# LAND TENURE SYSTEM IN NIGERIA: 7 TYPES, EXAMPLES & PDF GUIDE (2025)

# A Comprehensive Guide by A.I Realent

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# 1. INTRODUCTION TO LAND TENURE IN NIGERIA

#### What is Land Tenure?

Land tenure refers to the legal and institutional framework that governs how land is owned, used, transferred, and managed within a specific jurisdiction. In simple terms, it's the system that determines who can use land, for how long, and under what conditions.

# **The Nigerian Context**

Nigeria's land tenure system is a complex network of relationships between various institutions, including government bodies, customary laws, and traditional authorities. The history of land administration in Nigeria dates back to the 1800s, reflecting a rich evolution of land policies and regulations.

#### **Key Statistics:**

- Only 3% of land in Nigeria is officially documented
- The remaining 97% relies on informal agreements and traditional customs

This creates significant challenges for buyers, investors, and developers

## Importance of Understanding Land Tenure

Understanding Nigeria's land tenure system is crucial for:

- Property buyers and investors
- Agricultural development
- Urban planning and development
- Economic growth and security
- Preventing land disputes
- Securing loans using land as collateral

# 2. UNDERSTANDING THE LAND USE ACT OF 1978

# **Historical Background**

Before 1978, land ownership in Nigeria was primarily governed by customary land tenure systems, which allowed traditional rulers, families, and communities to control land according to local customs. This created significant problems in urban areas, including:

- Multiple claims to the same piece of land
- Land speculation by wealthy individuals
- Inconsistent land transactions
- Unequal access to land

#### The Birth of the Land Use Act

On **March 29, 1978**, General Olusegun Obasanjo signed the Land Use Act into law during the military regime. The act was later incorporated into the 1999 Constitution of Nigeria.

# **Key Provisions of the Land Use Act**

#### Section 1 of the Act states:

"All land comprised in the territory of each State in the Federation is hereby vested in the Governor of that State and such land shall be held in trust and administered for the use and common benefit of all Nigerians."

#### Main Features:

1. **Vesting of Land:** All land is vested in State Governors who hold it in trust for the people

- Certificate of Occupancy (C of O): Legal recognition of land rights requires obtaining a C of O
- 3. Governor's Consent: Required for all land transactions in urban areas
- 4. Local Government Control: Non-urban areas are under Local Government control
- 5. **Compensation:** Provisions for compensation when land rights are revoked

# **Objectives of the Land Use Act**

- Ensure equitable access to land for all Nigerians
- Prevent land hoarding and speculation
- Standardize land ownership across the country
- Facilitate land acquisition for development projects
- Support national development goals

# 3. THE 7 TYPES OF LAND TENURE SYSTEMS IN NIGERIA

# Type 1: COMMUNAL LAND TENURE SYSTEM

**Definition:** A system where land belongs to the entire community (family, village, or clan) rather than individuals. Every member has the right to use the land, but no one can sell it without community consent.

#### **Key Features:**

- Land ownership is collective
- Traditional heads (chiefs, family heads) control land distribution
- Members have usufructuary rights (right to use, not own)
- Non-members are restricted from using the land
- Common in rural areas

**How It Works:** The head of the community decides how land is allocated among members for farming or residential purposes. Once allocated, the member can use the land but cannot sell it independently.

#### **Examples:**

- Village farmlands in Southeastern Nigeria where families collectively own and share ancestral land
- Communal grazing lands in Northern Nigeria used by pastoral communities
- Family compounds in Yorubaland where extended families share ancestral property

**Advantages:** ✓ Ensures every community member has access to land ✓ Promotes large-scale farming and cooperation ✓ Preserves cultural practices and traditions ✓ Reduces

land disputes among community members ✓ Provides social security for all members ✓ Sustainable land management through collective responsibility

**Disadvantages:** X Cannot be used as collateral for loans X Permanent crops cannot be cultivated easily X Lack of individual ownership discourages long-term investment X Decision-making can be slow due to need for consensus X Fragmentation of land as population increases X Difficult to implement modern farming techniques

## Type 2: INHERITANCE TENURE SYSTEM

**Definition:** Land ownership is transferred from parents or ancestors to their offspring after death. The land is passed down from generation to generation, ensuring family lineage continuity.

