

Land Right Registration and Property Development for Poverty Eradication and Slum Clearance in Nigeria

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The focus of this paper is to unfold the implication of non-registration of land rights on the achievement of the poverty eradication and slum clearance targets of the United Nation's Millennium development goals in Nigeria. The paper is based on empirical survey of land holding in the outskirts of Ibadan city and the rural areas in Oyo State, of Nigeria. A case study research method was adopted and data were collected with the use of questionnaire survey and secondary data was also extracted from the state land registry office in respect of total cost of documentation of subsequent transaction on titled/registered land. The study found that ignorance and government insensitivity in addition to high cost and delay are among major constraints to land titling. Only a few opportune people can afford the land right formalization process and they do so when it becomes necessary. These unequivocally militate against the achievement of the poverty and slum eradication goals of the UN. The paper suggested simplification of the titling procedure, cost reduction, computerization and public enlightenment on the benefits of registered land right to facilitate efficient land right registration towards adequate housing for the citizenry.

Keywords: *land title, MDG, poverty eradication, slum clearance, sustainable development.*

1. INTRODUCTION

The Millennium Development Goals (MDGs) required that countries improve the lives of urban slum dwellers significantly by the year 2020 through provision of affordable housing, a task that need huge capital amount to execute. It is increasingly recognized across the world that government alone will not be able to tackle the urban low income housing problems. Therefore there is need to mobilise financial resources from private and non-governmental sectors to leverage to a much larger degree in order to increase investment in decent and affordable housing for the citizenry, especially for the low income earners (Hoek-Smith, 2006). The deployment of private fund to housing is mainly through mortgage system from commercial banks, building societies and other finance institutions such as insurance and pension funds upon which the land right serve as collateral. A land right that will be acceptable as collateral, must be legally recognized and registered.

King (2009) argued that property ownership right is only meaningful if it is legally registered and recognized by others. In developed countries, ownership of homes can be proved with deeds or

registered land documents because there is a formal legal system that backs up such claims. The visible sign of ownership deed or land title is referred to as a representational process by Hernando De Soto in his book titled "The Mystery of Capital: Why Capitalism Triumph in the Third World and West and Fails Everywhere Else"(King, 2009). The third world and the former communist nations do not have this representational process and they cannot use their capital, their land resources, as they might wish. De Soto (2000) stated "The single most important source of funds for businesses in the United States is a mortgage on the entrepreneur's house. These assets can also provide a link to the owner's credit history, an accountable address for the creation of reliable and universal public utilities, and a foundation for the creation of securities" (King, 2009).

In Sub-Sahara Africa, the system of accountability is non-existent. Proving property (land) ownership right involves a lengthy and time consuming process, even involving bribing public officials in order to obtain permission (Boudreaux, 2008; Olanrele, 2010, 2011; Omirin, 2002; Omirin & Antwi, 2004). This is also a problem in Latin America, part of Post-Communist Europe and other parts of Africa (De Soto, 2000). The problem for

the developing countries is not lack of capital but its recognition. In poor countries of the world, the poor save but hold their land resource in a defective form (without legal document). The problem is also not of lack of possession of property right, but of how the rights can or cannot be used. De Soto (2000) concluded by this "Untitled land cannot be readily turned into capital, cannot be traded outside the narrow local circles where people know and trust each other, cannot be used as collateral for a loan and cannot be used as a share against an investment". Quite a number of studies have addressed the issue of finance in property development in Nigeria (Nubi, 2007; Ogedengbe & Adesope, 2003; Ogunba, 2009) as well as land accessibility and land right registration (Abusah, 2004; Adenew & Abdi, 2005; Omirin, 2002), however their studies did not relate land right to the millennium development goal of slum and poverty eradication. This is a gap this study intends to fill. The aim of the study therefore is to examine the extent to which land title registration affect housing development towards the achievement of the United Nations' goals of poverty and slum eradication in Nigeria. The paper has two objectives which are (i) examination of land right registration process to identify the problems involved and (ii) evaluation of the impact of land registration in housing finance and development.

2. LITERATURE REVIEW

In September 2000, World leaders came together to adopt the United Nation's (UN) Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and set out a series of time bound targets, with a deadline of 2015 which have become known as United Nations Millennium Development Goals (MDGs). The Eight millennium development goals of the United Nations include (1) Eradication of Extreme Poverty and Hunger (2) Universal Education (3) Gender Equality (4) Child Health (5) Maternal Health (6) Combat HIV/AIDS (7) Environmental Sustainability and (8) Global Partnership. The UN Secretary General, Ban Ki-moon stated that

"Eradicating extreme poverty continues to be one of the main challenges of our time and is a major concern of the International community. Ending this scourge will require the combined effort of all, government, civil society organizations and private sector, in the context of a stronger and more effective global partnership for development. The Millennium Development Goals set time bound targets, by which progress in reducing income poverty, hunger, disease, lack of adequate shelter and exclusion – while promoting gender equality, health, education and environmental sustainability,

can be measured. They also embody basic human rights – right of each person on planet to health, education, shelter and security. The goals are ambitious but feasible and, together with the comprehensive UN development agenda, set the course for the World's effort to alleviate extreme poverty by 2015".

