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Abstract
Prior to 1997, arbitrary rent increases, unlawful ejection of tenants, lengthy and un-ending litigations between landlords and tenants were rampant in Lagos State, Nigeria. This dictated the intervention of Lagos State Government through the promulgation of the Rent Control and Recovery of Residential Premises Edict, which stipulates, inter alia, specific method to be adopted in determining residential property values. This research examines the statutory method of determining standard rent under the edict, and adopts the multiple-comparison and analysis of variance techniques to determine the relationship between statutory and open market rents. It discovers that rent control has no impacts on rental property values in the study area. It therefore concludes that government intervention through control of rent would injurė the urban poor it sets out to protect and recommends that government should hands off control of rent on houses government has not produced.

Introduction
Price control is usually a form of limit imposed by government on how high a price that can be charged on a good and service that are essential to the well being of citizens can go. It is imposed in that a ceiling is placed on the amount that can be charged and usually at a figure below the open market price, which is a price at which a willing and able seller and a willing and able purchaser of such good or service will exchange money and the good or service without any compulsion on the parties as to sell or to buy. The same principle is applied to rent on property, in which government usually imposes a limit to which rent, in this instance, on residential accommodation could rise. The limit represents the maximum rent which is usually below the open market value of such accommodation units.

Rent control is standard ceiling placed on the rent that a landlord can charge. It also allows a landlord to set rent freely when letting to a new tenant but subject to the tenant's right not to accept and preventing the landlord from raising the rent or ejecting the tenant (Basum and Emerson, 2003). Ccompared with other government-mandated price controls, it is the law placing maximum price on what landlords may charge tenants and usually set below that which would have otherwise prevailed (Block and Olsen, 1981). Rent control is also a collection of laws regulating how much a landlord can raise or to how much must the rent be reduced, limiting the reasons for eviction and working together with eviction protections so that the landlord does not get around a rent limit by evicting the tenant (Carlson, 2006).

Rent control sometimes functions as price ceiling. This is exemplified in the United States of America where there are laws or ordinances that set price controls on the renting of residential housing. It was first adopted in the U.S.A. in response to World War II-era shortages, and remained in effect in some cities with large tenant populations. Such large cities are New York, Washington, D.C., San Francisco, and smaller communities like Santa Monica, Berkeley, West Hollywood California, and a number of small towns in New Jersey, apart from cities like Boston and Cambridge, and Massachusettes where it was stopped by state ballot (Wikipedia, 2007).

Rent control is usually an intervention through measures put in place by government on the pretext of protecting the urban dwellers from being pushed off the open market in the course of securing accommodations by putting a ceiling on the maximum rent payable on all classes of residential properties. Such measures include legislation on to check incessant and arbitrary increases in rent brought about through the interplay of demand (which rises at geometric rate) and supply (which rises at arithmetic rate) of residential accommodation thereby causing galloping increase in rent from year to year.

Prior to the advent of the rent control in Lagos State, the Lagos urban poor and low income earners were at the mercy of shylock landlords who often resorted to taking court order through the back door without serving the tenants proper notices so as to force out the tenant without due process of law. This is called *jankara judgment (*in Lagos parlance). Many of the landlords increased rent on an annual basis and at high rates, demanding advance rent of up to two years, even from a sitting tenant, not minding the unsanitary conditions of such accommodation units.

Consequently, in 1997, the then military administrator of Lagos State signed into law an edict, which is cited as the Rent Control and Recovery of Residential Premises Edict No. 6 of 1997 (also called Rent Edict) with effect from the 21st day of March 1997. The most striking provision of the edict is the involvement of Estate Surveyors and Valuers in determining the standard rent payable on residential accommodation in each of the zones into which Lagos State has been delineated and stipulated in relations to size of room, number of rooms, facilities provided, and locations.

The aim of this paper is to examine the provisions of the Lagos State Rent Control and Recovery of Residential Premises Edict No. 6 of 1997 and values of residential properties. The objectives are to highlight the relevant provisions of the Edict, and determine if the rent control has effects on the open market values of residential properties in Lagos State.

The Provisions of the Lagos State Rent Edict of 1997

The Lagos State Rent Edict of 1997 is examined under its application, provisions on standard rent and advance rent payment, standard rent order, zoning of Lagos State, and standard rent table.

The edict applies to residential accommodation with annual rental value that, as at 1996, was not more than N250, 000. The edict classifies the types and categories of residential accommodation, zones Lagos State into areas and fixes standard rents and terms of tenancy agreement applicable in such areas. It further provides that the rents prescribed in the edict would be the standard rents that must be payable and would only be reviewed upwards every three years on the order of the Military Administrator (now the civilian Governor) of Lagos State. Such standard rent would be reviewed at every period at a rate not exceeding 20% of the standard rent prescribed in respect of each type of residential accommodation, while such standard rent is expected to supersede any rent between the landlord and the tenant.

