

Some Characteristics of Alienated Land for Residential Development in Akure, Nigeria (1999-2003)

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Abstract: Growth in cities is accelerated by the willingness of citizen and government to alienate land for development purposes. Land alienation is high in Akure-the capital of Ondo State of Nigeria-leading to a fast pace of development especially, in the residential segment of the local housing market. This development is particularly true for the period between 1999 and 2003- the first term of the Obasanjo civilian regime in Nigeria. Ipso facto, this paper examines some features of alienated land in Akure between 1999 and 2003. Data and information were sourced using the questionnaire through the stratified Random Sampling Technique from 60 land agents. Analysis was carried out using simple frequency Tables. Data analysis shows that; (a) More than 70% of land alienated were in private layouts (b) Land alienated remain high but quite unsteady (c) alienated plots were disproportionately sold at very high prices thereby lessening affordability (d) Half of sold land were not developed (e) Medium-sized plot sold more than either the low or large density plots and (f) Less than 50% of alienated land got title registration pre or post-development. Suggestions for policy adjustments are offered based on research findings.

Key words: Characteristics of Alienated land, Residential Devrlopment

INTRODUCTION

As cities develop from the core into countryside like the sea waves on a beach, the land on the urban edge be it farmland, grassland or forest is alienated for functional urban uses^[1,2] Land alienation involves the transfer of interest or ownership on land from the traditional (primordial) owners to secondary buyers usually strangers or aliens for developmental purposes^[3]. As development waves spread out of cities, land alienation is speeded up in the peri-urban areas leading into an inchoate market and changes in land use. Two main features are noticeable in such areas. First, is the increasing rivalry among residential, industrial, commercial and agricultural land uses. Second, is the insecurity of title associated with multiple land ownership rights though deceptive sales by inordinate landowners coupled with legal pluralism, litigation and conflicts^[1]. Nevertheless, the pace of development remains very high.

While land alienation is common in peri-urban areas, it is by no means confined to it. At the core, a limited but very expensive alienation occurs, mainly of the commercial nature. ^[4]describes peri-urban areas as, the settlements located at distances ranging from 4 to 15 km and beyond from the city center. In Akure, development goes on within this range of distance from the city center more than the city core or the transition

areas. The land market in the periphery of most cities in Nigeria is predominantly private. In this market, the stock of land with development potentials is held and controlled by traditional or pre-development landowners. These land actors include farmers, non-farm residents. However there are intermediate actors such as land speculators, investment companies and financial institutions. Benjamisen and Sjaastad^[5], Identifies six main actors in the Malian land market. These actors are land chiefs, farmers, urban buyers, middleman, urban, commune and regional authorities. In Nigeria, the involvement of commune or municipal authorities is confined mainly to development control and policy formulation and issues.

Prices of land in the periphery of cities in most Nigeria cities are very volatile, expensive and shifty. The volatility of land prices in Nigerian cities is a function of population aggregate and pressure occasioning high demand. Land appears to be considerably inelastic in price while demand remains high^[6]. Ajayi^[7] observes that, as economically efficient cities expand, pressure on land is reflected in high prices-throughout the city. Again, the demand for land in cities especially, in the periphery, is a derived – demand from that of product or services such as residential units which is in turn is derived from demographic aggregate dynamics and profiles^[8]. One factor that should have attenuated the effect of population pressure on land demand and supply is

government control of land in the city through the 1978 Land Use Act. This Act not only divested private land owners of their freehold right, but also stripped traditional land management institutions of the same right^[9,10]. The aim of this decree was, to promote access to land by individuals by limiting the amount of land that can be bought for residential purposes to 0.5 hectare. This Act has not worked as expected, but has complicated the land market operations in the city through tortuous acquisition procedures designed to mask ownership of land. Consequently, land alienation has been slowed down considerably.

This study looks at the various features of alienated residential land, using data sourced from Akure, Nigeria. It focuses its searchlight on the period between 1999 and 2003. This period coincided with the first term of the Obasanjo Regime in Nigeria when the middle class got more economic power through a jumbo salary award in 1999. This award ignited a construction boom in the residential segment of the housing market in Nigeria. Consequently, a flurry of transactions on land and landed properties ensued in major city centers as the middle class struggled to build houses, an effort that proved unattainable before 1999.

