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**ASSESSMENT OF METHODS OF DETERMINING COMPENSATION ON ACQUIRED LANDS FOR INFRASTRUCTURAL FACILITIES IN NIGERIA.**

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**ABSTRACT**

*Compulsory land acquisition has generated a lot of crises over the years. The bone of contention being the failure of the acquiring authority to pay adequate compensation, claiming its operations are guided by the provisions of the law. These controversies are having adverse effect on developmental objectives of the government, provision of infrastructural facilities and by extension the Nation that is in deficit of infrastructures. Therefore, this study examines if the problem causing the controversies lies with methods of assessment prescribed by law. Triangulation research method was adopted to achieve the objectives of this study. The research relied on multiple instruments adapted for data collection such as existing literatures, structured questionnaires administered on claimants, real estate professionals and interview with the government's representatives saddled with the responsibility of acquiring land and determining the quantum of compensation payable for dualisation of Kano-Maiduguri road project, in Yobe state. Data were analysed using descriptive and inferential statistics. The study discovered among other findings that the prescribed method of assessment by the Act does not in any way conform to the principles and conventional methods of valuation and it negates the principle of equivalence which requires that claimants should not be better off or worse off after the acquisition. This therefore implies that the government needs to introduce a new land policy that would completely eliminate the tensions*

*usually associated with the issue of compulsory acquisition and compensation and conform to the international best practices.*

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**Keywords:** *Assessment, Methods, Compensation, Acquired land, Infrastructural Facilities*

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## **INTRODUCTION**

Governments all over the world owe its citizens a constitutional duty of providing all necessary infrastructural facilities that would promote their socio-economic wellbeing. Nigeria as a nation is witnessing fast economic development and population growth which tends to put pressure on the existing facilities which are presently far from being adequate. Responding to this challenge, the government has been embarking on expansion programmes like construction of roads, reconstruction and dualization of old ones, building of new schools, airports, rail lines, hospitals, seaports, stadia, power stations and housing estates. The desire to provide these infrastructural facilities is known to be constrained by non-availability of land upon which these facilities will be constructed as the lands belong to individuals or communities where the projects are to be sited. The requirement for land leaves the government with no option than to invoke its power of eminent domain, compulsorily acquiring land from their owners. While the government have the right to compulsorily acquire land for the benefits of the mass, it also has the obligation to compensate the property owners fairly. The payment of compensation on land taken has however been observed to be generating controversies. News media had reported cases of communities chasing away contractors mobilised to sites to provide infrastructural facilities, for non-payment or inadequate compensation. The public outcry on the inadequacy of compensation paid coupled with delayed payment had prompted studies on the processes of acquiring land and payment of compensation in Nigeria. The agitation of the people of Niger Delta for resource control was reportedly caused by delayed in payment of compensation and its inadequacy (Kakulu, 2008). Those whose lands have been taken and were fortunate to be paid compensation in the other parts of the country according to Ogendengbe (2007) and Nuhu (2008) have expressed bitter experiences in the system of compulsory land acquisition and compensation. The Nigerian Institution of Estate Surveyors and Valuers have

also expressed concerns and worries on the present system which negates the principles of equivalence, which requires that the claimant must not be better off or worse off than he was before his land was acquired. The decision of the government to provide infrastructural facilities ought to be seen as a source of joy and a moment of relief rather than a period of crisis.

It is premised upon the above that this study assesses the methods of valuation Nigeria adopts in calculating compensation on compulsorily acquired land and the approaches used in payment, juxtaposing it with the approaches used in other parts of the world. To achieve this aim, the study appraised the methods prescribed by the existing law for the calculation of compensation, ascertained the adequacy of compensation paid by the acquiring authority and identified the reasons claimants opposed compulsory acquisition of their lands.

### **COMPULSORY LAND ACQUISITIONS AND COMPENSATION**

Compulsory land acquisition is the power used by governments of modern nations to acquire rights or interests in land without the consent of its owners or occupants in order to benefit the society (Food and Agricultural Organisation (FAO), 2008; Lindsay, 2012). To Kuye (2009), it is “a system of expropriating individuals of their rights of ownership to an estate or interest in land while converting these rights to monetary entitlements by way of compensation”. Compensation can therefore be said to be a process of placing individuals whose lands have been acquired compulsorily by the acquiring authority in the same position they were before their lands were taken through re-settlement or cash/monetary means. When the government decides to use the power of compulsory acquisition, the law requires that the owner of the property is entitled to “...the payment of prompt, fair and adequate compensation as well as the value of all losses he may suffer in consequence of the acquisition” (King & Sumbo, 2015). This suggests that other claims such as disturbance, transportation cost, removal cost among others must be included in the compensation made.