Furthermore, the edict states that it would be unlawful for any landlord or his agent, to demand or receive rent in excess of six months from incoming tenant for categories T1 and T2 and twelve months in respect of accommodation in categories T3 to T8. Similarly, the edict states that it would be unlawful for an incoming tenant or his agent to offer to pay standard rent in excess of six months in respect of accommodation in categories T1 – T2 and twelve months in respect of accommodation in categories T3 – T8 as shown in Table 1.

Table 1: Classification of Residential Accommodation under the Rent Edict

Class of property	**T1**	**T2**	**T3**	**T4**	**Tio5**	**T6**	**T7**	**T8**
Type of accommodation	Single bedroom	Room and Parlour	Single bedroom flat	2-bedroom flat	3-bedroom flat	2-bedroom house	3-bedroom semi-detached house	3-bedroor detache house

Source: Rent Control and Recovery of Residential Premises Edict, No. 6 of 1997. Lagos State

The edict states further that it is unlawful for a landlord or his agent to demand or receive standard rent in excess of three months rents in respect of any form of accommodation from a sitting tenant, and for a sitting tenant to offer or pay rent in excess of three months in respect of any accommodation. In both cases, any person who receives or pays rent in excess of what is prescribed in the edict would be guilty of an offence and shall be liable to a fine of N50, 000 or six months imprisonment.

The edict expressly states that all landlords should issue rent payment receipt to the tenant, failure of which such landlord would be guilty of an offence and become liable to a fine of N2, 500 or one month imprisonment; while it also categorizes residential accommodation in Lagos State into Categories A, B, C, Standard Flat, and Standard House as detailed in Table 2.

Table 2: Categories of Residential Accommodation under the Lagos State Rent Edict

Category	**Description**	**Accommodation Details**
A	Buildings constructed of sandcrete blocks, bricks or mud plastered and painted internally and externally	Rooms with floor area not less than 11.2m^2 (or 12' x 10'); plus 14m^2 (3.7m x 3.7m or 12' x 12') parlour; kitchen not being shared by not more than 6 rooms; bathroom with pipe-borne water not shared by more than 6 rooms; flush toilet not shared by more than 6 rooms; minimum floor finish is cement screed; water and electricity supply are from the mains.
B	Buildings constructed of bricks or mud plastered with cement	Standard rooms with dimensional area less than 11.2m^2 (3.7m x 3.0m or 12' x 10'); plus parlour having a dimensional area not less than 14m^2 (3.7m x 3.7m or 12' x 12'); kitchen, not shared by more than 8 rooms; bathroom

		with pipe-borne water but not shared by more than 8 rooms; cement screeded floor; water and electricity from the mains.
C	Buildings constructed of mud, bamboo, planks or corrugated iron sheets	Standard rooms with dimensional area not less than 11.2m^2 (3.7m x 3.m or 12' x 10'); parlour with dimensional area not less than 14m^2 (3.7m x 3.7m or 12' x 12'); external kitchen; external pit toilet; external bathroom; screeded floor; at least internal wall surfaces plastered; electricity supply from the mains.
Standard Flat	A self-contained family residential accommodation, which should have amenities exclusively for the use of the tenant.	A living room of not less than 14m^2 (3.7m x 3.7m or 12' x 12'); plus standard rooms with dimensional area not less than 11.2m^2 (3.7m x 3.m or 12' x 10'); a kitchen; water closet flush toilet; bathroom; mains electricity supply; terrazzo floor finishing at the Living/Dinning room and kitchen; p.v.c. floor finishing at the bedrooms.
Standard House	Buildings on two floors for occupation by a single family, with sitting on the ground floor and bedrooms on the upper floor.	Living/dinning with room; standard rooms with dimensional area not less than 11.2m^2; kitchen; store; water closet flush toilet on ground and first floors; bathroom; mains water and electricity supply; terrazzo flooring at the Living/dinning room, kitchen, toilet and bathroom and stairway; p.v.c. flooring at the bedrooms

Source: Rent Control and Recovery of Residential Premises Edict, No. 6 of 1997. Lagos State

Apart from the categories of accommodation, the edict listed the communities deemed to be affected by its provisions; the communities covered by the edict are detailed in Table 3