In Akure, a tremendous pace of residential construction has been witnessed during this period and almost of third of the total housing stock of the city was built between 1999 and 2004! In a way, the city is also witnessing a subtle gentrification in the inner core with the construction of a massive, modern main city market that replaced the ruins of the filthy, choking and poorly arranged traditional king's (Oba's) market. Also along the major streets of Oyemekun and Oba Adesida, some banks and individuals have constructed noTable buildings. On the sites of these commercial buildings were ramshackle traditional bungalow purchased and destroyed by the owners of the new commercial buildings. Four main residential corridors are noticeable in the city. They are the Federal University of Technology axis, Ijoka Quarters, Shagari Estates and Oke-Aro areas. It is interesting to notice in some of these areas vacant buildings, which were very rare before 1999. The question now is, what are the characteristics of the process and landed interests alienated for residential development in the city in the period between 1999 and 2003?

This question is succinctly answered in this study with a research methodology and analytical focus on some features of landed properties alienated for residential development during the period.

MATERIALS AND METHODS

Research locale: The research was carried out in Akure, the administrative and political capital of Ondo State of Nigeria. Akure is a third generation State capital that metamorphosed from a provincial to a state capital when Ondo State was created out of the former Western Nigeria in 1976; consequently, the city has witnessed a tremendous face of socio-physical development in the last 30 years.

Akure is situated at approximately 311 kilometers of Lagos-the economic capital of Nigeria. From a population of 190,000 in 1991-the year of the latest population count in Nigeria-the city is projected to contain about 300,000 people in 2005^[11,12]. It is a traditional city whose urbanization pre-dated colonial administration in Nigeria, hence it has a large dose of unorganized and unplanned land uses elements. The Yorubas mainly populate the city. Database description: Empirical data were collected by the use of the questionnaire. Sixty-(60) questionnaires were administered among the Land Agents using the Stratified Random Sampling Technique to categorize responses from the numerous professionals and private individuals involve in land intermediation in the city. Questions sought critical data on; sources of land alienated and trends in land prices between 1999 and 2003; in addition data and information were obtained on titled land transactions and the total number of approved plans from the local Land Registry and Planning Authority.

The city was divided into three densities of low, medium and high using Fasakin^[13] and Fawehinmi^[14] classificatory schemes. A total of 60 questionnaires were administered out of which 55 representing 95% came back in analyzable form. With this response rate, the survey was adjudged successful. Data analysis utilized simple frequency Tables and percentages followed by robust discussions on them.

DESCRIPTION AND DISCUSSION OF EMPIRICAL FINDINGS

One convenient way of depicting the magnitude of residential housing development in Akure is to look at the quantum of land development permit applications submitted and approved for title registration (Certificates of occupancy) during 1999 and 2003. Another means, though less reliable, is to present the number of applications for residential development submitted and approved during the same period.

A cursory look at Figure 1 above shows that a total of 3,982 applications for Certificates of Occupancy were received in the Land Registry between 1999 and 2003, out

Table 1: Applications and approvals of certificates of occupancy between 1999 and 2003

Year	Layout					
	Private layouts			Government layouts		
	No of applications	No approved	(%) approved	No of applications	No approved	(%) approved
1999	532	279	0.712	340	262	0.770
2000	388	381	0.981	240	171	0.712
2001	804	331	0.41	361	205	0.567
2002	304	275	0.904	109	57	0.477
2003	626	248	0.396	278	165	0.543
Total	2,654	1,614	0.608	1,328	860	0.647

Source: Ministry of works, lands and housing, Akure, 2004

Table 2: Application and approved building plans between 1999 and 2003

Building plans	Plan year					
	1999	2000	2001	2002	2003	Total
Application	919	409	316	1434	1326	4464
Approval	568	433	318	1472	1166	4257
% Approved	94.4%	92.3	100.6	102.7	87.9	95.3

