AN EVALUATION OF THE FACTORS AFFECTING EFFECTIVE DEVELOPMENT OF URBAN LAND MARKET IN AUCHI, EDO STATE

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BEING A PROJECT SUBMITTED T0 DEPARTMENT OF ESTATE MANAGEMENT AND VALUATION, SCHOOL OF ENVIRONMENTAL STUDIES, AUCHI POLYTECHNIC, AUCHI. EDO STATE

IN PARTIAL FILLFULMENT OF THE REQUIREMENT FOR THE AWARD OF HIGHER NATIONAL DIPLOMA (HND) IN ESTATE MANAGEMENT AND VALUATION

NOVEMBER, 2022

CERTIFICATION

We, the undersigned hereby certify that this project work has achieved its objectives both in scope and quality of the requirement for the award of the higher national diploma (HND) in estate management and valuation, Auchi polytenic, Auchi.

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DEDICATION

This Project Work is dedicated to Almighty GOD, for giving me life, strength, wisdom, understanding to complete my education. And to my lovely brother SOLOMON AYEGBENI who never get tired of assisting me .

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CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Land according to Nguyen (2020) is the premise for allocating production space for economic activities such as industries, agriculture, transportation and human living space. Land market development on the other hand exist when and whenever is possible to exchange rights in land for an agreed amount of money or services rendered (Adjekophori, Adebiyi & 2021).

Understanding urban land markets and the factors affecting the prices and quantities of land developed within a given land market is often important for evaluating a variety of urban planning and policy objectives (Oladokun, 2017). For example, a better understanding of how land use regulations and other constrains on the spatial expansion of urban development affects land markets could provide a basis for evaluating the net social benefits of these policies. Despite a large literature on related topics, limited data has made some of these kinds of analysis difficult in the past; but the increased availability of spatially explicit economic data presents new opportunities to examine, for example, the effects of land use regulations on land markets. Recent controversies surrounding land use regulations, conservation and the demands for compensation from land owner groups who oppose land use regulations represent one important area where this kind of research could be valuable (Oladokun, 2017).

Urban centers of developed nations are faced with myraids of land-related problems which include land accessibility variations (Oloyede, Ajibola, & Oni, 2007), differences in cultural norms and customs of the society, legal framework, regulations conventions and institutions (North, 2009) among others. The magnitude of these problems and the solutions that have been proffered differ across world economies. While advanced countries have been able to manage their problems to a considerable extent, the problem is on the increase daily in developing countries (Oloyede et al., 2007).

Nevertheless, land market transactions has receive a considerable amount of attention globally with land predominantly regarded as the center of all human activities (Annette, 2002), necessitating the

need for easy access to land, especially in developing countries like Nigeria. Efficient and effective land market is a tool for effective development. With land serving as a platform for every other form of development, city growth might be largely influenced by the structure and characteristics of the land market (Nwaka, 2005).

Land market is driven mostly by institutions, which serve to regulate its operations and the activities of the various operations. While formal institutions are duly regulated and operated by government policies, law and regulations, informal/institutions are the results of the beliefs, practices and customs of the local people as to the way and manner by which land should and could be held in society. It is long -time practice of land holding, ownership and transfer popularly adopted within a society (Funmilayo et al., 2015). As a system for the exchange of rights and interest in land, the market is important for the success of every other component of the economy as all activities take place on land. It is a major factor for consideration for sustaining the growth of emerging economies' (Oladokun, 2017). However, the efficient functioning of the market can be affected by its characteristics. Whether for transacting in both rental and sales market, it is of interest to know whether the system is structured for either formal or informal market. The thrust of this study therefore is to examine the factor that affects effective land market development with a special focus on Auchi Edo State Nigeria.

1.2. Statement of the problem

Urban land development attracts wide participation all over the world. The effectiveness of the market however varies across regions and state with its openers to public's scrutiny and support for the concept of sustainable development (Adjekophori, et al 2019, Udo & Udoudoh 2018, Belge, 2019). Land market in many urban cities is ineffective. Sometimes, the ability of land owner or holders to engage in meaningful transaction is highly restricted.

Despite the economic benefit associated with a well-developed market in urban land and in urban centers, land market in Auchi seems to be highly underdeveloped like other urban area, it seems to be informal in nature and as noted by Adjekophori, Adebiyi & Omorogieva (2017) most of resulting in haphazard development with inadequate infrastructural facilities. Land market should be strong and dynamic to meet the yearning of investor locally and international.

Urban land in Auchi seems to be experiencing serious informality via the "*Omootor*" concept (traditional land owners) as a means of acquisition. This seems to have overshadowed the formal land market development. This situation is also encouraged by the fact that most of the populace is with the low – income group who could not afford the formal of land access because of high land value. This seems to have increase the patronage of informal land market Adeniyi (2003), discovered that there is proliferation of the Omo-otor syndrome in land market in Nigeria Urban Cities.

Studies on land market development in Africa and Nigeria cities re reported in Literature (Umar, 2017, Arijumeed & Seid 2018, Ayodeji, 2019, Adjekophori et, al 2020, Umar 2020 & Kamal. 2022). Most of these studies looked at land accessibility factors and were carried out in cities outside Auchi. There is therefore a need to conduct a small study to ascertain the factors affecting effective development of land market, with the increasing urbanization that will further impact on the land and land market activities in Auchi Edo State.

1.3. Research Questions

 i. Who are the main actors in land market in Auchi?
 ii. What is the current state of land market in the study area?
 iii. What are the factors influencing land market in the study area?
 iv. What are the challenges inhibiting effective development of Auchi land market?

1.4. Aim and Objectives

The aim of this research is to examine factors influencing the performance of urban land market in the Auchi, Edo State. To achieve the aim, the following objectives are to be considered

i. To ascertain the main actors in land market in Auchi.
ii. To examine current state of land market in the study area.
iii. To ascertain the factors influencing land market in the study area.
iv. To determine the challenges inhibiting effective development of land market in the study area.

1.5.   Significance of the Study

The outcome of this study will be of immense value to several interest groups namely, the academia, financial institutions, investors/investment analysis and public authorities.

The work will not only enrich the scanty literature on this topic but will also serve as a good reference to scholars who may develop interest to further research on this topic or similar topics.

The work will be of great benefit to the financial institutions, investors and investment analyst by knowing the challenges and performance which will aid to reduce the risk of investing in residential property market, hence the content of the study is adequate and suffices for a good viability appraisal to those whose investment objectives are financial and purely for income appreciation.

