------------------|----|
| 2.2.2.1 | Public comprehensive top-down model | 22 |
|---------|-------------------------------------|----|

| | | |
|---------|--|----|
| 2.2.2.2 | Public planning-led quasi market model | 23 |
|---------|--|----|

| | | |
|---------|----------------------|----|
| 2.2.2.3 | Private market model | 23 |
|---------|----------------------|----|

| | | |
|-------|--|----|
| 2.2.3 | Modes of Acquisition of Title to Land in Nigeria | 23 |
|-------|--|----|



| | |
|--|----|
| 2.2.3.1 By First Settlement | 24 |
| 2.2.3.2 By Conquest | 24 |
| 2.2.3.3 By Customary and Traditional History | 25 |
| 2.2.3.4 Long Possession | 26 |
| 2.2.3.5 Statutory Enactment | 27 |
| 2.2.3.6 By Transfer of Interest in Land | 28 |
| 2.2.4 Land Administration system in Nigeria | 28 |
| 2.2.4.1 Traditional land administration system (Pre-Colonial) | 29 |
| 2.2.4.2 Colonial Era | 30 |
| 2.2.4.3 Post-Colonial period | 31 |
| 2.3 Conceptual Framework | 35 |
| 2.4 Residential Housing | 36 |
| 2.4.1 Private sectors participation in Residential Housing provision | 37 |
| 2.4.2 Factors affecting Residential Housing Delivery in Metropolitan Lagos | 39 |
| 2.4.2.1 Unavailability of land for housing | 39 |
| 2.4.2.2 High cost of infrastructure | 39 |
| 2.4.2.4 Increasing rural urban migration | 40 |

| | |
|---|-------|
| 2.4.2.5 Cumbersome regulatory approval process | 40 |
| 2.4.2.6 Lack of integrated planning in housing programmes | 40 |
| 2.4.2.7 Limited private sector involvement | 41 |
| 2.4.2.8 Land as a major factors affecting Housing Delivery in Metropolitan Lagos | 41 |
| 2.4.3 Residential Housing Development in Nigeria | 42 |
| 2.4.3.1 Public sector contribution- Present Housing Policy of Lagos State | 43 |
| 2.4.3.1.1 Operations of Public Housing Agencies in Lagos State | 44 |
| 2.4.3.2 Private Sector involvement in Housing Delivery in Nigeria | 46 |
| 2.4.3.3 A Value Chain Framework for Affordable Residential Housing in Emerging Countries | 47 |
| CHAPTER THREE | |
| RESEARCH METHODOLOGY | 49-51 |
| 3.1 Introduction | 49 |
| 3.2 Data collection | 49 |
| 3.2.1 Primary data | 49 |
| 3.2.1.1 Sample frame and sample size | 49 |
| 3.2.1.2 Sampling Procedure | 50 |

| | | |
|--|--|--------|
| 3.2.2 | Secondary data | 50 |
| 3.3 | Data Analysis | 51 |
| CHAPTER FOUR | | |
| DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS | | 52-95 |
| 4.1 | Introduction | 52 |
| 4.2 | Data Administration and Retrieval | 52 |
| 4.3 | Profile of Private Real Estate Developers | 53 |
| 4.3.1 | Land acquisition procedure in Lagos State | 61 |
| 4.4 | Land acquisition challenges encountered by Private Real Estate Developers for Residential Property delivery | 68 |
| 4.5 | Level of Residential Housing Provision by Private Real Estate Developers in Lagos State | 80 |
| 4.6 | Influence of land acquisition challenges on the level of residential housing Provision | 89 |
| CHAPTER FIVE | | |
| SUMMARY, RECOMMENDATIONS AND CONCLUSION | | 96-101 |
| 5.1.1 | Introduction | 96 |

| | | |
|-----|----------------------------|-----|
| 5.2 | Summary of Findings | 96 |
| 5.3 | Recommendations | 98 |
| 5.4 | Areas for Further Research | 100 |
| 5.5 | Conclusion | 100 |
| | REFERENCES | 102 |
| | APPENDIX I | 112 |
| | APPENDIX II | 118 |
| | APPENDIX III | 123 |