#### **Key Features:**

- Automatic transfer of land rights upon death of owner
- Usually transferred to next of kin or as specified in a will
- Provides for both born and unborn children
- Common in both urban and rural areas
- Subject to family and customary laws

**How It Works:** When the original landowner dies, the land automatically passes to designated heirs (usually children or close family members). In some cases, the eldest son inherits, while in others, land is divided among all children.

#### **Examples:**

- A father's farmland in Enugu State inherited by his three sons after his passing
- Ancestral land in Lagos passed down through five generations of a family
- Residential property in Abuja inherited by children according to their father's will

**Advantages:** ✓ Provides security and stability for families ✓ Ensures continuity of land ownership ✓ Protects children's future rights to land ✓ Reduces land disputes when properly documented ✓ Promotes long-term investment in land improvement ✓ Preserves family heritage and wealth

**Disadvantages:** X Can lead to conflicts among beneficiaries X Fragmentation of land into small, uneconomical plots X May exclude women in patriarchal societies X Disputes over rightful heirs can arise X Uncertainty if inheritance is not properly documented X Multiple ownership can complicate decision-making

# Type 3: LEASEHOLD TENURE SYSTEM

**Definition:** An individual or organization is granted temporary ownership of land by the government or a private owner for a specified period. After the lease expires, the land reverts to the original owner.

#### **Key Features:**

- Fixed term agreement (typically 30, 50, or 99 years)
- Formal contract with terms and conditions
- Requires payment of lease fees
- Government or private ownership
- Can be renewed upon expiration

**How It Works:** The lessor (landowner or government) grants the lessee (tenant) the right to use the land for a specific period in exchange for payment. The lease agreement specifies permitted uses, rent amount, and renewal conditions.

#### **Examples:**

- A business owner leasing land in Victoria Island, Lagos for 50 years to build a commercial complex
- Federal Government leasing land to farmers for large-scale agricultural production
- An individual leasing land from a private owner for residential development with a 99-year lease

**Advantages:** ✓ More affordable than outright purchase ✓ Provides clear terms and conditions ✓ Can be used as collateral for loans (with proper documentation) ✓ Facilitates large-scale farming and commercial projects ✓ Renewable at the end of the term ✓ Reduces upfront capital requirements

**Disadvantages:** X Limited ownership rights X Land reverts to owner after lease expires X May require significant renewal fees X Restrictions on land use X Insecurity if not properly documented X Potential for disputes over renewal terms

# **Type 4: RENT TENURE SYSTEM**

**Definition:** Land is rented from a landlord for either agricultural or residential purposes for a fixed period, typically on a monthly or annual basis.

#### **Key Features:**

- Short-term arrangement
- Regular rental payments (monthly/annually)

- Flexible and affordable
- No ownership rights
- Common for both agricultural and residential use

**How It Works:** The tenant pays periodic rent to the landlord in exchange for the right to use the land for specified purposes. The arrangement can be terminated by either party according to agreed terms.

#### **Examples:**

- A young farmer renting 2 hectares in Kaduna State for seasonal crop cultivation
- An individual renting land in Lekki for temporary business operations
- A cooperative society renting farmland from a community for vegetable production

**Advantages:** ✓ Very affordable and accessible ✓ Flexible arrangements ✓ No long-term commitment required ✓ Quick access to land ✓ Lower financial burden ✓ Suitable for short-term projects

**Disadvantages:** X No ownership rights X Cannot be used as loan collateral X Insecurity of tenure X Rent can increase without notice X No incentive for long-term land improvement X Can be terminated by landlord

# **Type 5: GIFT TENURE SYSTEM**

**Definition:** Land is voluntarily transferred as a gift from one person to another without monetary exchange. The transfer must be legally documented to be valid.

#### **Key Features:**

- Voluntary transfer of ownership
- Usually involves family members or close associates
- Requires proper legal documentation
- Can be revoked if legal procedures were not followed
- Must comply with state land laws

**How It Works:** The donor voluntarily transfers land ownership to the recipient through legal documentation. The recipient gains full ownership rights, including the ability to use the land as collateral or sell it.