### **JUSTIFICATIONS FOR COMPULSORY LAND ACQUISITION**

The power to acquire land compulsorily is a necessity, usually required for the socio-economic development and protection of the natural environment. Without such power, government may likely find it difficult to provide land for

the development of infrastructural facilities that stimulate economic growth and development (Kakulu 2008; FAO, 2008; Lindsay, 2012). The power to acquire land compulsorily is derived from Constitution, Customary Law, Statute and Military Decree (Kuye, 2009). Sustainable development requires that public facilities be provided by the government (FAO, 2008), where the government cannot access land through other means, it shall invoke its power under the statute to acquire land in order to perform its constitutional responsibilities.

### **COMPENSATION FOR THE LAND TAKEN**

Costs to be compensated for are all economic in nature, covering arable land taken from people, investments destroyed and other economic activities damaged to accommodate the proposed development (Cernea, 2003). FAO (2008) describes compensation whether in monetary term or as a replacement for land or structures as the heart of compulsory acquisition, advocating the adoption of principle of equity and equivalence as the basis of compensation. It however reasons that financial compensation cannot fully replace the loss. Martinez–Alier (2001) dwells on spiritual and social losses, observing that these may be overlooked or ignored while they could be of major significance to the people affected. Taking cognizance of these elements, accordingly requires going beyond standard economic valuation and consideration of other forms of potential losses. According to Otubu (2013), property as an economic asset also has emotional and sentimental values which must be taken into consideration when land is acquired compulsorily. FAO (2008) identifies equivalence, balance of interest, flexibility of law, fairness and transparency as principles of fairness and equity that must be observed in land acquisition and compensation processes. Ogedengbe (2007), Kakulu (2008), Nuhu (2008), Kuye ( 2009), Lindsay (2012), Ige and Adebayo (2015) all asserted that valuers must stick to these guiding principles when assessing the compensation payable.

### **COMPENSATION UNDER THE LEGISLATION IN NIGERIA**

Baum, Sams, Ellis, Hampson, and Steven (2007) viewed that the heads of claim should include the following: “Where the land is taken: market value as the basis of assessment; disturbance compensation to include - fee to solicitor/valuers; removal expenses; transportation costs; publicity, goodwill (business premises); depreciation in value of stocks; special adaptation to

replacement of premises. Where part of the land is taken, heads of claim shall include: value of part taken and compensation for severance and injurious affection. “Where no land is taken, heads of claim shall include: reduction in value of interest.” Baum et al (2007) argued that the Heads of Claim are in line with the provisions of Land Compensation Act, of 1961.

The various enactments made in Nigeria have prescribed different approaches to the assessment of compensation paid in the course of compulsory acquisition of land. However, they have been replaced by the Land Use Act (Decree No 6 of 1978), with the following provisions.

Heads of Claim and basis of Valuation:

**Land** – ground rent refund for the year of revocation (if already paid),

**Building** – installation or improvement on land, less any depreciation together with interest at bank rate for delayed payment of compensation, Crops on land, apart from any buildings, installation, improvement thereof, amount prescribed and determined by the appropriate officer.

Udoekanem, Adoga and Onwumere (2014) asserted that the current legislation has made everyone mere occupants on land, therefore, no one will be entitled to compensation on what is not owned.

Ogedengbe (2007) and Famuyiwa and Ominrin (2011) argued that the existing legislation is very deficient in a number of areas. The Act does not to recognise the sale of land but individuals still buy and sell land. Under the legislation, this category of people is not entitled to any compensation if their lands are devoid of improvement. The Act separated land from building, which is legally defenceless, as land has been described to include all that are attached to it. It fails to provide for disturbance and other expenses such as goodwill, solicitors fee, severance and injuries affection. As for economic trees and crops, fixed rate are provided for, which do not take into consideration proximity to market, river or stream and farm inputs (Nuhu, 2008; Kakulu, 2008). The views expressed by these writers are however in line with the position of the NIESV which have persistently requested the Nigerian authorities to expunge this legislation from the Constitution to pave way for its amendments in line with the world best practices.