Two of the Eight United Nation's Millennium Development Goals (MDGs) focused on poverty eradication and ensuring environmental sustainability (Goals 1 and 7). The 7th millennium development goal is to be achieved through four basic objectives termed targets which include (a) Integration of the principles of sustainable development into country's policies and programmes to reverse the loss of environmental resources, (b) Reduction of biodiversity loss significantly by 2010, (c) Reduce by 50% the number of people that have no access to safe drinking water and basic sanitation and (d) To achieve a significant improvement in the lives of about 100 million slum dwellers by 2020. Target D of the 7th goal is the trust of this study. One third of the global population is believed to be in slums. 94% of slum dwellers are living in developing countries (Nigeria inclusive). In 2001, more than 70% of the urban population of developing countries lived in slums (Igbuzor, 2006). An upgrade of the slums with new housing programme and physical developments could be solution to adequate housing and poverty eradication.

2.1 SUSTAINABLE DEVELOPMENT

The concept of sustainable development was originally synonymous with that of sustainability and is often still used in that way. Both terms derive from the older forestry term "sustained yield", dating from 1713. According to various sources (Dasgupta, 2007; Hasna, 2007; Pezzy & Toman, 2002), the concept of sustainability in the sense of a balance between resource consumption and reproduction had been however applied to forestry already in the 12th to 16th century (Grober, 2007; IISD, 2012). 'Sustainability' is a semantic modification, extension and transfer of the term 'sustained yield'. This had been the doctrine and, indeed, the 'holy grail' of foresters all over the world for more or less two centuries. The essence of 'sustained yield forestry' was described for example by William A. Duerr, a leading American expert on forestry: "To fulfill our obligations to our descendants and to stabilize our communities, each generation should sustain its resources at a high level and hand them along undiminished. The sustained yield of timber is an aspect of man's most fundamental need to sustain life itself" (Boulanger, 2008). Sustainable development, as defined by the report of the United

Nations' Commission on Environment and Development – Brundtland Commission, is a pattern of resource use that aims to meet human needs while preserving the environment so that the needs can be met not only in the present, but also for generations to come. It is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (UN, 1987). Sustainable development ties together concern for the natural systems with the social challenges facing humanity. Sustainability describes an economy "in equilibrium with basic ecological support systems. Sustainable development concept consists of three constituent parts of environment, economic and sociopolitical sustainability (Pezzy & Toman, 2002).

2.2 SLUM CLEARANCE AND POVERTY ERADICATION

Rapid urbanization, the concentration of the urban population in large cities, the sprawl of cities into wider geographical areas and the rapid growth of mega-cities are among the most significant transformations of human settlements (UN-Habitat, 2013). The sustainability of the global environment and human life will not be achieved unless, among other things, human settlements in both urban and rural areas are made economically buoyant, socially vibrant and environmentally sound, with full respect for cultural, religious and natural heritage and diversity (Patel & Burke, 2009). Urban settlements hold a promise for human development and for protection of the world's natural resources through their ability to support large numbers of people while limiting their impact on the natural environment. Yet many cities are witnessing harmful patterns of growth, of production and consumption, of land use, of mobility and of degradation of their physical structure. Such problems are often synonymous with soil, air and water pollution, waste of resources and destruction of natural resources. Some human settlements are also subject to limited water supply, sanitation and drainage and to dependency upon toxic and non-renewable energy fuel sources and irreversible loss of biodiversity (UN, 1994). Slum is a common by-product of poverty. Slum is defined as a heavily populated urban area characterized by substandard housing and squalor (UN-Habitat, 2007). Essentially, a slum is an area that combines a number of the following elements. (a) inadequate access to safe water, (b) inadequate access to sanitation, and other infrastructures (c) poor structural quality housing (d) overcrowding (e) insecure residential status. Slum is caused by a number of factors including rapid rural – urban migration, increasing urban poverty and inequality, insecure land tenure and

globalization. In 1990, 70% of the Sub-Sahara African population and 57% in Southern Asia lives in slums (Igbuzor, 2006; UN-Habitat, 2007). This number however reduced to 62% in the Sub-Sahara African and 35% in the Southern Asia by 2010 (UN-Habitat, 2013). Target D of the 7th MDG ensure environmental sustainability is to achieve a significant improvement in the lives of at least 100 million slum dwellers by 2020. Interestingly, the adoption of this goal is the first time that slum dwellers and urban poverty reduction have been included in an international development goal. The insecurity of tenure as it affects the achievement of this MDG forms part of the trust of this paper. Slum clearance and/or eradication refers to the removal of poor people from re-developable urban sites with great latent value, a way of achieving urban renewal (Bolay, 2006; Chigbu, 2012). In 1861, the natives of Marina in Lagos were driven out by British colonial administration to make room for English trading houses on waterfront and people from mid- town Lagos were removed to make room for the race course. The central Lagos slum clearance was with an ambitious scale of re-housing in the then new Lagos – Surulere, where the displaced people of central Lagos were to be re-housed (Aradeon, 2009). The 1990s eradication of Maroko by the army bulldozers without clear cut alternative housing for the displaced people till today underscores the spirit of environmental sustainability and poverty eradication goals of the United Nations.

