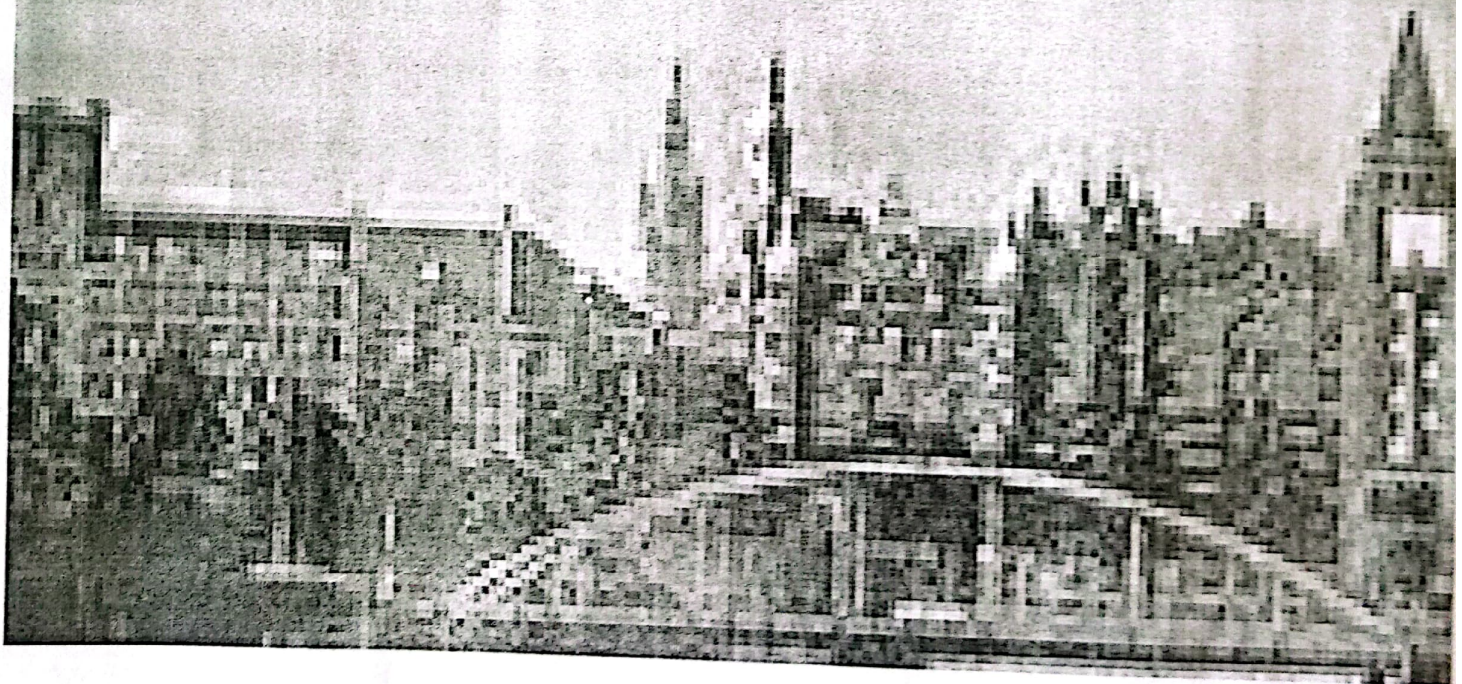
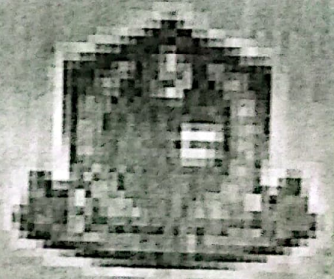


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LAND USE CONVERSIONS AND RENTAL VALUE REGIME IN AN EMERGING CITY. THE AWARENESS, ATTENTION AND ACTION

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Abstract - The recent trend in residential land use commercialization in Osogbo the capital of Osun state, Nigeria has been described as alarming. It is against this backdrop that this paper assessed the influence of the continuous but unguided residential land use conversions on the rental values of residential properties along Gbongon road, area hitherto characterized with residential development in Osogbo metropolis with the aim of ascertaining the level of awareness, attention and the actions of both government and private property owners in unravelling the effect of use conversions on rental values. In a bid to achieve the aim of the study, 205 questionnaires were administered on property owners or tenants and Estate Surveyors and Valuers, only 181 questionnaires representing 91% were correctly filled and returned for analysis. Data collected were analyzed using both descriptive and inferential statistical techniques. The study discovered that converted buildings command higher annual average rental value in the study area. Converted buildings to either shop or office space is mostly predominant in the study area. Converted properties with the highest rental value trend shows the fastest investment fund recoupment potentials but deplete the available residential housing stock. This has created an unenviable property rental regime in the city. It is on these findings that the study therefore recommend among other things the introduction of property identification numbers for all properties in the city of Osogbo, effective and efficient land use conversion and management mechanism as well as incentive for residential property developers.

