# Real Estate & Succession

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**Adesola Olanrewaju-Kadri**[1] **Olukolade Ehinmosan** **Obinna Odikaesieme**

## Nigerian Real Estate Matters
## Lagos State's Crackdown on 176 Illegal Estates: A Legal Perspective

### 1. Introduction

In furtherance of its policies aimed at sustainable urban development, the Lagos State Government (LASG) recently declared 176 estates illegal for operating without mandatory planning permits, designated as "*unapproved layouts*". These estates, scattered predominantly across the high-demand corridors like Eti-Osa, Ajah, Ibeju-Lekki, and Epe, include prominent development locations such as Adron Homes in Elerangbe, Aina Gold Estate in Okun-Folu, and Diamond Estate in Eputu.[2]

With a 21-day ultimatum set to expire on 25th August 2025, LASG thrust developers and residents into a race against time to regularize their documentation or face penalties/sanctions, including sealing or demolition. This crackdown, aimed at aligning with the State's "**THEMES**" Agenda,[3] could be a signal of LASG's commitment to transforming Lagos State into an organized, resilient, and globally competitive mega city.

As developers scramble and residents grapple with uncertainty, this article dissects the legal foundation of LASG's action, identifies what "unapproved layouts" may entail,

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1 **Adesola Olanrewaju-Kadri, Managing Associate, Olukolade Ehinmosan, Associate, Obinna Odikaesieme, Associate Trainee Real Estate & Succession Department, S. P. A. Ajibade & Co., Lagos, Nigeria.**

2 See full list at <https://guardian.ng/news/nigeria/metro/full-list-lagos-govt-declares-176-estates-illegal/>, last accessed 12:18 pm on 7th August 2025.

3 (Traffic Management and Transportation, Health and Environment, Education and Technology, Making Lagos is a 21st Century Economy, Entertainment and Tourism, and Security and Governance initiative).

evaluates the merits and challenges of the declaration, as well as its implications for developers and homeowners, and charts actionable pathways for stakeholders to secure their investments.

## 2. Legal Framework

The declaration of 176 estates as illegal, appears to have been made pursuant to the provisions of the **Lagos State Urban and Regional Planning and Development (Amendment) Law 2019** ("**LURPDL**") and the **Lagos State Physical Planning Permit Regulations 2019** ("**LASPPPR**").[4] Whilst LURPDL stands as a primary legislation for physical planning, urban development and building control of real estate in Lagos State, the LASPPPR seeks to ensure orderly development in line with approved physical plans and standards.

These regulations cover various aspects of building control ranging from approval stage certification (fire, electrical, gas, etc.) to insurance requirements for buildings above two floors. The regulations also provide guidance on specific aspects of building construction such as setbacks, building coverage, parking, height limits, et cetera.

The Lagos State Physical Planning Permit Authority (LASPPPA) is the regulatory agency responsible for processing and issuing permits while the Lagos State Building Control Agency (LASBCA) is the body responsible for the enforcement of building control regulations and inspects construction works.

**Section 2** of the **LURPDL** provides for a 7-day notice of intention to commence construction to be given to LASBCA by any intending developer.

**Section 28(2)** of the **LURPDL** also provides that all developments (based on which applications for planning permits are filed) must align with a valid development plan, thereby ensuring compliance with zoning, safety, and infrastructure standards.

**Paragraph 1** of the **Lagos State Building Control Agency Regulations 2019** ("LASBCAR),[5] defines "development" to include "*the carrying out of any building, mining, or other operation in, on, over, or under any land*" and "*demolition of buildings, including felling of trees*". This definition clearly covers the construction of an estate and the constituent buildings within its perimeters.

**Paragraph 1** of the **LASBCAR** further defines a planning permit as an approval or assent given for the time being to a development including a layout or a subdivision

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4 A subsidiary legislation deriving validity from LURPDL.
5 A subsidiary legislation deriving validity from LURPDL.

plan and/or a building control authorisation given at construction stage by the Lagos State Physical Planning Permit Authority (LASPPPA).

**Section 34** of the **LURPDL** mandates developers to obtain a planning permit from LASPPPA before commencing property construction. Detailed architectural drawings, survey plans, topographical maps, soil tests, and certificates of occupancy, are some documentary requirements to be met before LASPPPA approval would be issued. In essence, developers are required to submit a comprehensive set of documents, architectural and structural drawings, technical reports to the relevant planning authority.

The absence of such planning permits in the flagged estates (or development which deviates from the approved permit) will constitute a direct violation of the law, which renders their operations illegal.[6] Additionally, **Section 37** of the **LURPDL** stipulates that permits become invalid if construction does not begin within two (2) years, which provision is relevant to estates that may have stalled or proceeded without revalidation.

