

Original Research Paper

Rationalising the Contemporary Issues in the Valuation of Land for Infrastructural Development in Nigeria

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Infrastructure developments occur on land compulsorily acquired following a valuation by valuers trained to ascribe value to any property. The valuations determine the compensations payable and the compensations aim at restoring land owners to their positions prior to the acquisition. Compensation provisions being statutory, require compliance, which raises several contemporary issues emanating from the use of statutorily dictated valuation methods which result in the payment of inadequate compensation that fails to restore the beneficiaries to their status-quo ante. Results of a questionnaire administered to valuers in the Niger Delta confirm the use of pre-determined compensation rates as the prescribed method of valuation, raising doubts about the professionalism of valuers and the equitability of the compensation practice in the provision of infrastructure. It is recommended that the valuer's interpretation and application of relevant statutes can ensure the determination of adequate compensation that minimizes resistance to land acquisition for infrastructural development schemes in the Niger Delta.

Keywords: Infrastructure, Valuation, Valuers, Compensation rates, Compulsory acquisition.

INTRODUCTION

Compulsory acquisition is the power of government to acquire private rights in land without the willing consent of its owner or occupant in order to benefit society (FAO, 2009). Governments all over the world use the power of compulsory acquisition to improve their respective nations. This power is often necessary for social and economic development and the protection of the natural environment. Land must be provided for public social investments such as roads, railways, harbors and airports; for hospitals and schools; for electricity, water and sewage facilities; and for the protection against flooding and the protection of watercourses and environmentally fragile areas.

Though a government cannot rely on land markets alone to ensure that land is acquired when and where it is needed, a number of countries require that the government should attempt to buy the required land in good faith before it uses its power of compulsory acquisition. The exercise of compulsory acquisition powers, creates a lot of tension between governments and the governed as it may result in disruption of businesses and lifestyle of those affected and when poorly done, it may have negative impacts on the affected communities and their livelihoods. While the aim is to yield benefits to society at large, it may displace families from their homes, farmers from their fields, and businesses from their

clienteles. In some instances, it may separate families, interfere with livelihoods, deprive communities of important religious or cultural sites, and destroy networks of social relations (FAO, 2009).

In Nigeria, the use of compulsory acquisition powers seems to have been abused and has resulted in so much tension between government and citizens. The interpretation of the enabling statutes has raised several issues which need to be addressed if the practice is to be relied on. This paper looks at the issues involved in the valuation of land compulsorily acquired for use in the provision of infrastructure in Nigeria. It defines what constitutes an infrastructure, when it is needed and the contemporary issues arising from the exercise of the professional duty of a valuer. It concludes that if the provided infrastructure is to be acceptable to the people whose land is used to build them, then the valuation basis must be changed to adequately reflect the interest of the dispossessed.

RELEVANT LITERATURE: DEFINITIONS

Isreal, A (1994), opines that all definitions of infrastructure are mere conventions, but that they traditionally possess characteristics like lumpiness in its investments; economies of

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scale; high level of externalities; intermediate input characteristics; important network effects; and difficulties in recovering costs.

They may be examined from different perspectives like maintenance, demand, or market perspectives. The World Bank typical lending has included infrastructure like irrigation, electric power, telecommunications, transport, urban transport, water supply and sanitation. Infrastructure has been considered a catalyst for economic growth and several authors have stated the impact of particular infrastructural type on the national economies, for example Lee and Anas (1992) found that lack a consistent supply of electricity is a major constraint faced by firms in Nigeria. Omuojine (1997) cites a World Bank Report of 1991 where it was stated that firms in Lagos expend between 10 and 30% of their invested capital to provide their own electricity.

These deficient status is prevalent in Nigeria and necessitates constant clamor from citizens for governments and international oil companies (IOCs) to provide the basic infrastructure required for their sustenance. Most IOCs undertake to provide roads and electricity for their host communities under their Corporate Social Responsibility (CSR) to purchase an operational licence in their areas of operation. Since most infrastructure must be built on land that is occupied either as a home, place of business, or agricultural use, such land must be acquired from the current occupiers under the enabling statute.

