THE EFFECT OF RENTAL VALUES ON COMMERCIAL PROPERTY DEVELOPMENT IN SULEJA AND MINNA, NIGER STATE NIGERIA FROM 2009-2018

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ABSTRACT

The effect of rental values on commercial property development cannot be overemphasized. The upward increase in commercial property development in some areas of Minna and Suleja Metropolis, without a upward increase in rent in Minna and Suleja has necessitated this study. The study sampled 121 Estate Surveyors and Valuers in the study area, by issuing close ended questionnaires and adopted both descriptive and inferential method of analysis. The result of descriptive analysis revealed that commercial shop properties comprised the bulk of commercial property in Minna and Suleja at 81.43% and 91.43% respectively and the result further revealed that rent/m2 of offices is higher that rent/m2 of commercial shop property. The result of simple regression revealed that 65% and 60% variation in number of commercial shop property development in Minna and Suleja respectively is significantly influenced by the trend in rental value of commercial property. The study further found out that 62% and 66% variation in number of commercial office property development in Minna and Suleja is significantly influenced by the trend in rental value of commercial property. The study concludes that rent/m2 in Suleja impact more on commercial property development in Suleja than Minna.

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CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Real estate has continued to play a substantial role in man's development in the world over; the assessment of real estate investment either residential or commercial has become pertinent, as a result of the ongoing changes in the global and local economies, the need arises for a careful consideration in the investment decision making process (Udobi *et al.,* 2018). In recent time, investors in Nigeria have begun to explore strongly into real estate marketing and investments which often represents the single largest investment (Davis and Palumbo 2008). The demand for retail commercial outlets has risen immensely in most urban centers in the country and this has been attributed to the economic recession which has led to the increase in trading activities by both unemployed and public servants (Udobi *et al.,* 2018). Hence, investment in real estate has shifted from residential property to commercial property development in most towns and cities in Nigeria and this is due to the perception of Nigerian property investors that commercial property commands higher rents in the real estate market (Udobi *et al.,* 2018).

Commercial property in this context consists of development of shops, offices, banking halls, cinemas, factories, filing stations among others (Ifediora, 2005). A commercial property investor would put his money where there is growth in his rental income or growth in his business. If there is no rental growth and there are no signs of rental growth in the property in the foreseeable future, then the investor may consider changing the line of investment where he is sure of his capital (Klimczak, 2010).

Rental values have become a key indicator for estimating real property performance since major actors in the property market often appraise the viability of real estate development based on the rental values and this in turn affects commercial property development such as shops, offices, warehouses and factory buildings (Boon and Higgins 2007; Udoekanem *et al.,*2014). However, since the middle of the 20th century, property owners have struggled to identify the basic factors that influence property prices in the global housing market (Fernandez *et al*., 2011). To an office owner, he needs to pay rent in order to use a space for his business, for a commercial bank he pays rent in a very good location where the value of its money can be achieved.(Manley 1988) while to an investor in real estate, the motive of owning a commercial property would be to collect rent in its already constructed property while an Estate Surveyor and Valuer ensures that rent collected is optimized (Scarrett, 1995; Udoekaneman *et al.* 2014).

Property development in Nigeria is influenced to some extent by rental values and other internal and external factors. The internal factor affecting property may be due to its physical factors such as type of finishes, no of properties developed in the area, locational factor, number of square meters available, parking space etc and the external factors include economic factors, environmental factors, transportation factors, cultural and religious beliefs, Government policies, demographic factors of the area among others (Olayiwola et al., 2005; Baltagi*et al*., 2015). Lin and Ben (2009) are of the opinion that prices of landed property in urban areas will be higher than that in the rural areas due to their locational attributes. On the other hand, other factors such as artificial factors example of which is economic factors (effect of market forces of demand and supply, closeness to work place, environmental factors, infrastructural factors, cultural and religious beliefs, and government policies amongst others has effect on commercial properties development (Toivonen and Vitanen, 2016). In order to contribute to the developer's interest like making profits, keeping

good relationships and entering competition with other clients or competitors it is necessary to take critical decisions on Market needs or returns (Peiser and Frej, 2003).

1.2 Statement of the Research Problem

Changes in commercial property rents as a result of change in the economic conditions both in the local, regional and national levels as a result of vacancy rate have great effect in commercial property development. (Hekman 1995, Udoekaneman 2014). In recent times, the rate of population growth in Niger State has been on the increase without a considerable increase in the growth of commercial property demand as several commercial properties in the state are void of occupants (Udoekaneman *et al.* (2014). For instance, Udoekaneman *et al.* (2014) reported that 7.76% of office spaces in Minna were vacant and these could become obsolete and inhabitable as a result even affect the returns on investment. Thus, it has become a source of concern to both Estate Developers and professionals in the built environment since most commercial property developers go into the business with the sole aim of making profits.

A commercial property developer builds commercial property strictly as an investment to get optimum returns, but when this is not coming, the developer may decide to make other economy choices that may give him value for the money invested (Iroham, et al. 2014) and this in turn can have an effect in the commercial property market. Hence, this study will examine the effect of rental values on commercial property development in Suleja and Minna, Niger State, Nigeria.

1.3 Aim and Objectives

The aim of this study is to critically analyze the effect of rental values on commercial property development in Minna and Suleja, Niger State, Nigeria. The objectives are to:

1. Examine the rent passing on the commercial properties in Minna and Suleja;

2. Observe the rental differentials between the two cities;

3. Investigate the quantum of void commercial properties in the study area;

4. Determine the relationship of rental values on commercial property development in the study area from 2009 to 2018.

1.4 Research Questions

i. What is the rent passing on the commercial properties in Minna and Suleja?

ii. What are the rental differentials between the two cities?

iii. What are the void commercial properties in the study area?

iv. What is the effect of rental value on property development in the study area?

1.5 Justification of the Study

The factors that interplay or combine to enhance commercial property development varies and are numerous. Some of these factors include among others cultural, socio-political, institutional, economic, environmental, physical and such other factors which could enhance the rate of development positively or negatively (Ankeli, 2007). Olujimi (2010) is of the view that those factors that negatively affect rental values disrupt the rate with which property investors own or build commercial properties. Even though rental values in the commercial property market of Nigeria are imperfect and inefficient, its adoption and determination in the effect of commercial property development is an important task.

Ankeli, Daniel, Guyimu, Oyeleke and Oladimeji (2015) affirmed that one of the complex and challenging tasks facing both practitioners and intellectuals in the real estate profession in the country today is the determination of accurate rentals and its effects on property development. There is but a scanty literature in this important area of study. The few existing but relevant studies

conducted in this area in the country are Olujimi, (2009) Ibrahim (2011), Ankeli, Daniel, Guyimu, Oyeleke and Oladimeji (2015) and Bello, Adeniji and Arowosegbe (2015) each of these studies examined the effect of rental values on residential property development while the area of commercial property development is yet to be assessed. Hence this study is justified by extending the coverage area to include the effect of rental values on commercial property development, thereby enriching the stock of literature in the field.

1.6 Scope of the Study

The study seeks to analyze the effect of rental values on commercial properties development in Suleja and Minna Niger State between 2009 to 2018 due to the fact no recent data on property development in 2019. The study covers only office and shop spaces developed and in the business areas of Minna and Suleja because real estate activities are at the peak in these areas. The study also includes development with Government approvals.

1.7 **Significance of the study**

The study areas selected are in the commercial hub of Niger State, where there is more concentration of real estate development. This study will be of help to property developers and other kind of investors as it will give them knowledge of the effect of rents on property development in the areas selected. This research would also help in the making of policies in terms of planning, population density of businesses in these areas; curb crime and urban renewal or other planning schemes that maybe necessary in a commercial area.