Promoting equitable, socially viable and stable human settlements is inextricably linked to eradicating poverty. Poverty has various manifestations, including homelessness and inadequate housing. The eradication of poverty requires, inter alia, sound macroeconomic policies aimed at creating employment opportunities, equal and universal access to economic opportunities (and special efforts to facilitate such access for the disadvantaged); education and training that will promote sustainable livelihoods through freely chosen productive employment and work; and basic social services, including health facilities (UN, 1993, 1996). Poverty entails more than the lack of income and productive resources to ensure sustainable livelihood. Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion, as well as lack of participation in decision making. The world social summit identified poverty eradication as an ethical, social, political and economic imperative of mankind and called on governments to address the root causes of poverty, provide basic needs for all and ensure that the poor have access to productive resources including credit, education and training. This was the position of United Nations'

Department of Economic and Social Affairs (UNDESA). Amidst the suggested solution to poverty eradication is the creation of access to credit for the urban poor. This can only be guaranteed if there exist acceptable collateral for the credit facilities – a legally registered property title.

2.3 LAND RIGHT REGISTRATION (TITLING)

Land titling is the acquisition of legal right(s) to land ownership, it is a system by which ownership of real property is established through the issuance of an official certificate indicating the name of the individual in whom such ownership is vested. Land registration involves recognition, admission and acceptance of the acquired land titled by the relevant public/government authority. Titles to land are registered through a statutory process as may be established by the land reform/law of each country. Land titling (registration) programs have been recently advocated in policy circles as a powerful instrument of poverty reduction. De Soto (2000) emphasizes that lack of property rights impedes the transformation of the wealth owned by the poor into capital. Proper titling could allow the urban poor to collateralize the land and the credit could be in turn invested as capital in productive (profit oriented) projects. A cursory evaluation of the urban environment reveals sorry state of the housing sector. This is clearly shown by the level of property development in Nigeria cities, the number of abandoned building projects that kept on increasing, the quality and standard of available housing units, news of collapsed building all around and the decay of cities. The provision of housing for all citizens seems to be unachievable in Nigeria urban centres. The importance of land and land title to wealth creation and national growth and development of a country is never in contest. This is recognized by the various land reform efforts and policies of government towards efficient use and management of the land resources. However, observations show that the housing (real estate) sector and real estate (property) development in particular, is fraught with many problems emanating especially from lack of fund and lack of access to land (Omirin, 2002; Omirin & Antwi, 2004). Land and property ownership has long been identified as a pre-requisite for economic development (Nubi, 2003). This could happen in two ways. Firstly, it is on land that all development and economic activities take place. Secondly, land ownership with registered title is a good collateral to secure loan from financial institutions for both real estate and business activities.

Many people in developing nations such as Nigeria possess, own and have access to expanse of

land and landed properties probably through inheritance, gift or will but without legal title to give them access to fund for further wealth creation through development activities (Ajibola et al., 2009; De Soto, 2000; King, 2009). With high home ownership rate in Indonesia, a survey of low income housing area in 10 cities showed that in traditional settlements and informal areas, a much larger proportion of home owner households still had no title or certificate to the land. Land titles even are not guaranteed by government but merely provide evidence of ownership. Lack of access and high cost of housing finance makes housing not affordable for people (Hoek-Smith, 2006; Omirin, 2002). Existing land tenure patterns and private interests rarely harmonize with social priorities, as a result land may be physically available and yet not accessible owing to exclusivity of ownership rights. Available and affordable land is legally insecure due to lack of legal title and/or non registration of interests in land (Olanrele, 2011). In Botswana, Swaziland and Zambia, distorted land policies have favoured the emergence of landowning elites and private agriculture businesses at the expense of small producers. In Cote d'Ivoire, the titling process has resulted in the eviction of many migrant labourers. In Tunisia however, titling was widespread because the government reduced titling fees (Ngaido, 2004).

In Latin American and Caribbean countries, numerous titling and registration programmes have attempted to deal with the insecurity of ownership. These include the support of the Agency for International Development (AID) in countries like Honduras, St. El Salvador and Ecuador (Stanfield, 1990). Previous studies had shown that the impediments to land accessibility and/or land titling are twofold. The long delay as a result of procedural bureaucracy by the authorities concern; and the cost of land documentation are the two major obstacles towards acquisition of title to land (De Soto, 2000; Hoek-Smith, 2006; Iseh, 2002; Omirin, 2002; Omirin & Antwi, 2004). Land is the most crucial element in the housing provision. Consideration for land accessibility is no doubt essential and vital to the achievement of a sustainable development. The access to land is guaranteed by the conferment of legal title to land holding. In Lima (Peru), to obtain legal title to a piece of land will take 728 steps in government offices. In Egypt, the person who wants to acquire and legally register a lot on state owned desert land must wend his way through at least 77 procedures that could take up to 5 years. In Haiti, it will take a total of 176 steps spanning about 19 years to gain lawful land (De Soto, 2000). In Lagos (Nigeria), an application for allocation of state land passes through 21 stages which will take an average 3 to 5 years (Omirin & Antwi, 2004). Governor's consent