Infrastructure over the years has been identified with huge physical projects involving billions of naira of capital costs including dams, highways, electricity utility plants, sewerage tunnels and plants, water works, roads, airports etc. the National Research Council (NRC), National Academy of Sciences of the United States defines infrastructure as 'a wide range of economic and social activities, a crucial enabling environment for economic growth and enhanced quality of life', while McNeil (1993) defines it as an ongoing process of deivering services and a kind of public trust or common wealth that should manifest something more than the sum of its parts, and serves as a slender thread that weaves together human needs and values with those of our environment. These definitions differ from the usually accepted single project(s) definition adopted in Nigeria and the less-developed economies. This Paper accepts the holistic definition proffered in America and discusses the issues involved in the acquisition of land for any project aim at enhancing the living environment in any city in Nigeria.

Asante (2006) argues that no meaningful development can be undertaken without trade and no trade can occur without adequate and reliable infrastructure, thus highlighting the importance of infrastructure in the economy of any nation. The infrastructure gap between Africa and the more-developed countries is said to constitute a serious handicap to African production, improved productivity and competitiveness (Asante, 2006). The importance of infrastructure has been recognized by the New Partnership for Africa's Development (NEPAD) who is championing increased investment in multi-country infrastructure projects like the West African Gas Pipeline (WAGP) which are considered critical to Africa's competitive and economic integration.

This is because it is argued that bridging the infrastructure gap is an important element in promoting regional integration and reducing Africa's marginalization and to make African markets more competitive globally. It is in the bid to provide basic infrastructure to its populace that the Nigerian governments frequently acquire land for public purposes, which calls for valuation of the interests acquired.

When Infrastructure is required

As a catalyst for development, infrastructure is required in the urbanization process and during urban renewal schemes, where efforts are geared to improving the urban landscape. Idowu (2013) asserted that rural-urban migration is the major problem of urbanization in Nigeria and suggested that rural-urban drift should be addressed more at the local level that is closer to the members of the countryside, by making them to know the environmental and economy implications of their migration to the urban centers. Many researchers see rural-urban migration in urbanization process as the genesis of the resultant problems of urbanization in any part of the world (Onokerhoraye, 1976; Wahab, *et al.* 1990; Agbola, 2004; Olotuah and Adesiji, 2005).

He concluded that the implications of rapid urbanization in Nigeria on infrastructural facilities among others are alarming. The reasons for the high rate of rural-urban movement in Nigeria include firstly that rural areas in Nigeria are regions of backward and depressed homogenous economy with little or no formal activities, but dominated with low scale agricultural activities, and Secondly, the high rate of inadequate social amenities, facilities and infrastructures like; No or epileptic power supply, poor health services, deplorable road conditions, inadequate educational facilities, poor housing conditions and zero social life inter alia (Idowu, 2013).

In describing urban systems, Okwuashi *et al* (2008) stated that earlier urban systems had decayed and new colonial settlements were established and citing Bonine (1983) suggested that colonial settlements were superimposed on and attached to existing towns and cities, with the choice of transport routes either giving a boost to, or bypassed existing settlements, and port cities like Lagos and Port Harcourt thrived at the expense of inland settlements.

The continued increase in the urban population, is threatening the carrying capacity of existing infrastructure in the next decades, whereby the available resources in the future may not sustain the population of urban centers. Lagos in Nigeria for example, had a population of 665,246 in 1970 (Ajaegbu, 1976), 10.3 million in 1995 (United Nations, 1995), estimated to be 12.09 million in 2013 (Demographia World Urban Areas, 2013). For the urban centers to cope with the burgeoning population, there must be an increase in the provision and expansion of existing infrastructure by successive governments at all levels. The need to meet the expectation of the governed has led to successive governments celebrating 100 days in office on assumption of office and showcasing infrastructural projects as achievements rather than the goal of governance.

Layne (2004) stated that modern civilization requires ready movement of people, goods and resources and information. Development and expansion of transportation and transmission system often necessitate the acquisition of property, or rights of way; just like public works, construction projects like schools, parks, public buildings, etc. require the acquisition of property or property rights and that the oldest road in history is the Royal Road, built in 4500 BC between Persian Gulf and the Mediterranean Sea.

Some of the earliest knowledge of right of way originated from societies where the king was assumed to have divine rights with the king possessing all the rights to the land. The signing of the Magna Carta in 1215 ushered in gradual opposition to the King's absolute power. The absolute right of government to property and property rights has been increasingly better defined and limited. Amspoker (2004) opined that eminent domain is the right of government to

acquire property for a public use on the payment of just compensation and following due process of law. Both authors confirm the use of compulsory acquisition powers to provide infrastructure and confirm the similarity between the Nigerian practice and the American use of eminent domain powers.