To an estate surveyor and valuer, it would help in advising his/her client on the area that sorts his or her investment or development whether they are privately owned or publicly owned. Therefore, findings of the study will be of relevance to property developers as well as professionals in the built environment. Also, some of the information obtained from the study will be of help to other researchers and also policy makers.

1.8 Background to Study Area

1.8.1 Location

Niger State lies between the scope of 3.20' east and longitude 8 and 11.3' north. It is lined toward the North by Sokoto State, West by Kebbi State, South by Kogi and South-West by Kwara State. Kaduna and Federal Capital Territory line the State to both North-East and South-East separately. The State has a typical limit with the Republic of Benin along New Bussa, Agwara and Wushishi Local Government Areas. This has offered ascend to basic between line exchange between the two nations. (NGIS Directory 2019)

1.8.2 Historical Development

The name 'Minna' was gotten from the Gbagi (Gwari) language 'Min' and 'Na'. The word 'Min' signifies shower and 'Na' signifies fire. Minna implies spread fire. The city was initially on the slope called Sayako with walls (Ganuwa) worked around it. There were Gbayi town inside the external the present Minna town. Minna comprise primarily of Gwari people group and its name was gotten from a custom performed by the Gwari originators, at whatever point they need to notice the start of another year. The occupants used to extinguish all of fire in the town,

remembering those for the kitchen regions. This regularly happens on the most recent day of each year (NGIS Directory 2019).

1.8.3 Economic Base

Minna is honored with bountiful industrial and farming assets which are expected crude materials for mining and agro-united enterprises. Root crops like sweet potato, cassava and Sorghum are filled in the adjoining locales of the city. The city is perceived as perhaps the biggest maker of yam which is steady nourishment for most Nigerians.

1.8.4 Population

Prior to the consolidation of Borgu Local Government with the State, in 1991, the 1963 National Population Census remained at 1,194,508. With the arrival of the 1991 populace figure by the Federal Government in 1992, Niger State has 2,482,367 individuals. The overflow of populace from the Federal Capital, Abuja is likewise expanding the populace development of the State.

1.8.5 Land Mass

Niger State covers a total land area of 83,266,779 square kilometres or about 8.3 million hectares which represent 8% of the total land area of Nigeria. About 85% of the land is arable.

1.8.6 Real Estate Business Climate in Suleja and Minna

Suleja town is an Urban area in Niger state that is growing at an alarming rate, as a result of different economic factors ranging from one business venture to the other and its proximity to the Federal capital territory. The pressure and population were not as it is today before Suleja became a satellite town. The housing quality and numbers of commercial property development were very

few. In 2006, when the master plan implementation were done, many residents of Abuja were forced to leave to neighboring towns and cities like Minna, Suleja, Kaduna and Lafia. This made the rentals of commercial properties development to rise due to increase in retail activities and high demand for office space and shops due to increase in population (Nsing 2018)

1.8.7 OCCUPATION

About 85% of the State's populations are farmers, while the remaining 15% are engaged in other vocations such as white-collar jobs, manufacturing, business, production of crafts and arts.
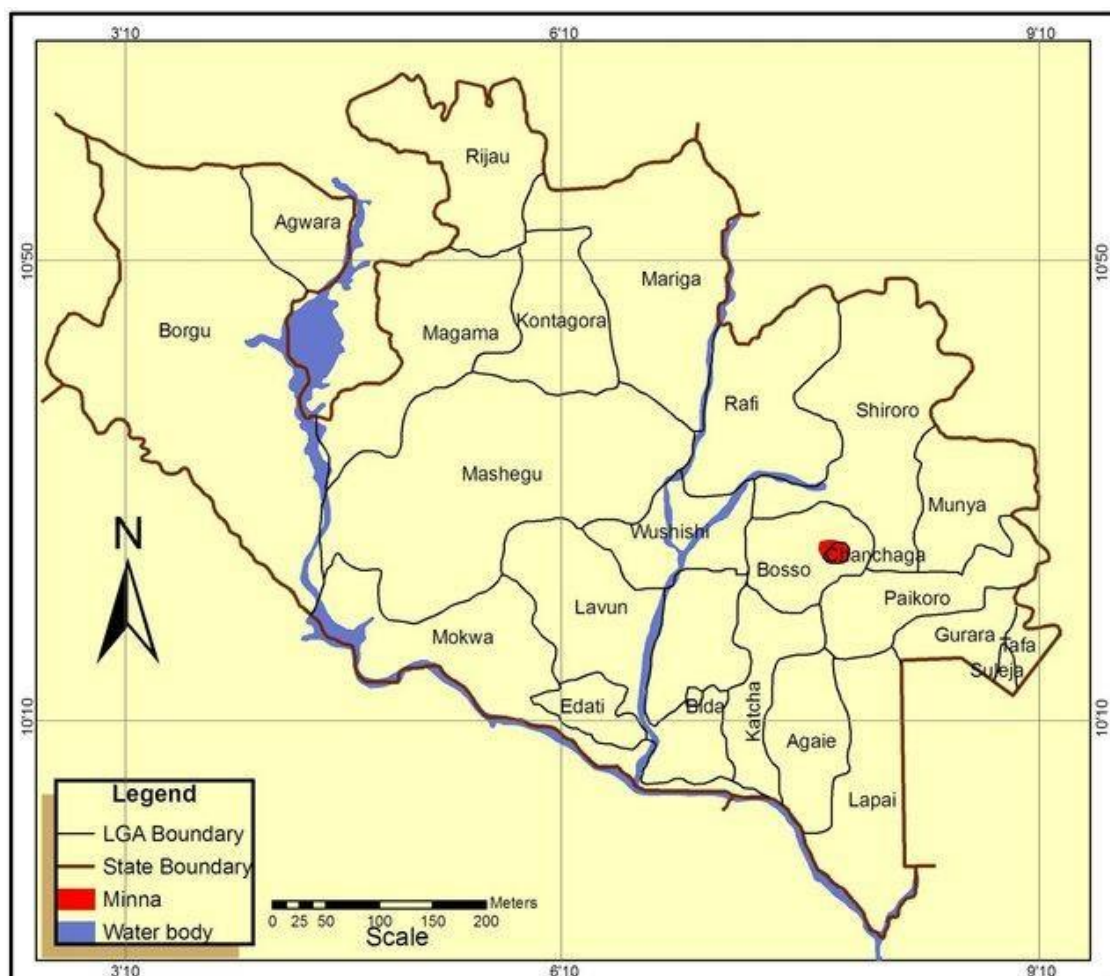
Figure 1: Map of Niger State

Source: Google Maps

CHAPTER TWO

LITERATURE REVIEW

2.1 Definition of Concepts

2.1.1 Rent and Rental Value

In economics, rent is the return to land as defined by Barlowe (1978); Nishani (2016) however, according to Chris and Somefun (2007) rent is viewed as the payment (monthly or annual) that is made to a landlord. It could also be viewed as a payment to the use of the building either residential or commercial. There is a direct relationship between rent and value. Hence, Olusegun (2003) stated that the rental value of a property I s the amount that a prospective tenant can afford to pay for its occupation. According to Millington (1997), property values are fixed when there is a demand, properties are freely open to the market, and the values remain constant throughout the period of negotiation. In addition, the tenants must have a reasonable time period within which to negotiate the rent taking into account the nature of the property and state of the market.

When this sum is equivalent to what any similar property would attract, such rent is called open market rent. The open market rent of a property is the rent to which the property, or a similar one

would attract when advertise in the open market on the usual tenancy or lease terms and conditions characterizing the market of such class and the type of property (Udechukwu, 2006).

Barlowe (1978), he therefore differentiated between three major types of rent as follows:

2.1.2 Contract Rent

This is actual payment tenant made for the occupation of the property of another. The amount of payments made is normally agreed upon between the landlord and the tenant at beginning of the tenancy periods. It therefore means the actual periodic-yearly, monthly or weekly payment made by occupiers or tenants to landlords' for the use of land and building. However it may be less, equal to or more than economic rent depending on the bargaining ability of each of the party.

