



NIGERIA – May 2018

LAGOS LUC: ACADEMIA CALLS FOR VALUATION PROCEDURE REVIEW..... 1
ACADEMICS CAUTION ON PROPERTY TAX, URGE OBJECTIVE ASSESSMENTERROR! BOOKMARK NOT DEFINED.

Lagos to maintain slashed land use rates

It is not likely that the Lagos State government will further review downward the rate applicable to commercial property in its 2018 Land Use Charge (LUC) law.

The LUC is a consolidation of ground rent, tenement rate, and neighbourhood improvement levy. Thus, the tenement rates law, the land based rates law, the neighbourhood improvement charge and all other similar property rates or charges, laws or amendments to any such property laws, cease to apply to any property in the state as from February 2018.

A source who pleaded anonymity told BusinessDay that the state government is not considering a further reduction in the LUC rates after it was forced to slash the original rates, but waiting for the House of Assembly to give legal teeth to the already reviewed rates.

“The LUC and the rates applicable to commercial property or any other property mentioned in the law is not meant to serve the government. Rather, it is a law that the state government believes will enable it serve Lagosians better, by building the necessary infrastructure

“The House of Assembly is working on it. It is taking a little longer because the House had to go on recess after the public hearing in March. We should just wait to see the outcome,” said a source at the State House of Assembly on Friday.

The original rates charges on property based on current market value of eligible property were as follows: owner-occupied residential property, 0.076 per- cent per; industrial premises of manufacturing concerns, 0.256 percent while commercial property attracted 0.76 percent.

The state government had reduced the rate chargeable on commercial property in its controversial LUC by 50 percent, and also reviewed downward other rates as they affect owner-occupied/tenant and purely residential property as well as granted general and specific reliefs.

The downward review which followed weeks of sustained agitations by various groups were as follows: Commercial property, 50 percent; Owner-occupied/tenant, 25 percent; purely residential 15 percent; general relief, 40 percent; persons above 70, 10 percent; People Living With Disability (PLWD) as well as property above 25 years, 10 percent.

Akinyemi Ashade, commissioner for finance, announced the reduction, saying it was a fallout from widespread dialogue with stakeholders, such as the organised private sector (OPS), the Nigeria Bar Association (NBA), real estate investors and developers, landlords and residents’ associations, community development associations, civil society organisations (CSOs), Lagos Chamber of Commerce and Industries (LCCI), Nigeria Institute of Estate Surveyors and Valuers and professional groups.

Amid rising tensions , the state House of Assembly subsequently organised a public hearing on the LUC on March 27. But the Ikeja branch of the NBA, led by Adesina Ogunlana and their civil society allies, Joint Action Forum (JAF) led by Abiodun Aremu,

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walked out of the public hearing and insisted on total reversal of the law. The group vowed to continue protests in the streets until the government cancel the LUC.

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