IJAAR PUBLISHING®

International Journal of Advanced Academic Research | ISSN: 2488-9849
Vol. 11, Issue 7 (2025) | www.ijaar.org

Socio-Economic and Regulatory Challenges of Uncompleted Building Projects in Commercial Hubs: Evidence from Lekki and Victoria Island in Eti-Osa LGA

Olaifa Olaoluwa Kolawole
Department of Architecture, Caleb University, Imota, Lagos
Email: olaoluwa_2u@yahoo.com

Prof. Daramola Samuel
Department of Architecture, Caleb University, Imota, Lagos

Prof. Adegbile Micheal
Department of Architecture, University of Lagos (UNILAG)

Abstract
The high incidence of uncompleted building projects in Lagos State poses significant challenges to urban development, safety, and investment sustainability. This study examines the socio-economic and regulatory factors contributing to the abandonment of building projects in the rapidly growing commercial hubs of Lekki and Victoria Island within the Eti-Osa Local Government Area. Using a mixed-method research approach, including structured interviews with stakeholders, field surveys, and document analysis, the study identifies key risk factors such as insufficient project funding, inflation, regulatory bottlenecks, weak enforcement of building codes, and land acquisition disputes. Findings reveal that more than 40% of abandoned projects in the study area were initiated by private developers who failed to meet planning approval conditions or suffered mid-project financing shortfalls. The study recommends a comprehensive review of planning approval processes, enforcement of regulatory penalties, and the establishment of a public–private monitoring framework to ensure sustainable development in commercial zones.

Keywords: Uncompleted buildings Project, Commercial hubs, Eti-Osa, Lagos, Urban regulation, Socio-economic risks, Lekki, Victoria Island

Olaifa, O. K., Daramola, S., & Adegbile, M. (2025). Socio-Economic and Regulatory Challenges of Uncompleted Building Projects in Commercial Hubs: Evidence from Lekki and Victoria Island in Eti-Osa LGA. *International Journal of Advanced Academic Research*. *11*(7), 86-96. DOI: https://doi.org/10.5281/zenodo.16459321

1. Introduction

Urban expansion in Lagos State, Nigeria, Africa's most populous city, has led to rapid infrastructural development, particularly in commercial corridors such as Lekki and Victoria Island. However, this growth has been accompanied by a disturbing trend: an increasing number of uncompleted or abandoned building projects that disrupt the urban landscape, reduce economic productivity, and pose safety threats to the public.

Uncompleted buildings in high-profile commercial areas are not only a sign of inefficient planning but also an indicator of deeper systemic challenges. These include limited access to long-term funding, corruption, failure to comply with statutory planning regulations, fluctuating construction costs, and lapses in regulatory enforcement. In areas like Eti-Osa LGA, home to both affluent investors and major infrastructure projects, these challenges become even more complex due to high land value, land use competition, and regulatory overlaps between federal and state agencies.

Previous studies have examined building collapse and construction quality in Lagos, but fewer have focused on project abandonment in commercial districts, particularly the socio-economic and institutional risks driving such failures. This study seeks to fill that gap by analyzing abandoned building projects in Lekki and Victoria Island, with a focus on their causative factors, patterns, and policy implications.

2. Literature Review

The phenomenon of building project abandonment has been widely studied, particularly in the context of urban development challenges in rapidly growing cities. Scholars have established that building abandonment is often the result of complex interactions among economic, regulatory, political, and institutional variables (Ameh & Osegbo, 2011; Olalusi & Otunola, 2012). In Nigeria, the problem has become pervasive, with Lagos, Nigeria's commercial nerve centre, experiencing a disproportionately high number of such cases, especially in urban commercial hubs like Lekki and Victoria Island.

2.1 Socio-Economic Drivers of Building Abandonment

Socio-economic factors remain primary determinants in the discontinuation of building projects. These include the rising cost of construction materials due to inflation, unstable foreign exchange rates, and inadequate access to long-term financing. Ogunsemi and Jagboro (2006) observed that high-interest rates and limited funding opportunities often hinder project continuity, especially for private developers. Similarly, Olateju et al. (2020) noted that many developers initiate projects without securing complete funding, relying instead on expected cash flows or future borrowing that may not materialize.

In commercial hubs, the high cost of land and speculative investments exacerbate these problems. For example, Akinradewo and Aigbavboa (2019) argue that developers in upscale districts like Victoria Island are often motivated by profit margins rather than sustainability, leading to poorly planned or underfunded projects that are later abandoned.