2.1.3 Land rent

Land rent is more specialized concept. It is theoretical income from land resources and it is referred to as economic return accrued to land as a factor in production process. This concepts applies to all of the theoretical earnings of land and as used here, applies to all the combined earnings of land site and improvement upon. Distinctions are made between classes of land rent, it sometimes expedient to distinguish between ground rent and improvement rent, which can be associated with buildings and other man-made real estate improvement. Distinction can be made between location rent and rents that arise because of the favourable location of a particular track of land and fertility or site-quality rent.

2.1.4 Economic rent

This is also a specialized economic concept. For a period of decade, the economist used the term economic rent to describe the earnings of land and it is therefore more or less the same with the current concept of land rent. Economic rent is therefore a surplus of income or return over and above the minimum supply price necessary to bring a factor into production process. It is therefore

a short- runs economic return that factor during the production or operation can earn, because of unexpected demand or supply situations. A real estate resource such as apartment development can earns an economic return over its normal land and contract rent whenever demand rises.

Therefore the two important concept of rent are namely: land rent and contract rent in land economics. Contract rent involves a real payment to the property owner. This payment may either exceed or fall below the amount of land rent.

2.1.5 Commercial Property

Property is the topic of possession that is anything which has a place with an individual given the restrictive option to appreciate a thing, model being area and building. Legal property means interest and rights characteristic in the responsibility for physical land. It is a group of rights which could be made the subject of legal entity. It is a "title" that means the legitimate right of ownership. Property is additionally a muddled legitimate idea. Numerous individuals consider it in term of items which can be claimed or had. From a lawful perspective notwithstanding, property comprises of different articles but instead of man's privileges as for material goals (Sunday and Ismail, 2003).

Babatunde (2003) property is a bundle of rights exercisable on land or any improvement on land, such rights are called proprietary rights. They include possession, right to use, right to let, and right to sell. The exclusive right to possession, enjoyment and disposition of anything which can be the subject matter of ownership; and it also includes the exclusive right to the future benefits of an economic good, be it material or non-material, as determined by law. The above rights constitute a bundle of rights. Real property refers to the interests, benefits and inherent right in the ownership of the physical land .(Ukabam 2007).

Legal concept of property encompasses all the interest rights and advantages that are related to title. Property consists of the rights to the title, which may give ownership to a specified interest or

interest in a physical title or its ownership. The title that shows you are the owner of a real estate is called real property and the combination of rights associated with the ownership of real property is referred to as bundle of rights, such rights are; right to put the property in the market, to lease, to give away (pledge) mortgage (Udechukwu, 2006).

The concept of property basically falls under two categories, the physical and the legal concepts. Property has been classified into chattel and real property (Kuye, 2003). Chattel refers to personal goods that can be seen, felt and touched. Tables, shirts and books can be cited as typical examples. Real property (or realty) on the hand, is a broader term that can be referred to as the interests, rights and benefits inevitably included in the ownership of land and building (Galaty, Allaway and Kyle, 2000).

However, real property includes the rights attached to real estate and the accompanying bundle of legal rights. The legal concept of property as described by Barlowe (1958) is said to be complicated in the sense that it deals purely with the abstract. This means that it has to do with the interests and rights which can be acquired in land and buildings. These rights include owning, enjoying and disposing of land and building. In fact, they are not property rather the idea emanates from the control or interest which can be acquired in them according to the law. Kuye (2003) added that the rights determine the quality of control that can be exercised over the property while the interest could be absolute or limited.

Sunday and Ismail (2003) has identified property types as follows:

I.   Residential Properties: These comprises every class of dwelling accommodation which is otherwise known as housing. It could be rural, sub – urban or urban housing residential property also varies in design, such as a maisonette differ from a bungalow simply because

of the manner in which each is designed other categories of residential properties include flats, duplex tenement detached and semi – detached and host of others.

II. Agricultural Properties: These covers properties (Land and building) that are primarily used for the cultivation of crops and rearing of animals. Typical example include farmland woodland farm house, orchard, ranches and a host of others.

III. Industrial Properties: These cover every class of property primarily used for the production of good and services. Example of such properties includes furniture, mining, utilities, factories and warehouse.

IV. Commercial Properties: These relates to properties that are basically used for trading (buying and selling). This is broadly divided in two viz: shop and office premises.

V. Recreational Properties: These include properties which are mainly used for amusement, relaxation and merriment. They also include property meant for tourism. Example includes golf courses, hotels, games reserve, clubs amusement parks, and the likes.

VI. Special Purpose Properties: These represents other class of properties that cannot come under any of the above-mentioned categories. They have a distinctive feature of not always found in the market. That is, they are not always bought nor sold examples include, cemeteries, Churches, mosques shrines and public properties (building, highways streets and utilities).

Commercial Property is defined based on the use and purpose to which it is built. It is simply properties built for business purposes either goods or services. Examples include banking or lending purpose, insurance or corporate offices, filing stations , customers services centers, shops, offices, restaurant and Mini-supermarket or
Supermarkets (Oyebanji, 2003).

These are properties developed for the purpose of benefits in the form of direct monetary returns. It is a property developed or acquired or held for the sake of monetary income or monetary profit. Thus a commercial property developed is expected to have a earning expectancy (Ifediora, 2009).

2.2. Concept of Value

Value is universal concept and it has different meanings to different persons, according to Justice Brandies, value is a word of many meanings. It has been over the years clear that value defines the economic importance of business undertakings; it may be linked politically, socially and religiously to the issues. Value signifies the capacity of a commodity to satisfy some one need or want; it defines utility. Value has different concepts, namely moral concept, philosophical, utility, exchange, cost, scarcity, rent, labour, market and social concepts (Salau and Gbeko 2004). The aspects of value concepts for this study are concepts of market and rental values. IVSC (2011) viewed that the concept of value is not a fact but an opinion that relates to either the most probable price or amount to be paid for an asset in an exchange or the economic benefit of owning an asset itself.

2.3. The Concept of Market Value

Market concept of value is extrinsic, that is the value attributed to the commodity by external factors such as market forces, unlike intrinsic value which is attributed to value inherent in the thing itself or the value which a commodity possesses as a result of its inherent natural qualities. Extrinsic market value of a property investment refers to income-producing capacity of the property as a consequence of market forces which are entirely external to the property or asset (Ifediora, 2005). The concept of market value according to IVSC (2011) has been defined as "*the quantified sum for which a product should exchange on the estimation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had*

each acted knowledgeably, prudently and without compulsion". International Valuation Standard Committee (IVSC) has therefore applied this definition in accordance with following framework:

1. The Estimated Amount: this refers to price expressed as money payable for an asset in an arm's length transaction. The estimated amount therefore specifically excludes price inflated or deflated by special circumstances such as sale and lease back arrangement, special consideration or any concession granted by anyone affiliated or associated with sale.

2. An Asset Should Exchange': this actually refers to the fact that the value of an asset is based on the estimated amount rather than a predetermined amount or price. In that, it is the price in a transaction that meets all the element of market definition at valuation date.

3. 'On The Valuation Date': this refers to the fact that value changes over time, in other words; it is time-specific and at a particular date. The value arrived today may be incorrect or inappropriate tomorrow because market and market conditions are subject to change, therefore valuation amount is required to reflect the actual market state and circumstances as of the date of valuation.

4. 'Between A Willing Buyer': this refers to someone who is highly motivated but not under compulsion to buy. A person who is neither over eager nor determined to buy at any amount and someone who purchases in accordance with current market situation and current market expectation.