Table 3: Zoning of Communities Affected by the Edict

Zone	Communities
A	Lagos Island including Olowogbowo, Isale Eko, Epetedo, Sangross, Obalende, Onikan, Araromi Faji Area, Oke-Suna, Anikantamo, Lafiaji, Oke-Popo area, Agarawu area, Oko-Awo, Tinubu, Brazillian Quarters, Obadina, Ita-Eleiye area, Apongbon, Idumota, Ereko, Oto, Ido, Surulere, Ebute Meta West, Apapa, Festac (Medium Density)
B	Lawanson, Tejuoso, Ojuelegba, Mabo area, Yaba, Sabo, Onike, Iwaya, Akoka, Igbobi, Jibowu, Fadeyi, Onipanu, Palm grove, old Ilupeju, Obanikoro, Aguda, Surulere, Apakun, Papa Ajao, Oyadiran Estate, Festac (High Density), Ikate, Obale-Odan, Obele-Oniwahala, Games Village, Opebi LSDPC Housing Estate, Satellite Town, Agidingbi New Development, Onigbongbo Village, Ojodu Pilot Estate, and Gowon Estate.
C	Ikeja Division excluding places listed in other zones but including Oregun, Ojota, Ketu, Oworonsoki, Ijeshatedo, Kirikiri, Bariga, Somolu, Oshodi, Isolo, Egbe, Ikotun, Akowonjo, Egbeda, Idimu, Iyana-Ipaja, Agege, Orile-Agege, Iju, Ifako, Ijaye, Moshalashi, Otubu, Pero, Asade, Mushin, Panade, Mangoro, Onipetesi, Dopemu, Cement, Sanngo, Oko-Oba, Matori, Challenge, Cappa, Olorunsogo, Idi-oro, Idi-Araba, Ilasamaja, Agidingbi, Papa Ashafa, Oke-Koto, Aguda-Tuntun, Ojodu Akiode, Isheri, Alakuko, Agbado, Ladilak, Abule-Okuta, Ifako-Gbagada, Ogudu Village, Alapere, Kollinton, Onigbongbo, Adekunle Village, Ogba, Ikate, Osapa, Shagari Estate, Magodo Village, Shangisha Village, Itire, Iba Low Cost Housing Estate, Abaranje New Developments, Abule Nla, Abule Ijesha, Abule-Oja, Itire, Bolade, Ajisegiri, Ladipo, Sogunle, Alasia, Okota, Ishaga, Mafoluku, Ewu-tuntun, Coker Village, Iponri Low Cost Housing Estate, Amuwo-Odofin Low Cost Housing Estate, Ojokoro/Ijaiye Low Cost Housing Estate, Ogba Phase I, Omole Village.
D	Ilaje Village, Ajegunle, Badiya, Ijora-OlaleyeVillage, Amukoko, Ilasan, Ikota, Ajah, Addo, Orile-Iganmu, Oke-Odo, Iba, Ijanikin, Ikare, Mile 2, Irede, Imore, Ibeshe, Ibasa, Ijegun-Egba, Onireke Village, Ojo-Alaba, Maza-maza, Ilaashe, Ojo, Okokomaiko, Ajangbadi, Mebamu,

	Ishasi, Ojo-Igbede, Otto-Ijanikin, Amuwo, Agboju, Oluti, Shasha, Aboru, Bolorunpelu, Baruwa, Abule Egba, Igando, Abaranje, Ijegun Village, Ipaja, Abule-Oki, Surulere Tuntun, Isheri-Olofin, Ayobo, Makoko, Old Alaba, Ejigbo, Iponri, Abesan Low Cost Housing Estate, Sangotedo, Ikota Resettlement Scheme, Owode, Thomas Laniyan Estate, Ajegunle via Owode-Onirin, Badore, Okun-Ajah, Abesan
E	Ikorodu, Ipakodo, Odo-Giyan, Owutu and Igbogbo
F	Ikorodu Division excluding Districts listed in Zone E but including Majidun, Abule-Okuta, Ijede, Isiu, Ewu-Elepe, Imota, Egbin and Agbowa, Agbowa-Ikosi, and Oruba in Epe Division
G	Epe township
H	Other towns and villages in Epe Division including Lekki and other towns and villages in Ibeju-Lekki Local Government Area
K	Badagry township, Ajara, Topo
M	Other towns and villages in Badagry Division up to Seme (Nigeria-Republic of Benin Border)
N	Mende, Anthony Village, Idi-Iro[illegible] Village, New Ilupeju, Ogba Phase II, Omole Scheme, Magodo Scheme, Gbagada Phases I& II, Bamishile/Opebi Scheme, Wemabod Estate, Alaka Estate, Alaka Extension, Amuwo-Odofin Scheme, Medina Estate, Átunrase Estate, Shonibare Estate, FESTAC (Medium Density), Danny Estate, LSDPC Estate on Carter Street Ebute Metta, Adekunle Village (New Development)

Source: Rent Control and Recovery of Residential Premises Edict, No. 6 of 1997. Lagos State

Furthermore, the edict stipulates the rents that must essentially be paid and received respectively by tenants and landlords; the rents are shown in Table 4.

