

REGULATING PROPERTY USE CONVERSION IN AN URBAN LAND FOR PROPERTY INVESTMENT DECISION: AN APPROVAL PROCESS REVIEW.

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ABSTRACT: Land use regulations are tools used to regulate various activities on land. They introduce control measures on land especially when zoned for specific uses. Cities are transitioning from one use to other uses in zoned areas. The alarming rate of property use conversion in Port Harcourt Metropolis destroys zones therefore calls for a review into the approval process. Hence, it signifies that this study promotes efficient control and regulation of property use conversion. The objectives are to ascertain if there were approvals before the conversions, examine the approval process, compliance to process and complicity to the process. Data was collected through observation of commercial properties and quasi-structured questionnaires administered to 241 property owners/managers determined using Taro Yamane from a population of 600. Interviews were also conducted on planning regulators saddled with the responsibility of approval. Samples were collected using purposive sampling. Quantitative data were analysed using descriptive statistics while qualitative data were analysed using content analysis. Findings reviewed that over 62% of conversion were not approved which indicates little compliance to the process. The law for property uses conversion has not been approved by legislators. A modus operandi is adopted which is considered labourous and time-consuming. Lack of regulation can affect property investment decisions like in the case of Abuja 2013. The study recommended that regulation for property use conversion should be approved and made an official law by state legislator which can then be used to control activities of conversion in the neighbourhood through taskforce for its implementation. Hence, regulating property use conversion is important for urban land planning and property investment decisions.

KEYWORDS: *land use regulation, property use conversion, property investment decisions, compliance.*

I. INTRODUCTION

Globally, no city can operate efficiently and effectively without regulations especially Land Use regulation as it is one of the determinants of economic growth and development (see Goytia et al., 2015). Regulations set standards for operation and ideally should be implemented, enforced and complied to (Turekten et al., 2011). A city is analogous to a house with its internal space for different uses such as the living room, bedroom and the rest room and so on. The idea is each of these spaces must be used for their purpose. In the case where the restroom is converted to bedroom, the comfort, environment as well as the value for that house begin to diminish as it no longer meets the demand of a quality housing. Likewise, an operational land use regulation assign uses to spaces and aids sustainable development such as sustainable property value. As sustainable property value is a function of social, economic and environmental dimensions (Kucharska-Stasiak & Olbińska, 2018).

Generally, in Nigeria, implementation of regulation is almost a difficult task to be achieved by government authorities (Obona, 2016; Ugwuanyi & Chukwuemeka, 2013; Okoroma, 2006). There is a problem of compliance on the part of all stakeholders that are involved which is the major reason for system failure. Land use regulations may not be left out as the rate of conversion from one property use to another is alarming and requires an in-depth regulation hence calls for an investigation to know if it is a compliance problem. Compliance begins with obtaining and granting of approval before actual execution. Non-compliance to the process of land use regulation such as approval could be detrimental to urban land. Compliance to the approval of property use conversion lies in the onus of the Government by enforcing the regulation and monitoring the compliance rate. Several studies have been carried out on property use conversion to determine the impact of conversion on residential districts, patterns of land use and various reasons for property use conversion especially in Port Harcourt (Baadom&Eebee, 2016; Ayotamuno, Gobo & Owei, 2010; Owei&Nwikipo, 2005). Research has also been conducted on non-compliance to land use regulation, but little attention has paid on the non-compliance to the approval process for property use conversion. Therefore, the aim of this paper is to review the approval process for property use conversion to know if there is compliance. The study reviewed the

process of approval for property use conversion in Port Harcourt metropolis in Rivers State specifically in Port Harcourt and Obio/Akpor Local Government Area.

A study into the approval process will reveal if stakeholders' property converted from residential to commercial were approved, approval process, comply to the approval process, the percentage of compliance to the process and the approval granted and also reveal if there are any form of complicity to the process of approval. The existence of a policy and compliance to the process stipulated in the land use policy will promote efficient control and regulate the rate of property use conversion in urban cities. It will also reveal any form of lacuna in the approval process. The significance of this nature of study cannot be overemphasised as all stakeholders would be abreast with the impact their decisions on approval process has on the rate of property use conversions in Port Harcourt from this context, it will add to the existing body of knowledge and researchers would adopt the research and replicate in other urban cities and real estate practitioners would become aware of some of the likely issues that could affect property investment decisions.