Statutory Provisions for Infrastructure Provision

While the constitutions of many countries provides for both the protection of private property rights and the power of government to acquire land without the willing consent of the owner, some define the compulsory acquisitions procedures broadly and others are more specific. Some examples are:

United States of America – (Article V), provides that “No person.... shall be deprived of Property, without due process of land; nor shall private property be taken for public use without just compensation.”

Rwanda – (Title II, Article 23) provides that “Private property, whether individual or collective, shall be inviolable. No infringement shall take place except for the reason of public utility, in the cases and manner established by the law, and in return for fair and prior compensation.” and

Nigeria – Section 44(1) – “No moveable property or any interest in any moveable property shall be taken possession of compulsorily and no right over or interest in any such property shall be acquired compulsorily in any part of Nigeria except in the manner and for the purposes prescribed by a law that requires among other things – a) requires the prompt payment of compensation and b) gives to any person claiming such compensation right to a court of Law or tribunal or anybody having jurisdiction in that part of Nigeria.

Others that specify the detailed mechanism, by which the government can compulsorily acquire land, tend to draw a list of specific lists of the purposes for which land may be acquired. Examples include:

Ghana – (Chap. 5, Article 20) contains details of what type of projects for which the government can exercise its compulsory acquisition powers and provides for the resettlement of displaced inhabitants;

Chile – (Chap. III, Article 19, and 24) identifies the purposes for which compulsory acquisition powers can be exercised, the right of property holders to challenge the action in Court, a framework for Compensation Calculation, the payment mechanism and the iteming and sequence of possession.

Like Nigeria, most countries supplement the broad constitutional provisions with different laws and regulations. The Nigerian Laws started with the Public Land Acquisition Act Cap 167 LFN 1958; Public Land Acquisition (Miscellaneous Provisions) Decree 33 of 1976 and the Land Use Act, Cap 202 LFN 2004 (LUA) while the Public Lands Acquisition Cap 167 provided the first comprehensive provisions for compulsory acquisition practice, it has become historical and subsumed by the LUA. The LUA in assuming a holistic coverage of land issues excluded the application of the PLA (Miscellaneous Provisions) Decree 33 of 1976.

Most land acquisitions today (irrespective of purpose) rely on the provisions of the LUA as the foundation for all compulsory acquisitions of land. Sections 28 (2) (b) and 28(3) (1) and (c) set out the purposes for which land may be compulsorily acquired, while Section 29(1) provides for the payment of compensation. No detailed procedure is provided for notice, assessment, payment or resettlement. The law even excludes the right of disposed owners to challenge the compensation payment in a High Court, but rather vests the

powers of adjudication of any disputes about amount of compensation on non-existent Land Tribunals.

Specifically, Section 29(4) provides that compensation shall be calculated as follows:

- a) Land – for an amount equal to the rent, if any, paid by the occupier during the year in which the right of occupancy was revoked.
- b) Buildings, Installation or Improvements there on – for the amount of the replacement cost of the building, installation or improvement; that is to say, that such cost as may be assessed on the basis of the prescribed method of assessment as determined by the appropriate officer, less any depreciation together with interest at the bank rate for delayed payment.
- c) Crops – for an amount equal to the value as prescribed and determined by the appropriate officer.

Acquisition by Oil/Gas Companies

Oil/Gas companies have the option to acquire real estate either through private treaty or by compulsory acquisition. Recourse to compulsory acquisition is usually made when the land involved is expansive and there is need to comply with certain statutory provisions. This paper concentrates only on the exercise of compulsory acquisition powers. Compulsory acquisition by Oil and Gas Companies are recognized by Nigerian statutes like:

- i) The Mineral Oil Ordinance Cap 120 of 1914 – This laws empowered the Governor-General to grant permit to licensees to enter and take private land for the furtherance of their operations
- ii) Oil Pipelines Act, 1956 Cap 07 LFN 2004, permits the licensee to acquire a ‘right of way’ to transport oil or gas to any required destination connected with mineral oil trade or operation. The purpose of acquiring the right of way may include topographic survey of the land, excavating to lay pipes, after clearing surface vegetation and covers and subsequent construction of any works connected to the process.
- iii) Petroleum Act, Cap P10 LFN 2004, Section (9) provides for regulations to be made for the purposes of the Act. The Petroleum (Drilling and Production Regulations) 17(i) e and (ii) made in pursuant to this section, provides for fair and adequate compensation. No definition is provided for “fair and adequate” Compensation.
- iv) The Land Use Act, Cap. 202 LFN 2004 – Section 29(2) excludes the compensation assessment for oil and mineral acquisitions from the provisions of the LUA and rather refers the valuer to the applicable statute.