Table 4: Standard Rent Table showing the Types, Categories and Rental Values

Zone	T1A N	T1B N	T1C N	T2A N	T2B N	T2C N	T3 N	T4 N	T5 N	T6 N	T7 N	T8 N
A	650	585	525	1,350	1,215	1,090	1,750	2,600	3,750	5,250	8,750	10,500
B	480	430	390	960	865	780	1,250	2,800	3,750	4,375	5,800	7,000
C	400	360	325	880	790	710	1,125	1,875	3,000	3,375	4,500	4,875
D	320	290	260	720	650	585	825	1,500	2,250	2,625	3,750	4,125
E	280	250	225	560	505	455	750	1,500	1,875	2,650	3,000	3,350
F	120	110	100	240	215	195	280	320	400	480	600	640
G	160	145	130	320	290	260	360	400	480	560	640	720
H	65	60	55	130	115	105	160	225	265	320	400	440
K	320	290	260	720	650	585	1,000	1,200	1,440	2,000	2,400	2,800
M	95	85	75	190	170	155	280	360	440	560	640	720
N	480	430	390	960	865	780	1,875	3,000	4,500	7,000	8,750	10,500

Source: Rent Control and Recovery of Residential Premises Edict, No. 6 of 1997. Lagos State

Analysis and Discussion

In analyzing the current statutory rent to enable comparison with prevailing open market rents, the details of statutory rents are projected to 2007 using the statutory rent as at 1997 as the base, at twenty percent (20%) increase every three years as stipulated by the edict.

The average rents for T1A – T1C and T2A – T2C as stipulated in the edicts were calculated as at 1997 and projected to every three years at 20% per annum up to 2007, which is the year of the analysis, thereby making a ten years period, while further analysis of the standard rent shows projected rents for each of the types and Zones over the ten-year period in Tables 5 – 15 attached as Appendix

Suffice to test *a priori* hypothesis that: Over the long run, there is no significant difference between open market and statutory rents paid in all the zones of Lagos State. In doing so, the data in Tables 5 – 15 were analyzed to determine the relationship between statutory and prevailing market rents passing on individual zonal basis. Considerations were given to multiple-sample comparisons of the independent means and analysis of the variance within and in-between the variables. Furthermore, the statutory rents were projected at 20% increase every three years up to year 2007 while open market rental values prevailing in year 2007 were used in analyzing the data as shown in Table 16.

Table 16: Projected Statutory and Open Market Rents According to Zones and Accommodation Types

Type /		T1A – T1C	T2A – T2C	T3 N	T4 N	T5 N	T6 N	T7 N	T8 N
A	Statutory Rent	1,014	3,158	3,024	4,493	6,480	9,072	15,120	18,144
	Open Market	5,000	12,000	18,000	20,000	25,000	28,000	35,000	40,000
B	Statutory Rent	749	2,250	2,160	4,839	6,480	7,560	12,027	12,096
	Open Market	3,000	5,000	6,000	25,000	30,000	35,000	42,000	50,000
C	Statutory Rent	625	1,371	2,333	3,240	6,221	5,832	7,776	8,424
	Open Market	3,000	6,000	7,500	12,000	15,000	20,000	50,000	60,000
D	Statutory Rent	502	1,128	1,426	2,592	3,888	4,536	6,480	7,128
	Open Market	2,500	5,000	7,200	8,500	10,000	12,000	13,000	15,000
E	Statutory Rent	437	877	1,296	2,592	3,240	4,580	5,184	5,789
	Open Market	1,500	3,000	4,500	6,000	7,500	10,000	12,000	15,000
F	Statutory Rent	191	377	485	554	692	831	1,037	1,107
	Open Market	1,000	2,000	3,500	4,800	6,500	8,750	9,500	10,800
G	Statutory Rent	251	502	623	692	831	969	1,106	1,245
	Open Market	800	1,500	3,000	4,500	6,000	8,000	9,500	10,500
H	Statutory Rent	105	204	278	389	459	554	692	761
	Open Market	1,200	2,500	3,500	4,800	6,500	7,800	9,000	10,800
K	Statutory Rent	502	1,128	1,728	2,074	2,489	3,456	4,148	4,839

	Open Market	1,500	3,000	3,600	4,800	6,000	7,500	8,000	9,500
M	Statutory Rent	148	299	485	623	761	969	1,107	1,245
	Open Market	800	1,500	3,600	4,800	6,000	7,500	9,000	12,000
N	Statutory Rent	752	1,503	3,240	5,184	7,776	12,096	15,120	18,144
	Open Market	3,500	6,000	7,500	18,000	25,000	40,000	60,000	100,000

For Zone A, the multiple-sample comparison indicates that the open market rents range from N5, 000 to N40, 000 per month and statutory rents from N1, 014 to N18, 144 per month. The procedure compares the data in two columns of the data file, and constructs various statistical tests to compare the open market and statutory rents, while the F-test in the ANOVA table determines whether there are significant differences amongst the means as shown in Table 17

Table 17: Analysis of Variance between Statutory and Open Market Rents in Zone A

Source	*Sum of Squares*	*Degree of freedom*	*Mean Square*	*F-Ratio*	*P-Value*
Between groups	9.37814E8	1	9.37814E8	10.8893	0.0053
Within groups	1.20571E9	14	8.61223E7		
Total (Correlation)	2.14353E9	15			

The variance of the data in Table 17 was decomposes into two components: a between-group component and a within-group component. The F-ratio, which in this case equals 10.89, is a ratio of the between-group estimate to the within-group estimate. Since P-value of the F-test is less than 0.05, there is a statistically significant difference between the means of the two variables at the 95.0% confidence level.