II. EMPIRICAL FRAMEWORK

Yang et al., (2023) investigated the impact land property rights has on the informal development of urban villages in Chinathey discovered that the interaction of the stakeholders has promoted the rapid development of informal housing in urban villages. The extent of stakeholders involved in land policies especially in urban cities affects its pattern. Stakeholders' involvement may be directly proportional to outcomes.

Babatola & Oni (2017) examined property use conversion in Lagos metropolis in the context of wavering regulatory approaches deployed by the Physical development agency. It involved examining the applicability of the obtained results for improving physical development regulatory strategy in the metropolis, and the results highlight the value of applying spatially enriched strategies in the implementation of housing-related policy and planning regulations in the metropolis. This paper discussed regulations for property use conversion but not in the light of reviewing the approval process for the use conversion.

Alufohai (2013) in examining the various programs that have been used to date to enhance Lagos State city's physical development and housing supply, starting with the first attempt to the present-day activities of the Lagos State Development and Property Corporation. (LSDPC), he pointed out why it is necessary to take concrete steps to ensure that building uses comply with officially given approval in order to prevent overcommercialization of the real estate market, which is frequently harmful to some competitively susceptible usage. The paper identified some of the consequences of inaction in the implementation of urban planning.

Djibril et al. (2012) revealed how urban creation process intended to accomplish seamless housing supply can be hampered by regulatory and legal controls for instance where the process of providing housing for those making effective demands was adversely hampered by the overlapping functional responsibilities of complementary metropolitan development organizations. It indicates that if there is no duty of care on the part of the regulators, continuous indiscriminate transitioning from residential use to other uses tends to reduce housing supply within the affected neighbourhood.

Yakob et al. (2012) stated that housing development can help in the achievement of sustainability. However, the issue of non-compliance such as illegal change of land use zoning are some of the factors that affect sustainability in the housing sector. Hence in their paper they reviewed land use planning regulations and guidelines that may affect the achievement of sustainable housing and concluded that sustainable housing development is low as well as its implementation especially with the issue of non-compliance that hinders its achievement. This research shows that sustainable property is dependent on the variability of the environment and an illegal property use conversion destroys the environment.

Oosterbaan, Arku & Asiedu (2012) due to widespread land-use conversion in Accra, Ghana as one of the objectives examined the processes involved in conversion and their impact on urban-built environment and livelihood of actors involved. It was discovered that the process of conversion is occurring informally and indicates that it is because of planning implications. Oosterbaan, Arku & Asiedu (2012) objectives relates with the one in this paper, but the divergent interest the impact on livelihood and the different areas of study.

Baffour & Hammond (2014) in their paper determinants of low land use planning regulation compliance rate in Ghana with empirical evidence tested a hypothesis that ignorance of planning requirement and lack of appreciation of their benefits overwhelmingly determine land use regulation compliance rate but discovered contrarily to the hypothesis that the breaches of land use regulation was mostly deliberate. Low compliance with the statutory requirement for a building permit was found by the research and only the homes of 31% of the survey participants had a building permission. The remaining 69% did not have a building authorization for their properties and were not even trying to get one. Only seven respondents (23.3%) out of all those who had complied with the building permit rule did so. However, compliance was found to be highest among the elite class as they tend to face relatively lower costs of compliance. It explored a common theme, compliance, which this paper also intends to address especially because of the peculiarity between both areas.

