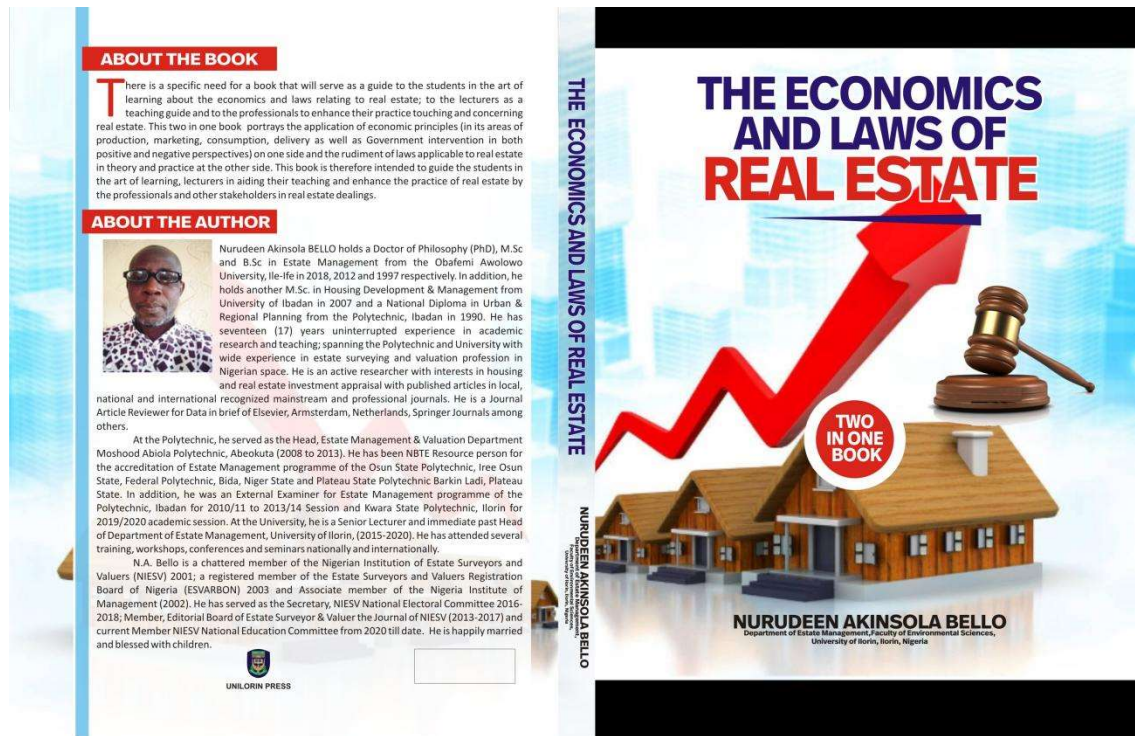




THE ECONOMICS AND LAWS OF REAL ESTATE (Two in One Book)

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FOREWORD (ACADEMIC)

The Economics and Laws of Real Estate is a book published to fill the gap between the limited land and real estate resources and maximization of their utilities by applying the economic principles providing solution to existing challenges. Therefore, it is appropriate reference material for students and professionals in Estate Surveying and Valuation.

This book provides insight on contemporary Economics and Laws of Real Estate as a complementary effort towards enriching reading materials for the Estate Surveying and Valuation profession. The chapters in the book covers the laws and rules guiding the activities and actions of individuals, organizations and Governments related to real estate and requires the participants' thoughtfulness.

It reveals that, our means of production and derivatives are either products of the soil or are attached to the land, therefore, land greatly matters in our society, consequently, the rule guiding its accessibility needs basic understanding and inclusiveness.

The book showcased the various reasons why people derive various interests and rights existing on land and indicated various tactics to each of these rights and interests. Furthermore, it shows the various rights and interests that designate the pattern of access, form and duration of holding any piece of land which participants in real estate will need to understand to guide their actions and reactions.

This underscores a need for the book to serve as a guide to the students learning economics and laws relating to real estate; to the lecturers as a teaching guide and to the professionals to improve their practice stirring apropos real estate. This book consequently portrays the application of economic principles (in its area of production, marketing, consumption, as well as Government positive and negative interventions) and rudiment of laws applicable to real estate in philosophy and practice.

It is my hope that all categories of learning and training in the aspect of Estate Surveying and Valuation/related disciplines would find this book very useful as positioning material, especially as the step-up into professional well-being. It is my well considered opinion after cursory looked through into the book to conclude that each theme is well structured and arranged which makes it enlightening.