## **GLOBAL PRACTICES ON VALUATION FOR COMPENSATION PURPOSES.**

In United Kingdom, Poland, United States of America, Rwanda and Ghana among others, valuation for compensation is based on market value approach for the land taken but in South Africa, compensation is determined by the amount it would cost to replace improvements on land plus additional funds based on the percentage of the value of those improvements (FAO, 2008). FAO (2008) states that the less a person is paid for the replacement of the improvements, the higher the percentage of the money value of those improvements, paid to the claimant in addition in South Africa. In India, replacement cost of land approach is used. Consideration is given to the quality of land and the manner it is used. Various methods as shown above are used in different countries to determine the replacement cost for compensation purposes (World Bank, 2007; FAO 2008).

Poland appears to have a very distinct way of determining compensation payable on agricultural land (World Bank, 2007; FAO, 2008). They reason that value is determined on the basis of the land's location, the quality of the soil and timbers on land, improvements that promote agricultural production and the degree of development on land. The legislation also provides for the owners of land under cultivation for any loss of profits on projected harvest calculated in accordance with the crops current market value (World Bank 2007; FAO 2008). FAO (2008) advocates for compensation value to include more than the value of land and improvements. People may be deeply emotionally, culturally or spiritually affected by the loss of their land, hence the need to compensate them for personal distress in recognition that the sale is not voluntary. This form of practice will no doubt encourage investment in farming and this would likely make the people develop little or no resistance to compulsory acquisition.

World Bank (2007), comparing replacement cost with fair market value, refers to replacement costs as the appropriate bench mark for valuation of assets. It opined that where land markets are robust, replacement cost and fair market value should be roughly equivalent. Therefore replacement cost approach when adopted to determine compensation payable on lost assets should not take into account depreciation in the calculation. It reasoned that where market values are weak or severely distressed, cash compensation based on the fair market value may be insufficient to compensate for the destruction of livelihoods and

social cohesion caused by the acquisition. This position is obviously different from what the law prescribes in Nigeria. Aside from taking cognisance of depreciation of improvement on land, the land element is excluded from the calculation thus resulting in inadequate compensation being paid.

## **VALUATION ASSESSMENT METHODS**

Statutory valuations are usually carried out in line with the provisions contained in the statute under which the acquisition and compensation is executed (Akinlabi, Idris & Elegbede, 2015). Johnson, Davis and Shapiro (2000) argued that the methods employed to estimate the value of the property that is compulsorily acquired are not different from those adopted in other market valuation. They however advocate the use of investment and comparative methods with caution. They reason that the compulsory acquisition could in some cases throw up the value of the property. They seem to draw up their opinions from the Six Rules underlying property assessment and the code of compensation. This implies that valuers could conduct assessment for compulsory acquisition purposes using the traditional methods of valuation except the statute or court directs otherwise. The other methods of assessment are profit and reinstatement or contractors test. Ogedengbe (2007), Nuhu (2008) and Omuojine (1999), argued that the prescribed method of assessing property for compulsory acquisition in Nigeria negates the basis of open market value. Their arguments must have arisen from the views expressed by Marshall and Williamson (1996) to the effect that “the thrust of legislation in compulsory acquisition is to ensure that the acquiring authority is not required to pay for any benefit which its own scheme creates while ensuring that the claimant does not lose out if the scheme causes a drop in value of the interest acquired”. Sule (2014) and Akinlabi et al (2015) asserted that the legal framework lays down the basis and methods of assessment as well as the procedures, heads of claim and the roles of the concerned parties. Both Sule (2014) and Akinlabi et al (2015) argued that valuation for compensation should not only satisfy professional standards of valuation but that they must also meet constitutional provisions and international requirements for just, fair, adequate and equitable value. They submitted that the use of ‘Depreciated Replacement Cost’ (DRC) accepted as a legitimate approach for valuation of properties is only ideal where there is no ready market due to their specialised nature. DRC considers three

elements: 'land value in its existing use; gross replacement of building and allowance for depreciation due to all forms of obsolescence'. These elements are required for depreciated replacement cost (DRC) calculation, if they must meet the Valuation Standards. Akinlabi et al (2015) averred that the mechanisms used by government in arriving at valuation methods, rates and parameters under which acquired land are assessed raises a number of concerns. It reasoned that a lawful occupier or owner of land should be entitled to compensation not just for lost crops but for the land including all that is attached to it.

The use of DRC method to assess land and buildings and fixed rates for farm produce as argued by writers on this subject would always lead to inadequate compensation and would continue to generate tensions during compulsory acquisition, unless there is a reversal of the present approach. Use of investment method for farmlands is highly favoured by these studies.