Arimah & Adeagbo (2000) in their paper investigated the compliance level of private residential development to urban development and planning regulation in the city of Ibadan, Nigeria and discovered that they do not comply to planning regulation despite their awareness of the planning regulation especially aspects of building regulation. They recommended a reappraisal of planning regulations. Although Arimah & Adeagbo (2000) examined compliance issue in planning regulations, it dwelt on private residential development instead of property use conversion from residential to commercial uses which can be seen as a gap in this study. Ayotamuno, Gobo & Owei (2010) in this paper, between 1986 and 2005, the author looked at changes in land use and economic activity in a Port Harcourt residential development that was originally built for top government officials and military personnel. Findings showed that land ownership had shifted, and that commercial activity had quickly spread into what had previously only been a residential building. The residents' standard of life has decreased as a result of the lack of enforcement of land use regulations. The study which was conducted in Port Harcourt was for housing for public officers therefore is a public building and the location is different from the study under review.

III. CONCEPTUAL FRAMEWORK

Land Use Act of Nigeria

Land a major factor of production is required for different purposes such as agricultural, recreational, residential, industrial and other purposes. The difficulty of the government to acquire land for public purpose led to the enactment of the Land Use Act, 1978 now Cap 202 LFN 2004. By the nature of this Act, all land comprised in the territory of a state is vested solely on the state Governor in trust for the people of the state and who would allocate such lands as found in the state for various purposes for the common benefit of all. The Act identified the control and management of land and the formation of advisory bodies at state and local Government areas, designation of urban areas by the governor, identified the powers of the governor and local government (political influence can affect the powers) and other provisions. The act in part I, section 4 under the applicable law for the interim management of land has created rooms for the provision of other laws in relation to land use as subject to the provision of the Land Use Act. It implies that each state can have other provisions for land use that should be in tandem to the Act. However, in part VIII supplementary provisions section 43, the Governor has the right to prohibit and penalize offenders for unauthorized use of land in the state. Its implication is that all use of land in the urban area must be authorized by the state Governor through the appropriate authority saddled with the responsibility of granting authorization through approval. The approval process should be a provision existing in the appropriate authority for compliance by all stakeholders.

State operational land use regulations

Ideally, every state of the Federation of Nigeria is expected to have an operational land use policy but according to Baadom & Eebee (2016) other than the Federal Land Use Act, the state has no other tangible land policy. Ayotamuno, Gobo & Owei (2010) also noted that effective land use planning and management do not exist because Owei & Nwiko (2005) stated that the State Physical Planning and Development Law of 2003 has not been fully implemented as the administrative framework proposed is not yet established and even at the Local Government Level, there are no planning Authorities established as required by the law.

However, there are laws relating to land use which designated various uses to different areas. Land is designated for the residential area, industrial area, commercial operations, educational (institution), open space, recreation, and other facilities are recognized as the various operational Land Use patterns in the Port Harcourt Master Plan of 1975 (Baadom & Eebee, 2016). Different land uses for various purposes are allotted plots and plots to building ratio included. The Port Harcourt building regulations state that residential dwellings can only cover half the plot, with the rest left as open spaces (Ayotamuno, Gobo & Owei, 2010).

Land use regulations and controls are implemented using approvals. According to Yakob et al. (2012), planning control is introduced throughout the statutory approval process, and it was observed that, given its potential to impact social, economic, and environmental aspects of quality of life, non-compliance appeared to be the most contentious obstacle to attaining sustainability. The social is how it affects human behaviour and interactions, safety and security, users' comfort, accessibility of facilities and aesthetics. The economic sustainability in terms of value preservation, conservation and increase as well as risk analysis. The environmental is related to the physical where the property is located such as transport systems, biodiversity and ecosystem preservation and material selection (see Yakob et al., 2012) and contributes to haphazard physical development (Dambebo & Jalloh, 2018).

An appropriate regulation for property uses conversion helps to inform property investment decisions and concomitantly improves and sustain property values. Makinde & Makinde (2020), noted that land use conversion causes an increase in property rental value but recommended it should be regulated, monitored, controlled and enforced by the various relevant government agencies of the city so as to inform property investment decisions.

Concepts of Property use conversion.