to transactions on legally titled land involves similar number of steps across five government departments, the computerization of the land registration process in Lagos is expected to remove the barrier of bureaucracy and corruption in the system. Accordingly, governments and international development agencies have fostered land titling programmes throughout developing and transition economies. The 7th millennium development goal of the United Nations is a testimony to the adoption of De Soto's view and recommendation. The government of Peru issued property titles to 1.2 million urban households during the 1990s, millions of titles are being issued in Vietnam and Cambodia. In Mozambique, the 1997 land registration law is being implemented; the law is really addressing the land registration procedure and is demonstrating a pro poor approach. In Ghana, an ambitious land administration programme has begun which has chosen to do much of its work through customary secretariats (Adenew & Abdi, 2005). Land registration in Nigeria follows the provision of the Land Use Act of 1978 which has come under heavy criticism and is considered long overdue for a review. The requirement for governor's consent by the Land Use Act (Section 22) to subsequent transactions on titled land (in any form of alienation) including mortgages constitutes another obstacle to land development. As a result, many land transactions are done most often in secret without the governor's consent except where it is inevitable as in the case of a mortgage. Omirin (2002) stated that *"the insistence of government approval of transactions increases costs and discourages compliance with registration requirements. Moreover, the formalization procedures are very complicated and expensive, and because it involves too many departments, the process is confusing and time consuming. Since possession of a formal title does not always guarantee security, it is not surprising that many that bought land prefer not to seek registration (documentation). Unreliable title documents intensify the risks of mortgage lending and this explains why most banks in the developing countries tend to shy away from granting loans for land development"*.

As a result of this and in contrast to the millennium development goal of sustainable development/slum eradication, a lot of slum settlements evolve all around, the bamboo houses in Iwaya/Makoko, the Oworonsoki slum area, the Ketu/Ajgunle slum settlements and the recently demolished Iponri/Olaleye slum development, all in Lagos. In Ibadan (Oyo State), the Bere, Oje, Foko, Inalende areas of Ibadan are real slum that could have witnessed redevelopment have the property owners possess a legal title that will avail them the opportunity of formal finance.

3. METHODOLOGY

This study adopted a case study research approach. This is in line with the proposition that one of the appropriate research method for question of how and why is case study (Yin, 2003). The objective in this study involves discovering how land title registration has impacted property development for adequate housing. The study also sought to know why has land owners refused to register their land right as observed by past studies (De Soto, 2000; Omirin, 2002; Omirin & Antwi, 2004). Both primary and secondary data were collected for this research. The primary data were collected through questionnaire survey and the secondary data were extracted from the record of the Oyo State land registry. For the purpose of questionnaire administration for this study, certain areas were excluded. Such areas include Bodija (old and new), Iyaganku, Jericho, Oluyole Estate and Agodi GRA. This is because these areas constitute the Government Reservation Areas (GRAs) of the state where allocation of land are accompanied with title documents. Also the thickly developed areas of the urban core of Ibadan were excluded because majority of the properties there had been developed before the current land law (Land Use Act 1978). Most properties also had registered conveyance which is deemed taken to suffice as land title under the Land Use Act. 250 questionnaires were administered on the private property owners to establish their perception of land registration and the need to get land parcel documented. A total of 60 records of subsequent transaction made on titled land and upon which governors consent were obtained also form the data source for this study. Out of the 250 questionnaires that were distributed in the study area for the survey (200 in the suburban area of Ibadan and 50 in the designated rural area of Ibarapa), 218 were returned representing 87.2%. This shows a relatively high percentage of retrieved questionnaires, the total number of returned questionnaires was imputed and formed the basis for analysis and subsequent discussion. The responses were analysed using descriptive statistics of frequency distribution and percentages. For the analysis of data from records of transaction, the cost of land registration is regressed over the assessed value of the landed properties to form a linear expression that relates the cost to the capital value. This makes it possible to determine cost of land titling even before application is made, once the capital value is known.

The regression equation is

$$Y = 53293.42 + 0.174X$$

Where Y = documentation cost and X = Assessed/approved value

4. DATA ANALYSIS AND RESULT

Table 1: Responses to the questionnaire survey

Characteristics	Options	Responses		Cumulative	
		Frequency	Percentage	Frequency	Percentage
Property type	Undeveloped land	62	28.44	62	28.44
	Developed land	156	71.56	218	100
Title status	Registered	24	11.01	24	11.01
	Not registered	194	88.99	218	100
Document possessed	Purchase Receipt	9	4.13	9	4.13
	Survey plan	20	9.17	29	13.30
	Receipt and Survey Plan	87	39.91	116	53.21
	Receipt, Survey & Agreement	78	35.78	194	88.99
	Registered Title	11	5.05	205	94.04
	Registered Deed	13	5.96	218	100
Land registration problem	Delay	203	93.12		
	Bureaucracy	190	87.16		
	High Cost	212	97.25		
	Corrupt practice by officials	113	51.83		
Why non registration	No need for proper title documentation	148	67.89		
	Bureaucracy/delay	113	51.83		
	High Cost	140	66.04		
	It is not necessary	104	47.71		
Source of building fund	Personal savings	156	100.00		
	Loan from employer	89	57.05		
	Co-operative loan	117	75.00		
	Bank/Mortgage loan	32	20.51		
	Others (business proceeds)	63	40.38		

(Source: Field survey, 2010)

Table 2: List of cost elements in land documentation in Oyo state (C of O)

Variables (item of cost)	Amount (NGN)	Remarks
Application form fee	3,000.00	
Submission of form fee	10,000.00	
Advertisement fee	7,500.00	
Verification fee	500.00	
Inspection fee	1,500.00	
Charting fee	6,000.00	For 4 beacons, 10,000 each for extra
Deed preparation	10,000.00	
Deed registration	15,000.00	
Tax clearance (3 years)	28,000.00	Minimum
Cost of Survey	70,000.00	Minimum
Total	151,000.00	On average