Finally, the research will be greatly treasured by all levels of government. It will help the government in understanding the dynamics of the residential market and its impact on rent. The findings and recommendations in this work will help the government in both policy formulation and execution on housing.

It will serve as information to the general public on the current rental value in the study area and also be a guide to the government for policy making on residential properties in the study area.

It will serve as a resource base material to other researchers interested in carrying out further research in this field subsequently.

This study will be beneficial to the financial institution since real properties are used as collateral for mortgage transactions.

This study will also help estate surveyors and valuers and other professionals in the real estate sector in Auchi to develop a grid of the different housing attributes that impact on the value of the property.

This study will be a paramount importance to various professionals, individuals, investors, developers, and student. This study will serves as a source of reference to student in environmental discipline when carrying out research on the topic under study.

It will create an avenue for land located in the study area to be put in highest and best use. It will help create more room for development in Auchi. IT will also help in determining the effect of rental trends on residential properties in the study area. In addition, the study will be helpful in the residential property market in that it will assist the investors on the current state of land market to invest.

1.6.   Scope of the Study

Thematically, this study covers the factors affecting effective development of urban land market in Auchi. The study also identified the operators in land market, the state of land market, factors influencing the land market and the challenges associated with land market in the study area. Geographically, the study limited to Auchi town, Edo state, Nigeria for the purpose of data collection.

1.8   Study Area

Auchi is located between latitude $6^070'00$ to $7^018'00$ north of the Equator and longitude $6^024'00$ to $6^049'00$ east of the Greenwich Meridian. Auchi is the headquarters of Etsako-West Local Government Area of Edo State. The area covers a total land area of 94,562 kilometer square (km^2).

Auchi is underlain by sedimentary formation of the Miocene-Pleistocene age (Odemerho, 1986). The area is found in the south central (Lower Niger Sedimentary rock areas). The sedimentary rocks in the area are easily broken down by the incidence of water which results in the removal of particles of the rock. Auchi area is generally sloppy and as result the topography allows the easy movement of soil particles such that with little rainfall, rapid movement of materials in encouraged.

Auchi area is referred to as "Oshibujie" plain and it is surrounded by the Kuruku Hills up North and Somorika Hills with a height of about 672 meters (m) above sea level. Auchi has a sub humid climate with an average rainfall which ranges between 1000mm – 1500mm. It has a two distinct seasons in a year: The rainy season and the dry season. The rainy season occurs between

April to October with a break in August and the dry season lasts from November to April with cold Harmattan dust in December.

The annual average temperature ranges from 20^0C to 35^0C and its diurnal range of temperature is about 12.4^0C. Auchi soil is mainly lateritic and it is a product of tropical weathering. It is red or reddish brown in color with or without concentration and its generally found below hardened ferruginous crusts or hard pans (Moss, 1968). The soil also contains abundant clay particles. Since clay particles contain little air, they readily hold water which forms a tenacious, sticky mass. Since percolation of surface water is reduced to the nearest minimum by the considerable low absorptive capacity of the sandy-clay particles, the heavy rainfall in the study area on a relatively undulating sloppy terrain acts therefore as a catalyst making the soil easily saturated and erodible.

The natural vegetation of Auchi is of Guinea savannah type with traces of rain forest which is characterized by tall grasses, shrubs and trees. These trees range from locust beans tree, Obeche, Mahogamy, Galena etc. The Guinea savannah is gradually transiting into a secondary type and this is as a result of the activities of man such as bush burning, indiscriminate felling of trees, and construction of roads among others. These activities have greatly affected the natural environment of the area thus leading to the removal of the vegetation cover which reduces infiltration and increases run-off thereby leading to gully formation.

Auchi has a population of 197,609 and 23,588 household with a density of 209 per square kilometer (NPC, 2006) which is unevenly distributed due to topography, cultural and socio-economic factors. Auchi is divided into five neighborhoods which naturally correspond with the socio-cultural division of the town. They include: Usogun, Akpepe, Aitbotse, Igbe and Iyekhei. The people of Auchi are generally referred to as part of the "Afemas". In the past, Auchi was mainly an agrarian society, but as she began to gain recognition as the administrative headquarters of Etsako West and as an institutional town, attention gradually shifted from agriculture to trade and commerce ranging from small to medium scale ventures.

Auchi was choosing as the case study due to the fact that most of the studies of the performance and challenges of residential property market have not been well carried out in the area.

THE MAP THE MAP

SOURCE: LAND & SURVEY, BENIN CITY (NPC 2006).

1.9. Definition of Terms

Market is a place where buyers and sellers can meet to facilitate the exchange or transaction of goods and services. Markets can be physical like a retail outlet, or virtual like an e-retailer. Others example include the illegal markets, auction markets, and financial markets (Wikipedia).

Land, dry **land**, or ground is the solid surface of Earth that is not permanently submerged in water. Most but not all **land** is situated at elevations above see (Wikipedia).

CHAPTER TWO

LITERATURE REVIEW

2.0. Introduction

The literature review for this study is carried out under the following subheadings. The nature and concept of land market, factors affecting land market, the challenges facing effective development of land market and summary of the chapter.

2.1. Meaning and Concept Land Market:

The term market is commonly associated with places or institutions coordinating exchange of economic goods and services. Economists have come to define markets as 'the voluntary exchange between individual buyers and sellers for other goods and services or money' (Groenewegen, Spithoven, & Van Den Berg, 2010). Markets exist mainly as media for exchange of goods and services and provide means for price-making and allocation of resources in modern societies. The emergence of free market economies in capitalist societies has accorded markets a special place in the provision and consumption of goods and services. According to Groenewegen *et al*. (2010) Adam Smith in 1776 provided the basis of our modern understanding of the market. Neoclassical economists conceive of the market in an idealised state of perfect competition where prices provide information for the optimal behaviour of participants. The authors further argued that the idealised perfect competition quality of the market was called to question only as recently as the 1930s by Ronald Coase who posited that exchange of property

rights involved transaction costs to provide a basis for his explanation of the existence of a firm (Groenewegen *et al.* 2010). As contemporary events (the global economic recession triggered by sub-prime lending in the US and the numerous cases of failed mega-corporations like Enron, Parmalat etc.) have come to show, in reality markets are hardly efficient and market failure or distortion could prove fatal not just to the firm, a particular economy but to the whole world.

Land markets attract wide participation, all over the globe. Land market activities receive intense analysis from economists and bankers, investors and developers, and they interest millions of people. Meanwhile, how to build a land market remains a mystery. Those countries that achieved effective modern land markets have the benefit of well-run land administration systems. These systems therefore offer the key to building a market.