5. 'And a willing seller': this also refers to someone who is neither an over eager nor a forced seller nor someone who hold out for an unreasonable or inconsiderable price. Someone who is highly motivated to sell the asset at market prevailing terms after proper marketing at best price obtainable in the open market

6. .'Arm's length transaction': the one who does not have special relation between the parties and who does not make price level uncharacteristic of the market. It is referred to a transaction which the parties involved are unrelated and acted independently.

7. After proper marketing: this indicates that an asset must have been exposed to effect it sale at best price.

8. 'Where the parties had each acted knowledgeably, prudently': this means that both parties (buyer and seller) are well informed about the nature and characteristic of the asset , its potential uses and the state of the market as of date of valuation.

9. 'And without compulsion': this means that both seller and buyer are freely motivated to transact without been forced or unduly influenced to complete the transaction.

Appraisal institute (2001) defined market value as follows: "*the most probable price which a property should bring in a competitive and open market under all condition requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus*"

Market value (MV) is therefore referred to as capital value (CV) of property investment. The capital sum of property in the market is the sum of net rental income (NI) and the property yield or Year's purchase (YP), this can be illustrated as follows:

Capital or market value$=$NI $\times$YP (2.1)

The relationship between rental value (annual value) and capital value (market value) is defined in term of multiplier which commonly known as year's purchase (YP). In valuation, this multiplier is more appropriately described as the present value of one naira (₦1) per Annum (Udechukwu,

2006). Year's purchase is a multiplier which when apply on net rental income, capital value is derived. In other word it used to convert annual value into capital value.

2.4 Factors Affecting Commercial Properties Value

The demand for commercial properties has been on the rise Since 1990, the interest for retail business outlets has gigantically expanded in most metropolitan communities in the country. This is because of the financial downturn which constrained the jobless and community workers to investigate exchanging exercises expansion to their typical positions. The financial backers' response to this advancement has been to expand the quantity of business outlets to the detriment of private property improvement. Hence in numerous towns and urban communities of Nigeria, open spaces inside the area of public organizations have been nonsensically changed over to oblige shops and other business outlets. The circumstance is additionally compounded with the apparent thought among Nigerian property financial backers that business property performs better compared to private property venture. Notwithstanding, the financial backers cannot, at this point base their choice on natural handle of the market (Oyewole 2013).

Chika (2006) has described seven factors affecting property value, such as:

1. **Accessibility:** Any property that is easily accessible will command high rent than those that are located in an acute areas. This is in term of road networks.
2. **Location:** The location of a property influences its value to a great extent. In situation where there is provision for social amenities, infrastructure facilities and adequate convenience, definitely the property will be of utmost value.

3. **Adjoining Properties:** This has to do with the effect of other properties that surrounds the landed property. A residential property that is located in an industrial area will be reduced in value compared with the same property in a high – income commercial area.

4. **Durability:** A property that is not of good attributes will not command a high value. The material for building will determine if the building will have an enduring life span, thus making it to have reasonable value.

5. **Scarcity:** The factors of demand and supply are interdependent and this goes a long way in affecting its value.

6. **Complimentarily:** Land uses have to complement each other, complementarily will influence the value of the landed property in the use sense. It would be positively influence the value of residential property located close to a recreational property, as they complement each other, than residential property locates around industrial or commercial areas as they are harmful to each other.

7. **Intensity of use:** The intensity of use will influence its value, in that, if the property is used in a prescribed manner, it will have a positive influence on property value in other word, a higher occupancy than expected occupancy ratio will also affect value as well as type of people occupying it.

2.5 Concept of Development

Property development measure includes the persistent mix of critical components of production (land, work, capital and undertaking).

Development is the way toward conveying outworks including an adjustment in the actual use or in the power of a current utilization of land or buildings (Balchin *et al.,* 2000). The term 'improvement' as characterized in section 2(1) of the Nigerian Town and Country Planning

ordinance 1948, states that "development in relation to any land incorporates any structure or rebuilding activity and any utilization of land or any building subsequently for a reason which is different from the reason for which the land or building was beforehand being utilized".

Development can likewise be viewed as the applying of capital, work, administrative expertise and entrepreneurial capacity to land assets for the purpose of improving its beneficial capacity. Forms of property development include residential, business, modern and office properties. The development of a specific piece of land is an interaction, which includes more than the simple completion of construction works. It starts previously, maybe numerous prior years, works and structures are planned; and endures, maybe well beyond when the new works are completed, until the new convenience is fully occupied and used. Development by and large methods the interaction of carrying out the construction works, which are related with an adjustment in the utilization of land or with its structures, or with an adjustment in the intensity of the utilization of land, or with a re-establishment of a current use.

Ukabam (2007) Development is a term normally utilized comparable to land and it is regularly alluded to as property improvement in land setting., it alludes to the method wherein development works are done that manages land use changes or of land and its structures or with change in the force of land use, or with the alteration, erection or re – erection of buildings. By definition, property investors are in consistent contact with the useful usage of the property development measure. This characterizes our examination as an observational investigation of market practices, insights and perspectives as unmistakable from a formal hypothetical or financial examination.

Schmitz and Brett (2001) contend that: "the developer's job is to coordinate the improvement interaction to carry the undertaking to finish. Engineers are the focal entertainers in the

improvement interaction." significant pre-development stages, incorporate directing prime investigations, arranging deal or other ownership arrangements, getting financing, undertaking the endorsement cycle, starting arranging and plan and beginning site work - trailed by development deals.

A comparable contention is proposed by Miles et al. (2000) in which it is presented that site engineers must "balance an exceptional number of prerequisites for finishing an undertaking". Zuckerman and Blevins (2003) present that without statistical surveying, undertakings will be grown instinctively, bringing about a dangerous endeavor. Just when the market and its requests are known, can we have the reason for a compelling property development plans. Miller and Geltner (2005) contend that through statistical surveying, the developer is "searching for various type of success; that is, sources of interest for the idea" (Miller &Geltner, 2005).

Proficient statistical surveying produces, for property engineers, the data needed to settle on viable showcasing choices. This qualification is underscored in various investigations. Kahr and Thomsett(2005). The market survey is referred to as not just a report that is created at some basic point in the development process – it should be consistently reevaluated and incorporated with any remaining parts of the property advancement measure.

2.5.1. Property Development

The property development measure includes the persistent blend of huge components of creation (land, work, capital and undertaking). Miles et al. (2000) contend that, in property advancement, smart thoughts stream from explicit sources with explicit information on the business and its business sectors. Property engineers need to comprehend the administrative and financial climate, and, above all, expected customers.

The property development measure requires the capacity to apply multi-dimensional dynamic firm decision making that can regularly just be portrayed, yet not instructed. Comparable similar views portraying, depicting the interaction and standards associated with property improvement have likewise been found in certain studies (Beeny; 2004; Brueggeman& Fisher, 2005; Cloete, 2004). Property improvement can be compared to some other modern creation process that includes the blend of different contributions to request to accomplish a yield or item. On account of property improvement, the item is a difference in land use or potentially another or adjusted structure in an interaction that joins land, work, materials and money. Be that as it may, property advancement is perplexing, regularly occurring over an extensive time period.

Schmitz and Brett (2001) contended that "the developer's job is to arrange the improvement interaction to carry the undertaking to finishing. Engineers are the focal actor in the improvement cycle." significant predevelopment stages, incorporate leading fundamental investigations, arranging deal or other possession arrangements, getting financing, undertaking the endorsement interaction, starting arranging and plan and beginning site work - trailed by development, deals and administration of the finished venture.

The contention is made that examination offers an incomplete perspective regarding its matter from a specific point of view and that it is important to build up an "comprehension of property development measures which consolidates an affectability to the monetary and social outlining of improvement procedures with a fine-grain treatment of the locally friendly reactions of property investors" (Guy & Henneberry, 2000).

2.5.2. Forms of Property Development

1. **New Building**: It is referred to as a term in building work used to describe any development that is starting from the scratch. According to Harvard (2008), this can be described as development both on a site earlier undeveloped and on a site that has been used before.