Property use conversion is a change that occurs when a land is put into different use from what is initially zoned and intended for (Akinluyi, Oyinloye&Aladekoyi, 2021; Ogungbemi,2012) which continues due to resources exploitation and competition for highest and best use (Olurin, 2010 in Adepoju & Adepoju, 2016; Adegunle, Fateye&Agbato, 2016). Property use conversion occurs in diverse forms such as in its layout, rate of change and density (Nuissl& Siedentop, 2021).

As much as there are benefits of property use conversions also exists consequences if not properly regulated. Nuissl& Siedentop (2021) noted that some of the undesirable consequences are urban sprawl and other environmental issues. Hence, before any physical redevelopment, approval is needed; laws governing land-use changes and developments must be strictly enforced; the public must be made aware of these regulations; site inspections and monitoring must be done effectively; and there must be a greater emphasis on providing property investors with expert advice and services related to property conversion. (Adegunle, Fateye&Agbato, 2016). The performance of government in assigning housing responsibilities may have a negative or positive (Yang, et al., 2023) impact on property uses hence appropriate policy and legal instruments needs to be deployed for regulation of property use conversion.

Factors responsible for property use conversion are security, housing provision, investment potentials, accessibility, infrastructural facilities, ease of business activities and planning regulations, while ease of property management and population size of dwellers were the least determinants of change (Akinluyi, Oyinloye&Aladekoyi, 2021;Adegunle, Fateye&Agbato, 2016)

Akanbi, Yahaya & Omotayo (2019) identified Economic, Population, Social, Property acquisition, public interest while El-Barmelgy, Shalaby, Nassar and Ali (2014) stated that Geographical, environmental, economic, social, urban, public interest, logistical, demographical, and political considerations as factors responsible for property use conversion.

Reasons for Effective Landuse regulations

One of the reasons for effective land use regulation is that it may have a negative or positive impact on property uses (Babatola & Oni, 2017)as well as the life of its occupants. Effective regulation aids the improvement of healthy quality of life (Ayotamuno, Gobo &Owei, 2010). The compliance of approval for property use conversion from residential to commercialprevents the over commercialization of the real estate market which is frequently harmful to some competitively susceptible usage (Alufohai, 2013). A seamless housing provision is possible if regulatory and legal controls are not hampered. And has noted that non-compliance such as illegal change of property use compliance hinders the achievement of sustainable housing (Yakob et al., 2012). Therefore, it helps in the achievement of sustainable housing and influences property values ((Kok, et al., 2014).

Approval and compliance to Land use regulations

Approval and compliance to Policy regulations is important for any conversion to be initiated. The first step for property uses conversion is the pursuant and granting of approval. In order to provide high-quality buildings then property use conversion must strictly conform to planning controls that are individual case based to a standard in a more comprehensive prescriptive approach (Madeddu& Clifford, 2022).

Despite the necessity and benefits attached to complying to land use regulations for conversion reasons, some stakeholders are reluctant to seek and/or grant approval. Yahaya & Omotayo (2019) revealed in their study the majority of respondents never obtained their land from the government; as a result, they converted their properties without following the official planning permit approval process.Owei&Nwikpo (2005),discovered even in places where land use regulations are present the lack of effective land use regulations in the city means that a large portion of development does not go through official approval processes. According to Babatola & Oni (2014) and Babatola & Oni (2017), stated that what is applicable in Lagos metropolis shows that the ordinance that governs and prescribes property development generally in disapproves of the conversion of land without first requesting permission and suggests that the legal penalty for such a violation be complete demolition and heavy financial penalty for granting approval for property use conversion.

In the presence of use regulation,Collier et al., (2020) opinedthat in Nigeria urban plans are unrealistic, there is failure in coordinating the administration of regulation and public apathy towards planning institution which indicates the existence of limited compliance with the existing land use regulations. However, the compliance level can be enhanced by increasing enforcement capacity, reducing of compliance and building support for planning (Collier et al, 2020).Since some property owners are likely not to comply, Babatola & Oni (2014) stated that the simultaneous processes of property development and redevelopment need to be overseen and controlled by the government in order to prevent unfair political advantage and guarantee that safety requirements and laws are complied. Baffour et al, (2014), creating land use regulations that prioritise benefits above costs will increase the likelihood of increased compliance.

