

# Adopting and Adapting Land Swap Models Toward Boosting Urban Housing Stock in Nigeria

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**Abstract-** *This study examines the possibility of adopting and adapting land swap models toward boosting urban housing stock in Nigeria. Over the years, housing crisis has been one of the most disturbing socio-economic problems facing urban centres in Nigeria and in the world. It is estimated that over four point seven trillion naira is required every year to provide adequate housing to Nigerian city dwellers, to stem the tide of nearly twenty million housing units required to fill the gap of housing in Nigeria. Reason being that cost of providing infrastructure is on the increase; hence, government alone cannot do it. One way out of the trouble is to allow the participation of the private sector in joint venture business. Since private sector often find it hard to access development land, government, which is the custodian of land, can elect to make land available while the private sector partner funds the relationship that ensues to produce affordable housing. However, this study appraises different models of the concept and recommends the adoption and adaptation of the suitable model for housing provision in the country.*

**Indexed Terms-** *Land, Swap model, Housing Stock. Adopting and adapting land, Urban Housing.*

## I. INTRODUCTION

One problem that man has seriously contended with since modern civilization is the problem of housing. Shelter is one of man's basic needs. According to Abraham Maslow's hierarchy of needs, food, clothing and shelter are man's basic needs. Diverse issues about shelter have often constituted major problems-availability, accessibility, affordability and quality-and man has struggled to cope with them. In the rural areas, due to limited human pressure on housing, the issues are not as pronounced except for issues like quality of housing. Due to the relatively low economic

activities, land is usually available and so, local housing using local input resources do hardly constitute so much problem. More so, the social living character of rural populace, as it were, makes housing a not-too-serious problem in the rural areas.

Urban housing problems have increasingly become not only a national challenge in Nigeria, but international as well. According to Adedeji (n.d.), the major housing problems in urban areas are lack of affordability, informality in housing ownership or rental arrangements, poor housing conditions and inadequate public services. Onibokun and Faniran (n.d.) noted that overcrowding, substandard buildings and infrastructural inadequacies are some of the problems of urban housing in Nigerian cities. These problems have left many people homeless, some living in substandard houses built with substandard materials, building failure and collapse, deaths, and even so many are leaving under serious threat of survival. Shanties, twilight areas and slums have resulted from the imminent decay and man is often at the centre of these crises.

Generally, housing shortage in Nigeria is reported to be estimated at between 14 to 16 million housing units with an estimated whopping sum of N4.7 trillion required to meet this deficit (Guardian, 2008 cited in Agwu, 2011). Mabongunje (2007) cited in Kabir and Bustani (n.d) stated that housing deficit (in Nigeria) is put at 15 million houses while N12 trillion will be required to finance the deficit. The Federal Government concurs that this shortage is about 12 million homes. Adesina (2009), Corporate Nigeria (2009) and Anonymous (2008) both cited in Agwu (2011) agree with these figures. Mban (2009) in Adegoke (2013) pointed out that the ever-growing population in the country and the resultant cumulative housing deficit has today left the country with between 16-17 million housing units' deficits.

This is unarguable too huge an amount for government alone to contend with. Hence, there is the need for a private sector participation in housing development and investment in the country. The increasing pressure on the few existing houses in Nigerian cities coupled with dwindling financial fortunes of the federal and state governments have not helped matters one bit.

Land has been identified as a major factor in the urban housing debacle. Lack of access to land and the increasing prices of urban land have kept land out of the reach of many urban dwellers. Little wonder why most governments have embarked on land reform measures. In 1978, Nigeria did the same and came up with the present-day Land Use Act of 1978 aimed to free land, which was hitherto held in the bondages of customary laws and practices. As urban population began to soar in all the urban centers, even the 1978 land reform has become questionable for its inability to provide solution to Nigeria's land access needs. This made many states of the federation to think out solutions to the problem. Land swap became an option set by the Federal Capital Territory (FCT) Administration in 2013 to overcome these challenges. This option has been tested in different climes in the world.