In respect of Zone B, the F-test in the ANOVA table tests whether there are any significant differences amongst the means. The F-ratio equals 7.9161 indicating the ratio of the between-group estimate to the within-group estimate, and since the P-value of the F-test is less than 0.05 as shown in Table 18.

Table 18: Analysis of Variance between Statutory and Open Market Rents in Zone B

Source	*Sum of Squares*	*Degree of freedom*	*Mean Square*	*F-Ratio*	*P-Value*
Between groups	1.36602E9	1	1.36602E9	7.92	0.0138
Within groups	2.41588E9	14	1.72563E8		
Total (Correlation)	3.7819E9	15			

Table 18 decomposes the variance of the data into two components: a between-group component and a within-group component. The F-ratio, which in this case equals 7.9161, is a ratio of the between-group estimate to the within-group estimate. Since the P-value of the F-test is less than 0.05, it implies that there is a statistically significant difference between the means of open market rents and statutory rents at 95.0% confidence level.

Similarly for Zone C, the multiple-sample comparison indicates that the open market rent ranges from N3, 000 to N6, 000 per month while the statutory rent ranges from N625 to N8, 424 per month. The procedure compares data in two columns of the data file, and constructs statistical tests and compares the samples with the F-test in Table 19 testing whether there are significant differences amongst the means of open market and statutory rents.

Table 19: Analysis of Variance between Statutory and Open Market Rents for Zone C

Source	*Sum of Squares*	*Degree of freedom*	*Mean Square*	*F-Ratio*	*P-Value*
Between groups	1.1847E9	1	1.1847E9	5.07302	0.0409
Within groups	3.26942E9	14	2.3353E8		
Total (Correlation)	4.45412E9	15			

The variance of the data in Table 19 was decomposed into two components, namely, a between-group component and a within-group component. The F-ratio, in this case is 5.07 representing a ratio of the between-group estimate to the within-group estimate. Since the P-value of the F-test is less than 0.05, there is a statistically significant difference between the means of the open market and statutory rents in Zone C at the 95.0% confidence level.

Similar technique was adopted for multiple-sample comparison of the means of the open market and statutory rents in Zone D. The open market rents in the zone range from N1, 500 to N15, 000 per month while statutory rents range from N437 to N5, 789. The procedure compares the data in two columns of the data file, and constructs various statistical tests and graphs to compare the open market and statutory rents. The F-test in the ANOVA table tests whether there are significant differences amongst the means as shown in Table 20

Table 20: Analysis of Variance between Statutory and Open Market Rents for Zone D

Source	*Sum of Squares*	*Degree of freedom*	*Mean Square*	*F-Ratio*	*P-Value*
Between groups	1.29504E8	1	1.29504E8	10.8857	0.0053
Within groups	1.66554E8	14	1.18967E7		
Total (Correlation)	2.96059E8	15			

The ratio of the between-group estimate to the within-group estimate is the F-ratio, which in this case equals 10.89. Since P-value of the F-test is less than 0.05, there is a statistically significant difference between the means of the open market and statutory rents at 95.0% confidence level.

For Zone E, the multiple-comparison approach was also used to analyze data, it shows that the open market rents in the zone range from N1, 500 to N15, 000 per month while statutory rents range from N437 to N5, 789. The procedure compares data in two columns of data file, and constructs various statistical tests to compare the open market and statutory rents. The F-test in the ANOVA table tests whether there are significant differences amongst the means as shown in Table 21

Table 21: Analysis of Variance between Statutory and Open Market Rents for Zone E

Source	*Sum of Squares*	*Degree of freedom*	*Mean Square*	*F-Ratio*	*P-Value*
Between groups	7.87878E7	1	7.87878E7	6.14613	0.0265
Within groups	1.79467E8	14	1.28191E7		
Total (Correlation)	2.58255E8	15			

Table 21 shows that the F-ratio equals 6.15, a ratio of the between-group estimate to the within-group estimate. Since the P-value of the F-test is less than 0.05, there is a statistically significant difference between the means of the open market and statutory rents at 95.0% confidence level.

The multiple-sample comparison of the open market and statutory rents in Zone F shows that the open market rents range from N1, 000 to N10, 800 per annum while statutory rents range from N191 to N1, 107 per month. Carrying out statistical tests to compare the samples, the result is shown in Table 22.

Table 22: Analysis of Variance between Statutory and Open Market Rents for Zone F

Source	*Sum of Squares*	*Degree of freedom*	*Mean Square*	*F-Ratio*	*P-Value*
Between groups	1.08035E8	1	1.08035E8	16.3794	0.0012
Within groups	9.23413E7	14	6.59581E6		
Total (Correlation)	2.00377E8	15			

Table 22 decomposes the variance of the data into two components: a between-group component and a within-group component resulting in F-ratio with value of 16.38. This represents the ratio of the between-group estimate to the within-group estimate, and since the P-value of the F-test is less than 0.05, there is a statistically significant difference between the means of the open market and statutory rents at the 95.0% confidence level.