## **RESEARCH METHODOLOGY**

The study obtained both quantitative and qualitative data from all participating groups in compulsory land acquisition for the dualization of Kano – Maiduguri road project using section 4, Yobe state as a case study. This study adopts triangulation approach involving the use of more than one method (questionnaire survey, interviews and review of available materials) to gather data, since it has been established that it neutralises the weaknesses recognized in both qualitative and quantitative research methods (Creswell, 2003).

The study adopted both cluster and purposive sampling techniques. 150 questionnaires were administered across 5 major towns affected by compulsory land acquisition and compensation in Yobe state. The communities include: Damaturu, Damagun, Ngelzerma, Mamudo and Potiskum. However, 87 questionnaires were returned with 85 found adequate for analysis. The low number of respondents was due to the security challenge faced in the area at the time of gathering data for the study. 50 questionnaires were administered on real estate surveyors and valuers saddled with the responsibility of implementing the government policy on land matters. Due to the reason given above, only seven real estate professionals were available to complete the questionnaire in Yobe State. Professionals operating in Borno, Bauchi and Gombe States were therefore approached and 30 questionnaires were altogether



completed and returned. Telephone interview was conducted on Federal Land Officers and the outcome of the interview adopted in this study. Data collected were subjected to t-test's statistical significance.

## PRESENTATION OF DATA AND DICUSSIONS OF FINDINGS

### Response of Claimants

Table 4. 1 showing the Occupational status of the claimants

Occupation		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>		2	2.3	2.3	2.3
	Business	12	13.8	13.8	16.1
	Civil	11	12.6	12.6	28.7
	Farmer	62	71.3	71.3	100.0
	<b>Total</b>	<b>87</b>	<b>100.0</b>	<b>100.0</b>	

Source: Field survey, 2016.

In Table 4.1, Out of 85 respondents 13.8% were business men, 12.6% were civil servants and 71.3% were farmers. It should however be noted that the disruption of the farming activities due to compulsory acquisition had serious implication on the economic wellbeing of the farmers. Some of them rely on farming as their core means of livelihood and their lands were either absolutely taken or reduced to a level that can hardly sustain them and their families. The acquisition carried out under the exiting legislation in Nigerian seems to have left the farmers worse-off and thus conflicting with the principle of equivalence.

TABLE 4.2 TYPES OF ASSETS ACQUIRED BY GOVERNMENT FROM RESPONDENTS

Responses of Respondents		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Undeveloped land	2	2.3	2.4	2.4
	Land with development	22	25.3	25.9	28.2
	Farmland with crops and economic trees	57	65.5	67.1	95.3
	Farmland without crop and economic trees	4	4.6	4.7	100.0

	Total	85	97.7	100.0	
<b>Missing</b>		2	2.3		
Total		<b>87</b>	<b>100.0</b>		

Source: Field survey, 2016.

In Table 4.2, owners of undeveloped land and farmlands without crops and economic trees which constituted 6.9% were not entitled to compensation going by section 4 of the enabling legislation. The remaining 90.8% were compensated only for the improvements on their lands. It is worthy of note that all respondents were denied their rights to land value including all costs they incurred in accessing the lands. People have invested their time and money on the land which the Act fails to recognise in its provisions, particularly in the method prescribed for assessing compensation payable on land taken.

**TABLE 4.3 RESPONDENTS' OPINIONS ON COMPENSATION PAID**

Opinion		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Inadequate	85	97.7	100.0	100.0
<b>Missing</b>		2	2.3		
Total		<b>87</b>	<b>100.0</b>		

Source: Field Survey, 2016

From Table 4.3, all the respondents were of the opinion that the compensation being paid under Land Use Act is not adequate. The reason for the view expressed by the respondents is not far-fetched. The Act did not recognise ownership of land and made no provision for it when calculating the compensation payable, whereas value of land plus value of Improvement constitute the open market value of landed property. Apart from the exclusion of land value from the DRC method of assessment by the Act, other legitimate claims that go with land acquisition and compensation were deliberately ignored by the Act. For instance, farmers are only being compensated for crops and economic trees on their farmlands based on certain prescribed fixed rates which disregards the cost of cultivation and maintenance of farmlands, quality of land in terms of its fertility, proximity to river, market and road. Similarly,

owners of developed lands are not compensated for land and other legitimate claims which include goodwill, publicity, removal cost and disturbance for business premises and other costs that arose as a result of the acquisition. Cases abound where people acquired undeveloped lands through purchase and these lands were undeveloped when the notice of acquisition was served on them and they received no compensation for the cost of purchase of the lands and other incidental expenses associated with land purchased. The case of farmers is more worrisome. Fixed rates for various types of crops and economic trees were introduced and being adopted to determine what shall be paid to farmers as compensation. This approach has also been condemned by many writers that it lacked a scientific basis.

