

## **Land Market Challenges: The Case of Ifo/Ota Local Government Area of Ogun State, Nigeria**

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### **Abstract**

*Bearing in mind that land acquisition is very crucial to human development from ages past, the study examined private land acquisition processes and challenges encountered by individuals in Ado-odo/Ota Local government area of Ogun State. Using purposive sampling method, the study gathered relevant data from four different community leaders as well as four heads of family land owners with the aid of questionnaires and employed in-depth interviews to solicit information from eight different youth leaders from the four selected communities. Four each of local artisans (bricklayers, carpenters, plumbers and electricians) available on sites under construction between March and May, 2014 were interviewed on their experiences within the selected neighbourhoods. Data were analyzed using descriptive statistics while percentages and ranking were employed in analysis. Data presentation was basically in tables. The study found that because past governments had failed to take into account the needs and interests of individual, family or community land owners during earlier compulsory land acquisition processes, family land owners are in a hurry to sell off their land even when existing developments are far away. The study recommends that government needs to be proactive in designing new neighbourhood layouts to forestall large informal settlements and, at the same time, implement new methods of financing infrastructure to support urban land development. Finally, government needs to create a friendlier mortgage finance system that will make it possible for low-income households to acquire shelter or land at affordable prices.*

**Keywords:** land, land market, land development challenges, Ogun State, Nigeria

### **1. Introduction**

In Nigeria, according to the Land Use Decree, all land belongs to the government who holds same in trust for the public. This urban land policy rely on a range of policy tools and institutions such as master plans, zoning, subdivision regulations, building codes, and other public policies to shape development. One of the major motives of the urban land policy in Nigeria was to help protect the urban and natural environment, geared towards infrastructure investments to aid development, maintain and enhance property values. Also, the policy was to help provide the poor with easier access to land, control land speculation as well as land inflation. Dowall and Clarke (1996) found that such a policy has proved ineffective and resulted in significant adverse impacts on social welfare and economic productivity.

Dowall (1991) noted that despite the great hope placed on public land development allocation, success has been elusive but however without government intervention in land allocation, critical public facilities such as parks, open spaces, and major infrastructure and urban services, which the private sector cannot profitably produce and sell, will not be provided. In Nigeria, the Federal government established Federal Ministry of Housing, Federal Housing Authority while at the State government level, Housing Corporations were established. All these efforts were geared towards provision of land and housing at affordable prices to low and medium-income households.

Based on the present situation, preparing for an urban future requires taking proactive steps at solving the land needs of the poor.

For poor families, having an adequate piece of land, with access to water, sewage, power and transport, on which they can construct their homes and improve their lives is essential. Providing such an atmosphere requires a new and decisive approach. In taking care of the needs of the society, the need to protect the environment and manage its ecosystem services for future urban expansion requires purposeful management of space in advance of needs. No matter the thinking of an average man towards land acquisition, the overall interest of the community, social movements, and government should be borne in mind so as to reduce poverty and promote environmental sustainability.

Both the Federal and State governments had tried the site and services scheme as well as mass housing provision in the hope of providing either land or housing for urban dwellers at affordable prices. These projects did not last hence they failed to achieve the desired goals. The purpose of this paper therefore is to ascertain three points from literature. First, ascertain effective ways and means of providing land and housing at affordable prices to low and medium-income households; second, identify how land value increases associated with infrastructure provisions have not been appropriated by private developers and third, find out how developmental projects avoided by the private sector had been undertaken by government with ease in other parts of the globe.

## **2.Literature Review**

Harris (2010) ascertained the existing gap between the supply and demand of local housing market in Nevada and found that the issue of sufficient affordable housing affected many Nevada communities, where housing was more than an issue of providing shelter but viewed as an economic development issue. Numerous rural economic strategic studies had found that the lack of housing creates an obstacle for current and future economic growth.

United Nations (1992) and Salau (1990) in their various studies found that housing, which translates to adequate shelter, is recognized world-wide as one of the basic necessities of life and a pre-requisite to survival of man since it is a place that provides shelter, refuge, comfort, security, and dignity to man. Onibokun (1983) stated further that a house also provides the physical framework in which human, social, economic, and cultural resources are realized, enriched, and integrated. In the traditional African setting, in particular, housing is, in fact, one of the greatly cherished material properties. This is because of the other functions that a house performs in the traditional society which includes the protection of family cohesion and values, taking care of the aged through the extended family system, and the protection of the ancestral values, among others.