Land market according to Palmer, Fricska and Wehrmann (2009) are mechanisms by which rights in land and housing, either separately or together, are voluntarily traded through transactions such as sales and leases. Land is an important input for housing. Unlike any other commodities, land is immovable (Dale, et. al., 2007). When transaction on land is done from legal perspective, only the rights can be moved from a seller to a buyer. This makes the need for special arrangement in order to have a functioning urban land market. Land market performs the functions of bringing buyers and sellers together, set price for land , allocates land and play an important role in ensuring that land is efficiently used (Lall, Helluin, Freire & Rajack, 2009). For the land markets to function well according to Wallace and Williamsons (2007) three basic ingredients have to be fulfilled: land itself, land rights and complex commodities. The argued that not only land records, more importantly, but also the ability to work with abstraction and marketing commodities which allows developing nations create wealth. Wallace (2009) have also identify five evolutionary stages in the process of land market development. These stages are land, land right, land trading, land market and complex property market. These stages are related and linked. As the market moves from land to the next stage, the level of complexity increases. Gradual land market development takes the market from land to the complex property market such as the real estate market

2.2   Formal and Informal Land Market

Access to land can be through formal or informal means. In the formal land delivery system, allocation and transfer of land conforms with existing laws such as mandatory registration and certification, planning regulations, building codes and standards (Enermark, 2010; Kironde,

1995; Sivam, 2002). As Dale et al, (2006) discuss formal land market must operate within a clear set of policies and laws that are consistent, enforceable and acceptable to the general public. However, in developing countries only fraction of land markets that are operating formally (Palmer, et al., 2009). Formal systems, including mortgage and credit, have largely failed to reach many low-income households. In most countries, even middle-income families left out of formal land markets. As a result, poor people engaged in informal land market which largely operates in an environment which is neither transparent nor enforceable (Freire et al., 2007). Informal land market is often the most common way that guarantees the poor access to land and it is much bigger than the formal market in cities of developing world (Palmer, et al., 2009). Formal market differs from system to system. Concept of formal market covers wider ranges of issues. What statutory law recognizes as formal transfer may not be recognized by customary as such or vice-verse (Farvacque-Vitkovi, et al., 1992). People may access land formally and later revert to informally through illegal building. The poor, when formal markets cannot be easily accessed, returns to informal land market to meet their needs. UNESCAP (1997) believes that the poor can be brought into formal land market by facilitating supply side and increasing affordability of land in the market, however.

Informal land market violates few or all of the procedures declared by a government (Enemark, 2010; Kironde, 1995). In this particular case land can be obtained or occupied without permit or without undergoing necessary registrations. Local leaders can give allocation or sale land illegally. Land can be transferred illegally through inheritance or purchased in a fraudulent way. Farvacque-Vitkovi, et al. (1992) further explain that informality ranges from buying land from illegal land owners to buying state land illegally from officials. Taking part in informal transfer has risks. But why people participate in informal land market despite the associated risks? Perhaps there are no incentives (less bureaucracy and low cost of transaction) which make formal market preferable as Zevenbergen (2002) has pointed out. This requires the need for provision of incentive for people to bring them into formal channel when they transfer land.

Access to formal land market is not affordable for many (Sivam, 2002; Thirkell, 1996). Opportunities for urban poor households to buy land in formal market are extremely difficult. Approval of sub-division plans and building design through normal channels can take months and prove costly as it involves payment of fee. A comparison of costs for formal and informal

housing proves that the decision to buy into a squatter area is not reckless but makes sound economic sense especially in a country where Land Administration system is very inefficient, corrupt and cumbersome. These challenges can be attributed to weak governance which fails to improve service standard and tackle malpractices and corruption.

Informal urban land market makes land market ineffective and inefficient. Though land transfer is possible, but it is not in well-organized fashion. This makes sophisticated and high standard service unlikely. It has also poses other threats; a government loses control over the players involved in the market and it cannot secure transfer and protect the rights of vulnerable individuals who found themselves in informal transfer. In addition, the government loses huge revenue that it would earn from land tax (transfer tax, annual land use fee and other related taxes) if the market is regulated and formalized.

Omirin et al.(2004) find out that in developing countries failure of government land policies manifest itself in the predominance of informal and illegal mechanisms of land transactions. Those policies are neither strong enough to attract those who are involved in informal land market nor conducive for the formal land market to function efficiently and effectively. They believe that stringent policies and its implementation mechanism can exclude the poor and indirectly create an opportunity for informal land market expansion. The popularity of illegality and informality indicate the extent to which there is need for drastic reforms to deregulate land markets. Formal markets need political support and where this is lacking the poor lose confidence in formal market and take full participation in informal one (Dale, et al., 2006). Here, the problem is, even the informal land market can only solve the problem of the urban poor on temporary base. In the long run they may lose their land and possession or might be exposed to regular intimidation, harassment and informal fees to the local authorities.

Informal payments and high transaction costs discourage many from taking in formal land market. Governments can reduce transaction cost and improve land market by putting efficient and effective Land Administration system which provides reliable and up to date information (ownership, land use, value) to all. For the development of informal land market and weakening of the formal one, it appears very clear that the situation of governance has a lot to contribute. Whether the root cause informality is transaction cost, bureaucratic red tapes or illegal state land

sale, good governance has a role in terms of improving the situation and leading to strong formal market by weakening the informal one.

2.3. Factors Affecting Land Market Value

Nigeria has been regarded as the most populous nation in Africa with a teaming population of over 160 million (Population census, 2006), crowned over a land area of about 923, 000 square kilometers. It has over a hundred cities with population that passes for urban centers. Nigeria cities notably Lagos, Kano and Ibadan are among the first one hundred cities in the world (UN, 2001), which translates into pressures on land and thus high urban dynamics. The pressures on land orchestrated by increased rate of urbanization brought with it intractable urban problems, such as poor environmental sanitation, pollution, crime, unemployment and overcrowding among others.

Many writers confirmed that Nigerian urban centers are faced with rapid growth and development, which contribute to land use change. The relationship between population increase, economic developments and land use change has generated research interest over two decades and half. While the trend in lateral growth, the pattern and direction of sprawl developments in many cities in Nigeria are limited by physical barrier such as lagoon, Rocky Mountains and other natural features, the influx of people into the cities complicated the urban condition through structural growth. The population increase naturally creates adjustment of human and land use activities in space within urban systems thus causing lateral and structural changes.