Babatola & Oni (2017) suggested that there should be a commitment of research that should monitor the event of property use conversion which is meant to be continuous exercise given that the conditions which influence

attitude to different issues often change. Babatola& Oni (2017) Frequent investigation is needed so as to effectively gauge the extent to which changing socio-economic circumstances may be affecting decisions on the useconversion of properties with or without formal approval among other.

Arimah& Adeagbo (2000), opined that the institutional context of urban development and planning regulations; the administrative machinery for plan implementation; and the public, which is expected to comply with these regulations, are among the various parties accountable for the relatively low extent to which residential development complies with planning regulations. Arimah& Adeagbo (2000) stated that this shows that planning regulations in Nigeria have been ineffective.

Further research can be carried out on rental trends between different uses for areas that experience property use conversion.

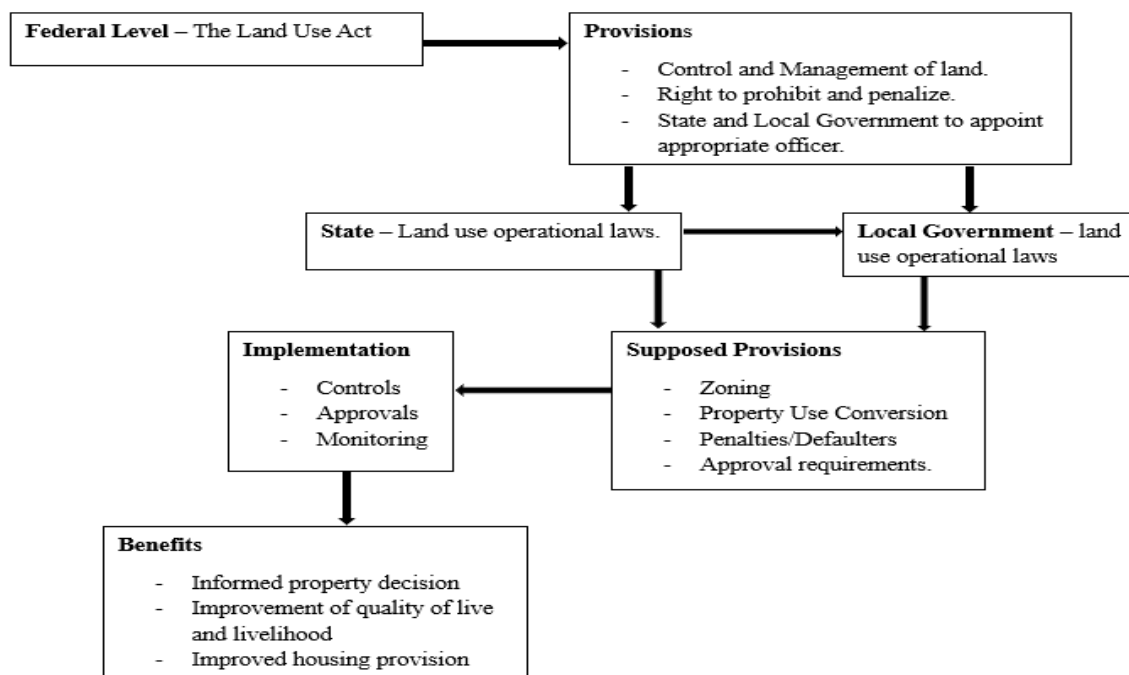


Fig 1. Conceptual Framework
Source: Author

IV. METHODOLOGY

The study area covers two Local Government areas in Port Harcourt metropolis whose neighbourhood is a residential neighbourhood. The researcher by observation identified commercial properties that are existing in the neighbourhood. The aim is to review approval process hence data was collected from commercial property owners/managers, land use regulators which werestaff of the Ministry of Urban Development and staff Physical planning (MUDPP), staff of the Ministry of Lands and Survey (MLS), and staff of the Department of Works Port Harcourt Local Government Area (PHALGA) and Obio/Akpor Local Government Area (OBALGA) each.For commercial property owners/managers, a quasi-structured questionnaire was used to collect data from 241 from a population of 600 commercial properties in the study area using Taro Yamane. While for the planning regulators, a total of 8 staff were interviewed (3 staff from the MUDPP, 3 from MLS and 1 each from the Department of works OBALGA and PHALGA) because they are the ones saddled with the responsibility of use conversion. The sampling technique adopted for data collection was purposive sampling. Quantitative data collected by questionnaire was analysed using descriptive statistics while qualitative data from questionnaire and interview were analysed using content analysis.