(Source: Oyo state land registry)

From table 1 above, 156 representing (71.56%) of the respondents have developed their land while 62 (28.44%) are yet to develop their land. Thus, majority has their land developed and the few that are yet to develop their land has plans to do so. Majority of property owners in the study area do not have legally recognized land title as 88.99% (194) have no registered title. This suggests they have not bothered to procure title documents over their land holding especially in the rural areas. Many of the respondents possess mere evidence of

purchase of land as title. The documents they have include purchase receipt, receipt plus survey plan, or receipt, survey and agreement of purchase. Such documents can not suffice a legal title to land and cannot be used to secure fund to develop the land to or for loan for further economic activities that are capable of giving them better life. In an attempt to find out some problems encountered in the documentation process, we asked in the questionnaire that respondents should tick what they believe are problems among the listed options

but with a note that more than one option can be ticked. Nearly all the respondents believed delay and high cost are problems with 203 (93.12%) and 212 (97.25%) respectively, 190 (87.16%) agreed that high bureaucracy is also a problem. 113 (51.83%) identified the corrupt practices of officials as another problem. The data suggest that a lot of private individual properties are without legally registered title and sought to know why it is so. The respondents expressed their opinion as presented above (Table 1). 67.89% of the respondent believed that there is no need for title documentation, 51.83% expressed dissatisfaction with delay and bureaucracy attached to title procurement. 66.04% said the cost is too high to procure and register land title on the premises that the cost is enough to get a lot done in the development of their properties and 47.71% do not see the necessity for land titling at all. In all, the titling procedure is bewildered with problems of high cost and procedural delays. Most people also do not see the need or importance of land titling. This reveals a great lack of knowledge about the inherent potential of their land holding and power of legally registered land title. Some people that indicated interest in registration of their land were frustrated by high cost and long delay.

Table 2 shows that an average cost of NGN151,000.00 will be required for land titling (i.e. obtaining the C of O). This amount is enough

to complete the foundation for a two (2) bedroom flat on a stable land. In the case of obtaining the governor's consent to transfer of land or landed property, the application and deed registration fees are fixed. The tax clearance is a minimum of NGN28,000.00 The stamp duty and capital gain tax are charged on the amount of consideration as stated in the deed of assignment. The consent fee is however charged on the assessed/approved value of the subject value. The valuation is done by the land officers. The total cost of governor's consent is between 15% and 45% of the assessed/approved value of the subject property (see appendix). Using numerical data collected from the records of 60 files in Oyo State Lands Registry for all fees in the processing of governor's consent, a regression analysis was performed where the documentation cost is dependent on the land/property value in order to establish the significance of the land registration cost in relation to value of land.

The regression coefficient from Table 4 indicated that an intercept (a) value of 53293.42 and the slope (b) is 0.174. The cost of land titling is 17.4% of the value in addition to the NGN53,293 which is the intercept. The R² value of 0.981 (Table 3) suggest that land value could account for 98% of the total land registration cost. At P < 0.05, the effect is significant. The relationship is graphically represented in Figure 1.

Table 3: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.990 (a)	.981	.980	126181.4233 3	.981	2962.723	1	58	.000

a Predictors: (Constant), value

Table 4: Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	95% Confidence Interval for B	
		B	Std. Error				Lower Bound	Upper Bound
1	(Constant)	53293.42	21761.236		2.449	.017	9733.569	96853.262
	Value	.174	.003	.990	54.431	.000	.167	.180