Land use changes are indirect consequence of national economic growth, it is important to evaluate land use changes in the regional and local context in order to assist in anticipating the impacts associated with change and contribute to an understanding of productive environmental sustainability (Laymon, 2003).

2.4. Challenges Facing the Effective Development of Land Market

There are various challenges which the residential property market in Nigeria faces. These challenges are the main causes of aggravating housing deficit, which the nation has encountered through the years. The challenges include:

a) Land Tenure System – There is high insecurity in the current land tenure system being operated on in Nigeria, with the Land Use Act vesting the little to all lands in a State, in the hands of the State Governor who hold same in trust. The Act gives the Governor the mandate to reserve the right to revoke title to any land under his jurisdiction fort public purpose. This Act has resulted in low investment on the part of property developers who constantly entertain fears about investing in housing. In the long run, the effect is felt in increased deficit in the housing sector. (Agbugah, 2019).

b) High cost of infrastructure – High cost of land infrastructure is a serious challenge to provision of housing both by the private and public sectors.
This instance is further worsened if the land is located far from the other

building facilities. In most cases, investors are required to full year the high investment cost of provision of water and road infrastructure to the new site. This trend will significantly affect the final price of the land and ultimately the cost of the housing unit, thus affecting the affordability of the facility. (Agbugah, 2019).

c) Bureaucracy in Government – Cumbersome Legal and Legislative frameworks for land acquisition. The housing sector faces numerous bureaucracies in the process of land acquisition and titles. Such bureaucracies include availability, affordability and the ease of acquisition. For example, it may take up to five years to acquire a certificate of occupancy (C of O) from the governmental authorities in charge of issuing such documents. In addition, the cost of registering a mortgage has also skyrocketed. These have negatively affected the ease of building more housing units in Nigeria, since the bureaucracies in the process will limit the quantity and affordability of such structures in the long-term. (Agbugah, 2019).

d) Inadequacy of housing information system – Nigeria lack requisite statistics of the housing sector. Most indices for planning in this sector are estimates for the World Bank, National Population Commission (NPC) or other government agencies. The NPC lacks up-to-date demographic data as regard population and migration, thus limiting the efficiency of housing policies based on such records. Such deficiency in terms of information will deter the formulation of any housing policy. (Agbugah, 2019).

e) Taxation – Investors in the Nigerian housing sector are subjected to multiple taxation. These taxes and levies include; income tax, development levy, building plan approval levy, land use

tax, property tax, etc. These payment acts as disincentives for existing and potential investors in growing the sector. (Agbugah, 2019).

f) High Interest Rates and Inflation – The high interest rate in Nigeria (16-24 per cent) has deterred to a large extend investment in the Nigerian housing sector. High interest rates have discouraged potential investors especially those within the low- and middle-income bracket from seeking mortgage loans. This has resulted in such group(s) resorting to personal savings, local thrift societies, friends, etc. to embark on housing projects, thus resulting in low output in terms of quality, quantity, and affordability of such housing units. (Agbugah, 2019).

g) Naira Devaluation – Devaluation of naira at certain points in the country's history has not impacted positively on the housing sector, due to Land dependence on importation of material and equipment. When the naira is devalued, it raises the cost of imported building materials needed to stimulate the housing sector. This will ultimately affect the affordability of the housing units. (Agbugah, 2019).

h) Rural-Urban Migration/Urbanization – One of the challenges facing the housing sector is the imbalance in the distribution of the population due to rural-urban drift and rapid urbanization. The movement of people to urban centers has increased the demand for housing units in these locations. The residential property market in Nigeria is highly observed in urban centers such as Lagos, Abuja, Kaduna, etc. provision of adequate housing units of teeming population in the urban centers. (Agbugah, 2019).

i) High Cost f Property Development – Building a house is highly expensive in Nigeria. The cost of construction is high for three reasons: high costs of building materials, high skilled labour costs, and costs associated with poor roads and sewerage systems. The high cost of building materials has negatively affected the rate of building housing units in the country. The main reason for this high cost of materials is the reliance on imported goods. Most of our local building material industries are incapacitated in their operations, hence not meeting up with the demand for the products. This condition is further worsened by lack of public infrastructure such as roads, power supply, etc.

j) Bribery and Corruption - Bribery and Corruption is also one of the challenges facing the Nigeria housing sector. Allocation, acquisition and approval for housing construction are prone to manipulation due to corruption which is backed by cumbersome bureaucratic process in the

sector. Investors may find it difficult to obtain the necessary documentation to embark on projects due to bribery and corruption. (Agbugah, 2019).

k) Is there really a Mortgage sub-sector? The mortgage sub-sector in Nigeria is rudimentary and for the most part caters for thee elite class. A reasonable mortgage sub-sector should operate at a single-digit interest rate with a payment period of not less than 20 years. Agbugah. (2019).

2.5.   Empirical Review

A general understanding of urban land market in Africa was defined by Kironde (2000) AS A "framework in which those seeking land own or control land for land acquisition are treated by land seekers" and in which the market frame work is determined by the definition of the participants in it and their rationalities. It is the institution concerned with transfer of ownership rights on land (Emmanuel, 2008) and major factor for consideration for sustaining the growth of emerging economies (Oladokun, 2017). If viewed in terms of agent categories vis-à-vis developers, investors and users, Mooya and Cloete (2007) classified land market into 'development markets, capital markets and letting markets.

Land markets are prohibited in some countries as such leading to landlessness and concentration of land in fewer hands (Siastad, 2003). In most African countries, however, formal and informal land market transactions operating at both rental and sales sectors are allowed. Whereas, the informal land sales market develops where land is scarce and the distribution of land and land factors is distorted incentive for market transaction in land (Hodson, 2000), the formal land system was imposed primarily by colonial powers. For instance in Nigeria, the Feudal power structure in 1975 where colonial powers alienated local population in various ways taking them as tenants on crown land which attracts payment of taxes or labor extraction. The colonial masters took charge of greater percentage of land in Lagos and the practice entail the exchange

of land created by the practice as a major policy issue. Access to land has been unequal from time immemorial and has become more unequal in recent decades (Jayne & Keller, 2003).

There was general recognition in South East, Asia that the informal (illegal) market is the main way the people access land. The same opinion was given by Calderon (1996), for Latin American cities by the 1990s. Rakodi and Leduka (2003) also discovered the same fact for six cities in Sub-Saharan Africa and Emmanuel (2008) corroborated this fact also in Kampala Uganda. The submissions of authors such as: Angel et al. (1983) in South East Asia, Calderon (1999) in Latin America and Rakodi (2006), also give corroboration to the fact that the informal land market are the most common way by which people access land. IN all ways, land market process starts with allocation of land to ensure balancing between the quality of land supplied and quantity demanded and ensuring the efficient use of land (Deininger et al., 2011).