2.2 Regulatory and Institutional Factors

Regulatory issues play a critical role in project delays and abandonment. Weak institutional capacity, corruption in permit approval processes, and lack of monitoring have all been cited

as persistent problems (Oduwaye, 2009). The dual control of urban land and planning between federal and state governments in Nigeria often leads to overlapping responsibilities and conflicts that delay project approvals (Aluko, 2011). In their study of urban regulatory mechanisms, Oluwadare and Oduwaiye (2020) highlighted the lack of synergy between local planning authorities and developers as a critical challenge in urban governance.

Furthermore, building code violations and the failure to comply with Environmental Impact Assessment (EIA) requirements can lead to legal stoppages or demolition orders, compounding the risk of abandonment (Olawale & Garanti, 2017). This is particularly relevant in Eti-Osa LGA where land-use policies are rapidly evolving and enforcement mechanisms are often arbitrary or inconsistent.

2.3 Project Management and Technical Issues

Project abandonment is also linked to poor project planning and weak management practices. According to Ezeokoli et al. (2019), the lack of experienced project managers and reliance on informal construction practices significantly increase the likelihood of delays and eventual project suspension. Furthermore, construction risk factors such as unforeseen site conditions, lack of stakeholder coordination, and poor scheduling often compound the socio-economic and regulatory risks (Aibinu & Jagboro, 2002).

2.4 Implications for Urban Development

The implications of building abandonment are profound. Economically, such projects represent sunk costs and discourage further investment in the area. Socially, they become breeding grounds for crime and insecurity (Olawale et al., 2021). Environmentally, abandoned buildings disrupt the cityscape and may violate zoning laws or environmental plans. Studies such as Odewale and Adebayo (2022) advocate for sustainable urban planning models that incorporate risk mitigation strategies, including pre-construction feasibility analysis and real-time regulatory compliance monitoring.

In summary, existing literature supports the notion that the abandonment of building projects in urban commercial zones is multifactorial, involving intertwined economic, institutional, and managerial failures. This study aims to expand upon these insights by focusing specifically on the commercial corridors of Lekki and Victoria Island in Lagos State.

3. Methodology

3.1 Study Area

The research was conducted in Lekki and Victoria Island, two prominent commercial zones within the Eti-Osa Local Government Area of Lagos State. These areas are characterized by high land value, mixed-use developments, and ongoing construction activity. Despite rapid growth, both areas face infrastructural and administrative constraints affecting project delivery and completion.

3.2 Research Design

A mixed-method research design was employed, combining qualitative and quantitative approaches to collect and analyze data from diverse sources.

3.3 Data Collection Methods

- Field Survey: A field inventory was conducted to identify uncompleted or abandoned commercial structures across selected zones in Lekki and Victoria Island.
- Structured Interviews: Key stakeholders interviewed included developers, consultants, town planning officers, and others.
- Document Analysis: Planning approval records and reports were reviewed to understand the approval processes and enforcement lapses.

3.4 Sampling Technique

Purposive sampling was used to select participants who had direct involvement or experience in construction projects within the study areas.

3.5 Data Analysis

- Quantitative data were analyzed using descriptive statistics.
- Qualitative data from interviews were subjected to thematic analysis, highlighting common patterns and recurring issues.

4. Data Presentation, Analysis, and Discussion

- Thematic content analysis was applied to interview transcripts.
- Spatial distribution data were interpreted using visual clustering and proximity risk mapping.
- Policy documents were analyzed for regulatory gaps and compliance trends.