Keywords - Land Use Conversion, Residential Properties, Rental Values Regime, Emerging Cities

I. INTRODUCTION

Urban land-use conversion and city growth have become a typical issue of national discourse in urban politics and literature of most cities of the developing nations of the world. Cohen (2006), Olarewaju (2016), Irohan et al (2013) Lewis and Max (2002) attributed the current urban transformation to technological advancement, economic and demographic explosions with negative implications on the existence and survival of cities with stiff competition among nations for economic development of cities. A major challenge of most cities especially in the developing countries are in the area of effective management of the unprecedented population explosion, urban rental vivacity, land use conversion/infiltrations and contestation and other criminal tendencies. Adegbola and Oluwale, (2018) argued that, cities in Nigeria are flashpoint zones for property use conversions and as a harbinger and a country at the forefront of the world rapidly urbanizing nations escalator, cities in the country are often seen as centres of economic, political and social powers.

Recent studies on property use conversion in Nigerian cities have revealed that a significant proportion of land and buildings in urban areas have been converted from their original use to some other uses especially from residential use to commercial uses with strong direct relationship between the rising property use conversions and the rapid urban rental

growth (Adegunle, Fateye & Agbato, 2016; Agukoronye & Nwankwo, 2002 and Adebayo, 2009). Hence the need for understanding of awareness, attention and action of the relevant stakeholder.

This study therefore focuses on the analysis of the level of awareness of land use conversion, the attention accorded this menace, the actions taken by the stakeholders and rental trend of before and after use conversion in the study area in order to proffer effective and efficient land management mechanism that will help in property rental values stability. Hence it becomes imperative to provide answers to the following pertinent questions:

1. What is the level of awareness and attention on land use conversion in the study area?
2. Are the relevant authorities taking any action?
3. What is the trend in property rental values in the study area

Justification for the Study and the Rationale for the Choice of the Study Area

Several factors interplay in the rental market to create property rental values. The drivers or factors that interacts to create values in the rental market are the same drivers of land/property use conversions in most Nigeria cities. Olujimi, (2010) asserted that the negative effect of drivers of land use conversions damage the interest of investors, thus subsequently discouraging investment potentials and initiatives in

the subsector. Property use conversions is an emerging trend in most Nigeria urban centres with grievous consequential effect, hence the evaluation of the awareness, attentions and actions of the relevant stakeholders is considered appropriate.

Gbongon Road in Osogbo, is selected for this study due to its strategic position as a transforming commercial area in the city with richer data on property conversions and rental values compare to other areas in the metropolis. Again the influx of people and business ventures from saturated cities as Lagos, Ibadan and other big towns in Nigeria leading to the consistent and steady conversions of every available properties fronting major streets to either shops, offices or business place is yet another reason for the selection of the area as it is considered to be one of the commercial stronghold of the metropolis. Furthermore, the constant conflicting land uses, evolving economic activities with vibrant rental market creating several rental regime in the metropolis are factors considered apposite for the choice of the area.

II. LITERATURE REVIEW

Land use change or conversion is a trending phenomenon in most Nigeria cities especially the use of properties abutting major streets or roads. Several researches have been carried out in Nigeria on use conversions but the focus of such scholarly work are either completely or slightly different from that of the current study (see Olarewaju, 2016; Oduwaye, 2015 and Rima, 2011). Though scholars as Rima, (2011) and Oduwaye, (2015) are among the few researchers advocating for an effective and pragmatic means of addressing the causes and drivers of land use conversions while Ogungbemi (2012) opined that several factors are responsible for use conversions but the return expected from the available use options determine the type of property conversions often exerted on land in term of use. However, none of the previous work assessed the level of awareness, attention and actions of the various stakeholders both

public and private in the trending land/property use conversions in Nigeria major cities.

III. METHODS

The study employed survey research approach using quantitative and qualitative data. First, reconnaissance survey of the selected area was done to familiarize the researcher with the study locations and several other field work assisted by field assistants. Structured questionnaires were administered on respondents which comprises of Estate Surveyors and Valuers, staff of the State Ministry of Lands and Physical Planning and Landlords or Tenants.