a Dependent Variable: Cost

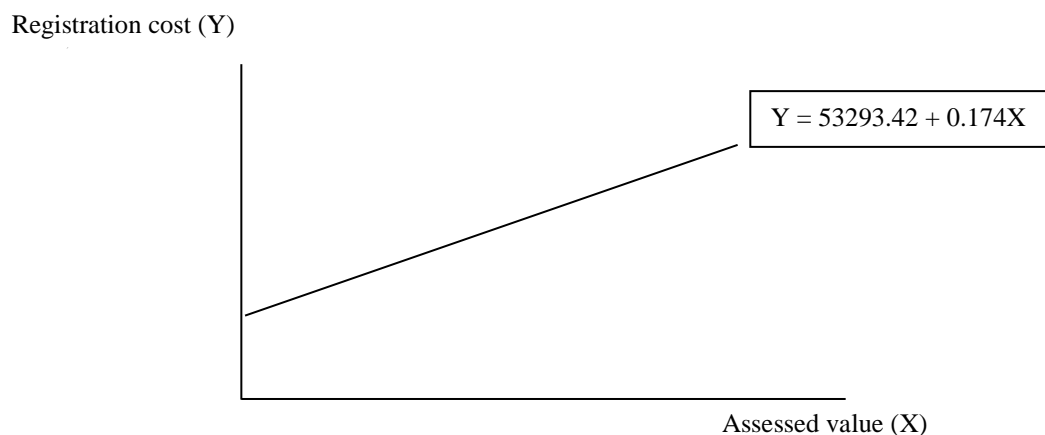


Figure 1: Land title registration curve

5. DISCUSSIONS OF FINDINGS

High Cost: The cost of obtaining title to land (C of O) or the required consent of the governor (as the case may be) is highly exorbitant in Nigeria. There are several payments to be made at different points in the course of processing an application for legal title to land. The official charge to government is 15% (and 25% for state land for which the Certificate has run for less than ten years). The situation where 10% of value is charged as consent fee, and another 3% as stamp duty with yet another 5% as capital gain tax is too high. In reality, adding these to other fixed cost show that 20 to 45 percent of the value of the subject property is spent on title registration. There must be a way of reducing the whole charge to a single digit percentage (say 5%) of the value. After all, a registered land is subject to some other annual taxes like ground rent, tenement rate etc. which are sources of revenue to the government. When the titling cost is too high, people will refuse to register their land holding but claim ownership based on customary allocations which may be secured, only that it cannot be used as collateral for fund, a situation that cannot help an economy. For a plot of land that was acquired at less than NGN500,000.00 in the suburbs (or in rural areas where land is not bought but allocated on communal ownership basis), a registration cost of NGN151,000.00 is enormous and will go a long way in the actual development of the land. Again the cost attached to land documentation can achieve a third of the cost of developing a moderate accommodation in the rural areas

Delay in Process: In Lagos (Nigeria), an application for allocation of state land passes through 21 stages which will take an average 3 to 5 year (Omirin & Antwi, 2004). Governor's consent to transactions on legally titled land involves similar number of steps across five government

departments. Land right registration has been computerized in Lagos to reduce the delay and speed up the process. The implementation has not yielded the expected result. In Oyo state, the process is still the manual system and land owners who wished to register their title are faced with long time spent in processing and most times abandoned the exercise especially when it was not legally required for anything else. However, the situation does not help in the effort towards poverty reduction since the capital in the land asset is locked and will remain untapped except there is a recognized ownership right that can be traded.

Ignorance: Outside the city/urban centres, there seem to be no need for land titling. Majority of the rural dwellers of in Nigeria are found not to be aware of the benefits and importance of land titling and registration as shown from the responses in the survey. 68% said there is no need for land registration while 48% said it was not necessary. The respondents seem not to be aware of the opportunity and economic benefit that can be derived from land titling. A good land title could enable the holder to access fund and have a decent dwelling or even do well in economic venture thereby reducing poverty and enhancing living status.

Undeveloped Mortgage System: The Nigerian mortgage system is not developed enough to encourage the patronage of the poor who are the target of De Soto's postulation. Thus, the poor see no reason or need to obtain legal title to their land holdings. Some land owners do not consider obtaining legal title to their land holding as they believe in not going to use the land to secure any 'non-existing' mortgage. Apart from collateral quality, legal title enhances the value of the land unit.

5.1 SUMMARY OF FINDINGS

The absence of formal property rights constitutes a severe limitation for wealth creation. The lack of formal titles impedes the use of land as collateral to access the credit/financial markets. It also affects the transferability of the parcels, making investment in untitled parcels highly illiquid (Galiani & Scharfrodsky, 2005). Having land title may not be automatic qualification for loan disbursement by banks for further development or economic activities but secure land ownership promotes investment. Ownership that can be verified and transferred at a low cost is fundamental to property development and investment and a formal credit system. Land is both immobile and indestructible, and it is hard to imagine a better source of collateral for access to credit provided that the land is clearly defined and ownership is easily transferable. A high title registration cost forestalls access to credit and property investment. Land title is in no doubt compulsorily required for real estate funding, therefore, the pace of development in the developing countries like Nigeria will remain slow if it will be taken so long and so much to process land title. In some extreme cases, the cost of processing the land title is out of reach for some applicants who are just hoping to create wealth through the development of their land.

6. RECOMMENDATION

The registration process provide opportunity to place and collect all various forms of taxes and fees that the entitled informal landholder is neither informed of, nor paid before. For instance associated acquisition (registration) costs gross up to more than 30% in some states, again some allottees of state (government) land who have not held the land for up to 10 years are dissuaded from transacting in the land allocated to them by the imposition of 30% consent fee, and stamp duty fees of 6%. A less costly titling policy and procedure will attract many to land documentation thereby increasing housing development and promoting national prosperity. To achieve these, the following are recommended.

- i. The number of procedural steps on land registration exercise in most developing nations are many, numbering hundreds of steps in some. The procedure should be simplified and steps reduced to fast track land title registration. A situation where it takes 6 to 12 months or even years before a land title is registered is discouraging to development.
- ii. Public authorities on whom land registration is vested should reduce the cost attached to the process. The present amount of 25-40% of property value being charged is not only exploitative but also a robbery on the citizens.
- iii. A computerized process will reduce corruption and reduce unofficial charges in documentation process.
- iv. A functional, effective mortgage system will help in slum eradication. People will have access to finance for development and sustaining economic activities.
- v. Majority of the rural dwellers of the developing nations were found to be unaware of the benefits and importance of land titling and registration. The enormous benefits of titling should be communicated and demonstrated to the poor so that they can understand and partake in land registration for development. A good public awareness should be embarked upon by the government of the developing nations. Local authorities are more useful and can partner effectively here. They can construct, operate and maintain economic, social and environmental infrastructure, they are to oversee planning processes, establish local environmental policies. They play a vital role in educating and mobilizing people and in responding to public demands to promote sustainable development.
- vi. The current land policy (Law) in Nigeria, the Land Use Act, 1978 has been adjudged inadequate, exploiting and does not guarantee equity of land distribution. The on-going effort at reviewing some of the provision of the Act is welcomed though foot-dragging. The provision for governor's consent to subsequent transaction should be totally removed and replaced with formal registration of deed of assignment with land registry. This will remove the clog of the consent process.