FINDINGS

Data from Property owners/property managers

Table 1: Status of Respondent

		Frequency	Percent	Valid Percent
Valid	Owner	81	32.3	32.7
	Manager	167	66.5	67.3
	Total	248	98.8	100.0
Missing	System	3	1.2	

Total	251	100.0
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Source: Researcher’s field data, 2022

Table 1 shows that 32.3% of the respondents were property owners while 66.5% were property managers.

Table 2: Properties approved and developed as a residential property

		Frequency	Percent
Valid	Yes	164	71.3
	No	66	28.7
	Total	230	100.0
Missing	System	21	
Total		251	

Source: Researcher’s field data, 2022

Table 2 indicates that 21 (8.4%) respondents did not respond to this question leaving only 231 (91.6%) respondents. Out of the 230 respondents, 164 (representing 71.3% of respondents) said that their properties were approved and developed originally as residential properties while 67 (representing 28.7% of respondents) said their properties were not approved and developed originally as residential properties.

Table 3: Who approved the property use conversion.

	Government Decision		Owner’s Decision		Total
Owners	N	32	N	14	46
	% of total Government	41	% of total owners Decision	23.3	
	% of total owners	69.6	% of total owners	30.4	
	% of total respondents	23.2	% of total respondents	10.1	
PMs	N	46	N	46	92
	% of total Government	59	% of total owners Decision	76.7	
	% of total PMs	50	% of total PMs	50	
	% of total respondents	33.3	% of total respondents	33.3	
Total		78		60	138

Source: Researcher’s field data, 2022

For table 3, In response to this question, 138 property owners and managers stated that they either received permission from the appropriate government agencies or that it was the owners' decision to convert the space. 78 respondents which represents 56.4% of the total respondents (138) got approval from government authority. Amongst them, property owners are 32 which represents 41% of the total respondents who said government authorities (78), 69.6% of total respondents who are owners (46) and 23.2% of the total respondents (138). Property managers are 46 representing 59% of the total respondents who said government authorities (78), 50% of total respondents who are property manager (92) and 33.3% of the total respondents (138).

Those who said their approval was owner’s decision are a total of 60 respondents which represents 43.5% of the total respondents (138). Amongst them, property owners are 14 representing 23.3% of the total respondents who said it was owner’s decision (60), 30.4% of total respondents who are owners (46) and 10.1% of the total respondents (138). Property managers are 46 representing 76.7% of the total respondents who said it was the property owner’s decision (60), 50% of total respondents who are property manager (92) and 33.3% of the total respondents (138).

Most importantly, 56.5% of the total respondents said that government authorities (planning regulators) granted their approval prior to the property use conversion while 43.5% of the total respondents said they converted their property without approval from the planning regulators but from the property owner.

Table 4: Compliance to due Process

		Frequency	Percent
Valid	Yes	99	90.8
	No	10	9.2
	Total	109	100.0

Source: Researcher’s field data, 2022

Table 4 indicates that 142 out of 251 respondents are missing (invalid) therefore only 109 which represents 43.4% responded. 99 of the respondents which represents 90.8% of the valid respondents said that they complied to due process while converting and only 10 respondents which represent 9.2% of the valid respondents acknowledge there was no compliance to due process.