Hence, this study attempts to seek land swap model options that have worked in different climes as strategy in boosting urban housing stock in Nigeria. It looks at the concept, models in other climes, its advantages, the concept of urban housing, urban housing problems, land as a factor in the urban housing problem in Nigeria, land swap as a solution, conclusion and recommendations.

## II. CONCEPT OF LAND SWAP

Land swap is a land-based financing of infrastructure development. In other words, land is exchanged by government for infrastructure provision by the investor. Land swap has also been defined as “the substitution of a piece of land in one place with another in either the same locality or elsewhere depending on the preferences of the parties involved in the swap” (Umar, 2014). It involves the granting of land to competent real estate developers who will in turn provide infrastructure such as good roads, electricity, portable water, drainage, sewer lines and

communication ducts to the residents without any financial or technical demand to the government. Land swap is a policy that has been endorsed by the World Bank as suitable for any country experiencing budget crisis like Nigeria-Our budget is seldom sufficient for the needs of the people. Land swap has made private participation in housing provision necessary.

Countries like France, Japan, USA, China, Germany, Egypt, India and Denmark adopted land swap policies during periods of rapid urban development as is presently witnessed in Abuja; the third fastest growing city in the world and the fastest in Africa. Under the Abuja land swap initiative, 330,249 hectares of land belonging to 22 predominantly poor indigenous villages and communities in the FCT were compulsorily taken away, partitioned and parceled out to thirteen private property developers. The test case of the land swap initiative began in April 2013 with a pilot project at the Dallas Caraway District, adjacent Mogadishu Cantonment in the Abuja Federal Capital City (FCC). The size of the new low-density hilly district is 230 hectares (Oghifo, 2015).

According to Ozoene (2015) cited in Nwolu-Frank (2015), “the main objectives of the land swap initiative is to; ensure comprehensive development of the districts in line with the Abuja Master Plan, unlock dead capital by freeing up land with issuance of title documents to catalyze globally acceptable business activities in the FCT, crash property rental value in Abuja and to catalyze a paradigm shift from land ownership to home ownership.

The land swap initiative has the potential for value enhancement and rapid development of a typical metropolitan city because the initiative would save a real estate developer cost of about 30-35 percent...This is a form of PPP (Public Private Partnership) with government (Ogunwusi cited in Oghifo, 2015). According to Adediji cited in Oghifo (2015), the land swap initiative can fast tract Abuja's overall development. He noted that "there are so many development models and one of this is the land swap. The system looks at people who have the resources and then you can step down the high cost of access to land for them to provide infrastructure". This infrastructure-for-land model has the advantage of

harnessing the potentials in the private sector and providing access to land with minimal difficulty.

### III. LAND SWAP IN DIFFERENT COUNTRIES

In Israel, there is the Arab Israel land swap deal. Arab population in Israel is only one-fifth of the total population of the country. The Jews and other tribes make up the rest of the population. Arab and Jews have never been best of friends in Israel. A proposal was made to swap some Arab communities in Israel for Jewish settlements in the West Bank as part of a peace-deal effort with Palestinians. This proposal has however remained controversial.

In British Columbia, there is the case of Haro Woods, a forest in Cadboro Bay which was twice eyed to host large sewage treatment plant, but redesigned to be preserved as parkland, minus a parcel dedicated to an underground sewage holding tank. According to Edward Hill of the Victoria News, the Mayor and each councilor of the Saanich Council voiced strong support for a land swap with the Capital Regional District (CRD), which would give the municipality ownership of the majority of the forest. Under a deal, the CRD would give Saanich 4.33 hectares of forest in exchange for 1.5 hectares to house the 5,000 cubic meter underground tank, which was designed to capture overflows from sewer lines during major storms. Saanich will retain another 1.4 ha of forest next to the tank site. The entire 8.5 ha forest including a portion owned by the University of Victoria, should appear as one, after vegetation is planted over the tank (Umar, 2014).