VALUATION FOR COMPULSORY ACQUISITION IN THE NIGER DELTA REGION

To ascertain the practice of valuing compulsorily acquired property in the Niger Delta region, a survey of Valuers practicing in the region was conducted between March and June 2015. 120 questionnaires were sent out to Valuers, out of which 61 useable questionnaires were returned. Valuers were asked to indicate on a Likert Scale, which method of valuation they usually adopted in valuing agricultural land that was

compulsorily acquired. Table 1 shows the various responses, confirming that Valuers usually adopted Pre-determined Compensation rates almost every time as prescribed by statutes.

The use of pre-determined compensation rates is applicable to both buildings, economic crops and trees. This valuation method requires the valuer to only measure the building, enumerate the crops and trees and apply the appropriate rate to derive a value which is considered as the compensation payable for the acquired property. The applicable rates are as provided by either the Oil Producers Trade Section (OPTS) of the Lagos Chamber of Commerce and Industry or the Federal Compensation Rates. While the OPTS rates are of general applicability, the Federal Rates divide the Nigerian Federation into six geo-political zones, specifying rates to be applied in each zone, no matter the terrain. Thus the entire geographical Niger Delta straddles the South-South geo-political zone.

The south-south rate regime applies to the entire region no matter the terrain. It is a truism that some locations are easier to develop than others due to their terrain. Developments in Bonny Island in the south-south zone usually attract a premium higher than Port Harcourt City due to the high cost of transporting building materials by sea to Bonny. The application of pre-determined compensation rates to the valuation of a building to be compulsorily acquired, results in determining a depreciated replacement cost of the building, as the compensation payable to the building owner. Where the same rate is applied to buildings situated in different terrains, the resulting value will penalize the building in a difficult terrain to the advantage of the building in a less difficult terrain, thus creating some doubt of equitability in the valuation and compensation process.

Contemporary Issues in the Acquisition Process

The current statutory provisions raise certain contemporary issues, whether the compulsory acquisition is for public purposes or oil and gas operations. Some of these issues include:

- i) Conflict of statutory provisions
- ii) Definition of Property Rights
- iii) Value Implications/Methodology of Valuation
- iv) Basis and Valuation Methods
- v) Interpretational Issues
- vi) Implications for the Rights of Persons

i) Conflict of Statutory Provisions

The operational methods of valuation provided by the LUA, appears to conflict with the constitutional requirement. James (1987) argues that "although the Constitution contains no qualifying adjective to the expression compensation (e.g. "adequate" or "fair") as the previous Constitution did, the courts will appropriately interpret the expression "compensation" in its ordinary meaning by applying the literal rule of construction. He went on to state that the expression has been interpreted to mean the "monetary value into which property might be converted in the open market.

This open market basis was provided for in the Petroleum Act and supported by Kalu (2009) who stated that the basis of valuation for compulsory acquisitions for urban renewal projects should be the open market value. While the constitution provides the broad guideline on various issues, allowing the specific legislature to provide the details, the

Nigerian Constitution further embodies the LUA in its entirety in Section 27(5) and since this section comes after Section 40(1) it is possible that its provisions now supersede the earlier section. The LUA's unfriendly provisions regarding private property rights, conflicts with internationally laid own principles for legislation on compulsory acquisition. The United Nations' Food and Agriculture Organization (2009) recommends that such legislations should include:

- Protection of due process and fair procedure
- Good governance that requires accountability on the part of agencies compulsorily acquiring land
- Equivalent Compensation, requiring claimants to be paid compensation no less and no more than the loss resulting from the compulsory acquisition of their land.

The LUA does not meet any of these guidelines as no due process is provided for or applied except the publication of a notice of acquisition whose timeline is hardly complied with. The ousting of any jurisdiction of the courts from determining the adequacy of any compensation makes the acquiring agencies hardly accountable. Neither does the valuation provisions yield any value comparable to the loss claimants suffer.

ii) Definition of Property Rights

Janven (1983) describes the holder of a right of occupancy as holding a proprietary interest with the right to use occupy and enjoy; possess and to dispose. A developed property may be subject to various leases with lesser durations than that conveyed by the Certificate of Occupancy. Kalu (2009) states that "real estate analysts know that there may be several rents passing on a property at the same period of time.