PO/PM qualitative responses

Table 5: Qualitative Responses for Properties not Originally Approved and Developed as Residential

Valid Responses for Properties not Originally Approved and Developed as Residential.	Properties Developed as Commercial Property ab initio		Reasons for Developing as Commercial Property	
	Number	Percentage (%)	Number	Percentage (%)
	15	75	5	25
	Developed ab initio as a commercial property		It is a swampy area and should be used for other purposes Most of the major roads in GRA has commercial latent High Income generation as the cost of residential does not give equal income as compared to commercial.	
20			Depreciation, the property loses value with time Poor income, high cost of land and building materials.	

Source: Researcher’s field data, 2022

From table 5, Those who said the properties were not initially approved and developed as commercial are 20 of which 15 of them representing 75% of the total number (20) stated that it was developed as commercial property ab initio despite not getting approval and the other 5 which represent 25% of the total number (20) gave other reasons.

Process of approval

It revealed that the process includes Submission of Plan and working drawings, Site inspection and analysis, Payment of fees, Submission of all necessary document and Letter of application for approval.

Consideration for approval

They include the Environment, Space, structural drawing of building for durability and suitability, Location, neighbourhood, Security, noise pollution, waste generation, the conduciveness of the environment, and the Economic benefits expected from the change.

Interview from Planning Regulators

For the planning regulators, the researcher conducted interview on some of the staff of the staff of Ministry of Urban Development and Physical Planning, Ministry of Lands and Survey and the Department of works Port Harcourt Local Government Area and Obio/Akpor Local Government Area.

Approval of properties:

MUDPP - Not all the properties that have undergone a property use conversion were approved. Some streets are automatically commercial because of political influence. Change of use is granted for those areas mentioned but not for other areas. If granted for those areas, then political influence plays out.

MLS - 95% of properties in GRA Phase 1, 2 and 3 do not have approval.

Department of works OBALGA/PHALGA - approval was done by the LGA until MUDPP was created. Approval is not harmonized and organised.

Reason for non-approval:

MUDPP - Property owners apply to the Ministry of Urban Development and Physical Planning for approval while the some do not apply. Those who do not apply for change of use embark on the projects during weekends and public holidays at that point the conversion is overlooked but massive ones are not overlooked. The most important reason is political and economic. Other reasons are Internal conversion and relocation.

MLS –some conversions are done inside the building without any outward conversion. those who do not have approval is as a result of favouritism, no will power, political influence and economic.

Department of works OBALGA/PHALGA- economic

Process of approval:

MUDPP - approval is granted for a change of purpose (building). MUDPP is the board and performs regulatory functions. It synergizes with Local Government for approval and MLS. LGA recommends plans to MUDPP for approval.

MLS - The approval starts with a change of use with Ministry of lands then goes to the Ministry of Urban Development for recommendation which comes back to Ministry of Lands for approval. The Ministry of Urban Development and physical planning to recommend the suitability of the site.

Department of works OBALGA/PHALGA- recommendation to MUD/PP based on the structural drawing of the building.

Criteria for approval:

MLS - for Government layout all due process must be followed for Government layout. Application letter for change in use which must state the location, Document attached (C of O), Unconsented and unregistered Deed of Assignment, Payment teller, survey plan and site situation and land use suitability. Approval letter which states other developments/properties, Specific use of land, and the submission of approval to Ministry of Lands and Survey.

Department of works OBALGA/PHALGA - Examine location, sighting of title document.

Document:

MUDPP - There is no extant document or laws for property use conversion only a modus operandi. The only on drafted has not been ratified by the legislators. The only documents are an approval document, site evaluation document and an environmental impact assessment.

MLS - No law backing the zoning system in Rivers State.

V. DISCUSSION

The study area is particularly zoned for residential properties, there is a few mixed uses to complement the residential uses. The rate of conversion from residential to commercial uses is on the increase. However, findings revealed that very few properties were approved as commercial ab initio, others approved as residential have been converted to commercial uses. The reasons for the commercial use ab initio are.

1. some plots are swampy and waterlogged, hence the suitability of the plots is for commercial uses.
2. The major roads in the study are commercial latent.
3. Commercial properties generate higher income than residential properties. The cost of building materials and cost of construction are on the high side therefore it is more profitable for property owners to develop properties with a higher remuneration than the other.
4. Property owners believe that the depreciation factor is more experienced in residential properties than commercial properties thereby causing a loss of value with time.