LIST OF TABLES

| | | PAGE |
|------------|---|-------------|
| Table 3.1 | Sample Frame and Sample size | 50 |
| Table 4.1 | Data Administration and Retrieval | 52 |
| Table 4.2 | Year of establishment of firm | 53 |
| Table 4.3 | Educational Qualification of respondent | 54 |
| Table 4.4 | Capacity of staffs in the firm | 55 |
| Table 4.5 | Status of respondent in the firm | 56 |
| Table 4 | Year of experience in the practice of land acquisition | 57 |
| Table 4.7 | Level of involvement in land acquisition | 58 |
| Table 4.8 | Type of real estate development involved in | 59 |
| Table 4.9 | Source of developable sites for residential property development purposes | 60 |
| Table 4.10 | Summary of Procedure for land acquisition in Land Bureau of Lagos state | 61 |
| Table 4.11 | Rates and charges for land at the Directorate of Land services | 63 |
| Table 4.12 | Rates and charges for land at the Directorate of Land Regularization | 66 |



| | | |
|------------|--|----|
| Table 4.14 | Ways of land acquisition from Government | 68 |
| Table 4.15 | Average period of acquisition from government | 69 |
| Table 4.15 | Land acquisition challenges identified by Private Real Estate Developer. | 71 |
| Table 4.16 | KMO and Bartlett's Test | 73 |
| Table 4.17 | Variance Explained Using Component Extraction | 74 |
| Table 4.18 | Rotated Component Matrix | 75 |
| Table 4.19 | Land acquisition challenges identified by Estate Surveyors and Valuers | 78 |
| Table 4.20 | KMO and Bartlett's Test | 73 |
| Table 4.21 | Type of residential housing provided by your firm | 81 |
| Table 4.22 | Major area of residential development in Lagos State | 82 |
| Table 4.23 | Factors that influences choice of residential property provision in the selected area | 83 |
| Table 4.24 | Motive of residential property provision in Lagos state | 84 |
| Table 4.25 | Period of development of residential property in Lagos state | 85 |
| Table 4.26 | Classes of intending owners/occupiers | 86 |
| Table 4.27 | System of allocation by your firm | 87 |

| | | |
|------------|---|----|
| Table 4.28 | Level of residential properties produced | 88 |
| Table 4.29 | Influence of land acquisition challenges on the level of residential housing provision identified by private real estate developers | 90 |
| Table 4.30 | Effect of land acquisition challenges on the level of residential housing provision identified by Estate Surveyors and Valuers | 93 |

OBAFEMI AWOLowo UNIVERSITY

| | LIST OF APPENDICES | PAGE |
|---------------------|---|-------------|
| APPENDIX I | Questionnaire for Private Real Estate Developers | 112 |
| APPENDIX II | Questionnaire for Estate Surveyors and Valuers | 118 |
| APPENDIX III | Land Acquisition Procedure in Lagos State | 123 |

OBAFEMI AWOLowo UNIVERSITY

ABSTRACT

profiles of private real estate developers and land acquisition procedure in Lagos State; examined the land acquisition challenges encountered by private real estate developers for residential property delivery and examined the level of residential housing provision by private real estate developers from 2006 to 2015. It further analyzed the influence of land acquisition challenges on the level of residential housing provision. These were with a view to improving the provision of residential property in the study area.

Primary and secondary data were employed for the study. The data were obtained from registered private real estate developers and registered and practising estate surveying and valuation firms in Lagos State through administration of questionnaire. The population consisted of 87 registered private real estate developers and 354 registered and practising estate surveying and valuation firms. A total enumeration survey was carried out on the 87 registered private real estate developers, while systematic sampling technique was used to select 50 percent the of registered and practicing estate surveying and valuation firms in the study area. The first firm was selected randomly while every other firm was selected to give a total of 177 firms. The information obtained included the profiles of private real estate developers, land acquisition challenges encountered by private real estate developers for residential property delivery, and the influence of land acquisition challenges on the level of residential property provision. Secondary data were obtained from gazettes and other

relevant publications of the Land Bureau, Lagos State. Data collected were analyzed using percentages, relative importance index, ANOVA and Factor Analysis.

The study showed that 37.2% of the Private Real Estate Developers firms were established between the years 2001 and 2010. It was established that 42.3% of the firms workers obtained BSc as the highest educational qualification, 39.7% were in the managerial position while 26.9% had between 6 and 10 years experience in land acquisition. This study further showed that intending land owners acquired land from government in any of the following ways: Land regularization, Land Use and Allocation Committee, Land services and Land Registry. The land acquisition challenges encountered by private real estate developers included cost of acquisition, delay in the process of land titling and disturbance and harassment by touts known as 'Omo onile' with of 4.31, 4.19 and 4.19 respectively measured in a five point likert scale. The result of Factor Analysis established that Land management, External factors, Time and procedure and Institutional factors were the most important land acquisition challenges with corresponding percentages of variance of 16.594, 10.672, 6.355 and 6.017 respectively. The land acquisition challenges that influenced the provision of residential property included time to complete acquisition, delay in the process of land titling and cost of acquisition with corresponding Relative Importance Index (RII) of 4.21, 4.17 and 4.15 respectively measured in a five point likert scale.