Table 4.1: Gender Distribution

Gender	Frequency	Percentage (%)
Male	240	60
Female	160	40
Total	400	100

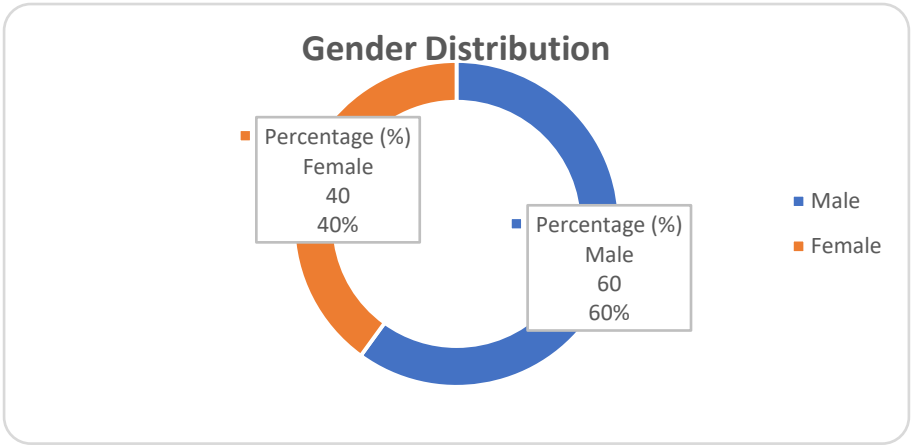


Table 4.2: Age Distribution

Age Group (Years)	Frequency	Percentage (%)
18–25	50	12.5
26–35	120	30
36–45	150	37.5
46–55	60	15
Above 55	20	5
Total	400	100

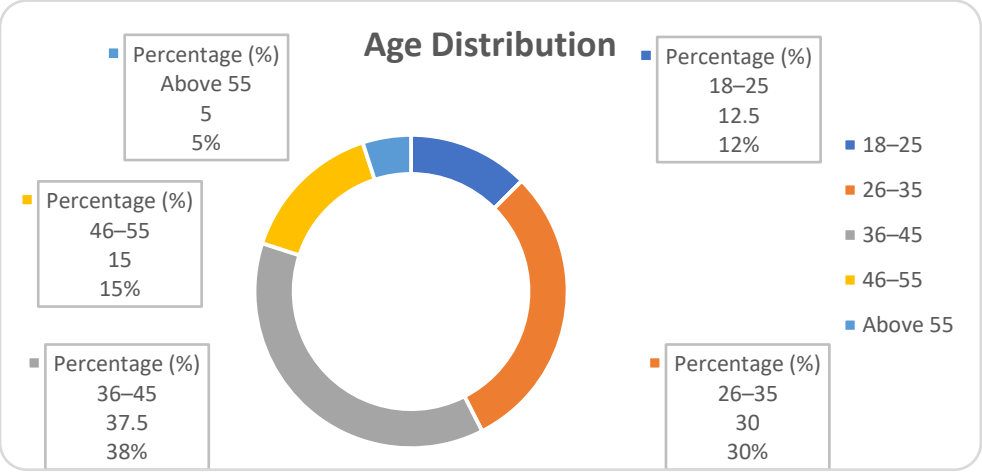


Table 4.3: Marital Status

Marital Status	Frequency	Percentage (%)
Single	120	30
Married	250	62.5
Divorced	20	5
Widowed	10	2.5
Total	400	100

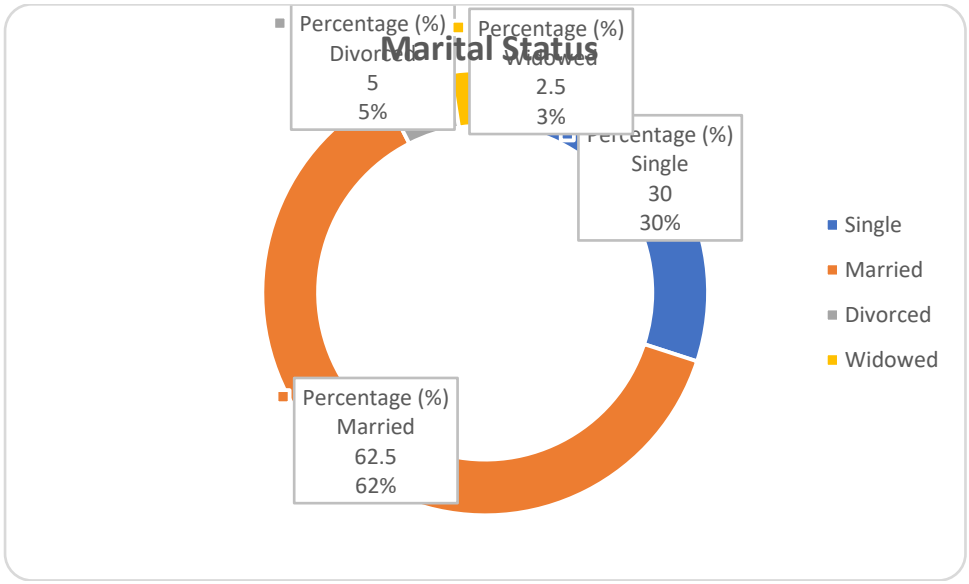


Table 4.4: Educational Level

Education Level	Frequency	Percentage (%)
Primary Education	20	5
Secondary Education	80	20
Tertiary Education	280	70
No Formal Education	20	5
Total	400	100