2. **Redevelopment:** This entails pulling down completely, conveyance and rebuilding of an extremely decayed urban area (Egunjobi, Jelili and Adeyeye, 2007). Therefore, redevelopment means re – using and improving real estate in your neighbourhood or town by adding or rehabilitating buildings and making the properties more marketable. It could also be seen as demolition; clearance and new build of a functional and similar building (Harvard, 2008). The term often suggests that something outmoded is demolished to make way for the new.

3. **Refurbishment:** This is a building term which literally means renovation. Maintenance operation entails renovation, rehabilitation and refurbishment. Refurbishment can best be described as work carried out to reinstate a structure, equipment facility or service by a major overhauling to the original design and specification or to make an improvement in a way that conforms to current dictates (Egunjobi, Jelili and Adeyeye, 2007). In a very simple and precise attempt, Harvard (2008) defined it as that retention of existing structure which is renewed or rebuilt. It is aimed at updating existing buildings in a manner that suits current market trends. Therefore, this means that the activity involves a substantial modification and in addition to the house and the upgrading of existing facilities and services as well as the addition of new ones.Refurbishment or renovations can be carried out for various reasons such as when the need for replacement is less desirable but the structure requires alteration and upgrading for future use. In this case, the structure maybe sound but the layout plan is unsuitable for modern purposes.

4. **Conversion:** Conversion or Change of use as defined by Ogungbemi (2012) is to put up land and building to a function that has been changed from the initially zoned and intended use. This implies that conversion is any development which is different or does not conform to that which was last approved.

Property development begins with an identified prospect to construct a new building in which people can reside, work, shop etc. This opportunity has to be developed from an idea into something realistic. Although there are risks inherent in property development, a real estate developer manages the risks relating to the securing of land allows, the plan and development measure, and obviously the rent and offer of the finished land formative task. Since hazard is included opposite elective alternatives, the financial backers need to settle on an educated choice prior to submitting speculation assets to any land development (Beeny, 2004; Brueggemanand Fisher, 2005;Kahr & Thomsett, 2005; Guy & Hennebery, 2006; Cloete, 2007).

2.6 Challenges of Property Development in Nigeria

2.6.1 Lack of Access to Land

Undoubtedly, land is a prerequisite for effective housing provisions and its accessibility is vital to sustainable housing delivery. Moreso, land issues for lodging advancement are deciphered as land openness for lodging improvement, just as the idea of government mediation in the utilization and control of land. Landed space involves the interaction of land ownership for the sole reason for quick or future use and control. The expectation of people looking for admittance to land is to have the chance to create properties. Along these lines, Olaore (1991) noticed that landed space decides the structure wherein lodging is offered as a way for utilization. As such, land availability decides the degree to which lodging improvement can happen. By implication, where there is ease of land acquisition then housing development can take place with much dexterity and vice-versa. Land

accessibility involves land tenure security, land affordability, land availability and the ease of land acquisition (Omirin, 2002).

Access to land for commercial development remains a huge problem in most developing countries including Nigeria. This issue has forced many city dwellers to reside in squatter settlements and slums characterized by lack of secured tenure, basic amenities and overall poor housing conditions harmful to human, physical and economic development. However, Olayiwola, Adeleye and Popoola (2012) concurred with the above author that lack of access to land can be further explained under the following sub headings:

1. **Land Availability:** This refers to the mode of accessibility to land and factors affecting level of accessibility to land for housing development. Olayiwola (2011) mentioned that the modes through which land is made available for housing development are usually by inheritance, government allocations, gifts and the property market. The most predominant method of land acquisition is through the property market be it formal or informal. In other words people go to the property market to buy land for housing development. This is so even with the Land Use Act (LUA) of 1978 which vested the control and ownership of land on the government. Consequently, there is clear indication that the existence of the 1978 Land Use Act has not totally abolished speculation in land; instead it made the issue silent. The continued operation of land transaction by the property market reveals that the LUA appears to be unacceptable to a cross section of Nigerians; the Lawyers, Traditional Rulers, Estate Surveyors, Town Planners and various key players in land and its development.

2. **Security of Tenure:** Security of tenure on land for housing development in urban centres in Nigeria appears to be problematic. Basically, there is no absolute security of tenure of land. Developers who are able to process and obtain the consent for Certificate of Occupancy (C

of O) may have security of tenure but this may not be absolute as land speculators at times have their ways by creating a state of dual ownership in situations where land is sold to two different buyers. So it is the first person to get the C of O that has the land. Apart from this, there exists contradiction in some clauses spelt out in the Urban and Regional Planning Decree 8 of 1992; and the 1978 Land Use Act. For example under S.75 (1) of Decree 8, a Right of Occupancy (R of O) can be repealed if observed by the Commission, Board and Authority (created under the Decree) that the land is needed for planned urban and rural development. Again, in the LUA, an R of O can be annulled for public purposes as stipulated in S.51 under the Act. Following this contradiction, it means the private sector developer is at risk. If at all the developer's land is not trapped up under the LUA, it might be trapped by the Urban and Regional Planning Decree (Olayiwola, 2011)

3. **Land Affordability:** This largely depends on ability to pay for the cost of the land. Land cost varies from one location to the other within the city. It also differs from one town to the other. In the case of Lagos, Olayiwola*et. al*, (2006) identified some factors affecting the value/cost of land to include location, transport improvement, rent, infrastructural facilities, government regulation and neighbourhood quality. Lands in prime locations within cities are unreachable to low and medium income earners in Nigeria**.** For instance, the land price land in Ikoyi and Ajah in Lagos ranges from between ₦400 million and ₦500 million (Guardian 12th July, 2012).

   In the FCT, land (alone) for housing estates costs ₦2, 500. 00/sq. m while fully serviced plots in areas such as Asokoro, Maitama and Wuse Districts go for

   ₦8, 000. 00/ sq. m (Daily Trust 24thNovember, 2014). Following this price tag, it could be seen that the highest paid civil servant in Nigeria may not be able to afford lands in prime

locations. Some civil servants even if they save their gross earnings from the day they assume duty till their retirement from service may not be able to afford the cost of land in some prime locations in major urban areas in Nigeria. Generally, it is most likely that the high cost of land may affect people's accessibility to land for housing development.

4. **Land Transaction Cost**: This refers to the cost of processing the land for housing development. There exists two layers of approvals from government before developers can commence actual construction on their land; one is for the R of O under the LUA while the other is for development under the Town and Country Planning Decree 8 of 1992. Therefore, the costs for processing survey plan; the consent for Certificate of Occupancy and that of the building permit are too excessive and cumbersome. These conditions create serious hindrance when attempt is made to acquire land for housing development.

   Based on this, it can be asserted that the factors of land availability and cost, security of tenure and land affordability have remained the unresolved issues in the 1978 Land Use Act and all these have contributed to the problem of land accessibility for housing development in Nigeria.

5. **Inadequate Finance Options**: It is unarguable that the role of finance has become very critical in housing development. In other words, Afolayan (1991) stated that finance plays a leading role in housing development because it determines whether or not a project would be successfully completed or abandoned. No matter the nature of a housing project, without adequate funding arrangement, it remains a day dream. Hence, Kuye (2007) citing Bello (2002) described finance as pecuniary sources used in the purchase of goods and services for consumption and production of goods and services including housing developments. Tibaijuka (2002) emphasized that access to adequate finance remains the main factor to

effective housing delivery. Following this, access to finance is no doubt important to housing development. Therefore, the challenges of inadequate finance shall be assessed under three major perspectives which include constraints posed by policies, institutional and political problems as explained below;

6. **Issues posed by Policies:** The constraints on policies border on residential lending policies such as fixing interest rate and sum loanable which depends on the CBN Monetary Policy guideline for regulating banking activities in a particular fiscal year or period. The stiff penalty caused by non – compliance of these policies makes it less attractive. Generally, loans are classified as short – term, medium – term and long – term loans (Egolum, 2002; Kuye, 2003). However, most banks avoid long – term loans because of the liability usually associated with them. Another challenge which is of great relevance to this research is the issue of security. This is usually requested so that in the case of any default, the bank will have something to revert to or hold on to, for the purpose of recovering their loans and interests. In a study carried by Ogedengbe and Adesopo (2003) in Abuja, it was revealed that problems of high interest rates and bureaucracy were worse compared to other problems including collateral security. Eleh (2010) elucidated that interest rate in the banking sector was as high as 20% and it is impossible to use such funds for housing development.