**TABLE 4.4 REASONS FOR OPPOSING COMPULSORY ACQUISITION BY RESPONDENTS**

Reasons Adduced by Respondents	Frequency	Percent	Valid Percent	Cumulative Percent	
<b>Valid</b>	Inadequacy of compensation	26	29.9	30.6	30.6
	Failure to pay for land	35	40.2	41.2	71.8
	Delay in payment of compensation	14	16.1	16.5	88.2
	Emotional Attachment to Land	10	11.5	11.8	100.0
	Total	85	97.7	100.0	
<b>Missing</b>		2	2.3		
<b>Total</b>		<b>87</b>	<b>100.0</b>		

Field Survey, 2016

In Table 4.4, 40.2% of the respondents opposed compulsory land acquisition because of failure to pay for land, 29.9% gave inadequacy of compensation paid, while delayed payment was the reason given by 16.1% of the respondents, with emotional attachment to land being the reason for opposing compulsory land acquisition by the remaining 11.5% of the respondents. A careful study of

the reasons given by respondents showed that these reasons relate to the provisions of the Act which has to do with how the land should be assessed resulting in inadequacy of payment, failure to pay for land thus altering the methods and principles of property assessment that negates open market value as basis of valuation. It may perhaps be right to infer that the claimants' objections to compensation arose from the faulty legislation put in place to govern the acquisition process.

## RESPONSE OF REAL ESTATE PROFESSIONALS

**TABLE 4.5 METHODS OF ASSESSMENT UNDER THE ACT LEADS TO UNDERASSESSMENT**

		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Strongly Agree	18	60.0	60.0	60.0
	Agree	12	40.0	40.0	100.0
	Total	30	100.0	100.0	

Source: Field Survey, 2016.

From Tables 4.5, all the real estate professionals agreed that the method of assessment under the Act leads to underassessment, opinions were only different on the degree of agreement.

Also, as represented by P-value of 0.063, there is no statistically significant difference in the independent sample t-test performed on the basis that the method of assessment prescribed by the Act leads to under-assessment of compulsorily acquired land in Nigeria. This simply reveals that method of assessment under the existing legislation leads to gross under-assessment, making the approach to assessment defective, faulty, and inconsistent with conventional valuation methods and principles of equivalence.

**TABLE 4.6 EXCLUSION OF LAND VALUE FROM VALUATION**

		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Strongly Agree	4	13.3	13.3	13.3

	Agree	19	63.3	63.3	76.7
	Disagree	3	10.0	10.0	86.7
	Strongly Disagree	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

Source: Field Survey, 2016

Table 4.6 shows majority (76.6%) of the real estate professionals agreed that it is wrong to exclude land value from the calculation of compensation (63.3% Agree & 13.3% strongly agree). However those whose views were contrary to the views expressed above based their arguments on the position of law, which they felt must be followed strictly to avert disorder in the society.

Similarly, with P-Value of - 0.667, there is no statistically significant difference in the independent t-test performed on the basis of exclusion of value of land element from the calculation of compensation payable. Although there was divergence in the views expressed by the professionals on this issue but the majority argued against the exclusion of land value from the compensation payable. Their arguments were based on the fact that all landowners paid for land, even under the government grant. They also reasoned that it will be legally wrong to separate land from building and that before the enactment of the Act, land was held by individuals and the community.

<b>Table 4.7 DRC METHOD UNDER THE ACT DOES NOT RESULT TO OMV</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	25	83.3	83.3	83.3
	Agree	5	16.7	16.7	100.0
	<b>Total</b>	<b>30</b>	<b>100.0</b>	<b>100.0</b>	

Source: Field Survey, 2016

Table 4.7 shows that all the real estate professionals absolutely agreed but differ in the degree of agreement with the fact that depreciated replacement cost (DRC) approach introduced by the Act does not amount to the market value of the properties being assessed. The prescription of DRC approach to assess all

categories of properties compulsorily acquired has been adjudged to be wrong. It is perhaps for this reason that all the respondents' views were the same.