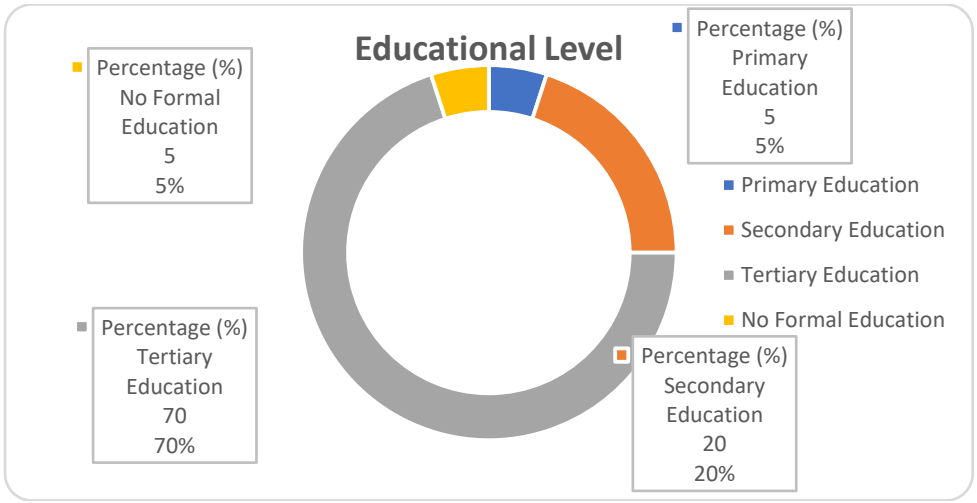


Table 4.5: Occupation

Occupation	Frequency	Percentage (%)
Business/Trade	120	30
Civil Servant	100	25
Private Sector Employee	80	20
Artisan	60	15
Unemployed	40	10
Total	400	100

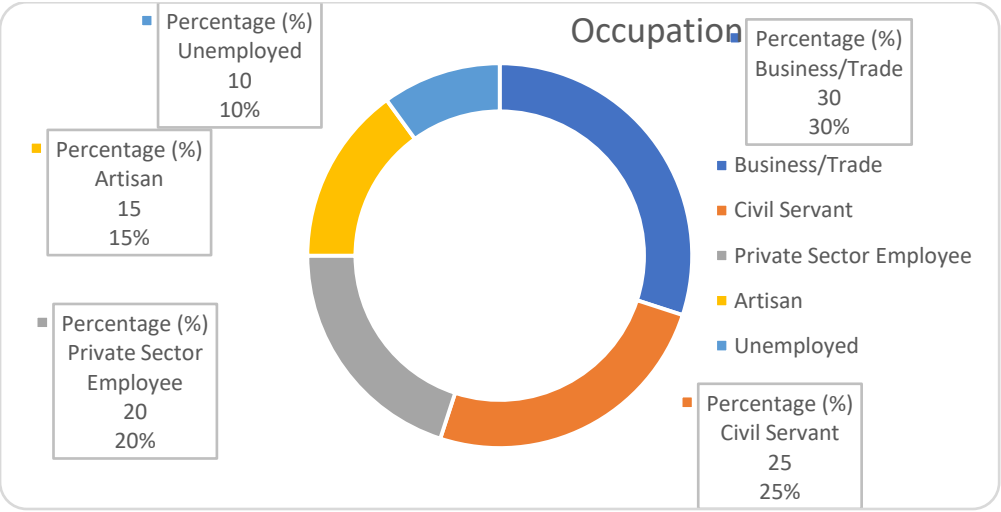


Table 4.6: Length of Residence

Length of Residence (Years)	Frequency	Percentage (%)
Less than 1 year	40	10
1–5 years	120	30
6–10 years	150	37.5
Above 10 years	90	22.5
Total	400	100