The iconic tower in the United Kingdom, UK, called the shard of London was built through land swap. It was formerly known as the London Bridge Tower. It is an 87-storey skyscraper that forms part of the London Bridge Quarter Development. The shard's construction began in March 2009 and was completed in November 2012. Standing approximately 306 meters (1,004, ft) high, the shard is the tallest building in European Union. The property is jointly owned by Sellar property and the State of Qatar (Agbo, 2014).

In New York, USA, a greater era of city building after the Civil War leveraged on a variety of land swap. The city was expanding up Manhattan Islands and needed

new streets, more water distribution, sewage collection and mass transit systems. Shantytowns were pulled down for urban renewal. New York's municipal debt tripled between 1867 and 1871 as it borrowed to finance public infrastructure. As an alternative to borrowing, Boss Tweed, then commissioner of public works, used land-based financing for a private sector development of the entire block bounded by Fourth Avenue, Madison Avenue, 68th street, 69th Street and installation of the city water supply without any financial liability to the municipal authority (Agbo, 2014).

China utilized the land swap model to reconstruct the Outer Ring Road encircling the region around Changsha, the capital of Hunan Province in central China. The same also holds for the new Greenfield airports in Bangalore and Hyderabad as well as the modernization and expansion of existing airports in the cities of Chennai, Delhi, Kolkata and Mumbai, all in India. The total investment in the China project was about \$750 million, while India's airport modernization drive chaired by its prime minister in 2006 totaled about 40,000 Crore (about \$10 billion). The Republic of Turkey used land swap to raise \$1.5 billion for its capital investment budget in Istanbul to transform an abandoned central bus station in 2007 (Agbo, 2014).

There's also an unprecedented land swap to protect the Tai Po enclave of Sha Lo Tung... The plan for Sha Lo Tung follows years of deadlock over how to conserve the ecologically sensitive site in Pat Sin Leng Country Park (Hong Kong). "We are actively considering long-term conservation through non-in-situ land exchange for private land with high ecological significance at Sha Lo Tung "(Leung cited in Kao, 2017). The government would offer the restored Shuen Wan landfill in Tai Po to the developer for a golf course, as was originally the plan for Sha Lo Tung, which in 2004 became one of 12 priority sites for enhanced protection under the government's "New Nature Conservation Policy".

Land swap has featured prominently in the peace deal negotiated between Israel and Palestine. The Palestinians have insisted on taking over the West Bank and Gaza occupied by Israel since the Six Day War of 1967. When in the 1990s several back channel

efforts were made to end the feud between Israel and Palestine, "... Israel academics involved in these back channel talks accepted the principles that the Palestinians would obtain 100 percent of the territory (held by Israel) ... and they proposed giving Israeli land to the Palestinians as compensation for any West Bank land retained by Israel" (Dore, 2011).

In Preston, Community Gateway Association wanted to build on land of Truro Place in St Mathew's, but neighbours launched a campaign to keep the open space. Now Preston council and community Gateway have agreed to a land swap, meaning, the site known as Paul's Pad will be saved, and up to 28 affordable homes will be built at a larger site at St Paul's Road, Deepdale (Lancashire Post, 2015).

The reconstruction of Paris in 1852 used the land swap model. It was a complex mix of boulevards, massive infrastructure of roads, water and sewage lines, including multiple aqueduct systems, one of which delivered water from sources 600km distance. The infrastructure cost was F2.5 billion; over 44 times the annual budget of Paris in 1851 (Agbo, 2014). In Nigeria, according to Agbo (2014), the land-based financing variants have been in use too. It was used in the rehabilitation of terminals in Apapa port by Flour Mills PLC and those of Onne port terminals by the duo of Intels limited and West African Continental Limited at the cost of over \$300 million through a programme of amortization.