#### **Examples:**

- A philanthropist donating land to a religious organization for church/mosque construction
- Parents gifting land to their children during their lifetime
- A community leader donating land to the government for a public school

An uncle gifting land to his nephew for business purposes

**Advantages:** ✓ Legal ownership is transferred to recipient ✓ Can be used as collateral for loans ✓ No payment required ✓ Strengthens family or community bonds ✓ Full ownership rights granted ✓ Tax benefits in some cases

**Disadvantages:** X Subject to legal verification X Can be challenged in court if improperly executed X May create family disputes X Requires proper documentation X Potential for revocation if laws are violated X Gift tax implications

## Type 6: FREEHOLD TENURE SYSTEM

**Definition:** The landowner has absolute and perpetual ownership of the land. This is the strongest form of land ownership, where individuals pay a specified amount to acquire permanent ownership rights.

#### **Key Features:**

- Permanent ownership in perpetuity
- Requires substantial upfront payment
- Full control over land use
- Transferable through sale or inheritance
- Requires surveys and legal documentation

**How It Works:** The buyer pays a predetermined amount based on the land size and location. After payment, the land is surveyed, and a title deed (or Certificate of Occupancy) is issued, granting permanent ownership.

#### **Examples:**

- A businessman purchasing 10 hectares in Abuja for N50 million with full ownership rights
- A family buying residential land in Ikoyi, Lagos with a freehold title
- An investor acquiring land in a new estate development with complete ownership

**Advantages:** ✓ Complete ownership and control ✓ Can be used as collateral for substantial loans ✓ Can be sold, leased, or inherited ✓ Highest security of tenure ✓ Freedom to develop as desired (subject to planning laws) ✓ Appreciates in value over time

**Disadvantages:** X Very expensive to acquire X Requires significant capital investment X Complex documentation process X Subject to government acquisition for public use X Annual land use charges in some states X Must still obtain planning permits for development

# Type 7: TENANT AT GOVERNMENT WILL (Government Allocation)

**Definition:** The Federal or State Government allocates land to individuals or organizations, typically for agricultural or specific developmental purposes. The allocation is at the government's discretion.

#### **Key Features:**

- Land allocated by government agencies
- Relatively inexpensive to acquire
- Subject to government revocation
- Usually for agricultural or public benefit purposes
- Requires compliance with allocation terms

**How It Works:** The government identifies land for allocation and invites applications. Successful applicants receive land at subsidized rates for specified purposes (e.g., farming, low-cost housing). The land remains government property, but usage rights are granted.

#### **Examples:**

- The Federal Ministry of Agriculture allocating land to farmers for rice cultivation in Kebbi State
- Lagos State Government allocating land to developers for affordable housing projects
- Government allocating land to youth cooperatives for poultry farming

**Advantages:** ✓ Relatively cheap to acquire ✓ Facilitates large-scale agricultural production ✓ Government support and infrastructure may be provided ✓ Accessible to low-income earners ✓ Promotes targeted economic development ✓ Clear allocation procedures

**Disadvantages:** X Cannot be used as collateral for loans X Subject to government revocation X Limited ownership rights X Bureaucratic allocation process X Must comply with specific use conditions X Insecurity of tenure

# 4. ADVANTAGES OF LAND TENURE SYSTEMS

#### **Economic Benefits**

**Investment Security:** Proper land tenure systems encourage investment in land development, agricultural improvements, and infrastructure.

**Access to Credit:** Documented land rights (especially freehold and leasehold) can be used as collateral for bank loans, facilitating business growth.

**Agricultural Productivity:** Clear land rights motivate farmers to invest in soil conservation, irrigation, and modern farming techniques.

**Real Estate Development:** Secure tenure enables property development, urban planning, and construction of residential and commercial buildings.

#### **Social Benefits**

**Conflict Resolution:** Well-defined tenure systems reduce land disputes between individuals, families, and communities.

**Social Equity:** Systems like communal tenure ensure that all community members have access to land resources.

**Cultural Preservation:** Traditional tenure systems preserve indigenous land management practices and cultural heritage.

**Family Security:** Inheritance systems protect family assets and provide security for future generations.

# **Legal Benefits**

**Clear Documentation:** Formal tenure systems provide legal proof of ownership through Certificates of Occupancy and title deeds.

**Government Regulation:** The Land Use Act provides a unified framework for land administration across Nigeria.

**Dispute Resolution:** Formal systems offer structured mechanisms for resolving land conflicts through courts and tribunals.