In Zone G, the open market rents range from monthly rent of N800 to N10, 500 and statutory rents from N251 to N1, 245 per month. Statistical tests were carried out to compare the samples with the F-test in the ANOVA and test whether there are significant differences amongst the means. Summary of the data is shown in Table 23.

Table 23: Analysis of Variance between Statutory and Open Market Rents for Zone G

Source	*Sum of Squares*	*Degree of freedom*	*Mean Square*	*F-Ratio*	*P-Value*
Between groups	8.82707E7	1	8.82707E7	13.205	0.0027
Within groups	9.35853E7	14	6.68466E6		
Total (Correlation)	1.81856E8	15			

The ANOVA table decomposes the variance of the data into two components, namely, a between-group component and a within-group component. The F-ratio equals 13.21 while P-value is 0.003. Since the P-value of the F-test is less than 0.05, there is a statistically significant difference between the means of the open market and statutory rents at 95.0% confidence level.

In Zone H, the multiple-sample comparison shows that the monthly open market rents range from N1, 200 to N10, 800 while statutory rents range between N105 and N761 per month. This procedure compares the data in two columns of the data file constructing various statistical tests summarized in Table 24.

Table 24: Analysis of Variance between Statutory and Open Market Rents for Zone H

Source	*Sum of Squares*	*Degree of freedom*	*Mean Square*	*F-Ratio*	*P-Value*
Between groups	1.13732E8	1	1.13732E8	20.3002	0.0005
Within groups	7.84347E7	14	5.60248E6		
Total (Correlation)	1.92166E8	15			

Table 24 decomposes the variance of the data into two components, namely, a between-group component and a within-group component. The F-ratio equals 20.3002 while the P-value is 0.001 and since the P-value of the F-test is less than 0.05, there is a statistically significant difference between the means of the open market and statutory rents at the 95.0% confidence level.

In Zone K, the monthly open market rents range from N1, 500 to N9, 500 while the statutory rents range from N502 to N4, 839. The F-test gives a ratio of 7.07, and P-value of 0.019 as shown in Table 25.

Table 25: Analysis of Variance between Statutory and Open Market Rents for Zone K

Source	*Sum of Squares*	*Degree of freedom*	*Mean Square*	*F-Ratio*	*P-Value*
Between groups	3.46215E7	1	3.46215E7	7.07	0.0187
Within groups	6.85849E7	14	4.89892E6		
Total (Correlation)	1.03206E8	15			

Since the P-value of the F-test is less than 0.05, there is a statistically significant difference between the means of the 2 variables at the 95.0% confidence level.

Similarly for Zone M, the multiple-sample comparison indicates that the monthly open market rents range from N800 to N12, 000 while the statutory rents range from N148 to N1, 245 per month. The procedure compares the data in two columns of the current data file with various statistical tests constructed as summarized in Table 26

Table 26: Analysis of Variance between Statutory and Open Market Rents for Zone M

Source	*Sum of Squares*	*Degree of freedom*	*Mean Square*	*F-Ratio*	*P-Value*
Between groups	9.78269E7	1	9.78269E·7	13.4515	0.0025
Within groups	1.01816E8	14	7.27259E6		
Total (Correlation)	1.99643E8	15			

Table 26 indicates that the F-ratio is 13.45 and P-value is 0.003. Since the P-value of the F-test is less than 0.05, there is a statistically significant difference between the means of the open market and statutory rents at the 95.0% confidence level.

The technique used for the analysis of data in Zone N involved the comparison of standard deviations at 95% confidence intervals. The standard deviation of the open market rent is N33, 388.40 against the standard deviation of N6, 500 in the statutory rent as shown in Table 27.

Table 27: Comparison of Standard Deviation

	Open Market Rent	*Statutory Rent*
Standard deviation	33, 388.4	6, 500.0
Variance	1.11479E9	4.225E7
Df	7	7

Ratio of Variances = 26.3854; 95.0% Confidence Intervals; Standard deviation of Open Market Rent: [22075.5, 67954.5]; Standard deviation of Statutory Rent: [4297.63, 13229.3]; Ratio of Variances: [5.28247, 131.793]; F-test to Compare Standard Deviations; Null hypothesis: sigma1 = sigma2; Alternative hypothesis: sigma1 NE sigma2. The result: F = 26.3854 P-value = 0.000322535. Reject the null hypothesis for alpha = 0.05.

An F-test compares the variances of the two samples resulting in confidence interval for the ratio of the variances, which extends from 5.28247 to 131.793. Since the interval does not contain the value 1, there is a statistically significant difference between the standard deviations of the two samples at the 95.0% confidence level. Also, an F-test was constructed to determine whether the ratio of standard deviations equals 1.0 against the alternative hypothesis that the ratio does not equal 1.0. Since the computed P-value is less than 0.05, the null hypothesis was rejected in favor of the alternative.