To determine the properties to be selected for the study, all the properties along the arterial road were counted and screened in order to pick out those that exhibit conversions characteristics which invariably form the sample frame for this study. Out of the 310 properties counted, 179 exhibit conversion characteristics on which questionnaires was administered. Out of these number, only 161 questionnaires was adequately filled and returned for analysis. The sample frame for the ministry staff and Estate Surveyors were taken as the sample size for the study since they are within manageable size. Data collected for the study through questionnaires sought information on land/property use conversions awareness and attention, rental values among others. The information were later processed through the use of both descriptive and inferential statistical tools so as to give the overall appraisal of the trend in rental values cause by property use conversions. To measure the level of performance of property rental values (before and after use conversion) caused by land use conversion, Microsoft Excel was used to depicted the visual representations of the before and after use conversion rental performance in the study area. It is on the outcome of the analysis and findings that recommendations that would enhance effective property use conversions for improve rental values in the study area and Nigeria in general with a view to enhance rental investment returns are made.

Locations	Estate Surveyor and Valuers (ESV)	Number of ESV	Ministry of Lands	Landlords/Tenants	Total (%)
Gbongon Road	Full Time Practitioners	10	10	179	199
	Part Time Practitioners	03	00		03
	Freelance	03	00		03
	Questionnaire Distributed	16	10	179	205
	Questionnaire Retrieved	16	10	161	181 (91)

Table.1 Questionnaire Distributed on Estate Surveyors and Valuers, Ministry staff and Landlords
Source: field survey, 2019

IV. DISCUSSIONS

Table 1 shows the analysis of questionnaires administered on the respondents. 16 questionnaires were administered on full-time, part-time and freelance Estate Surveyors and Valuers in Osogbo, 10 questionnaire was administered on relevant staff of the Ministry of Lands and Physical Planning and 179 questionnaires administered on landlords but where landlords could not be reached, tenants were used. In

all, a total of 205 questionnaires was administered in all with only 161 questionnaires representing 91% of the total administered questionnaires properly filled and returned for analysis. This was considered adequate for convincing analysis, as the analysis was based on the total number of questionnaires retrieved. The researchers further embarked on participant observation to assess the rate of property use conversions in the study with the aim of achieving the objectives of the study

Variables	NA	U	A	Mean	STD
	F(%)	F(%)	F(%)		
Level of Awareness	16(9.9)	12(7.5)	133(82.6)	3.71	1.09
Attention given to conversion issues	140(86.4)	17(10.5)	5(3.1)	4.80	0.58
Action taken by stakeholders	136(83.9)	26(16.0)	0	3.55	1.03

Table2: Level of Awareness, Attention and Action on Land Use Conversion

Source: field survey, 2019

*NA= Not Adequate, U= undecided, A= Adequate, F= Frequency

Table 2 indicated that 82.7% agreed that they have adequate (A) knowledge of the occurrence of land use conversion in the area, 86.4% and 83.9% of the respondents are of the view that the attention and actions of stakeholders (public and private) towards land use conversions are not adequate (NA). This imply that more need to done.

LOCATION	GBONGAN ROAD (OSOGBO)					
Property Types	Rent for Two Bedroom [N]		Rent for Three Bedroom [N]		Rent for Tenement Building	
YEAR	After	Before	After	Before	After	Before
2010	50000	65000	85000	60000	7200	5400
2011	50000	65000	85000	60000	7200	5400
2012	130000	75000	85000	60000	18000	14400
2013	170000	130000	85000	60000	18000	14400
2014	170000	130000	130000	100000	18000	14400
2015	180000	150000	130000	100000	18000	14400
2016	180000	150000	200000	150000	36000	30000
2017	200000	160000	200000	150000	36000	30000
2018	200000	160000	250000	200000	36000	30000
2019	200000	160000	300000	250000	36000	30000
Mean	111250	90937.5	115625	87500	16725	13612.5

Table 3: Rent for Two, Three and Tenement Buildings

Table 3 present the average annual rental values of two, three and tenement buildings along Gbongan road Osogbo. The mean scores values were calculated in order to at a glance project the differentials in the performance of before and after use conversion rent in the study area. Further analysis of the rental trend was done and it is as presented in the figures below.