Most property use conversion were done without an approval from the appropriate authority. From findings 78 property owners/property managers claimed that they obtained approvals prior to conversion but at the compliance the number increased to 99 PO/PM. Based on their claims, if approval was actually obtained, the number of property owners/property managers who got approvals would have been more than or equal to the compliance number. Triangulating this claim with that of the planning regulators who noted that most converted properties were not granted approval prior to its conversion, over 62% of the properties were not granted approval before the conversion.

The influence of Political leaders is one of the major reasons for lack of approvals. The study area is a high valued area which can be afforded and owned by those in the political class. This justifies the reason for the not obtaining approval before conversion. Others are as a result of favouritism and lack of will power (see Yang et al., 2023). A reason not to ignore is the non-existence of a law pertaining to property use conversion. This is responsible for the lack of will power to implement by the regulators and compromise for economic benefits during the conversion process. Consequently, this reason causes inefficient control and regulation for use conversion. Again, findings showed that as most of these owners relocate to other areas majorly due to the transitioning of commercial properties and other factors, the only way to earn more income befitting for the property is to convert to commercial use.

There is a modus operandi for processing an approval for property use conversion in the absence of a law. This modus operandi seems cumbersome and lengthy for property owners and sometimes discourage them from seeking approvals. It includes a change of purpose and a change of use. Change of purpose is the change of building from one purpose to another for example from a residential building to a commercial building. Change of purpose is done by the Ministry of Urban Development and Physical Planning but must be sent to Ministry of Lands and Survey for it to be affected in the title document. While change of use is the change of use in title of the document to another. For example, a title document which states that the land in question should be used as residential, but the owner wants to change its use to commercial must obtain an approval for a change of use.

For a change of purpose (building), MUDPP grants the approval and forwards to MLS for the approval for a change of use from residential land use already existing in the certificate of occupancy to commercial land use.

The MLS reverts to Ministry of Urban Development and Physical planning with their approval. An evaluation report is also provided for an approval to be granted or rejected. For a deed of conveyance, Ministry of Urban Development and Physical planning does not insist on the process. For change of use, the root title must be investigated. The process of approval also includes the submission of plan/working drawings, payment of fees, submission of all necessary document such as tax clearance, environmental impact assessment, title document, business permit etc, letter of application for approval and site inspection and analysis for checks and to ensure standards are complied to.

For an approval to be granted, the environment must be conducive, building to plot ratio must be standard, structural drawing must be standard and complete, location and neighbourhood must be suitable, security, pollution and benefit of change to the economy must be considered.

Unregulated property use conversion is not without an implication despite the immediate benefit derived especially by property owners. It is like a push factor that redirects investment to other areas. It hinders concrete and informed property investment decisions especially for investors outside the confines of the state. Investors may feel reluctant since there are no extant laws relating to property use conversion. Any successive government may decide to investigate the processes of approval with huge penalties which may include demolish of properties like the case Abuja in 2013 (see Yann et al., 2016).

VI. CONCLUSION

Conclusively, property conversions are carried out without the grant of approval by the appropriate regulatory bodies involved. Basically, some of the challenges that hinders approval include lack of extant regulation relating to property use conversion and the influence of political power are the major reasons for this problem. Similarly, there is lack of will power to implement by regulators and the effect of economic gains from the lacuna in the regulation. However, there is a mode of operation for granting approval which seems labourous and time consuming considering the processes and criteria which could also be a contributing factor. Hence, there is little or no compliance to the process. All this affects property investment decisions of investors.

The research majorly suggested that the law relating to property use conversion should be approved by the state legislature because an organised system pulls more property investment and in turn more revenue generation to the state. It is also pertinent that in the interim, a compliance taskforce is constituted for property owners to comply with the modus operandi. The taskforce should be saddled with the responsibility getting defaulters especially during weekends and holidays when the offence is mostly committed.

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