7. CONCLUSION

Security and certainty of tenure has been identified as one of the most important catalysts in stabilizing communities, improving shelter conditions, reducing social exclusions and improving access to urban services. This study found out that the cost of land documentation in Nigeria is high and serve as

a discouraging factor to land titling. The untitled and unregistered land has made the poor people to remain in poverty as they cannot realize the capital tied down in their unregistered land. Property rights affect economic growth in a number of ways. Secure property rights will increase the incentives of households and individuals to invest and will also provide them with better access to credit. Secure and well defined land rights are keys for household asset ownership and productive development. Since land is the primary concern of both subsistence and income generation in rural areas, access to land, security and certainty of land rights are of primary concern to the eradication of poverty. Thus, security and certainty of property rights to land are critical in establishing a structure of economics incentives for investments in land based activities. Land titling is a way of securing property rights to foster economic development of a nation. A good policy reform that will guarantee access to land title and finance is necessary for national development.

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Appendix: List of applicable fees in processing governor's consent in Oyo State

S/N	Application	Tax	Registration	Unofficial	Stamp duty	CGT	Consent	Total Cost	Value	%	Sales Price
1	5000	28000	15000	30000	<u>48000</u>	<u>80000</u>	<u>350000</u>	556000	3500000	<u>15.9</u>	1600000
2	5000	30000	15000	30000	<u>30000</u>	<u>50000</u>	<u>250000</u>	410000	2500000	<u>16.4</u>	1000000
3	5000	0	15000	30000	<u>7500</u>	<u>12500</u>	<u>70000</u>	140000	700000	<u>20</u>	250000
4	5000	400000	15000	70000	<u>150000</u>	<u>250000</u>	<u>1000000</u>	1890000	10000000	<u>18.9</u>	5000000
5	5000	0	15000	30000	<u>60000</u>	<u>100000</u>	<u>325000</u>	535000	3250000	<u>16.5</u>	2000000
6	5000	230000	15000	70000	<u>465000</u>	<u>775000</u>	<u>2200000</u>	3760000	22000000	<u>17.1</u>	15500000
7	5000	28000	15000	30000	<u>60000</u>	<u>100000</u>	<u>350000</u>	588000	3500000	<u>16.8</u>	2000000
8	5000	30000	15000	30000	<u>120000</u>	<u>200000</u>	<u>400000</u>	800000	4000000	<u>20</u>	4000000
9	5000	28000	15000	30000	<u>15000</u>	<u>25000</u>	<u>200000</u>	318000	2000000	<u>15.9</u>	500000
10	5000	0	15000	50000	<u>390000</u>	<u>650000</u>	<u>1300000</u>	2410000	13000000	<u>18.5</u>	13000000
11	5000	90000	15000	30000	<u>300000</u>	<u>500000</u>	<u>1500000</u>	2440000	15000000	<u>16.3</u>	10000000
12	5000	0	15000	30000	<u>4500</u>	<u>7500</u>	<u>23000</u>	85000	230000	<u>37</u>	150000
13	5000	28000	15000	30000	<u>10500</u>	<u>17500</u>	<u>50000</u>	156000	500000	<u>31.2</u>	350000
14	5000	30000	15000	30000	<u>300000</u>	<u>500000</u>	<u>250000</u>	1130000	2500000	<u>45.2</u>	10000000
15	5000	30000	15000	30000	<u>84000</u>	<u>140000</u>	<u>400000</u>	704000	4000000	<u>17.6</u>	2800000
16	5000	28000	15000	30000	<u>18000</u>	<u>30000</u>	<u>100000</u>	226000	1000000	<u>22.6</u>	600000
17	5000	0	15000	50000	<u>300000</u>	<u>500000</u>	<u>1300000</u>	2170000	13000000	<u>16.7</u>	10000000
18	5000	28000	15000	30000	<u>36000</u>	<u>60000</u>	<u>200000</u>	374000	2000000	<u>18.7</u>	1200000
19	5000	30000	15000	30000	<u>7500</u>	<u>12500</u>	<u>40000</u>	140000	400000	<u>35</u>	250000
20	5000	30000	15000	30000	<u>15000</u>	<u>25000</u>	<u>75000</u>	195000	750000	<u>26</u>	500000
21	5000	0	15000	30000	<u>5400</u>	<u>9000</u>	<u>32000</u>	96400	320000	<u>30.1</u>	180000
22	5000	28000	15000	30000	<u>6000</u>	<u>10000</u>	<u>45000</u>	139000	450000	<u>30.9</u>	200000
23	5000	0	15000	30000	<u>5400</u>	<u>9000</u>	<u>25000</u>	89400	250000	<u>35.8</u>	180000
24	5000	450000	15000	60000	<u>450000</u>	<u>750000</u>	<u>1750000</u>	3480000	17500000	<u>19.9</u>	15000000
25	5000	30000	15000	30000	<u>120000</u>	<u>200000</u>	<u>650000</u>	1050000	6500000	<u>16.2</u>	4000000
26	5000	0	15000	30000	<u>30000</u>	<u>50000</u>	<u>125000</u>	255000	1250000	<u>20.4</u>	1000000
27	5000	28000	15000	30000	<u>30000</u>	<u>50000</u>	<u>150000</u>	308000	1500000	<u>20.5</u>	1000000
28	5000	0	15000	30000	<u>9000</u>	<u>15000</u>	<u>50000</u>	124000	500000	<u>24.8</u>	300000
29	5000	0	15000	30000	<u>7500</u>	<u>12500</u>	<u>40000</u>	110000	400000	<u>27.5</u>	250000
30	5000	32000	15000	30000	<u>105000</u>	<u>175000</u>	<u>500000</u>	862000	5000000	<u>17.2</u>	3500000