Source: Urban and regional planning office, Akure, 2004

of which 2,654, representing 66.6%, were submitted for acquisitions in the private residential layouts. These Figures show that, there is a preponderance of development in residential land in the private estates compared to government layouts in the ratio of 2:1. This result vindicates the popular perception that, in spite of the Land Use Decree No 6 of 1978, which purports to bring all urban land under the control of the State Government, private individuals still control the stock of available un-alienated land especially for residential development in most Nigerian cities. The reason for this scenario is not far-fetched. Government has not been totally able to compensate landowners, whose landed properties were forcefully acquired in the time past. Consequently, families have taken it upon themselves to sub-divide their portion of urban land that falls into their lot and sell them pre-emptorily, Government has not been able to do anything about this flagrant violation of the relevant section of the Land Use Decree due to its negligence to compensate people in the past.

Although the numbers of applications approved for titles to land in the private layouts double those in the government estate the total percentages of approved titles for both private and public land remain almost equal at 60.8 and 64.7%, respectively. This result is not surprising, because the Governor of the State centrally approves all applications; the process of approval is always cumbersome and expensive involving eight different types of fees, rents, duties and charge. The net result is a very long-waiting period ranging between 6 months to 2 years. At the end, all applications that go in to the Governor's desk many not come out at the same time because of the differential abilities of applicants to

pay the various charges at every stage of the title approval process. The process is fraught with sleaze and corruption, as there are various application peddlers in the approving ministry who collect sundry levies from applicants far above the legitimate charges for such applications. Many are forced to pay the charges because the Certificate of Occupancy is the only recognized title to land in Nigeria. The deficit of 37.9% of applications submitted but not approved came because of discouragement of individuals subjected to shylock extortions from title registration middlemen and the usual delay from the Governor in signing titles.

Looking at percentages of approvals over the years, the period between 1999 and 2000 witnessed relatively higher number of approvals. This is the period when the middle class (Civil servants) received a salary award, which catalyzed construction activities, although lower numbers of applications were submitted. From 2001, the Government introduced higher pumps prices for petroleum product, which affected the standard of living of the middle class and consequently its ability to build.

In summary, the 2,474 approved land titles represent a phenomenal increase in the housing stock of the city going by the total housing stock of just about 10,714 for Akure in 2003. This is calculated by dividing the projected population of 300,000^[12] by the average family size of 7 and 4 families per house. What we are witnessing in just 5 years is a tremendous increase of 23% in the housing stock of the city. It may not then sound hyperbolic, if one should suggest that by 2006 the percentage increase should have risen to 30.

Figures from Table 2 below shows that discrepancies occurred between the number of application submitted for

Table 3: Sources of land sold by land agents

Source	Year					Total	(% Total)
	1999	2000	2001	2002	2003		
Government	4	5	4	5	11	292	6.1
Private	27	21	14	4	16	827	3.9
Total	31	26	18	9	27	111	100

Source: Field work, 2004

Table 4: Land prices and residential zones in Akure

Land price (N,000)	Land			Total
	A	B	C	
0-100	41	17	2	60
100-250	14	5	2	21
250-1,000	14	10	1	25
1,000 +	-	3	2	5
Total	69	35	7	111

Source: Field work, 2004 Zone A = Core Zone B = Transitional ones Zone C = periphery

development approval and the actual number approved on the one hand and between the approved building plans and the titles approved by the Governor (Table 1) during the period under consideration.

One interesting feature that comes out clearly when Table 2 is compared to 1 is that, a total of 2,474 applications for titles were approved, while 4,257 plan approvals were granted in the same period. Thus 58.1% of those plans approved eventually got title approval, leaving a pool of 41.9% of probably developed lots unregistered. It confirms the observation that most residential developments in Nigerian cities are illegal, informal and untitled. The reluctance of people in seeking title approval has to do with the slow and sleazy process of title registration coupled with the eagerness to build. Another reason is the laxity in enforcing development control regulations by the officials of the Urban and Regional Planning Department. The surplus approval for 2001 (100.6%) and 2002 (102.7%) came as a result of the carryover of unapproved applications from the preceding years of 2000 and 2001.