Thapa (2004) examined access to land and use of property in Nepal which is a small landlocked country in South Asia sandwiched between China and India. He noted that the right of access to and use of land and property is underwritten by a well-defined legal and administrative framework. The land and property holder through an ownership document can exercise the full right to possess or dispose the land and property as long as he pays the land revenue and property tax. The basic objectives of the 1996 national shelter policy are to facilitate the housing production, ensure self-reliance, clarify the roles of various actors, facilitate the working of housing and land markets and reduce the adverse impact on environment. According to Berner (2001), in most large cities of the world, formal land market serves only a minority of the population while between 30% and 70% of the population live in informal settlements with about 85% of the new housing stock produced through extra-legal manner with severe social and environmental consequences.

Caputo (2013) found that there was a growing tendency, on the part of some stakeholder groups, to influence the implementation and construction of a project (Roulac, 1999; Altherr et al. 2007; Azadi et al., 2011), and the consequent growth of conflicts and disputes (Azadi et al., 2011) have proven inadequate the traditional measures of stakeholder management.

Oloyede, Ayedun and Iroham (2011) identifies reasons for the failure of earlier land policies from literature on one hand and why informal land markets continue to flourish by the day in Nigeria with the aid of two questionnaires distributed among fifteen estate surveying and valuation firms in Abeokuta, Ogun State and twenty estate surveying firms in Ikeja, Lagos State. Data were analysed with the aid of percentages and rankings and presented in tables.

The paper identified instability in government as a result of political intolerance among politicians in power coupled with the limitations placed on the rights and privileges of the native land owners by the enactment of the Land Use Decree of 1978 as the major causes of the continuous growth of informal land markets. They found that land, because of its unique nature and the crucial role it plays in human settlements cannot be treated as goods and commodities which can be controlled by individuals and subject to the pressures and insufficiencies of the market.

They also noted that land ownership, in the hands of government, contributes to social injustice especially in major urban areas and has over the years constitute a major obstacle to the planning and implementation of development schemes between States and the Federal government especially in areas where the political party in power in the State differs from that at the Federal level.

According to Berner (2007), self-help housing and squatting have long been recognized as the only means available to fulfill the immense demand for mass housing in the cities, and thus a solution rather than a problem. Clegg, et al., (2007) examined the impacts of the land tenure system and found that it may not be the key aspect that emerges when households consider what they want from a home, though issues of tenure remain critical to the understanding of how households consume, invest and experience housing. The legal rights of each tenure system can reshape some positive and negative outcomes of occupation for households. Lyndhurst (2006) found that creating opportunities for people to own houses also created anxieties as the very households the expansion of home-ownership was designed to support were also those who attracted the greatest risk in accessing and sustaining the tenure.

Wallace (2010) noted the importance of housing in relation to the life stage is apparent from many studies that show that early career professionals may feel content to share and rent, but as they establish themselves in employment and reach their late 20s or early 30s, thoughts of forming partnerships, starting a family, career aspirations and buying a first home all come to the fore. The opportunity for independence, greater social standing and financial benefits are positively associated with home-ownership, while the risks and responsibilities of ownership are often perceived negatively.

### ***3. Research Methodology***

Four large neighbourhoods of Aparadija, Lafenwa, Ayetoro and Itele in Ado-Odo/Ota Local Government Area of Ogun State were considered in this study to ensure a robust data base. Activities of the family land owners in terms of land sales and subsequent land development in these areas were established from the family heads as well as the various youth leaders. In addition, interviews were carried out among four landlords as well as four persons currently developing their sites between March and May, 2014 in each of the four selected neighbourhoods. Four each of Bricklayers, carpenters, plumbers and electricians working in various sites during the period were interviewed. Purposive sampling method was employed throughout the exercise.

### ***4. Results and Discussions***

#### ***(a) Community/Family land Leaders***

A total of sixty-two persons were involved in the survey exercise between March and May, 2014. The breakdown of the respondents, in terms of status is as contained in Table 1. Responses were interesting and revealing as the issue discussed was exhaustively and freely discussed without fear or ambiguity. All the four community leaders were above sixty years of age and they saw the land on which they live as belonging to their great ancestors who transferred it to them by inheritance. Intention to sell was claimed to be a collective one based on the economic situation of the country and the fear that such large tracts of land if not developed can attract government and lead to compulsory acquisition with little to show for same. Sales of land are backed up by family receipts while individual allottees are expected to carry out a survey of their land and by choice apply for a certificate of occupancy. However, any plot of land left undeveloped after three or four years of sale stands the risk of being forfeited to the family as contained in the condition stated in the receipts issued at purchase.