I congratulate the author (Nurudeen Akinsola BELLO, Ph.D) for this praiseworthy achievement. The initiative to publish this book is plausible which helps to provide a related groundwork to students as well as those that require the related knowledge.

Professor Muhammad Bashir NUHU

(FNIVS, FICA, MRICS, PhD)

Former Head, Department of Estate Management & Valuation,
Federal University of Technology Minna

&

Former, Hon. Commissioner, Ministry for Tertiary Education,
Niger State, Nigeria.

June, 2021

FOREWORD (PROFESSIONAL)

As the 24th president of the Nigerian Institution of Estate Surveyors and Valuers (NIESV), it gives me a great pleasure to write the professional practice foreword on this book.

Dearth of simplified and specific textbooks on some core aspects of the real estate profession has been part of the problems affecting the theory and practice of real estate profession for a long time in Nigeria.

There is no doubt that the estate surveying and valuation theory and practice basically rely on the principles of economics (finance, production, supply, consumption and distribution) and laws among other principles. Application of economic analysis and principles is vital way of solving problems connected to the real estate situation by the real estate practitioners in the same way the principles of law and decided cases for a successful practice.

This is a two in one book of twenty-two chapters, consisting of part A with fourteen interrelated chapters on the economics of real estate and part B with eight interrelated chapters on the laws of real estate. For simplicity sake, the book distinctly streamlined the general principles of economics and laws to real estate practice in a precise format. This textbook is confirmed product of the author's over two decades of teaching, research and practice in the real estate profession in Nigeria.

With the content of this book, it is of my opinion that the author has produced an impressive, commendable and significant work that will enhance the theory and practice of estate surveying and valuation practice in Nigeria. It is my pleasure therefore to recommend this book to university and polytechnic students, NIESV professional examination candidates as well as a practice guide to the professional estate surveyors and valuers. By extension, since real estate is about human existence and interactions, this book is therefore generally indispensable for all.

I congratulate, as well appreciate the author (Dr. N.A. Bello) for this vital contribution to the existing body of knowledge in the real estate profession in Nigeria.

ESV. Sir (Chief) Emmanuel Okas WIKE
(*PNIVS, RSV, FMP, RWA*)

24th President, The Nigerian Institution of Estate Surveyors and Valuers
June 2021

DEDICATION

This piece of work is dedicated to:

- My late father, Pa Jimoh BELLO who inspired me to pursue to a conclusion, a Ph.D degree in Estate Management;
and
- To all Nigerians who lost their lives to the COVID -19 pandemic, banditry and herdsmen killing; the scourges that uncontrollably ravaged the whole world generally and Nigeria specifically.

ACKNOWLEDGEMENT

All glory is to Almighty GOD who in his infinite mercies, made the completion of this book possible. I wish to place on record my debt of gratitude to my lecturers for their vital contributions to my knowledge and for laying a solid foundation for me, which eventually culminated into the writing of this book. I am indebted to: Professor Yakubu J.A., Professor Egunjobi Lai, Professor Agbola Tunde, Professor Olatubara C.O., Professor Bolanle Wahab, Professor Lekan Sanni, Dr Ipingbemi Olusiya (all of University of Ibadan), Professor Ajayi C. A., Professor Ighalo J.I., Professor Aluko B .T., Professor Ogunba O.A., Professor A. Olaleye, Professor Oretuyi S. A., Professor Olu Adediran, Doctor Akintola Adeniyi (all of Obafemi Awolowo University Ile-Ife) and Professor Asaju A.S. and Professor Bello M.O. (of the Federal University of Technology, Akure). I also acknowledge all authors, editors and publishers of work I referred to in the preparation of this book, my professional and academic colleagues and all those who contributed directly or indirectly to the possibility of this work. I sincerely appreciate the moral support and encouragement enjoyed from all members of my family.

PREFACE

All over the world, land is regarded as an important factor of production and the attachment of importance to it is by no means peculiar to Nigeria alone. Indeed the two most basic assets for any country are its land and its labour (Mabogunje, 2003). With Nigerian land area of 923,768km² (over 92 million hectares), real estate (either bare land or developed property) is of immense importance to human existence. This is because it is next to food and clothing and also a source of wealth and power. It possesses certain fundamental attributes in consequence of which it is to be distinguished from other factors of production.