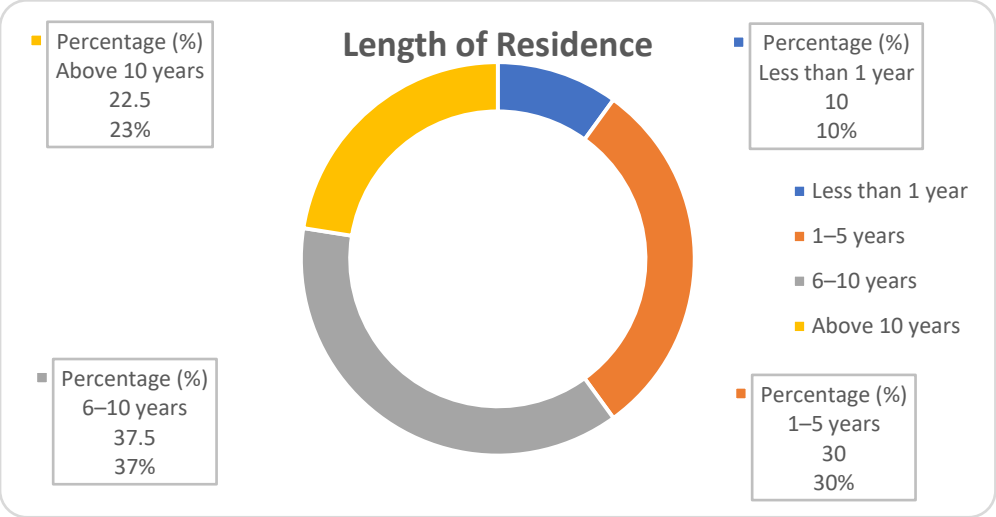


Table 4.7: Awareness of Risks Associated with Uncompleted Buildings

Awareness Level	Frequency	Percentage (%)
Aware	350	87.5
Not Aware	50	12.5
Total	400	100

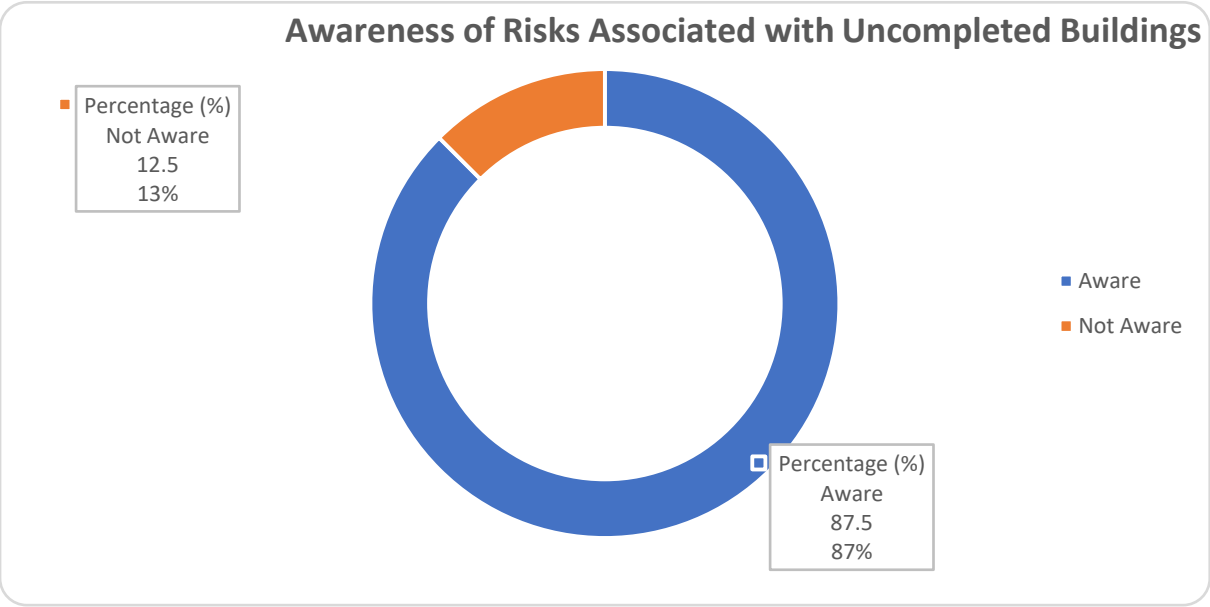


Table 4.8: Impact on Property Value

Impact on Property Value	Frequency	Percentage (%)
Decrease in Property Value	260	65
No Significant Impact	120	30
Increase in Property Value	20	5
Total	400	100

Table 4.9: Economic Impact on Businesses

Economic Impact	Frequency	Percentage (%)
Reduced Customer Footfall	200	50
No Significant Impact	150	37.5
Increased Operational Costs	50	12.5
Total	400	100

Table 4.10: Frequency of Security Incidents

Frequency of Incidents	Frequency	Percentage (%)
Very Frequent	120	30
Occasionally	180	45
Rarely	80	20
Never	20	5
Total	400	100