Four advantages of efficient equitable land market as opined by Baland (2007) are as follows; when the value of land use rights is capitalized in any forecast mortgage or land price estimate, transaction costs in the market for buying and selling land tend to be higher, with associated fixed costs, at registration may be higher and household smaller and smaller. Poor households will have more difficulty obtaining land, as serious gaps in the credit and insurance markets, and repeated negative shocks will force young land owners selling even bigger hardships, while (usually wealthy landowners) able to secure or diversify its operations and in the absence or when the capital market is accessible to a large number of the population, land ownership is used to accumulate savings, especially as inflation hedging, which cost less levels of efficient productive use.

What differentiates urban land market in Africa is that they are independent of public authorities (Kironde, 2000). This form of land market is unique from other markets where it would be buyer(s) trade and no proper knowledge of land market is possible without grasp of its characteristics (Ajayi, 1998). The land market is significant in its level of imperfections.

Factors that have contributed to the imperfection include the following; first, there is no central market place or quoted current price. Land sale can take place through various sub-markets according to purpose, location and type. The fact that there is no quoted price will make the seller (valuer) conduct investigation on relevant recent sales. Second, there is inadequate knowledge on transaction due to lack of fixity of market place and great deals of secrecy

accompany transactions in land market. Third, supply of land is fixed in nature which lea to monopoly of the product by the seller. Fourth, transaction in land market can be complex via finance and legal arrangement. Finally, the market is surrounded by various interests (Dowall, 1993; Greenspan, 1994).

In developed countries, residential property market is used for investment portfolio diversification, with closer connection with the stock market, and investment portfolio information. IT was observed that residential property market conditions make important contribution to the micro and macro level economies with general economic cycle that enable analysis to find out its contribution to the economic development (Case, et al. 2001).

The following major players in real estate investment can be identified – financiers, builders and developers, investors, renters, professionals (estate surveyors and valuers/realtors, brokers, property law specialists etc), Government and the informal sector. Falling into financiers group are the various sources of short, medium and long-term funds for real estate loan. The structure and composition of this group vary from one country to another and are greatly influenced by the level of development of the country's economy (Ojo, 2004). For example in the United Kingdom, the following sources of real estate investment finance can be identified – banks, insurance companies, building societies, pension funds, local authorities and property unit trusts (Millington, 1994).

The major sources of real estate finance in the United States of America (U. S) are as follows – mutual saving banks, savings and loans associations, commercial banks, life Insurance Companies, Mortgage Banks, State and Local Finance Agencies, Pension and trust funds and real estate investment trusts (Boyklin and Harney, 1993; Brueggman and Fisher, 1997).

The existing situation in Nigeria indicates the following sources of real estate investment finance-commercial banks, federal mortgage bank of Nigeria, primary mortgage institutions (PMIs), state housing corporations/ property development companies and project finance companies (Onibokun, 1985; Olufemi, 1993).

Besides the financier, another major participant in real estate investment that is very relevant in the investor and developer. The developer/investor is the key player on the supply side. The investor could generally be an individual, institutions or corporate entity.

A renter or tenant is another key participant central of real estate investment. While developer/investor is the arrowhead of the supply side, the renter is the key actor of the demand side. The renter could generally be an individual, companies and government agency.

The professional constitute another major set of participant in real estate investments. These include: estate surveyors and valuers, engineers, architects, brokers and property law specialists.

Until in recent time, real estate has been a relatively under-researched market compared to the major financial asset classes owing to the peculiar characteristics of real estate. Real estate investment is largely traded in private, non-centralized market, with inaccessible private data and often poor quality data (Hoesli and Lizier, 2007). However, the recent developments in global economy has necessitated that real estate investment decision needs to be informed.

The performance of property investment can be discussed mainly under two major headings. The first is the performance of real estate vis-à-vis other major investment media. Some prior studies consider the performances of real estate against the performance of non-property investment such as stocks and bonds (e. g Brueggman et al, 1984; Ibbotson and Seigel, 1984; Ben-shar, 2003; Lee2008 and OLaleye et al, 2010). It was shown in the review that across countries, real estate investment has generated lower return and lower risk. In most cases, real estate out performed stocks and bonds in terms of risk adjusted return, thereby pushing real estate ahead to wide acceptance by investors globally.

The second focus of prior studies is the performance of direct real estate versus indirect real estate investment. The attempt in this area was too consider which type of real property media commands higher return and generates lower risk (e.
g Newell et al, 1997; Gilberto, 1990; Oyewole, 2006). Generally, the papers showed that indirect property investments behave partly like stocks returns (highly correlated with stocks) and partly like direct real estate (i. e. influenced by the underlining property assets) in terms of performance. Direct real estate offers high share of total return derived from the income component. It also attracts stable income which contributes to the relatively lower overall

volatility of real estate total return. However, indirect real estate investment offers greater liquidity, thereby giving opportunities to small scale investors to participate in real estate investments. In addition, listed property companies (indirect real estate investment).

CHAPTER THREE
RESEARCH METHODS

3.0.   Introduction

This chapter discussed the methodological approached to be used in achieving the aim and objective of this study. Method of research is the process, strategies and techniques adopted by researchers to collect, organize, analyses and interpret data in any research endeavour. Thus, this chapter discussed the research design, population of study, sample frame, sample size, sampling procedures, instrument of data collection, and method of data analysis.

3.1.   Research Design

In this research, a descriptive research design will be adopted. The reason for the choice of the type of design are twofold. Firstly, to allow the researcher cover wider range of the study area. Secondly, to help produce subjective opinion from respondents who will voluntarily answer the questionnaire and interview that will be provided by the researcher. The research also involves

interaction with residential property owners, property investors, Property managers and tenants of residential property in the study area.

3.2. Population of Study

Population is used in a more specialized sense to include not just people but also events which are members of the target group as defined by the aim and objectives of the research work. It is the total group which the study is concern. In this study the target population consists of properties owners, Estate Surveyors and Valuer, Estate agent and lawyers who are involved in land market in Auchi metropolis

3.3 Sample Frame

This is the representation of the total number of the target audience that makes up the population; by extension, the study will look at those elements that can be documented. For the purpose of this study, the sample frame of the research according to independent national electoral commission (INEC) Auchi branch, the total number of property owners are 1447, estate surveyors and valuer 4, lawyers in property 3 in Auchi metropolis.