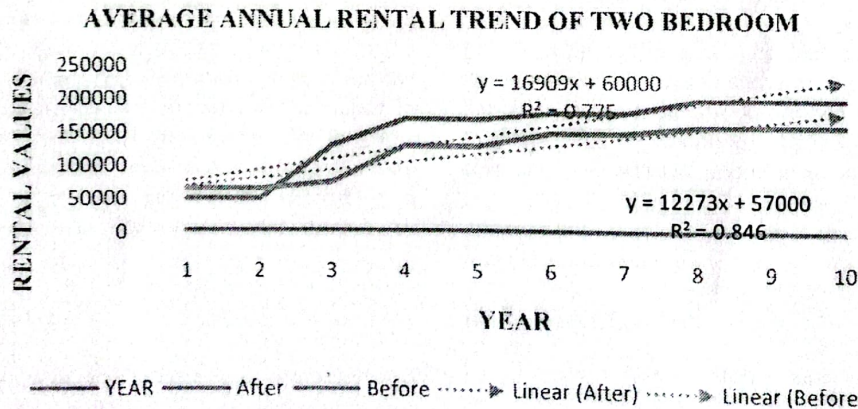


Figure 1: Average Annual Rental Trend of Two Bedroom

AVERAGE ANNUAL RENTAL TREND OF THREE BEDROOM

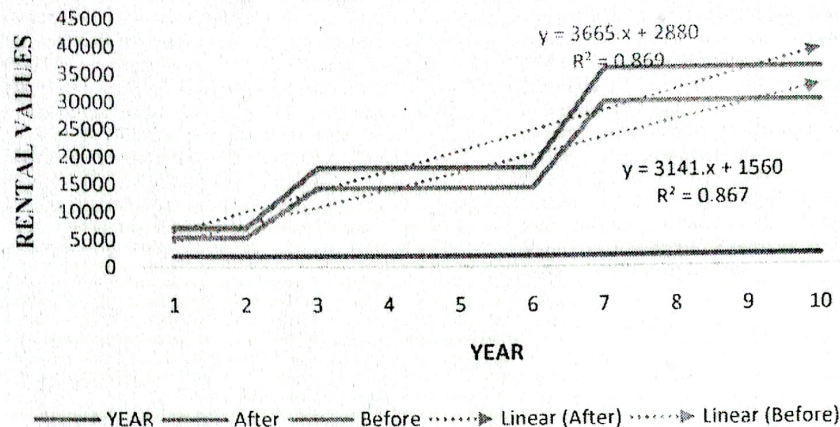


Figure 2: Average Annual Rental Trend of Three Bedroom

AVERAGE ANNUAL RENTAL TREND OF TENEMENT BUILDING

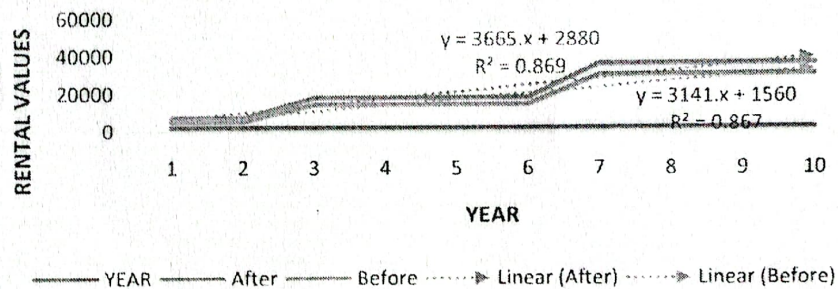


Figure 3: Average Annual Rental Trend of Tenement Building

Figures 1, 2 and 3 above shows the trend line analysis of two, three bedrooms and tenement building rental values for both before and after use conversions along Gbongon road, Osogbo between 2010 and 2019. It indicated a steady upward growth all through the years. However, the after use conversion indicated a batter growth rate with a sharp increase and a wider growth margin noticeable and maintained for all the property classes. Hence an indication that investment in conversion of use from residential to commercial use could be a wise and better option than allowing the property be used for residential purposes in the study area. A further test of future forecast for the next three years in respect of rental performance in the study area from 2020 was made. The outcome revealed a continuous and steady upward rental growth with after use conversion exhibiting a superior growth rate throughout the period of prediction.

V. CONCLUSION

The study assesses the awareness, attention and actions of stakeholders on property/land use conversions and rental vales alongGbongon road,

Osogbo and confirmed the upward movement of both use rentals, indiscriminate land use conversion, the inadequate actions of the stakeholders among others. The study further revealed the superior rental growth of after use conversion over the before use in term of rental growth which is pushing investors to invest more in this area. This has contributed to the depletion of residential housing stock with the consequential effect of high occupancy rate, land use infiltration, high urban rentals among others. Again after use conversions rental tend to perform better and have recoupmnt potentiality than before conversion rental values. In order to stabilize the rental market, it paper therefore recommend the use reasonable force that is within the ambit of the law in enforcing all relevant laws and the adoption of all other effective and efficient land use control mechanisms by government including the use of property identification number.

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