7. **Institutional Problems:** The institutional challenges include those caused by various financial institutions that hinder effective housing development. They include several operational problems created by mortgage, commercial banks and the NHF that limit access to funds to developers.

8. **Political Problems:** This refers to lack of consistencies in government policies and housing programmers that affects housing finance. This also borders on poor commitment, policy

inconsistency and manipulations which affects finance supply in Nigeria. Again, political interference in the mortgage institution activities and housing corporations which affects loan allocation resulting in increased rate of loan default among government officials and their political associates.

9. **Poor Infrastructural Development:** Infrastructure plays a very significant role both in social and economic development. As most urban centres continue to witness rapid population growth, there is the tendency that the problems of infrastructure will continue to escalate as a result of overstretching of such facilities provided. For instance, Lagos is a city with severe distress due to poor infrastructure like roads, drainage, water, sanitation and power. Abuja, the FCT was initially planned to accommodate an ultimate population of about six (6) million people at full capacity but the available facilities are being overstretched as a result of the rapid growth the city is witnessing (Abuja Master Plan, 1976). According to Eleh (2010) the cost of infrastructure accounts for about 30% of the development cost of the city which makes the cost expensive to the buyer. He identified lack of access roads in particular as a major challenge in housing development. This explains why suburbs and hinterlands are not attractive to developers. While road networks and accessibility alongside drainages are usually problematic in such areas, land prices are high in the city centres as a result of better accessibility.

Nigeria has only 195,500km of roads most of which are in disrepair due to poor maintenance culture. A typical example is the Lagos – Ibadan expressway (a Federal road) which was opened to the public in 1981 for over 30years, it is just being prepared for its first major maintenance work (Olaseni and Alade, 2012). When compared to a country like India which is known to have the second largest road network in the world, with a road

network of about 3, 400, 000km and still expanding at the rate of 9km of new roads on daily basis (Eleh, 2010), it can be concluded that the available road network facilities are grossly inadequate.

The poor state of power in some urban areas discourages developers from investing in certain part of some towns and cities. According to Akinwale (2010) approximately 60% of the population lack access to electricity sources despite several plans by the government to develop power supply, Nigerian power operators operate below the required capacity and power outage remain unabated. Uwajemamore (2011) observed that power was being provided at the cost of N23billions and sells for only N9billion even with the so – called deregulation, nothing seems to have improved. The poor state of power in some urban areas discourages developers from investing in certain parts of some towns and cities. This implies that the present situation of electricity supply will further affect housing development if not improved upon.

Water and sanitation are also considered critical to housing development. The situation is deplorable as a result of damaged pipes and issues with the water boards. Many of the water works stations rely on generators to power their plants. Olaseni and Alade (2012) pointed out that houses that have access to water have improved sanitation; they also noted that Nigeria was ranked one of the lowest when compared to other developing countries in this regard. Patunola – Ajayi (2013) stated that only 50% of the population in Nigeria has access to safe water. Following this, water and sanitation infrastructure are grossly inadequate thereby posing more challenges to housing development in affected areas especially the suburbs where such infrastructures are insufficient in supply.

9. **High Cost of Building Materials:** Prior to colonization, building materials were not considered as issues because local building materials were mainly used in most developing countries including Nigeria. The problem of building materials has been recognized as one of the major constraints impeding adequate provision of housing (Onibokun, 1986; Onibokun and Agbola, 1990; Agbola, 1993 and Agbola, 1998). It arose from colonial exposure, with the introduction of western housing values from the development of modern housing designs. The high cost came from high import dependence, on the sector.

Despite the increasing cost of building materials, its importance remains paramount to housing development. From the above, it is clear that the problem of high cost of building materials is associated with two (2) main issues which are problems of importation and local or indigenous building materials. The taste of developers in Nigeria is quite high. The type and finishing of most housing developments seen in most Nigerian cities like Abuja, Lagos, Portharcourt, Kano and Enugu will convince anyone that Nigerians rarely make use of local building materials. Most developers prefer the use of foreign materials imported at very expensive rates while the average Nigerians patronize locally produced building materials. Aluko (2004) added that Nigeria as a country relies heavily on imported building materials as most building materials industries are almost nonexistent and poorly developed. Ayeduni and Oluwatobi (2011) identified Building materials and components as one of the major challenges militating against efficient housing development while noting that they are import dependent which makes them quite exorbitant in the face of the value of the country's currency (Naira) and global inflation. As a result, shortages and uncertainty of supplies lead to fluctuations and increase in the cost of building materials.

It is important to mention that the issue of importation cuts across the building materials in itself and in most cases the equipment used in production of the materials could be imported. In the case of a material like cement, Oluwatuyi and Olayemi (2012) noted that the high cost of importation of heavy machines needed for manufacturing is another factor responsible for the hike in the cost of building materials. This problem of inflation also contributes largely to the increasing costs of building materials. It is a fact that there is low, insufficient production of local building materials in Nigeria (Jinadu, 2007). This problem surfaced long before now and it explains why there have been efforts to boost and encourage local production in Nigeria. Parts of the attempts are evident with the establishment of the Nigerian Building and Road Research Institute (NBRRI) in 1978 to handle the issue, unfortunately the institute has not recorded much achievement.

Furthermore, the issue is worsened with low consumption of local building materials by most Nigerians who have developed high taste for imported building materials. This has discouraged the popularization and mass production of the various local building materials which have been tested and considered good for housing development. In recent studies carried out by researchers such as (Adedeji and Ajayi, 2008; Oloruntoba and Olusegun, 2013; Taiwo and Adeboye, 2013; Odunjo, 2014), emphases were made on the use of local and indigenous building materials. These studies revealed that it takes shorter time and reduced cost to carry out development projects especially when materials are locally sourced.

10. **Construction Methods:** Out of the types of construction methods used in housing development, the industrialized building construction method which is very costly and efficient for mass housing development is still not commonly in use rather, there seem to be

over reliance in the traditional construction method which has not made enough impact in the sector.

11. **Poor Capital Market:** Part of the National Housing Policy was to encourage reliance of the capital market for housing development fund. This goal cannot have been said to be met. For instance, there are only about two property development companies quoted in the Nigerian Stock Exchange till today and only one functional Real Estate Investment Trust (REIT).

12. **Poor Overall Economy:** The low level of the accumulation of capital and very high poverty rate has made basic qualification for mortgage very difficult and almost impossible.

13. **Lack of vital statistics:** Till date, there are no reliable data on the exact housing and building materials needs. The public sector developers especially, are poorly guided on the exact number of households and income flow of their target population. All projections are mere estimates thus creating difficulty for them in terms of delivery.

14. **Poor Public Private Partnership (PPP) arrangements:** Since the funding available for the government has continued to reduce, it is pertinent to encourage PPP arrangements. This approach which is now common to the various levels of government is yet to be institutionalized.

15. **Poor Mortgage/Housing Institutions:** The Federal Mortgage Bank of Nigeria (FMBN) and Federal Housing Authority (FHA) need to be reviewed so as to eliminate the institutional bottlenecks that hinder their smooth operation.

16. **Poor Housing Market Development:** The housing market is yet to be developed; this is evident in the vacant plots which constitute bulk of the properties for sale in the cities.