# 5. CHALLENGES AND DISADVANTAGES

# **Major Challenges**

#### 1. Documentation Issues

- Only 3% of Nigerian land is officially documented
- High cost of obtaining Certificate of Occupancy (N500,000 N2 million+ depending on state)
- Time-consuming process (3-12 months or more)
- Bureaucratic red tape and corruption

#### 2. Land Disputes

- Multiple claims to the same land
- Family inheritance conflicts
- Community vs. government disputes
- Unclear boundaries and ownership
- "Omo onile" (land grabbers) problem in some areas

#### 3. Insecurity of Tenure

- Many hold land through informal agreements
- Customary rights not recognized in formal systems
- Risk of government revocation
- Fraudulent land transactions

#### 4. Gender Inequality

- Women often excluded from inheritance in patriarchal systems
- Limited access to land ownership for women
- Customary laws discriminating against women

#### 5. Bureaucratic Challenges

- Governor's consent requirement delays transactions
- Corruption in land allocation and registration
- Inefficient land administration systems
- Lack of coordination between agencies

#### 6. High Costs

- Expensive land acquisition
- Survey fees (N200,000 N500,000+)
- Legal fees for documentation
- Annual land use charges
- Development levies and taxes

#### 7. Fragmentation

- Inheritance divides land into uneconomical plots
- Difficult to implement mechanized farming
- Reduced agricultural productivity
- Challenges in urban planning

# **State-Specific Challenges**

#### Lagos State:

- Most expensive C of O processing (up to N2 million+)
- 105 days average to register property
- High population density and land scarcity
- Complex bureaucracy

#### FCT Abuja:

- Strict allocation procedures
- High land costs
- Multiple approval requirements
- Revocation without adequate compensation

#### Rural Areas:

- Reliance on customary systems
- Limited access to formal documentation
- Poor land records
- Traditional authority conflicts with statutory law

# 6. HOW TO SECURE YOUR LAND IN NIGERIA

# **Step-by-Step Guide to Land Acquisition**

#### **STEP 1: Conduct Due Diligence**

- Search land records at State Land Registry
- Verify ownership at Local Government
- Check for existing claims or disputes
- Investigate with community leaders
- Engage a lawyer for title search
- Visit the Land Use Allocation Committee

#### STEP 2: Survey the Land

- Engage a licensed surveyor
- Conduct cadastral survey
- Obtain survey plan
- Verify coordinates and boundaries
- Ensure survey is registered
- Cost: N200,000 N500,000+ depending on size

#### **STEP 3: Execute Purchase Agreement**

- Draft Deed of Assignment or Sale
- Include all parties (buyer, seller, witnesses)
- Specify purchase price and payment terms
- Attach survey plan
- Sign before a lawyer
- Pay stamp duty (varies by state)

#### STEP 4: Obtain Governor's Consent Required documents:

- Application letter
- Deed of Assignment
- Registered survey plan
- Tax clearance certificate
- Evidence of payment
- Valid means of identification
- Passport photographs

Processing time: 3-12 months Cost: 5-15% of property value (varies by state)

#### **STEP 5: Register the Document**

- Register at State Land Registry
- Pay registration fees
- Obtain registration number
- Keep certified true copies

# STEP 6: Obtain Certificate of Occupancy (C of O) The C of O is your legal proof of ownership. It includes:

- Land description and size
- Owner's name and details
- Terms and conditions
- Government seal and signature
- Survey plan reference

# Red Flags to Avoid



#### Warning Signs:

- Seller refuses to provide original documents
- Land has multiple "owners"
- Community members dispute the sale
- No survey plan or boundary markers
- Seller demands urgent cash payment
- Price is too good to be true
- "Omo onile" demanding additional payments

Incomplete documentation

**Total Additional** 

Costs

Government acquisition notice on file

## **Cost Breakdown (Lagos State Example)**

Item	Estimated Cost		
Land Purchase	N5,000,000 - N50,000,000+		
Survey	N300,000 - N500,000		
Legal Fees	N200,000 - N500,000		
Governor's Consent	N500,000 - N2,000,000		
Registration	N50,000 - N200,000		
Stamp Duty	3-5% of property value		
Development Levy	Varies by location		

Note: Costs vary significantly by state and property value

# 7. FREQUENTLY ASKED QUESTIONS (FAQs)

~N1,500,000 - N3,500,000

Q1: What is the difference between customary and statutory land tenure? Customary tenure is based on traditional practices and community rules, common in rural areas. Statutory tenure is governed by state laws like the Land Use Act, requiring formal documentation like Certificate of Occupancy.