Criticizing the Abuja land swap initiative, Umar (2014) noted; "above are only few of the prominent cases of actually what constitute the land swap concept. One would agree that there are swaps of a land with another, at the same time decipher the difference between what is ongoing land swap policy in FCT. We have once made the assertion that 'wherever our handlers got their model of land swap, it is different from the normal swapping of land with another land in order to achieve different targeted goals of the interested parties. Referring to the Abuja model as land swap is a misnomer'... we still maintain that what is introduced is financing urban infrastructure with land value as put forward by G.E. Peterson which is completely different from the real concept of land swap..." Agbo (2014) attempted a response to Umar's view when he remarked that the

Federal Capital Territory Administration (FCTA) considered the type of land-based financing most suitable in Nigeria" and concluded, "The FCTA considered the modern land swap model more realistic. It takes the best in all the previous model and avoiding their pitfalls".

#### IV. MERITS OF LAND SWAP MODELS/INITIATIVES

Government cannot do everything for everybody. In countries as Nigeria where poverty and hardship have been forced on the people through bad leadership and corruption in high and low places, there is the urgent need to engage the private sector to contribute to the development of the nation. No doubt, land has remained a major factor in private sector investment projects. Land acquisition takes whole lot of processes and time, perfecting the instruments of land ownership is an issue of its own. Therefore, partnership with government will make acquisition far more easier and documentation faster.

Land swap initiative, being one of the diverse forms of public private partnership arrangements offers private sectors opportunity to participate in national development. It will ease land acquisition, access to land and engender development. It will also enhance the infrastructure base of the nation and guarantee effective infrastructure management. Therefore, the major advantage is that land is easily released to private individuals and access to it by these investors ensures a propensity for robust infrastructural base of the nation and gradual ease of pressure away from government.

#### V. CONCEPT OF URBAN HOUSING

Urban housing in its simplest form refers to houses built in urban centers like towns, cities, metropolis etc. This contrasts with rural housing that has to do with all processes involved in the production and delivery of housing to the rural dwellers. Urban housing is characterized by good planning, design, construction and the application of modern and sophisticated building techniques/methods and materials. Urban housing delivery is an organized setting involving, in most cases, professionals in the built industry – Estate Surveyors and Valuers, Architects, Building

Surveyors, Quantity Surveyors, Construction Managers, Civil Engineers, Structural Engineers, Urban and Regional Planners, Project Managers etc.

Rural-Urban migration, high birth rates due to high life expectancy, low morbidity rate in Urban areas result in usually high and ever-growing urban population. The ‘osmotic’ pressure tends to favour the urban centers with high concentration of modern life-changing facilities, better job opportunities, independent life styles and better socio-economic amenities. These factors help to over populate the cities and towns to the detriment of the rural areas- the villages and suburbs. The concomitant effect of the rise in population is the pressure on housing. Note that housing connotes shelter which according Maslow, is one of the three basic needs of Man, the others being food and clothing. The concepts of freehold and leasehold, landlord and tenant in residential and commercial properties, are common with urban housing.

The rising pressure on urban housing subjects these facilities to deterioration and decay. Very often, urban renewal is the response of government to such problems of decay to give the cities befitting face lifts. Also, mounting pressure on existing housing stocks result in housing shortage and scarcity. Housing shortage/scarcity has become a recurring problem and, in some cases, a monster that most governments have done everything to contend with, with minimal success.

#### VI. URBAN HOUSING PROBLEMS IN NIGERIA

Problems of urban housing in Nigeria are many and varied. The challenges of rural-urban migration, high birth rates and low mortality rates in urban centers have exacerbated the problem of urban housing in Nigeria. Among the urban housing problems in Nigeria are:

- i Congestion in the available accommodations; According to Emankhu, Ubangari and Ayeni (2012), “the buildings are characterized by overcrowding, with high proportions of people living in single rooms”.
- ii Springing up of slums

- iii High cost of land and buildings due to high demands
- iv Scarcity of accommodation
- v Substandard housing caused by natural aging of the buildings, lack of maintenance and neglect, wrong use of the buildings, poor sanitation in the disposal of sewage and solid waste, wrong development of land and increasing deterioration of the natural landscape (Emankhu et al, 2012).
- vi Negative effects of land speculation
- vii Poor neigh board facilities and in some cases, these facilities are absent. Such facilities include good source of drinking water, electricity, good roads, good sanitary conditions, good damage systems, sound security facilities etc (Agwu, 2011).
- viii Lack of maintenance culture (Emankhu et al, 2012 and Agwu, 2011)
- ix Access to land and finance for housing has been problematic.