In a nutshell, five challenges which are considered common to both the public and private sectors have been discussed in relation to some factors that affect residential property development. Lack of access to land was discussed under subheadings which include availability, security of tenure, affordability and transaction cost. Inadequate finance options were examined under issues posed by policies, institutional and political problems. Issues of development control focused on the slow planning approval process and the regulatory aspect such as the zoning and building regulations as they affect residential property development. Poor infrastructural development as a challenge, identified lack of access roads, poor state of power, water and sanitation, as they make the locality less attractive for development purposes. Finally, high cost of building materials borders on issues of importation and indigenous materials. Reliance on imported building materials is mostly due to nonexistent and poorly developed local building material industries which make commercial property development unaffordable and inadequate.

2.7 Property Development Control: The Conceptual Issues

Development control which is often referred to as Land Use Control forms an essential element of the planning practice. The state adopted it as a means of intervention in order to regulate the use and development of land for the implementation of local and national planning policies. Most importantly, Development control is the aspect of the planning process in which members of the public have direct contact with local planning authorities. In recent times, the process is considerably under criticism about the ways and the nature in which decisions are taken. As a matter of fact, it is not appreciated by the public because of the restrictions it imposes on the activities of developers.

The activities of development control basically cuts across building plan processing, regulation and the implementation of building plans and developments which have been identified as the areas in which developers face challenges in development. According to Jinadu (2007) the regulatory framework within which the housing provision sector operates had influence on housing development. This includes the regulations and supervisions on land purchase and development, the construction and sale of housing, as well as the time and cost of securing permission for land development. The regulatory aspect according to Egolum (2002) includes the use of regulatory instruments such as the Zoning and Building Regulations. Moreover, the initial challenge most developers encounter is the approval of building plans, Ajoku and Nubi (2009) described it as a "slow planning approval process" which has not helped matters, rather has accelerated slum formation for reasons which include high cost of approval, administrative corruption and ineffectiveness. This process is usually very frustrating and causes delay in most development activities. They argued that although efforts have been made to accelerate the process to 30 days in Lagos, but in the case of Abuja in recent times, building plan process has been invigorated thereby reducing the time spent to two weeks except for major queries arising from such submissions. Despite the efforts that have been put in place to improve the building plan approval processes, most developers claim that it is only on paper as approval still takes more than one year in most cases.

2.8 Empirical Review of Rental Value on Property Development

Bjorklund (1999) discovered that rental changes or trends vary from one location to the other in his study of trends in Stockholm from 1990 -1997 putting other factors affecting rental values constant. Glasslock etal (1990) in agreement with other scholars who have worked on the study of office building rents using data for a 5 year period in a medium density city, shows that rent varies

accordingly and systematically across classes of buildings and locations. However, Ball et al., 1998) in his study about the characteristics of location in terms of the distance from the central business district (CBD). In his result, he didn't find statistical significance between the distance to the city centre and the rental trend of commercial properties, especially office buildings.

Orr and Jones (2003) were of the opinion that in the analysis and prediction of local office rents in the development of Market rentals for two cities Edinburgh and Glasgow noted the scarcity of urban office rents models. They contended that modern commercial office development suffers from data problems and as such models either cause a big blow by ignoring supply issues or consider supply in terms of total space. One of their objectives was to address deficiencies in other empirical study on market dynamics by using local take-up as a model to urban rents. In the study, they adopted two approaches to modeling urban office rents. Firstly, they adopted a single reduced-form pricing equation using direct demand and supply measures and were of the opinion that variation in Market dynamics exists between the two centres selected for the research. The second approach is a three-equation structural model. The results show that Edinburgh responds faster in major changes in supply-demand imbalances than Glasgow in fixing and advising on the best rentals for office space.

Gyourko in his research looked at the recent declines in the development of residential housing prices, he raises the question whether commercial property development pricing would face a similar trend. In its sample which was based on nearly 60% decline in the share prices of publicly traded commercial property firms from their peak in the early 2007.

The study shows that both real estate sectors whether residential or commercial development are driven by common fundamentals which should make them perform almost similarly. The simple

correlation between appreciation rates on owner occupier properties and commercial property investment is nearly 40%.

Commercial real estate capital structures looks to be quite weak due to high leverage combined with strong mean reversion in prices.

Nwuba (2008) was of the opinion that the need to appraise the movement of rents is premised on the need to aid entrepreneurs in their planning and cash flow projections, assist developers in investment choices or decisions.

This rental movement was assessed by Mueller (1999) and cited by Iroham(2011) whom used asking rents and average rental growth rate in the physical real estate cycle and found out that national average growth rates at each point in the cycle were statistically different.

Woods (2007) contended that developments in commercial real estate market have more consequences in the Irish monetary framework. Perception made uncovers that over the time frame 2003 to 2006, there was an enormous expansion in capital qualities in the Irish commercial property market without a correspondingly huge expansion in rents.

Marc (2016) examined the limitations to interest in private investment property in South Africa. A semi-organized meeting was then planned, and a field study was dispatched, talking with key private speculation property market partners. Quantitative information was utilized to confirm the discoveries of the meetings. Members recognized six significant limitations to interest in private investment property in South Africa. These incorporate monetary liquidity or subsidizing; property liquidity; the board abilities; the executives costs; the absence of speculation market data; and legitimate imperatives.

Thontteh and Omirin (2014), also identified factors that affect commercial property investment performance as property rights, security of property rights, ease of access to loans, credit information index, soundness of banks, interest rate, access to private capital, private equity investments, REITs market volume, crime, corruption, size and liquidity of stock market, stock market capitalization, quality of infrastructure, density of road network, taxation, burden getting a construction permit, cost of building materials, ease of registering properties, human development, political instability, population, direct foreign investment and degree of urbanization.

John (1998) examined how new transport infrastructure influenced property values in the South Yorkshire. The study found that anticipation of the construction of a super tram led to the reduction of property prices. This is possibly because of expectations of the disruptions during the building of the system. However, on completion of the super tram, the negative effect on property prices has disappeared and the study has also shown that the type of neighborhood is a major influence on property prices.

Ge and Du (2007), discovered that real property has no value if its occupiers do not derive satisfaction in utilizing them or they not scarce or effectively demanded. Various studies have examined factors affecting property values and have identified the following, location, size, neighbourhood characteristics, economic activity, population, transport. Rental value growth rates of commercial properties are bound to be variously influenced due to the heterogeneous nature of individual commercial real estate properties (Iroham *et al*., 2014).

Igbinosa (2011) discovered that, factors such as property category (detached or semi-detached house etc.), neighborhood attractiveness (highly, fairly or poorly attractive etc.) number of bathrooms, dimension of land, the age of property, property type (mansion, tenant house etc.) and neighborhood have significant influence on property investment decision. The study concluded that

property developers should focus more on property features as they have a greater impact on market values for efficient valuation, improved quality of their sales/ purchase decisions.

Fidelis and Chinedu (2011) discovered constraints facing real estate development investment in Nigeria ranging from shortage of finance, institutional factors such as the effect of the Land use Decree and Rent control, edicts, shortage and high cost of building materials, manpower and management problems.

Efenudu (2010) suggested that project abandonment affects properties within a neighborhood by lowering property values. This value loss or reduction is related to the property total value such as the market value, which is the value at which a property would bring when determined by the open market. Others are the property value in use, the property investment value, the property liquidation value, the assessed value of the property, the insurable property value and the property going concern value. Also, there is a loss on community and neighborhood aesthetics characteristics which the anticipated development projects on completion ought to provide to enhancing the built environment. But, the unattractive nature of the property as a result of a lack of the needed facilities has remained incessant in the Nigeria economy.