The study investigated the various agents that sold land during this period and the number of plots alienated through them. Two things came out succinctly. One, there is a wide gap between the total amount of titles registered and the total number of plots sold by them. Out of the landed agents investigated, 10 or 18.1% were registered with the relevant professional body 31 or 56.36% operated informally while 14 or 25.5% were neither formal nor informal i.e. they have no organized offices.

Looking at the total number of plans approved during the period, from Table 2, it is quite clear that land alienation in Akure is highly informal. Out of the total 4462 applications for development, only 111 passed through land intermediaries (Table 3). Obviously, family heads or accredited members are responsible for about 97.6% of

land sold during the period. The immediate implication of this is the non-documentation of transactions which makes registration of titles difficult. It also renders precarious, transactions of titles in the land market.

The study looked into the price structure of sold plots by the agent out of the 111 plots sold for development through the agent, 60 plots were sold between N (0 to 100,000) or (0 to 714) dollars, 21 plots were sold at N 100,000 and N 250,000 (714-1,785.7) dollars, 25 plots were sold for N 250,000 to N 1 million (1,785.7-7142.8) dollars and 5 plots were sold at 7142.8 dollars or more.

The price profile appears expensive relative to the income of the people, but weighted against other cities like Lagos and Abuja, the prices look very cheap. However, price of alienated land through traditional clients are cheaper than those presented in Table 4. This is because the agents will normally charge commission fees which in some cases may be greater than the prices of the land plots, if such land is owned by an illiterate traditional title holder.

One counter intuitive finding in Table 4 is the large number of registered titles alienated in the core compared to the periphery. Although, a high volume of land transactions takes place in the outskirts of Akure, the transactions are not handled by registered professionals. Again, the core seems to have recorded a higher number of sales because small parcels of land are probably alienated for commercial purpose especially shopping malls. The inability of landlords to amortize building costs occasioned by low rent on residential buildings has driven them to construct shopping centers with high returns on rent. A new policy is needed on urban land in Nigeria to attenuate the unsavory consequences of informal land sales and development.

CONCLUSION

In this study, it is noted that rapid growth in Akure has invariably led to increasing alienation of land for residential development. Land alienation is pervasive in all the three residential zones of the city, alienation is more common in the periphery where land is sought for mainly residential purposes although land market in this zone remains largely undocumented.

The study has used the questionnaire to source for data among 60 Land Agents in the city. It has also adopted the Stratified Random Sampling Technique to select cases investigated. Data analysis shows that:

- Land alienation is more common in private layout
- There is a huge differential between registered titles to land and plan approval.
- Sold plots are intermediated mostly by quacks i.e. unregistered agent and those prices of alienated plots are quite high relative to people's income but relatively cheaper when compared to land prices in other more cosmopolitan cities.

These findings have implications for policies on residential market in the city and in Nigeria as a whole. First, it is apparent how that the urban sprawl that is seen in Akure is caused by the undocumented and unregulated alienation of land especially in the periphery of the city. The 1978 Land Use Decree has lost its steam. Consequently, government can no longer pretend that the Decree is still working. A new policy is needed on urban land in Nigeria to terminate the unsavory congruencies of informal land sales and development.

Again, it is also quite apparent that the policy of centralization of land titling because of the requirement of Governor's current is anachronistic. Devolution of power to some key officials in the Ministry of Lands and Housing and the Local Government is necessary. This will definitely remove the differentials between approved and obviously developed land and securitization of the titles of them. The prevalence of land intermediation by land peddlers and quacks calls for a policy shift pronouncement and strict enforcement. Government officials should be discouraged from approving plans and titles prepared through unregistered professionals. The subversion of planning codes and regulations is encouraged by the unprofessional land agents who are not aware of such codes. It is recognized that title or nothing can be done to stem the astronomical rise in prices of land in Akure; however government should empower people economically like it did in 1999 to boost and affordability by the people.

This recommendation concurs with the views of Mabogunje (2005), who observes that "there are suffocating constraint on land titling imposed by the Land Use Act of 1978, the Acts vests the custody of land in the state governor whose exercise of this power prevents free access to land titles. The processing of Certificates of Occupancy is slow, expensive and cumbersome. A substantial portion of the nation's housing stock thus constitutes dead capital for lack of legal titles.

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