**Q2:** Can a foreigner own land in Nigeria? Yes, but with restrictions. Foreigners can obtain statutory rights of occupancy (maximum 99-year leasehold) but cannot hold customary rights. Governor's consent is required for all transactions.

Q3: How long does it take to get a Certificate of Occupancy in Nigeria? Officially 60 days, but realistically 3-12 months or longer depending on the state and efficiency of the land administration system.

**Q4:** Is Governor's consent mandatory for all land transactions? Yes, for all transactions involving statutory rights of occupancy in urban areas. Transactions without consent are legally invalid.

**Q5: What happens if I buy land without proper documentation?** You risk losing your investment. The land can be reclaimed by the rightful owner, government, or community. Always insist on proper documentation.

**Q6:** Can women inherit land in Nigeria? Legally yes, under statutory law. However, some customary laws discriminate against women. The Land Use Act applies equally to all Nigerians regardless of gender.

Q7: What is the difference between a Deed of Assignment and Certificate of Occupancy? A Deed of Assignment is an agreement transferring land between private individuals. A C of O is the government's formal grant of land rights and is the superior legal document.

#### Q8: How can I verify land ownership in Nigeria?

- Search at State Land Registry
- Verify at Local Government Land Department
- Conduct community inquiry
- Engage a lawyer for professional search
- Check with traditional authorities

**Q9: What are "Omonile" and how do I deal with them?** "Omonile" (literal meaning: children of the land) are individuals who claim ownership or authority over land, often through dubious means. Protect yourself by:

- Conducting thorough due diligence
- Engaging community leaders
- Working with reputable estate developers
- Ensuring proper legal documentation
- Avoiding areas with high "omonile" activity

Q10: Can the government revoke my Certificate of Occupancy? Yes, under certain conditions as specified in the Land Use Act:

- For overriding public interest
- Non-payment of ground rent
- Breach of covenants
- Development violations However, the government must pay adequate compensation.

# 8. CONCLUSION

# **Key Takeaways**

1. Nigeria has 7 main land tenure systems, each with unique advantages and challenges

- 2. The Land Use Act of 1978 is the primary legislation governing land ownership
- 3. Only 3% of Nigerian land is formally documented, creating significant challenges
- 4. **Due diligence is critical** before any land purchase
- 5. Certificate of Occupancy remains the strongest legal proof of land ownership
- 6. Governor's consent is mandatory for urban land transactions
- 7. Costs vary significantly by state, with Lagos being the most expensive

## The Future of Land Tenure in Nigeria

#### **Proposed Reforms:**

- Decentralizing land control to local governments
- Streamlining the C of O acquisition process
- Improving compensation mechanisms
- Digitizing land records and registries
- Reducing bureaucratic bottlenecks
- Protecting women's land rights

**Technology and Innovation:** Several Nigerian states are implementing digital land administration systems to improve transparency, reduce processing time, and combat fraud.

#### **Final Advice**

Whether you're a first-time buyer, investor, or farmer, understanding Nigeria's land tenure system is crucial for protecting your investment. Always:

✓ Conduct thorough due diligence ✓ Engage professional lawyers and surveyors ✓ Insist on proper documentation ✓ Verify all claims independently ✓ Budget for additional costs beyond purchase price ✓ Be patient with the process ✓ Stay informed about state-specific regulations

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# **DISCLAIMER**

This guide is for informational purposes only and does not constitute legal advice. Land laws and procedures vary by state and are subject to change. Always consult with qualified legal professionals and licensed surveyors before making any land transaction.

#### **Important Notes:**

- Information current as of 2025
- State-specific regulations may differ
- Costs and timelines are estimates
- Professional legal advice is recommended
- Government policies may change

# **REFERENCES**

- 1. Land Use Act, 1978 (Chapter 202, Laws of the Federation of Nigeria 1990)
- 2. Nigerian Constitution, 1999 (as amended)
- 3. Federal Ministry of Lands and Housing reports
- 4. State Land Use and Allocation Committee regulations
- 5. World Bank Nigeria Property Registration Reports
- 6. Various State Land Registry publications

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#### **END OF GUIDE**