The study concluded that improving the process of land titling as well as reducing the cost of acquisition could enhance provision of residential property by Private Real Estate Developers in the study area

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Land as a resource constitutes part of the environment where construction takes place and is of crucial importance to the economic growth. It contributes a major share of GDP, and employment in most countries, and constitutes the main livelihood for a large portion of the population. In many areas, however, land is becoming increasingly scarce due to a variety of pressures, including population growth, urbanization, globalization of markets and activities, and climate change demographic growth (Cotula, Toulmin & Hesse, 2006). These pressures have resulted in increased competition for land between different groups, such as multiple land users, urban elites and foreign investors.

Development pressures on land have however been increasing as a result of rapid population growth and economic development. This pressure is especially high in urban areas which have high population concentrations because of key role they play as centres for economic production and consumption (Cohen, 2006).

Adequate supply of land is generally recognized as a prerequisite for sustainable residential property (housing) delivery system. However, it has been observed that access to land for residential property development in urban areas in many developing countries is becoming highly problematic with each passing day. In most African countries, urban land has increasingly become a commodity to be acquired and sold to the highest bidder. The low-income earners who lack economic and political power to gain access to urban land in suitable locations for housing construction are experiencing severe land and housing accessibility challenges in Sub-Saharan Africa (Okonkwo, 1986). As result of this, majority of urban residents are forced to live in slums

and squatter settlements characterized by lack of secured tenure, basic services and general poor housing conditions, which are inimical to human, physical and economic development (Oruwari, 2006; Hall, 2007; Ademiluyi and Raji, 2008).

The general belief among most informed observers and stakeholders in land is that government expropriation of land, fake titles, land disputes and prevailing conditions in land market arising primarily from rapidly growing urban population, unfriendly and inconsistent land policies, inefficient land administration strategies have contributed to current urban land accessibility challenges (Djire, 2007; Faye, 2008).

Land tenure in Sub-Saharan Africa, as experienced in Nigeria, is administered in a plural legal environment (Kwapong, 2009; and Aluko and Amidu, 2006) under two major forms of ownerships and administration, namely, private (customary) and state ownerships (Lawal, 2000; Owei, 2007). Titles to land under the customary laws reside in the community and in some cases, an individual or group of individuals. In contrast, state ownership is through legislation, acts and proclamations as governments expropriate privately owned land for development purposes. Under this arrangement, accessibility to land for residential property by private developers has become an intractable problem in many urban centres in Nigeria.

Land accessibility is a function of physical, economic, social, institutional, and contextual factors. Constraints to access developable sites emanate from any of these identified factors. The physical factors establish the quantity and quality of land available; economic factors influence the market conditions for acquisition, i.e. the demand and supply interface, price mechanism, extent of competition and availability of finance; and social factors influence the shaping of the land tenure system under which rights may be held and exercised. Institutional factors regulate the mechanisms for exchange, use and development (Omirin, 2002). Moreover,

access to land fundamentally encompasses four elements and these include availability, affordability, security of tenure and ease of transaction. In other words, the problems associated with accessibility to land are in three dimensions: how to get land, how to keep the land and how to build a new strong community and social support system on that land (Boonyabanha, 2009).

Land acquisition is often the real estate developer's first major commitment to a project. Private real estate developers acquire land in the formal and informal market for development purposes. The acquisition of land from the informal market may be due to the time frame in acquiring land in the formal market as ascertained by Adetokunboh, Aibinu and Agbato (2013), that it takes a minimal average period of 18 months and it could last up to 3 years and beyond before dealings on land are concluded. A real estate developer may have a well thought out and thoroughly researched land acquisition strategy, but achieving that strategy is dependent on numerous factors, with many beyond the control of the real estate developer. The ability of a real estate developer to acquire land is dependent on the availability of land at any particular time: and the availability of land is dependent on the state of the market, planning policies and physical factors, and any particular case will also depend on the motives of the particular landowners (Wilkinson and Reed, 2008). The apparent lack of land management presents a major challenge to land acquisition and the attendant implications for residential property development.

Housing as an aspect of life is influenced by many things. Housing provides far more than just shelter from the elements. As a home, housing is loaded with symbolic value. It is valued for its location, its style and its access to schools, parks, and other amenities. It is also a major form of wealth for homeowners, the most widespread and largest single form of

household wealth. One of the most widespread problems for low income families is the high cost of housing (Buckley and Schwartz, 2011).

For more information, please contact ir-help@oauife.edu.ng