Spread of Respondent

Target Respondents	Total
Property owners	1447
ESV	4
Lawyer in land maters	3
Total	1454

Source. Ministry of lands, auchi

3.4 Sample Size

This refers to a small amount of a substance taken from a larger unit and tested in order to obtain information about the substance for the purpose of the study. The sample size consists or the number of the element from which information required in this study work is gotten.

Since it may not be possible to sample the entire population due to time factor and cost, a representative sample size was taken through a scientific process. Therefore, out of 1,444

property owners, 4 ESV and 3 lawyers which forms total respondents of 1454 that form the sample frame for this study, a statistical formula was used to select the sample size for the study. Using Taro Yamane statistical formula, this is stated as;

$$n = \frac{N}{[1+N(e^2)]}$$

Where N= total housing unit in the area e = level of precision

Where;

N = 1454 e=5% = 0.05 n=?

Therefore,

$$n = \frac{1454}{[1 + 1454 (0.05^2)]} \qquad = \qquad 313.7$$

From the analysis above 314 represent the sample size.

3.5   Sampling techniques

The sampling technique that will be adopted in this study will be the simple random sampling technique. In this simple random sampling technique each element that will be included in the sample has equal chance of inclusion in the sample. This technique will be adopted because it provides an unbiased and better estimate of the parameter since the population is similar.

3.6   Instrumentation/Data Collection Procedure

The instrument for data collection is both primary and secondary instrument, the primary instrument is the use of questionnaire while the secondary instruments involve text books.

For this study, instrument adopted for the collection of data will be, questionnaires. A well- structured closed ended questionnaire was designed to elicit information from the respondents to give detail responses to their convenience. To achieve maximum result,

the questionnaires will be sectioned into A and B section, section A focused on the respondent's bio data while section B was focused on core issues as it related to study objectives. The Likert scale will be used to structure the questionnaire to capture the intensity of the respondent. This took the form of a 5point response scale of strongly agreed, Agreed, Undecided, Disagreed and strongly disagreed.

3.7 Method of Data Analysis

The data collected from the questionnaire administration will be processed and analyzed which will help the researcher to make recommendations. For the purpose of this study, the data will be analyzed using descriptive and inferential statistical tools.

The percentage table analysis format will be used to analysis the socio-economic background data of the respondents. Mathematically, percentage is ratio multiplied by 100. It helps the number of factors according to the degree of occurrences attached.

It is given thus: $P(\%) = \dfrac{n \times 100}{N}$

Where:

P=percentage (%) n= value of item
N=Total value of item

Table 3.2   Showing method of analysis adopted

Objectives	Method of data analysis
To ascertain the main actors in land market in Auchi	Means Item Score
To examine current state of land market in the study area	Weighted Mean Score (WMS)
To ascertain the factors influencing land market in the study area	Factor analysis

To determine the challenges inhibiting effective development of Weighted Mean Score Auchi land market.	Weighted Mean Score (WMS)

$$WMS = \frac{5n5 + 4n4 + 3n3 + 2n2 + n1}{N}$$

Where N5= Number of Respondent who answered very important

N4= Number of Respondent who answered important

N3= Number of Respondent who answered neutral

N2= Number of Respondent who answered less important

N1=Number of Respondent who answered not important

Therefore, data were processed by coding using the statistical package for Social Science (SPSS)

CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.1   Introduction

Data collected has to be processed, analyzed, presented and interpreted. Analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data-groups (Kothari, 2004). Interpretation refers to the task of drawing inferences from the collected facts after an analytical and/or experimental study. Interpretation is the device through which the factors that seem to explain what has been observed by researcher in the course of the study can be better understood and it also provides a theoretical conception which can serve as a guide for further researches (Kothari, 2004).

Three hundred and fourteen (314) questionnaires was distributed to various respondents which includes Property owners, Estate Surveyors and Valuers and Lawyers in land matters but only two hundred and ninety-five (295) which represent about 98% of the total number was retrieved and properly filled. The analysis was done using the retrieved questionnaires as given below:

S/N	QUESTIONNAIRE	FREQUNCY	PERCENTAGE
1	Number distributed	314	100
2	Number retrieved	295	98

Table 1: Questionnaire Distributed and Retrieved

Source: Field Survey, October, 2022

4.2.   Socio-Economic Characteristics of the Respondents

This section presents the data gathered during the study regarding the socio-economic characteristics of the respondents, interpretation of the results from the conducted study are shown below.

Table 4. 1: Respondents gender distribution

SEX	FREQUENCY	PERCENT (%)
Male	206	69.8
Female	89	30.2
TOTAL	**295**	**100**

Table 4.1 above shows the analysis on the sex of respondents. It was gathered that 69.8% of the total respondents were male while 30.2% of respondents were female. This shows that there are more males in the study area.

Table 4.2: Age of respondents

AGE (Years)	FREQUENCY	PERCENT (%)
Below 18	-	-
18 - 25	2	0.7
26 - 30	35	11.9
31 - 45	98	33.2
46 - 60	102	34.6
60 and above	58	19.7
TOTAL	**295**	**100**

The age group of most of the respondents is within the range of 18-60 years above with about 0.7% of the total respondents between 18 – 25 years, followed by 11.9% of the respondents who are within the age range of 26-30 years, 33.2% are between 31-45 years, 34.6% are between 46-60 years while 19.7% are older than 60 years.

Table 4.3: Marital status of respondents

MARITAL STATUS	FREQUENCY	PERCENT (%)
Single	30	10.2
Married	205	69.5
Divorced	10	3.4

Widow/Widower	50	16.9
TOTAL	**295**	**100**

Table 4.3 above shows that 74.5% of the respondents were married, 3.6% of the respondents were single, 18.2% of the respondents are widow/widower while 3.6% were divorced

Table 4.4: Educational status of respondents

EDUCATIONAL STATUS	FREQUENCY	PERCENT (%)
Primary/Secondary	25	8.5
ND	15	5.1
HND	30	10.2
B.Sc/B.Tech	100	33.9
M.Sc/M.Tech	125	42.4
TOTAL	**295**	**100**

Table 4.4 above reveals that, despite the study area and the factors affecting effective development of urban and land market, a greater percentage of respondents were graduates, having 42.4% as M.Sc/M.Tech, 33.9% as B.Sc/B.Tech, 10.2% as Higher National Diploma (HND) holders, while 5.1% are National Diploma (ND) and 8.5% of the respondents were both secondary school leavers and primary school certificate holders. This implies that even graduates are also affected with the factors affecting effective development of urban and land market in the study area.