**Table 1: Categories of Individual involved in the Survey**

S/N	Status	No.
1	Community Leaders	4
2	Youth Leaders within community	4
3	Landlords (Occupied houses)	16
4	Landlords (Ongoing Developments)	16
5	Artisans	16
Total		62

This attached condition is found contrary to legal assumptions of purchase of any kind. In-depth interviews showed that eight earlier cases of forfeited plots of land showed that no single purchaser had been re-settled and such persons could only get back the exact amount paid at the time of such purchase. All the landlords interviewed confirmed the practice and appreciated the community leaders for the refund of purchase money as there were a few areas where the initial owner forfeits the earlier purchase price even after prolonged court cases. Earnings from the sale of plots of land are for elders only.

#### **(b)The Youth Leaders within Communities**

(i) The youth leaders of each of the communities make it their responsibility to oversee the plot developments and earn their incomes from same in stages as contained in Table 2. It is anticipated that before construction starts on any plot so purchased, the youth leader in such a zone would be contacted for negotiations. The fees chargeable per development are usually a function of the source(s) of land purchase. Where the plot of land is acquired through one of the youth leaders with agency fee paid and relationship cordial, the development fees payable to the youth association may be influenced downwards. In the alternative, regular frustrating moves may be faced by the purchaser during development of the site.

**Table 2: Development charges by the Youth Faction of Family Land Owners**

Type of Structure	Stages of Fees' Payment by Developer (₦)					Total
	Foundation	Block works (general)	Decking	Roofing and Ceiling	Fencing	
Bungalow	50,000	30,000	-	40,000	30,000	150,000
2-storey building	50,000	60,000	100,000	80,000	30,000	320,000
Hotel	200,000	100,000	100,000	100,000	50,000	550,000
Shops (in front of houses depending on negotiations and number)	10,000	10,000	10,000	10,000	-	40,000
Church/Mosque	Subject to family inclination/negotiation					

Any attempt by a developer to prove stubborn either because of his military or para-military position, employment status (Ministry), connection to the powers that be, etc., such sites would experience thefts, damages of various items and in few cases, spiritual warfare. In-depth interviews showed that settlement of youth leaders and cordial working relationships with them as the beginning of wisdom in view of poor security apparatus of the State government and the weak nature of the legal profession as well as unpredictable legal tussle experienced in past cases.

#### **(ii) Fees Payable to Youth Leaders by Artisans or by Developers on artisans' behalf**

Artisans residing and working within the selected neighbourhoods know themselves and had formed associations. Their charges were considered outrageous while the quality of their services was considered not good enough for most of them. In very few cases, sites under their care were subject to various degrees of theft. For these reasons, developers preferred bringing in their artisans that can be rusted and relied upon. Where artisans are brought in from outside, those within the specific neighbourhoods, the clerks of the various artisans do daily monitoring of sites under construction and link up with youth leaders so that such sites can be monitored.

**Table 3: Fees Payable by Artisans Employed by Developers**

S/N	Artisan Involved	Amount Due
1	Bricklayer	(i) Bungalow – N10,000 (ii) 2-storey building – N20,000
2	Carpenter	(i) Ground floor lintel works – N5000-10,000 (ii) Decking – N10,000 (iii) First Floor lintel works – N5,000 – 10,000 (iv) Roofing and Ceiling –N 15,000
3	Iron Bender	(i) Ground floor lintel works – N5000 (ii) Decking – N10,000 (iii) First Floor lintel works – N5,000
4	Plumber	(i) Ground floor works – N5000 (ii) First Floor works – N5,000
5	Electrician	(i) Ground floor works – N5000 (ii) First Floor works – N5,000
6	Painter	(i) Ground floor works – N5000 (ii) First Floor works – N5,000

These youth members charge and collect the fees or in the alternative seize the working tools only to be returned after settlement. These youth monitoring groups go about on motorcycles and are usually ready to engage in fights on the smallest provocation. Only developers who engaged neighbourhood artisans escaped the horrifying experiences.