The implication of all these, is that there is no compulsory acquisition that may involve only a single definable interest. Even where a farmland is acquired, it may involve both ownership and usufructuary rights which ought to be compensated. The language of LUA, 1978 assumes that only the occupier of an acquired land, has an interest to be compensated while it is accepted that the radical title to land is now vested in the Governor under the LUA, is practical to think that the holder of a Certificate of Occupancy may be different from the occupier and the occupier may even be a sub-lessee of a head lessee that secured that lease from the Certificate of Occupancy holder.

This multiplicity of interests possess practical valuation problems. While a valuer may be able to identify the interests, the exercise will be futile as only the occupier is recognized by the LUA.

iii) Value Implications/ Methods of Valuation

The purpose of valuation is to ascertain the compensation payable in course of the compulsory acquisition. FAO (2009) states that compensation, is at the heart of compulsory acquisition and that it aims to repay affected parties for the losses they suffer as a result of the process. It is a long established principle of compensation assessment that those affected should be put in the same position as they were before the acquisition, no more or no less (FAO, 2009).

The specification that for land, compensation should be the amount of rent paid by any negates this principle as rent can hardly be equal to value.

Table 1. Compulsory Acquisition Valuation Methods

Valuation Method	Never	Almost Never	Occasionally	Almost Every Time	Every Time
Comparative Sale	47.5%	11.5%	21.3%	16.4%	3.3%
Depreciated Replacement Cost	34.4%	8.2%	27.9%	13.1%	16.4%
Pre-Determined Compensation Rate	9.8%	8.2%	9.8%	52.5%	19.7%
Income Method	47.5%	23%	18%	9.8%	1.6%
Discounted Cash Flow Method	65.6%	21.3%	9.8%	3.3%	0%

Source: Field Survey

For buildings and installations, etc., the replacement cost determined on the basis of a prescribed method of assessment determined by the Appropriate Officer, less any depreciation. This provision creates a super-analyst in the person of the Appropriate Officer, who knows the market for all properties affected by an acquisition. Professionally, the law has prescribed both a method and basis of valuation, which Kalu (2009) states that the provisions of the Nigerian LUA contradicts the valuation maxim that the purpose determines the basis and the basis determines that methodology.

Amspoker (2004) states that just compensation paid in the exercise of eminent domain powers is universally considered to be the fair market value of the property, where the whole property is acquired. This means that valuers should interpret what the market value of the acquired property is and demand that value as compensation rather than relying on certain "Appropriate Officer."

Practically, the "Appropriate Officers" have produced rates that should be used in compulsory acquisition valuation. Akujuru and Ruddock (2015) have shown that inequity of these rates and the other rates prevailing in the Country. To illustrate further, consider a compulsory, acquisition for a highway project across the Niger Delta region that affects Port Harcourt, Okrika and Bonny towns. Construction, material costs about 300% in Bonny when compared to their costs in Port Harcourt and about 150% the costs in Okrika. Since these three towns are in the South-South region the same cost per square meter of any building should apply.

While this rates prescribed by the Appropriate Officer may assist the disposed owner in Port Harcourt, it will be of no use to the owner in Okrika or Bonny. This scenario is worse when part of a building is acquired. No Nigerian compels the acquiring authority to acquire the whole property, resulting in only part of a building being usually acquired, sometimes at the instance of the property owners. The valuation of part of a bungalow or storey building poses both structural and valuation challenges as it becomes difficult to value a building whose structural stability has been distorted by the cutting off of some rooms or part of the living/dining rooms.

For agricultural crops, rates are also prescribed and as stated by Akujuru and Ruddock (2015) these compensation rates bear no relation to the market values of the economic crops and trees and cannot put the band occupiers in the position they were before the acquisition. The LUA only provides for economic crops and trees to be paid for. No provision is made for the medicinal plants and the forest products like socials, mushrooms or wild animals. Most rural dwellers earn a living from such non-timber forest products but since they do not hold any defined property right, they are not compensated.

iv) Basis and Methods of Valuations

Valuers are conversant with the maxim that the purpose of valuation determines the basis and the basis determines the method of valuation to be applied to the valuation assignment. The reliance on a statutorily dictated method of valuation indicates that the resultant compensation may not be suitable for the basis of acquisition. For example, where a property is compulsorily acquired the basis should be a reinstatement of the dispossessed to his pre-acquisition status by paying a compensation that will enable him replace the acquired building.