Table 4.5: Occupational status of respondents

OCCUPATION	FREQUENCY	PERCENT (%)
Civil Servant	75	25.4
Self Employed	132	44.7
Unemployed	30	10.2
Retiree	58	19.7
TOTAL	**295**	**100**

Source: Field survey (2022)

Table 4.5 above shows that 25.4% of the respondents were Civil Servant, while those who were self-employed were 44.7%, with the unemployed and retirees making up 10.2% and 19.7%% respectively. One can easily deduce that the study area is predominated with people that were self-employed.

4.3 Presentation of Data According to Research Objectives

The results of the analysis of data collected for this study is hereby presented according to the objectives earlier set for the study in chapter one

Objective one: To ascertain the main actors in land market in Auchi.

Main Actors in land market	SA	A	UN	D	SD	MIS	RANK
Landlords/owners	95	95	35	25	45	3.58	1
Real Estate Agent	100	50	35	100	10	3.44	2

Builders	100	20	50	60	65	3.10	3
Investors	75	40	60	50	70	3.00	4
Financiers	55	55	55	55	75	2.86	5
Stakeholders	60	40	60	60	75	2.83	6
Professional (Estate Surveyors and Valuers)	15	90	60	80	50	2.80	7
Property law specialist	25	75	75	45	75	2.76	8
Tenant/User	40	40	60	90	65	2.66	9
Developers	25	75	30	90	75	2.61	10
Brokers	22	11	82	100	80	2.31	11

Table 4.6: Showing respondents distribution of main actors in land market

Source: Field survey (2022)

Table 4.6 above reveals the main actors in land market in Auchi, it was discovered from the feedback gotten from the respondents that Landlords/owners are the main actors in land market in the study area with mean score of 3.58 followed by Real Estate agents with mean score of 3.44 and brokers are the least main actor in land market followed by developers with mean score of 2.31 and 2.61 respectively. This confirms the owing a house or becoming an agent that assist in proving land for effective development of urban and land market, it is paramount in making someone a main actor in land market.

Objective two: To examine current state of land market in the study area.

Table 4.7: Showing respondents distribution of Current State of land market in the study

Current state of land market	SA	A	UN	D	SD	WMS

Fraudulent/Multiple sale	100	60	70	40	25	3.58
Increase in transaction cost	98	68	59	50	20	3.59
Quick transaction	95	50	50	50	50	3.31
Tenure insecurity	90	80	55	30	40	3.51
Project abandonment	100	55	10	30	100	3.08
It leads to court litigation	90	60	90	30	25	3.54
Creates ownership dispute	85	48	68	25	69	3.19
Complexity in processing	60	90	50	80	15	3.34
Enhance property development	73	98	53	46	25	3.50
Currently booming	68	85	35	58	49	3.22

Source: *Field Survey (2022)*

Table 4.8:   Descriptive Statistics Showing respondents distrib ution of Current State of land market in the study

Current state	N	Minimum	Maximum	Mean	Std. Deviation
increase on transaction cost	88	1	5	4.19	1.015
frudulent/multiple sale	88	1	5	3.70	1.084
tenure insecurity	88	1	5	3.59	1.265
project abandonment	88	1	5	3.66	1.268
leads to court litigation	88	1	5	3.80	1.126
creates ownership disput	88	1	5	3.81	1.153
complexity in processing	88	1	5	3.81	.920
Enhance property development	88	1	5	4.25	.762
currently booming	88	1	5	4.27	1.036
Valid N (listwise)	88				

Table 4.9: Factors influencing land market in the study area using Relative Importance Index

FACTORS	SA	A	UN	D	SD	RII

Lack of access to expert	80	60	30	50	75	3.07
Increase in land price	98	86	80	20	11	3.81
Improved environment management	55	60	10	90	80	2.73
Land regulation by tenure	60	100	70	40	25	3.44
Land regulation by land administrative system	68	98	59	50	20	3.49
Efficient land use management	95	50	50	50	50	3.31
Safety of participant in the market	90	80	55	30	40	3.51
Level of urbanization	100	55	10	30	100	3.08
Land speculations	90	60	90	30	25	3.54
Increase in demand	85	48	68	25	69	3.19
Land ownership pattern/structure	60	90	50	80	15	3.34
Formality level of the market	73	98	53	46	25	3.50
Availability of credits from financial institution	68	85	35	58	49	3.22
Locationality/accessibility nature of Land in the market	62	72	97	27	37	3.32
Informality level of the market	60	58	94	50	33	3.21
Risk in identifying land owners	36	69	56	75	59	2.82
Security of land titles	22	11	82	100	80	2.31
Community involve in land market operation	75	70	75	50	25	3.41
Presence of formal structure	69	58	55	90	23	3.20
Activities of land market actors/ operators	27	98	100	20	50	3.11

Source: Field Survey (2022)

Table 4.10 **Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		

	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.556	28.474	28.474	4.556	28.474	28.474
2	2.614	16.336	44.809	2.614	16.336	44.809
3	1.387	8.668	53.477	1.387	8.668	53.477
4	1.333	8.333	61.811	1.333	8.333	61.811
5	1.046	6.536	68.347	1.046	6.536	68.347
6	.758	4.737	73.084			
7	.750	4.688	77.772			
8	.709	4.429	82.201			
9	.575	3.597	85.798			
10	.489	3.057	88.854			
11	.468	2.927	91.781			
12	.359	2.246	94.027			
13	.317	1.983	96.010			
14	.254	1.589	97.599			
15	.194	1.214	98.813			
16	.190	1.187	100.000			

Extraction Method: Principal Component Analysis.