### (c) Impact of Informal Activities on Site Layouts in the Selected Neighbourhoods

#### (i) Non-provision of Open and Recreational Spaces

Informal neighbourhoods do not usually take into consideration the provision of open spaces, recreational spaces, places of worship and even shopping centers, police stations or motor parks. The four selected neighbourhoods were about 85% developed and the lack of these essential space provisions had been having its toll on the neighbourhoods especially youths who have no place for recreation.

#### (ii) Effects on Plot Size:

A standard plot size is 60 feet by 120 feet. Random checks in the four selected zones showed that plots of land measured only 55 feet and in some cases 50 feet by 100 feet in a few cases, plots were shared by two people either horizontally, where such plots are corner plots (50 feet by 50 feet) or vertically (30 feet by 100 feet) where the plot is within other plots of land. The sub-division of a plot of land is an indication of the income level of the owners.

#### (iii) Effects on Road Networks and Width

The road networks within the sampled neighbourhoods were designed by the land owners with the hope of getting the highest number of plots without, first, reference to the topography of the neighbourhood and second, the volume of anticipated future traffic of the neighbourhood. Also, the main access road into the neighbourhood was designed without future projections. The road width was found to be 30 meters across the four sampled neighbourhoods. All plot owners within the neighbourhoods wanted to maximize the use of their individual plots thus leaving no room for drainage channels or setbacks. A road width of 30 feet set aside by the layout becomes too narrow if drainages are to be constructed on both sides of the road.

#### (iv) Provision of Electricity

Observations within the four sampled neighbourhoods showed that wooden electric poles dotted the landscape with joint neighbourhood provision of transformers of various sizes with single face electrical connections to existing buildings without reference to the size or number of units within the building. In view of poor neighbourhood electrical networks, low voltage and periodic breakdown of transformers had been the landlords' experiences.

**(v) Effects on Household Size**

Data obtained on household sizes in 60 housing units within the four selected neighbourhoods is contained in Table 4. A closer look shows that the urge to pursue strong home ownership activities, no matter the neighbourhood concerned, come to fore after marriage and with at least a child. This view is premised on the research finding that none of the household size was less than three in number in the study area. The greater concentration lies between the 5- and 6-family sizes respectively.

**Table 4: Spread of Household Sizes in Selected Study Areas**

Household Size	No	%age
1	-	-
2	-	-
3	1	1.7
4	9	15.0
5	19	31.7
6	23	38.3
>6	8	13.3
Total	60	100

The two groups accounted for 70% (31.7 + 38.3) of the entire population. Also single parents were absent. This result was not unexpected since the upcoming neighbourhoods are devoid of the large population and numerous petty traders available in the main towns and cities.

**(vi) Extent of Government Presence**

Within each State, there are two ways by which a neighbourhood can be affected positively. At the State level, road development linking one town to another may impact an informal neighbourhood by minimizing the length of driveway to the hinterland. The second one is by stepping down electricity supply at a particular point to cater for the needs of people within the informal areas. At the local government level, regular grading of untarred road networks could bring the poor neighbourhoods array of hope for a better future. All the respondents claimed that despite their active participation in local politics by the residents of the selected study areas, there has been no meaningful development in their areas because of the need for heavy capital to put bridges across the swampy divides as well as roads with drainage channels. Respondents also complained of too many illegal means of extortion by local government officials on flimsy excuses while the State government routinely ignores taking action to create a friendly land titling, registration and information systems that are so critical for efficient land market operation.

***Recommendations and Conclusion***

This paper has attempted to provide an understanding of the influence of external stakeholders in real estate development. As previously stated, one of the criteria to gain acceptance by the private individual, family or community land owners is for government to take into account their needs and interests. The second approach is for government to re-examine existing environmental policies and environmental management system, as well as legal regulation and general economic trends bearing in mind the feelings of the society towards present government policies concerning land administration. In conclusion, government efforts, once seen by the populace as a dynamic process, will influence the nature of the land owners' impact which may change considerably over time. Its systemic management, which should be such as to study the structure and analyses information about land owners based on the expressed needs of interests, and the degree of satisfaction they receive without compromising the main objective of land development is the easier way towards affordable and sustainable home ownership in Nigeria.

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