The overall finding of the analysis is that there is significant difference between the means of open market and statutory rents across the zones of the study area. The specific implication of the results is that the statutory rent fixed on residential properties in the study area has no impact on the amount that are being paid and received as rents. There is wide disparity between the open market rents and statutory rents in all the zones, further confirming that landlords and tenants are not observing the provision of the edict as it relates to payment and receiving of statutory rent. This equally proved that the provisions of the rent edict relating to statutory rents are ineffective.

It is also observed that the annual rent stipulated by the rent edict actually increased at average of eighty-three percent (83%) on rent for immediate past year. Using 1997 as the base year, the projected rents that increased every three years translate to about fifty-eight percent (58%) in 2007. In other words, the statutory rents only increase by 58% at the end of the tenth year. This will definitely be a dis-incentive and discouragement to investors in residential premises with rental values below N250, 000 as stipulated by the edict, in view of rising cost of maintenance and inflation which is at 17% per annum; this is apart from tenement rates and other outgoings. Restricting the landlords to collect ridiculously low statutory rents will rather affect the low income earners and urban poor that the edict aimed to protect. The landlords would always find ways to 'cut corners' to avoid falling into the trap of the law and therefore resort to black market letting transactions, while over the long run it may not be attractive to invest in low rental properties.

The study revealed that the edict has deliberately left out the high income residential area but only covered the areas commonly occupied by low income earners and urban poor, and the blighted areas of Lagos. Rents are varied relative to locations with communities located at the outlying precincts of the Lagos metropolis such as Epe, Badagry, Ikorodu, and other rural communities demarcated into Zones E, F, G, H, K, and M command low rental values. Communities within the Lagos metropolis are zoned into Zones A, B, C, D, and N with higher statutory rent fixed.

The edict definitely had good intention of protecting the low income earners and dwellers of the areas with high rental values. However, the methods of fixing of such rents arbitrarily are questionable. The rents for the communities were probably fixed intuitively by civil servants that drafted the edict in the comfort of their offices rather than using professional estate surveyors' advice on fair rental value. It appears set to protect the residents of rural and outlying locations of the Lagos metropolis from arbitrary rent increases but the approach will be a disincentive to developers of the type of accommodation units affected by the edict. The percentage increase will not be remunerative enough to cover the annual increase in cost of repairs, maintenance, tenement rates, and other outgoings.

Surely, the maxim that one cannot give what one does not have applies, and one cannot control the price of what is not within one's total control. The Lagos State Government really cannot control the price of what it is not producing, otherwise the incidence of black market rent by which tenants pay exorbitant rents and landlords issue receipts for lower statutory rents will continue to prevail. The residents of Lagos State that the edict originally sets to protect will be exposed to greater evils and will become worse off.

Rather than control rent, it will be expedient if government would provide enabling environment for the urban poor to own personal houses at truly low cost by empowering them to have access to finance without cut-throat collateral and equity contributions. It is trite that the more truly the low cost housing units the lower the rental values of residential properties, over the long run.

It is therefore pertinent to ask a number of questions: has the edict really protected the low income earners, urban poor and residents of rural and blighted communities in Lagos State? Are the statutory rents fair and remunerative enough for investors in the low income residential premises? In view of the rent edict, is it worthwhile to invest in such properties? Are the statutory rents effective in controlling rents? The answer to each question definitely is "No". As the answers to the questions are not in the affirmative, is it still reasonable to allow the edict prevail and not be repealed? No, it is not reasonable to allow the rent to endure. It is therefore high time that the edict was repealed.

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Appendix

Table 5: Projected Statutory Rents in Lagos State in Zone A (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	587	704	845	1,014	1,014	5,000
T2A – T2C (average for 3	1,828	2,193	2,632	3,158	3,158	12,000
T3	1,750	2,100	2,520	3,024	3,024	18,000
T4	2,600	3,120	3,744	4,493	4,493	20,000
T5	3,750	4,500	5,400	6,480	6,480	25,000
T6	5,250	6,300	7,560	9,072	9,072	28,000
T7	8,750	10,500	12,600	15,120	15,120	35,000
T8	10,500	12,600	15,120	18,144	18,144	40,000

Table 6: Projected Statutory Rents in Lagos State in Zone B (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	433	520	624	749	749	3,000
T2A – T2C (average for 3	1,302	1,562	1,875	2,250	2,250	5,000
T3	1,250	1,500	1,800	2,160	2,160	6,000
T4	2,800	3,360	4,032	4,839	4,839	25,000
T5	3,750	4,500	5,400	6,480	6,480	30,000
T6	4,375	5,250	6,300	7,560	7,560	35,000
T7	5,800	6,960	8,352	10,023	12,027	42,000
T8	7,000	8,400	10,080	12,096	12,096	50,000