**Paragraphs 2 – 10** of the **LASBCAR** also provide that a property developer must obtain some critical property development documentation such as authorisation to commence construction, building stage certification, building certificate of worthiness, and certificate of completion and fitness for habitation.

Putting the legal framework explained above in practical perspective in relation to the acquisition of necessary development and building permits, the fictional scenario below should aid understanding:

> Krasdino Homes Ltd (Krasdino) acquires 100 hectares of land at Ibeju Lekki, Lagos and obtains a statutory certificate of occupancy for the vast property. In furtherance of its plans to convert the 100 hectares into multiple residential building units, Krasdino christens the land "*El Magnifico Estate*", fails to obtain the planning permit or file a formal notification of intention to develop the estate in order to avoid the costs associated with obtaining the necessary planning permits. Such an estate will be caught by a declaration of illegality.

## 3. Evaluating LASG's Ultimatum

The legal framework highlighted above appears to justify the LASG's recent declaration on non-compliance by the affected estates but the 21-day ultimatum offers

6 Paragraph 26, LABCAR.

a reasonable allowance for compliance by landowners/investors and developers to avoid stiff penalties/sanctions.

In addition to the legal justification, the recent LASG declaration provides a fertile ground for cross-pollination of ideas and prescriptions on the challenges associated with compliance and the need for solutions to aid the ease of doing real estate business in Lagos State.

Firstly, the manual processing of applications for relevant permits is a factor that negatively affects legal compliance. In an age of significant and increasing digital technology inclusion, application platforms could be made electronic and user-friendly to enable applicants upload all necessary documentation while other stages like site visits and inspections could be made manual/physical.

Indeed, LASG's bold declaration of the affected estates as illegal should occur in concomitance with a system which effectively ameliorates the complexities associated with the current manual application process.

Secondly, LASG could also borrow a leaf from the historic VAIDS (voluntary assets and income declaration scheme) arrangement and embark on state-wide publicity, by urging estate developers and investors to voluntarily declare their respective standings in obtaining planning permits within a reasonable timeframe.

Estate stakeholders who voluntarily reveal their exposures could be given the privilege of a fast-tracked process, provided that the property developments and constructions meet global best standards of building and engineering integrity, otherwise, such estates may be demolished and/or compulsorily acquired in line with the powers of the State Governor.

It would also be helpful to streamline LASPPPA's and LASBCA approval processes on the electronic platform whilst not compromising the standards, to encourage compliance without deterring investment, Similarly, integrating technology, such as digital platforms for permit applications and title verification, could improve efficiency and transparency, aligning with Lagos' smart city goals. This initiative would increasingly grow in importance as most real estate investors and developers would be motivated to conduct due diligence on relevant buildings and property development projects.

Policymakers and the LASG could also actively spearhead public awareness of property development and construction legal frameworks through targeted campaigns, leveraging media and community outreach to educate developers and buyers.

Undoubtedly, even in an imperfect system of real estate laws such as Lagos State, a combination of these points would boost investor and public confidence and ultimately achieve desired urban development targets.

## 4. Implications for Stakeholders and Investors

For developers/investors, LASG's declaration/ultimatum poses an immediate challenge. Failure to take urgent steps could lead to dire consequences including site closures, demolition of structures, or legal prosecution.

Consequently, the action points below have been distilled to assist developers/investors affected by the LASG declaration to mitigate the burdens and exposures from non-compliance with the extant laws:

a. Engagement of the services of a law firm competent in real estate practice for a holistic legal guidance to safeguarding investments and commercial interests.

b. Compilation and submission of title documents (charts; architectural drawings; survey plans, building, and development plans, etc.) must be done immediately in compliance with the regulations on planning permit/approval status. This point should closely follow step 1 above, as the solicitor would provide guidance on the status of current title documents and lawful steps to ensuring completeness of required application documentation.

## 5. Conclusion

The LASG's crackdown on 176 illegal estates is a pivotal moment for the real estate sector in Lagos State, as it seeks to balance sustainable urban development and economic stability with the challenges of compliance. For LASG, there is a need to focus efforts on promoting ease of doing real estate business in Lagos State whilst maintaining lofty standards as explained in this article.

For private and institutional stakeholders, there is a paramount need to engage competent law firms to monitor legal developments and to continuously receive legal guidance on preventive and mitigative approaches to risks and legal compliance exposures.

Undoubtedly, even in an imperfect system of real estate laws such as Lagos State, a combination of these points would boost investors' confidence and achieve desired urban development targets.

For further information on this article and the area of law,
please contact Adesola Olanrewaju-Kadri
at S. P. A. Ajibade & Co., Lagos by
Telephone (+234.1.270.3009; +234.1.460.5091),
Fax (+234 1 4605092)
Mobile (+234.807.819.1720, +234.803.566.0955)
Email: aolanrewajukadri@spaajibade.com
www.spaajibade.com