Table 4.10: Showing Challenges inhibiting effective development of Auchi land market

Challenges	SA	A	UN	D	SD	MIS	RANK

Use of land as collateral	80	90	60	50	15	3.58	1
Lack of urban infrastructure	84	60	44	30	77	3.15	2
Neglect from state government	71	60	50	45	69	3.06	3
Poor waste management	71	60	40	55	69	3.03	4
Squatter	71	60	40	45	79	3.00	5
High poverty level	79	51	30	40	95	2.93	6
Tenure insecurity	80	30	40	70	75	2.90	7
Sustainability use for market	59	44	67	55	70	2.89	8
Inadequate access road	59	54	60	26	96	2.84	9
Easy access to market	67	31	49	68	80	2.79	10
Poor sanitation	58	44	50	46	97	2.73	11
Efficiency	57	31	65	56	86	2.72	12
Availability of credits	31	67	55	56	86	2.66	13
Quick development	50	30	60	75	80	2.64	14
Poor planning	40	58	46	55	96	2.63	15
Equity	50	20	70	75	80	2.61	16

Source: *Field Survey (2022)*

Descriptive Statistics

CHALLENGES	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
Sustainability	86	1	5	3.45	.132	1.224
Easy access to market	86	1	5	3.65	.120	1.114
Availability of credit	86	1	5	3.59	.109	1.010
Use of land as collateral	86	1	5	3.83	.129	1.200
poor planning	85	1	5	3.96	.110	1.017
poor sanitation	86	1	5	4.08	.115	1.065
inadequate access road	86	1	5	3.99	.110	1.023
high poverty level	86	1	5	3.73	.128	1.182
tenure insecurity	86	1	5	3.73	.115	1.067
lack of urban infrastructure	86	1	5	3.71	.134	1.245
Squatter	86	1	5	3.63	.136	1.265
poor waste management	86	1	5	3.95	.129	1.197
Neglect from state government	86	1	5	3.65	.145	1.344
Valid N (listwise)	85					

Table 4.9 above and Figure 4.4 above reveals the challenges inhibiting effective development of Auchi land market, it was discovered from the feedback gotten from the respondents that use of land as collateral is the major challenges inhibiting effective development of Auchi land market followed by lack of urban infrastructure and the least challenge inhibiting effective development of Auchi land market is equity followed by poor planning.

4.4   Discussion of Findings

Land market is largely traded in private and non-centralized market with inaccessible private data and often poor quality data, however the following was identified as major actors in land market in the study area Landlords/owners; Real Estate Agent, builders, investors, financiers, stakeholders, professional (Estate Surveyors and Valuers), property law specialist, tenant/user, developers and brokers and it was discovered that landlords/owners are the prominent actors in land market, without the owners, and market business will not be made possible.

The state of land market determines how effective the development in any urban area will come to existence; the following was identified as the state of land market in the study area Fraudulent/Multiple sale, increase in transaction cost, quick transaction, tenure insecurity, project abandonment, it leads to court litigation, creates ownership dispute, complexity in processing, enhance property development and currently booming, it was discovered that increase in transaction cost is the current state of land market in Auchi, which is as a result of the inflation rate in Nigeria.

Nigerian urban centres are faced with rapid growth and development but there are still some factors influencing land market, some of which includes: lack of access to expert, increase in land price, improved environment management, land regulation by tenure, land regulation by land administrative system, efficient land use management, safety of participant in the market, level of urbanization, land speculations, increase in demand, land ownership pattern/structure, formality level of the market, availability of credits from financial institution, location/accessibility nature of land in the market, informality level of the market, risk in identifying land owners, security of land titles, community involve in land market operation, presence of formal structure and activities of land market actors/ operators. It was discovered that increase in land price is the major factor influencing land market in Auchi.

There are various challenges inhibiting effective development of Auchi land market, they include use of land as collateral, lack of urban infrastructure, neglect from state government, poor waste management, squatter, high poverty level, tenure insecurity,

41

sustainability use for market, inadequate access road, easy access to market, poor sanitation, efficiency, availability of credits, quick development, poor planning and equity. It was discovered that the major challenge inhibiting effective development is use of land as collateral because it is one of most profitable business in Nigeria presently.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

42

This research effort has been able to empirically evaluate the factors influencing the performance of urban land market in Auchi, Edo State. with a view to identifying the major actors in the market, examine the factors driving the land market, ascertain the current state of the market and; determine the challenges inhibiting land market in order to propose a workable pathway towards improving the current situation of land market in the State. The preceding chapter particularly dealt with data presentation and analysis. This chapter presents the summary of findings, conclusions, recommendations of the study.

5.1   Summary of Findings

From the analysis of the data done in chapter four, the following are the summary of the major findings from the statistical analysis:

1.   The study discovered that the main actor in land market in Auchi are landlords/owners with a Mean Item Score (MIS) of 3.58.

2.   The current state of land market in Auchi is said to be underdeveloped and fraught with so many fraudulent activities and multiple sales of land.

3.   There are many factors influencing land market, the study found that lack of access to land, increase in land price, improved environment management, land regulation by tenure, land regulation by land administrative system, efficient land use management, safety of participant in the market, level of urbanization, land speculations, increase in demand, land ownership

pattern/structure, formality level of the market are some of the major factors influencing the market

4.   Land market in the study area is inhibiting with some challenges such as use of land as collateral, lack of urban infrastructure, neglect from state government, poor waste management, squatter, high poverty level, tenure insecurity, sustainability use for market, inadequate access road, easy access to market, poor sanitation, efficiency, availability of credits, quick development, poor planning and equity.

5.2   Conclusion

Land markets play a critical role in shaping urban development, determining the location, density, form and price of residential, commercial and industrial development. Land markets are driven by both demand and supply factors. On the demand side, population growth, income, and level of economic activity determine how much land is demanded to support development. Urban land supply is determined by topography and physical conditions, patterns of land ownership, availability of infrastructure, roads, water, electricity and government regulations. The interaction of land market demand and supply determines urban land prices. If land supply is very responsive to demand, land prices will tend to reflect the productive value of land. On the other hand, if land markets are constrained and cannot effectively respond to demand pressure, land prices will tend to be much higher exceeding their productive value. These constraints are often the result of restrictive land use regulations, inadequate network infrastructure to support urban

land development, unclear property ownership and titling records, and the actions of landowners to drive up land prices by withholding land from the market.

5.3   Recommendations

For effective and efficient development of urban land market, the following recommendations are considered necessary.

i.   There is a need to integrate the informal institution of the market, making more actors to participate in land marketing to help development in urban areas.

ii.   The current state of land market is fraudulent/multiple sale, to reduce such act buyers or investors need to ensure a registered survey and deed of assignment is given, which shows a transfer of ownership of the property between the seller and the buyer.

iii.   Government should compensate or augment for those low-learners that wish to buy land.

iv.   There should be a need for land policy restructuring.

v.   There is a need for some guardrails to cushion the volatility in order to balance the demand and supply of land.

vi.   The need for the development of vacant lands needs to be improved by intensifying the vacant land taxes on these areas. Which obviously reduce the stress on the growth of corridor development apart from discourages people whom could like to speculate the fringe areas development

vii.   Land bank should be introduce at city level as well as at different areas levels in which the needs of different agencies and up to individuals may be registered

accordingly to spot out the vacant land availability which might be traced before speculative market forces set to work.

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