#### VII. LAND ISSUES IN URBAN HOUSING PROBLEMS IN NIGERIA

Land question constitutes a major problem in home ownership or housing development. The degree of accessibility in terms of availability and cost remain a big challenge. The cost of urban land is a big discouragement to the urban poor. Only marginal land, with no title document and infrastructure at the periphery are available for the poor to build on. This has resulted into urban sprawl and housing development that cannot qualify as homes. The cost of processing title documents is exorbitant and a major concern. Perfecting land documents takes minimum of two years and is like the proverbial camel passing through the eye of the needle. Cost of land and documentation account, in most cases, for about half of what is required for housing development (Nubi, n.d). Chief Chuka Odom, one-time Federal Minister of Housing in Nigeria, once admitted that “one of the problems that have militated against effective housing delivery in Nigeria has been the problem of titling to land” (Agwu, 2010:144).

Land is therefore paramount in the urban housing crisis in Nigeria. Difficulty in obtaining the certificate of occupancy and other issues advanced earlier are teething problems relating to land acquisition and

ownership. There is also the question of prohibitive cost of urban land and the inability to access fund for housing because of evident failure in the National Housing Policy and the Mortgage Bank scheme in Nigeria.

#### VIII. WHAT THE LAND SWAP MODELS CAN OFFER IN SETTLING THE URBAN HOUSING DEBACLE

The land swap model as conceived by the FCT administration in Nigeria has the major intention of releasing land, which hitherto had been locked, through tiring bureaucratic processes involved in accessing it. Access to land in Nigeria involves very cumbersome and procrastinating processes such as is the case with getting the certificate of occupancy (C of O) from the Governor.

Therefore, this model of public private partnership/participation will ensure a 50-50 responsibility between the government and the private sector so involved. Government breaks the protocol involved in getting the C of O by donating or making land available to the private sector party involved in the arrangement, while the private sector party provides needed facilities including the required funds.

The private sector party builds the houses, provides the facilities necessary to keep the housing in good and habitable standard such as roads (access), electricity, pipe borne water, security, safety etc. Government (through its agency, which is party to the deal) also provides the required political environment including making enabling laws/policies, loans etc needed to facilitate the partnership. The expected result is an avalanche of housing facilities for the urban dwellers.

#### SUMMARY & CONCLUSION

Access to land is a major challenge to housing development in urban areas of Nigeria. Government alone cannot provide the required housing to satisfy the urban housing needs. Basic infrastructures like roads, drainages, electricity, pipe-borne water, telecommunication, sanitary, fire service, horticulture/ornamentals, safety, schools, hospitals, markets and housing itself, are costly to provide and

maintain. These stretch government budgets beyond elastic limits. Therefore, a workable public private partnership brings the private sector into the calculation to ease public expenditure. By virtue of the provisions of the Land Use Act Cap 202 LFN of 1992, ownership of land is the preserve of government.

Therefore, the land swap initiative makes government to swap land, which it owns with facilities which is costly to provide, but which a consortium of private corporate bodies can bring. By so doing, housing is provided for the teeming urban population, thereby reducing pressure on government and as well enable government deliver the dividends of democracy to the masses.

#### RECOMMENDATIONS

The following recommendations are suggested as drawn from this work.

- i Since land is a big challenge to housing development in urban centres of Nigeria, government must collaborate with the private sector in facilitating housing development through land swap.
- ii Government should also create the enabling environment for the private sector to thrive in Nigeria. Policies and programmes of government should be geared towards encouraging the private sectors to flourish.
- iii Cumbersome processes for acquiring the C of O and politicization of C of O must be stopped if Nigeria must make any headway in property development and indeed urban housing.
- iv Maintenance culture or programmes should be inculcated in land swap deals (public private partnership deals) for sustainable development.

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