The major problem facing most societies the world over is the limitation of land and real estate resources despite the persistent increase in population. Any rational individual, group or society will always like to maximize the utility derivable from land and real estate resources despite their limited supply. The problem at hand is how to bridge the gap between the limited land and real estate resources and maximization of their utilities. The application of economic principles (i.e. rational behaviour in the use of limited resources) will be a solution to this identified problem. To ensure rational use, the economic principles are expected to be applied to real estate in the aspects of its production, supply, consumption and public intervention.

In addition to this, the laws and rules guiding the activities and actions of individuals, organizations and Governments as relate to real estate requires the stakeholders' understanding. Most of our means of production and derivatives are either products of the soil or are attached to the land, thereby making the land to be very vital to any given society, therefore the rule guiding its accessibility needs a basic understanding. There are various reasons why people derive various interests and rights existing on land and there are various approaches to each of these rights and interests. Also there are various rights and interests that denote the pattern of access, form and duration of holding any piece of land which stakeholders in real estate will need to understand to guide their actions and reactions.

There is therefore a need for a book that will serve as a guide to the students in the art of learning about the economics and laws relating to real estate; to the lecturers as a teaching guide and to the professionals to enhance their practice touching and concerning real estate. This book consequently portrays the application of economic principles (in its area of production, marketing, consumption, as well as Government positive and negative interventions) and rudiment of laws applicable to real estate in theory and practice.

Motivation to write this book was based on the knowledge and materials gathered by virtue of my studentship (at Obafemi Awolowo University Ile Ife and University of Ibadan), my teaching experience of the courses in Estate Management programme at Moshood Abiola Polytechnic, Abeokuta and University of Ilorin and professional practice in the field of estate surveying and valuation in Nigeria. It is therefore apposite to compile all these gathered knowledge and materials and make them consumable in the areas of economic principle application and legal provision and interpretation in the real estate transaction. However, the book is not with the

intent of training a non-lawyer to become a lawyer.

Have a wonderful reading and or referencing!

Nurudeen Akinsola BELLO (Ph.D)

June 2021

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Abbreviations

A. C.	Appeal cases
A.I.R.E.A.	American institute of real estate appraisal
A.N.I.V.S.	Associate of Nigeria Institution of Estate Surveyors and Valuers
A.N.L.R	All Nigeria law reports
C.A.C.	Corporate affairs commission
C.B.D.	Central business district
C.B.N.	Central bank of Nigeria
C.H.	Chancery division
E.N.L.R.	Eastern Nigeria law reports
E.S.V. A.R. B.O.N	Estate Surveyors and Valuers Registration Board of Nigeria
E.S.V.	Estate Surveyor and Valuer
F.G.N.	Federal Government of Nigeria
F.H.A.	Federal housing authority
F.I.R.S.	Federal inland revenue service
F.M.B.N.	Federal mortgage bank of Nigeria
F.S.C. R.	Federal Supreme Court reports
G.R.A.	Government Reserved area

H.O.C.	Home owner charter
I.V.S.C.	International valuation standard committee
K.B.	King's Bench Division
L.L.R.	Lagos law reports
L. U. A.	Land Use Act,
M.P.T.	Modern portfolio theory
N.I.E.S.V.	Nigerian Institution of Estate Surveyors and Valuers
N.L.R.	Nigeria law reports,
N.M.L.R.	Nigeria monthly law reports
N.N.L.R.	Northern Nigeria law reports
P.C.L.	Property and Conveyance Law.
R.S.V.	Registered Surveyor and Valuer
N.I.C.O.M	National Insurance Commission
L.U.A.C.	Land Use allocation Committee
N.H.P.	National housing policy
N.H.F.	National housing fund
R.E.I.T.	Real estate investment trust
N.H.T.F.	National housing trust fund
N.S.I.T.F.	National social insurance trust fund
N.I.S.E.R.	National institute for social and economic research
O.P.S.	Organized private sector
P.C.L.	Property and conveyancing law
P.M.I.	Primary mortgage institution
P.O.I.	Percentage of the income
P.P.P.	Public private partnership
Q.B.	Queen's Bench Division
R.E.D.A.N.	Real estate developers association of Nigeria
S.C.	Supreme court
S.M.A.	Specific market area
T.O.M.	Time on the Market
U.N.C.H.S.	United Nations centre for human settlements
V.A.T.	Value added tax
W.A.C.A.	West Africa Court Appeal reports.
W.B.S.	Work breakdown structure
W.N.L.R	Western Nigeria law reports
W.H.O.	World health organization