Table 7: Projected Statutory Rents in Lagos State in Zone C (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	362	434	521	625	625	3,000
T2A – T2C (average for 3	794	952	1,143	1,371	1,371	6,000
T3	1,125	1,350	1,620	1,944	2,333	7,500
T4	1,875	2,250	2,700	3,240	3,240	12,000
T5	3,000	3,600	4,320	5,184	6,221	15,000
T6	3,375	4,050	4,860	5,832	5,832	20,000
T7	4,500	5,400	6,480	7,776	7,776	50,000
T8	4,875	5,850	7,020	8,424	8,424	60,000

Table 8: Projected Statutory Rents in Lagos State in Zone D (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	290	348	418	502	502	2,500
T2A – T2C (average for 3	652	783	940	1,128	1,128	5,000
T3	825	990	1,188	1,426	1,426	7,200
T4	1,500	1,800	2,160	2,592	2,592	8,500
T5	2,250	2,700	3,240	3,888	3,888	10,000
T6	2,625	3,150	3,780	4,536	4,536	12,000
T7	3,750	4,500	5,400	6,480	6,480	13,000
T8	4,125	4,950	5,940	7,128	7,128	15,000

Table 9: Projected Statutory Rents in Lagos State in Zone E (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	252	303	364	437	437	1,500
T2A – T2C (average for 3	507	609	731	877	877	3,000
T3	750	900	1,080	1,296	1,296	4,500
T4	1,500	1,800	2,160	2,592	2,592	6,000
T5	1,875	2,250	2,700	3,240	3,240	7,500
T6	2,650	3,180	3,816	4,580	4,580	10,000
T7	3,000	3,600	4,320	5,184	5,184	12,000
T8	3,350	4,020	4,824	5,789	5,789	15,000

Table 10: Projected Statutory Rents in Lagos State in Zone F (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	110	132	159	191	191	1,000
T2A – T2C (average for 3	217	261	314	377	377	2,000
T3	280	336	404	485	485	3,500
T4	320	384	461	554	554	4,800
T5	400	480	576	692	692	6,500
T6	480	576	692	831	831	8,750
T7	600	720	864	1,037	1,037	9,500
T8	640	768	922	1,107	1,107	10,800

Table 11: Projected Statutory Rents in Lagos State in Zone G (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	145	174	209	251	251	800
T2A – T2C (average for 3	290	348	418	502	502	1,500
T3	360	432	519	623	623	3,000
T4	400	480	576	692	692	4,500
T5	480	576	692	831	831	6,000
T6	560	672	807	969	969	8,000
T7	640	768	922	1,106	1,106	9,500
T8	720	864	1,037	1,245	1,245	10,500

Table 12: Projected Statutory Rents in Lagos State in Zone H (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	60	72	87	105	105	1,200
T2A – T2C (average for 3	117	141	170	204	204	2,500
T3	160	192	231	278	278	3,500
T4	225	270	324	389	389	4,800
T5	265	318	382	459	459	6,500
T6	320	384	461	554	554	7,800
T7	400	480	576	692	692	9,000
T8	440	528	634	761	761	10,800

Table 13: Projected Statutory Rents in Lagos State in Zone K (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	290	348	418	502	502	1,500
T2A – T2C (average for 3	652	783	940	1,128	1,128	3,000
T3	1,000	1,200	1,440	1,728	1,728	3,600
T4	1,200	1,440	1,728	2,074	2,074	4,800
T5	1,440	1,728	2,074	2,489	2,489	6,000
T6	2,000	2,400	2,880	3,456	3,456	7,500
T7	2,400	2,880	3,456	4,148	4,148	8,000
T8	2,800	3,360	4,032	4,839	4,839	9,500

Table 14: Projected Statutory Rents in Lagos State in Zone M (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	85	102	123	148	148	800
T2A – T2C (average for 3	172	207	249	299	299	1,500
T3	280	336	404	485	485	3,600
T4	360	432	519	623	623	4,800
T5	440	528	634	761	761	6,000
T6	560	672	807	969	969	7,500
T7	640	768	922	1,107	1,107	9,000
T8	720	864	1,037	1,245	1,245	12,000

Table 15: Projected Statutory Rents in Lagos State in Zone N (1997 – 2007) to Nearest Naira

Type of Accommodation	1997	2000	2003	2006	2007 N per month	
					Statutory Rent	Open Market
T1A – T1C (average for 3	434	521	626	752	752	3,500
T2A – T2C (average for 3	869	1,043	1,252	1,503	1,503	6,000
T3	1,875	2,250	2,700	3,240	3,240	7,500
T4	3,000	3,600	4,320	5,184	5,184	18,000
T5	4,500	5,400	6,480	7,776	7,776	25,000
T6	7,000	8,400	10,080	12,096	12,096	40,000
T7	8,750	10,500	12,600	15,120	15,120	60,000
T8	10,500	12,600	15,120	18,144	18,144	100,000