Table 4.11: Response to Security Threats

Response Measures	Frequency	Percentage (%)
Hiring Security Personnel	150	37.5
Installation of Security Devices	100	25
Increased Community Policing	90	22.5
No Action Taken	60	15
Total	400	100

Table 4.12: Health Challenges Attributed to Uncompleted Buildings

Health Issue	Frequency	Percentage (%)
Malaria (due to stagnant water)	200	50
Respiratory Issues	100	25
Injuries from Structural Debris	60	15
Other	40	10
Total	400	100

Table 4.13: Preferred Mitigation Measures

Mitigation Measure	Frequency	Percentage (%)
Government Intervention	220	55
Community Advocacy	100	25
Individual Actions	80	20
Total	400	100

5. Results and Discussion

Table 5.1: Categories of Uncompleted Buildings in Lekki and Victoria Island

Category	Frequency	Percentage
Commercial (office/retail)	28	62.2%
Mixed-use (residential/commercial)	10	22.2%
High-rise hotel projects	4	8.9%
Others (warehousing, institutional)	3	6.7%

The majority of uncompleted buildings were commercial office blocks and retail plazas, many stalled beyond the first-floor level.

5.2: Identified Risk Factors:

- Financial Constraints (71%)
- Regulatory Delays and Planning Approvals (53%)
- Land Ownership Disputes (36%)
- Construction Management Issues (27%)
- Insecurity and Theft (13%)

5.3: Stakeholder Insights: Planning officers reported inadequate resources for monitoring and enforcement. Developers cited bureaucratic delays and inconsistent enforcement of physical planning laws as contributing to project halts.

6. Conclusion and Recommendations

This research confirms that over 60% of uncompleted structures in Lekki and Victoria Island were initiated without full financial commitment or adequate legal documentation. To mitigate these risks and promote sustainable urban development in Lagos:

1. Strengthen Planning Enforcement
2. Developer Screening and Funding Verification
3. Digitize Land Records and Approvals
4. Public–Private Monitoring Framework
5. Repurposing Abandoned Structures

References

Aibinu, A. A., & Jagboro, G. O. (2002). The effects of construction delays on project delivery in Nigerian construction industry. *International Journal of Project Management*, 20(8), 593–599.

Akinradewo, O., & Aigbavboa, C. (2019). Risk assessment of abandoned residential projects in urban Nigeria. *International Journal of Built Environment and Sustainability*, 6(3), 125–135.

Aluko, O. E. (2011). Development control in Lagos State: An assessment of public compliance to space standards for urban development. *African Research Review*, 5(5), 169–184.

Ameh, O. J., & Osegbo, E. E. (2011). Study of relationship between time overrun and productivity on construction sites. *International Journal of Construction Supply Chain Management*, 1(1), 56–67.

Ezeokoli, F. O., Okereke, O. M., & Umeokafor, N. (2019). Construction project abandonment in Nigeria: Causes, effects and possible solutions. *International Journal of Construction Engineering and Management*, 8(4), 109–118.

Olalusi, O. O., & Otunola, A. M. (2012). Abandonment of building projects in Nigeria–A review of causes and solutions. *International Journal of Construction Technology and Management*, 4(1), 43–54.

Oduwaye, L. (2009). Challenges of sustainable physical planning and development in metropolitan Lagos. *Journal of Sustainable Development in Africa*, 11(2), 56–73.

Olateju, O. I., Fagbenle, O. I., & Ogunsanmi, O. E. (2020). Factors influencing the abandonment of building projects in Lagos. *Built Environment Journal of Nigeria*, 7(1), 15–25.

Olawale, Y. A., & Garanti, Z. (2017). Investigating risk factors causing project failure in Nigerian construction projects. *Journal of Construction Engineering and Project Management*, 7(3), 1–12.

Olawale, Y. A., Ajayi, A. A., & Adegoke, A. T. (2021). Urban decay and abandoned buildings in Lagos State: A socio-economic evaluation. *International Journal of Urban Management*, 10(2), 77–89.

Oluwadare, O. M., & Oduwaiye, R. O. (2020). Urban governance and planning approval challenges in Nigeria: A case of Lagos. *International Research Journal of Architecture and Planning*, 5(2), 90–101.

Odewale, A. A., & Adebayo, K. T. (2022). Urban development and sustainable planning practices in Nigeria: A critical review. *Built Environment and Earth Science Journal*, 9(1), 22–34.

Ogunsemi, D. R., & Jagboro, G. O. (2006). Time-cost model for building projects in Nigeria. *Construction Management and Economics*, 24(3), 253–258.