**TABLE 4.8 FIXED RATES NOT SUITABLE FOR ASSESSMENT OF FARMLANDS**

		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Strongly Agree	18	60.0	60.0	60.0
	Agree	12	40.0	40.0	100.0
	Total	30	100.0	100.0	

Source: Field Survey, 2016

Table 4.8 show clearly that both resident and non- resident real estate professionals agreed on the unsuitability of the adoption of fixed rates in assessing farmland compulsorily acquired. literature affirm that, the method has been adjudged to be primitive, crude and negating the principle of equivalence. The approach cannot also produce the market value of the farmland, as any farmer whose farmland is devoid of farm produce are not entitled to any form of compensation regardless of the cost of such farmland to the owner.

### **INTERVIEW WITH THE FEDERAL LAND OFFICER**

The interview with the Federal Director of Land were limited to five major issues which include: method of assessment prescribed by law; non-payment of other legitimate claims, non- payment of interest on delayed payment; the use of attorney on payment and refusal to pay the attorney's fee. Acknowledging the fact that the Act which is the enabling law was enacted during the military era does not prevent it from being used except it is repealed or amended. There is nothing stopping the civil society from pursuing an amendment to the Act now that the nation is in a democratic dispensation. As far as the government is concerned, The government is aware of the various criticisms against the Act and the hardships confronting the landowners whose interests were acquired compulsorily but the government is bound to operate within the provisions of the enabling law. The method of assessment prescribed by law is applicable to all acquisitions undertaken by the government and compensation paid are usually based on the valuers' advice.

Non-payment of other claims such as disturbance, transportation and so on, is because there were no provisions for such in the Act. However, provisions were made for cost of removal. For instance in a petrol filling station, owners of such are paid for cost of removing things like dispensing pumps, underground tanks and some essential fittings and fixture. Where evidence is required before payment, professional valuers are usually engaged by both the government and the claimant to negotiate the compensation payable. The government has its internal check mechanisms in place that monitors and vets all claims to ensure compliance with the provisions of the law. Claimants are required to get their attorneys to submit their claims and negotiate same with the acquiring authority, but the Act does not provide for the payment of attorney engaged by the claimant.

## **CONCLUSIONS**

The study had critically examined the methods of assessment prescribed by law to determine the compensation payable on compulsorily acquired land and method of payment of compensation on land acquired. Going by the findings, the method of assessment is a major cause of problems. As all the respondents (100%) are of the opinion that compensation paid under the land use act is inadequate. The prescribed method of assessment by the Land Use Act leads to underassessment, as it is wrong to exclude land value from the assessment because the Depreciated Replacement Cost of improvement on land alone, does not amount to market value of the properties assessed. Likewise, the adoption of fixed rate, enumeration of crops and economic trees on farmland, leaving out land value and other legitimate claims and costs, cannot produce the market value of the farmland. Therefore, the approaches to valuation as recommended by the Land Use Act is unfair, unjust, unequitable, does not conform to the principle of equivalence, inconsistent with the conventional valuation methods and not in conformity with the international best practices.

## **RECOMMENDATIONS**

In view of the controversies generated by inadequate payment of compensation on compulsorily acquired land in Nigeria the following recommendations are proposed.

The enabling law enacted 40 years ago has outlived its usefulness and should therefore be amended. Alternatively, a land reform and policy should be introduced to incorporate all changes where the provisions of the Act have been identified to be defective. The open market value should be the basis of valuation for compensation payable on compulsorily acquired lands. The use of crop enumeration has been adjudged to be primitive with old rates not reflecting inflation and other factors that influence farm activities. Comparative or Investment methods are suitable for the assessment of farmlands, once the income likely to be generated are determined. The head of claims as provided for by the Act should be improved upon to incorporate other claims and costs which are the consequences of acquisition. The claimants should also be educated on their rights with respect to preparation, submission and engaging professionals to negotiate their claims with the acquiring authority. Asking them to pay the professionals engaged lacks merit and attempt by the acquiring body to avoid responsibility for its actions. The Reform should spell out clearly when a claimant could make claim for delayed payment. Legislating to take land from people without compensation is very unfair, unjust and unequitable. The law that allows for non-payment of compensation on land without improvement must be revised as lot of people whose undeveloped lands were taken were subjected to serious pains, as the cost of acquiring land is very vital to land owners and is a huge cost to them.

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