The use of pre-determined rate to determine the depreciated replacement cost of a building can hardly yield a compensation that will enable the dispossessed replace his building, thus raising some issues of inequity. It should have been expected that any compensation paid should be based on the open market value of the acquired building rather than on a depreciated value.

v) Interpretational Issues

The LUA provides for the Appropriate Officer to prescribe a method of value. No mention of rates appears in the law, yet all governments and international oil companies have relied on pre-determined rates to assess compensation. This appears to be a misinterpretation of the legal provisions. In most jurisdictions in Nigeria, the Appropriate Officers are registered valuers, but these appear to have relegated their professional training to the interpretations by non-valuers and propagate a misinterpretation of the legal provisions.

Sadly, such valuer change their opinions when they retire from the public service, implying that economic principles differ between the public and private sectors of the economy. It is suggested that a uniformity of definition between public and private sector valuers will minimize the conflicts of interpretation.

vi) Implications for the Right of Persons and Benchmarking

FAO (2009) states that the principles of equity and equivalence are the guiding principles of compulsory acquisition practice. This principle consists of equivalence (ensuring that compensation paid is no more or less than the loss suffered); Balances of interests (safeguarding the interests of both ownership and use); and flexibility (specific and flexible in interpretation). Akujuru and Ruddock (2015) assert that the Nigerian Compensation practice does not comply with this principle.

FAO (2009) states that Article 17 of the Universal Declaration of Human Rights provides that "everyone has the right to own property along or in association with others and no one shall be arbitrarily deprived of his property. This has been

adopted by various regional conventions and the International Labour Organization (ILO), for example The African Charter on Human and Peoples' Rights (1986), Article 14 guarantees the right to property while Article 21.1 provides for the free disposition of wealth and natural resources and be entitled to adequate compensation.

The ILO's convention concerning Indigenous and Tribal Peoples Independent Countries (No. 169) Article 14(1) provides that "the rights of ownership and possession over the lands which they traditionally occupy shall be recognized. In addition, measures shall be taken in appropriate cases to safeguard the right of the peoples concerned to use lands not exclusively occupied by them, but to which they have traditionally had access for their subsistence and traditional activities.

When the provisions of the Nigerian LUA are compared to these international conventions, it appears deficient in its protection of both urban and rural land occupiers and requires an amendment to ensure that its application does not underpay the compensation paid for compulsory acquisitions. The World Bank (2013) Operational Manual OP.4. 12 stated that Payment of cash compensation for lost assets may be appropriate, but that such Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets. There is the need to benchmark the Nigerian compensation practice to international regulations which provide for the compensation to put back the dispossessed in the position he/she was prior to the acquisition if the current deficiencies are to be removed and the dispossessed made to be interested in the infrastructure provided.

A RATIONAL VALUE COMPOSITION

Since compulsory acquisitions are undertaken to secure land for the provision of infrastructure, it is necessary that the issues identified be adequately accommodated in the resulting value that determines the compensation paid. To accommodate the above issues, this paper suggests a rational interpretation of the LUC, to enable the dispossessed replace their acquired buildings while complying with the statutory provisions. A value composition should consist of the following:

- Cost of construction of equivalent building;
- Cost of removal of properties to alternative accommodation;
- Cost of temporary accommodation;
- Cost of alternative land;
- Design costs of replacement accommodation;
- Cost of securing planning approvals;
- Local development charges.

Adopting these components will guaranty that the dispossessed will continue to live in as near a situation as money can afford and result in less discontentment with the provided infrastructure for which the compulsory acquisition was undertaken.

CONCLUSION

The provision of infrastructure is a basic function of governments at all levels. In acquiring land for infrastructural developments, governments exercise the power of compulsory acquisition or eminent domain. The exercise of such powers requires the valuation of land and interests in land for the determination of compensation for losses suffered. In Nigeria

such acquisitions have relied on the Land Use Act (Cap 202) where provisions have been shown to be contrary to best international practices. It is submitted that if provided infrastructure is to be protected by users, the dispossessed landowners must be compensated for the full value of their interest and be put in the state they were before the acquisition by applying a rational interpretation of the statutory provisions and composing the value more liberally.

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