S/N	Application	Tax	Registration	Unofficial	Stamp duty	CGT	Consent	Total Cost	Value	%	Sales Price
31	5000	28000	15000	30000	<u>55500</u>	<u>92500</u>	<u>250000</u>	476000	2500000	<u>19</u>	1850000
32	5000	28000	15000	30000	<u>30000</u>	<u>50000</u>	<u>200000</u>	358000	2000000	<u>17.9</u>	1000000
33	5000	90000	15000	30000	<u>70500</u>	<u>117500</u>	<u>450000</u>	778000	4500000	<u>17.3</u>	2350000
34	5000	32000	15000	30000	<u>24000</u>	<u>40000</u>	<u>170000</u>	316000	1700000	<u>18.6</u>	800000
35	5000	0	15000	30000	<u>4500</u>	<u>7500</u>	<u>25000</u>	87000	250000	<u>34.8</u>	150000
36	5000	72000	15000	30000	<u>90000</u>	<u>150000</u>	<u>450000</u>	812000	4500000	<u>18</u>	3000000
37	5000	45000	15000	30000	<u>45000</u>	<u>75000</u>	<u>220000</u>	435000	2200000	<u>19.8</u>	1500000
38	5000	30000	15000	30000	<u>18000</u>	<u>30000</u>	<u>100000</u>	228000	1000000	<u>22.8</u>	600000
39	5000	65000	15000	30000	<u>120000</u>	<u>200000</u>	<u>600000</u>	1035000	6000000	<u>17.3</u>	4000000
40	5000	28000	15000	30000	<u>6000</u>	<u>10000</u>	<u>35000</u>	129000	350000	<u>36.9</u>	200000
41	5000	0	15000	30000	<u>13500</u>	<u>22500</u>	<u>50000</u>	136000	500000	<u>27.2</u>	450000
42	5000	250000	15000	30000	<u>330000</u>	<u>550000</u>	<u>1500000</u>	2680000	15000000	<u>17.9</u>	11000000
43	5000	150000	15000	30000	<u>300000</u>	<u>500000</u>	<u>1350000</u>	2350000	13500000	<u>17.4</u>	10000000
44	5000	90000	15000	30000	<u>360000</u>	<u>600000</u>	<u>1200000</u>	2300000	12000000	<u>19.2</u>	12000000
45	5000	0	15000	30000	<u>7500</u>	<u>12500</u>	<u>40000</u>	110000	400000	<u>27.5</u>	250000
46	5000	32000	15000	30000	<u>90000</u>	<u>150000</u>	<u>400000</u>	722000	4000000	<u>18.1</u>	3000000
47	5000	28000	15000	30000	<u>60000</u>	<u>100000</u>	<u>250000</u>	488000	2500000	<u>19.5</u>	2000000
48	5000	28000	15000	30000	<u>12000</u>	<u>20000</u>	<u>70000</u>	180000	700000	<u>25.7</u>	400000
49	5000	153000	15000	45000	<u>180000</u>	<u>300000</u>	<u>850000</u>	1548000	8500000	<u>18.2</u>	6000000
50	5000	45000	15000	30000	<u>54000</u>	<u>90000</u>	<u>250000</u>	489000	2500000	<u>19.6</u>	1800000
51	5000	28000	15000	30000	<u>150000</u>	<u>250000</u>	<u>800000</u>	1278000	8000000	<u>16</u>	5000000
52	5000	138000	15000	50000	<u>255000</u>	<u>425000</u>	<u>1000000</u>	1888000	10000000	<u>18.9</u>	8500000
53	5000	32000	15000	30000	<u>48000</u>	<u>80000</u>	<u>200000</u>	410000	2000000	<u>20.5</u>	1600000
54	5000	233000	15000	70000	<u>270000</u>	<u>450000</u>	<u>1350000</u>	2393000	13500000	<u>17.7</u>	9000000
55	5000	28000	15000	30000	<u>15000</u>	<u>25000</u>	<u>150000</u>	268000	1500000	<u>17.9</u>	500000
56	5000	30000	15000	30000	<u>60000</u>	<u>100000</u>	<u>250000</u>	490000	2500000	<u>19.6</u>	2000000
57	5000	45000	15000	30000	<u>120000</u>	<u>200000</u>	<u>50000</u>	465000	500000	<u>93</u>	4000000
58	5000	32000	15000	30000	<u>15000</u>	<u>25000</u>	<u>100000</u>	222000	1000000	<u>22.2</u>	500000
59	5000	78000	15000	40000	<u>150000</u>	<u>250000</u>	<u>750000</u>	1288000	7500000	<u>17.2</u>	5000000
60	5000	0	15000	30000	<u>45000</u>	<u>75000</u>	<u>250000</u>	420000	2500000	<u>16.8</u>	1500000