When a commercial property has been raised and later abandoned, it makes no positive aesthetic values, pleasures and contributions to a neighborhood instead become eyesores to the vicinity. Further, development projects abandonment contributes to the effect of wasted resources and loss of tax revenue (Ayodele and Alabi, 2011) to the governments and other groups in the economy. Commercial property development projects are usually capital intensive and when abandoned and/or left uncompleted, the expected returns are lost and the already capital outlay is apparently wasted.

A commercial property development project (housing estates or buildings) though amongst the development projects, whether it be tangible or intangible should be capable of having values, as well as having the right of: possessions; uses; and disposals; excisable upon it. But these values are related to the type of interest substituting in that property and enhanced by the various infrastructures provided. Although, the location of the property and demand is equally important but accessibility and the availabilities of the infrastructures in the real property location and in the surrounding built environment should be of much more significant determinants in this study of context. (Schram, 2012)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1   Study Population and data requirement

The population of the study consisted of landlords and Estate Surveyors and Valuers in charge of commercial shops and offices and also approved commercial property developed in Minna and Suleja in Niger State, Nigeria. The study collected information on rent/m^2 of commercial properties of both shop and offices in study areas. Information of the available commercial spaces (both occupied and unoccupied spaces) in Minna and Suleja were also collected. In addition, information on number of approved commercial property developed was collected from Urban Development Board, Minna Niger State. The total number of approved commercial properties developed in Minna from 2009 to 2018 stood at 187 as ascertained by Urban Development Board while that of Suleja stood at 253.

Minna and Suleja were considered based on the fact that they were business areas of Niger State and a hub for various commercial activities. This also formed the basis of our questionnaires distributed among landlords and Estate Surveyors and Valuers in the study area.

3.2. Sampling Technique

The study was based on a multistage sampling technique. In the first stage the study area was stratified based on the level of business activities. In the second stage five business areas (Bosso road, Tunga, Keteren Gwari, Kpankungu and Sabon Gari) in Minna and 7 business Areas (IBB Market, old Minna Garrage, Morrocco Road, round about area Suleja, Kaduna Road area, Sulieman Barau Road and A Division) in Suleja were purposively selected because they were the major business hubs in Minna and Suleja respectively. In the third stage, 121 practicing Estate Surveyors and Valuers were randomly selected from the business Areas in Minna and Suleja making a sample size of 121.

3.3. Sources of Data

Primary and Secondary data were used for this study. Primary data was collected through field surveys (Researcher's observation; physical count of void properties), questionnaire administration and direct interviews. Data on rental values and number of occupied and unoccupied commercial properties were sought directly from Nigerian Institution of Estate Surveyors and Valuers firms in Minna and Suleja. The number of commercial property development was sought directly from Urban Development Board.

The data collected were divided into three categories and the sources of data are as stated in Table 3.1.;

1. The total number of rental commercial properties located in the study areas;

2. The total number of void properties located in the study areas and;

3. The total number of properties developed within the period of study 2009-2018.

Table 3.1 Data Grouping and Purpose

CATEGORY	DATA TYPE	SOURCE	PURPOSE
A	Rental values of commercial properties	Estate surveyors and valuers	To determine the pattern of trend in rent/m2 of office and shops
B	Total number of void commercial properties	Estate surveyors and valuers	To determine the number of voids against the occupied space
C	Total number of properties developed within the study area	Urban Development Board, Niger State	To determine the annual trend in the number of approvals of commercial properties

Source: Authors Survey 2019

3.4 Method of Data Collection

Data were obtained through the use of questionnaires administered to the 121 selected Nigerian Institution of Estate Surveyors and Valuers firms in Minna and Suleja. The questionnaire was use to elicit relevant information on Rent/m² of commercial property (rental value/m² of both shop and

offices properties between 2009 and 2018), number of occupied and unoccupied commercial properties as well as the number of commercial properties developed. In addition, secondary data pertaining to the number of approved properties developed from 2009 to 2018 was obtained from the Urban Development Board Minna, Niger State.

3.5 Data Analysis Techniques for the Objectives of the Study

The study data were analyzed through the following techniques as shown in Table 3.2.

Objective 1 was analyzed using descriptive statistics (mean and graph). The weighted rent/m^2 of commercial properties was then determined. The mean is specified as;

$$X = (FW)N \qquad (3.1) \quad \text{Where}$$

X = mean, F- is the frequency, W- weight

Objective 2 was analyzed through the use of Analysis of Variance (ANOVA). The model is specified as;

$$\text{-ratio} = X2n - (\varepsilon X)2N \div (K-1)X2 - (\varepsilon X)2N \div (N-K) \qquad (3.2)$$

Frequency counts and percentages were used to calculate the number of spaces and number of occupied commercial spaces in commercial properties developed. (objective 3) across the firms in the study area.

Objective 4 was analyzed using regression analysis. It was used to model the effect of rental value on property development. The model is specified as;

$$D = a + \beta R + \beta V + \beta AG + \varepsilon \qquad 3.3$$

Where;

D = Number of properties developed

 R = rental index,

V = number of voids,

I

AG = number of Approved Grant (AG) and

 e is error term.

Table 3.2 Data Analysis Technique Employed

S/N	Objectives	Data Required	Techniques
1	Examine the rent passing on the commercial properties in the study area	Rent/m2 of offices and shops space	Mean and Graph
2	Observe the rental differentials between the two cities	Rent/m2 of offices and shops space	Analysis of variance
3	Investigate the quantum of void commercial properties in the study area	Number of available total commercial spaces and occupied	Percentage distribution
4	Determine the effect of rental values on commercial property development in the study area from 2009 to 2018	Rent/m2 of offices and shops space and number of approved commercial property developed.	Simple regression

Source: Authors, 2019

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

This study examined the effect of rental values on commercial property development in Suleja and

Minna from 2009 to 2018 and findings of this study are as presented in this chapter.

4.1 Demographic Information of Firms

The demographic information of sampled estate surveyors from whom information on rental values in Suleja and Minna were collected is presented in Table 4.1. The result revealed that majority (80.2%) of the respondents were male and 51% reported that they had between 10-20years working experience. Also, 42.5% of the respondents had first degree and were associate members of NIESV (76%). This is an indication that property developers in the study area may be well informed in terms of rental values. This is due to the fact that most of the Estate Surveyors and valuers had experience in the job and should be able to advice their client adequately. More so, they were associate members of NIESV and should be conversant with the rules guiding property development and rentals in the study area.

Table 4.1: Demographic Information of Firms Surveyed

Demographics	Frequency	%
Gender		
Male	97	80.2
Female	24	19.8
Total	121	100
Highest academic qualification		
Phd	0	0
M.sc/M.tech	30	24.2
B.sc/B.tech	51	42.5
HND	40	33.3
ND	0	0
Total	121	100
Professional Status		
FNIVS	29	24
ANIVS	92	76

MRICS	0	0
FRICSS	0	0
Total	121	100
Position in Firm		
Principal partner	59	48.4
Managing Partner	37	30.8
Senior Estate Surveyor	25	20.8
Estate Assistant	0	0
Total	121	100
Year of Experience		
Below 10years	38	31.0
10yrs-20yrs	61	51.
21yrs and Above	22	18.4
Total	121	100

Source: Field Survey, 2019

4.2: Identification of Commercial Properties Types in Selected Areas of Minna and Suleja

Figure 4.1 shows the composition of commercial property types sampled in Minna and revealed that 91.43% and 8.57% of the commercial properties in Minna were shops and office properties. Also, majority (81.43%) of the commercial properties in Suleja were shops, while only 18.57% were offices (Figure 4.2). This is an indication that retailing activities were more than office commercial properties in the study area. However, retailing activities was more in Suleja than Minna. This may be because the rate of business activities in Suleja is higher than Minna which has more people involved in government or private jobs probably because Minna is the State Capital. More so, Suleja has a closer proximity to FCT and thus some of the workers in FCT have their homes in Suleja, thus facilitating business activities in that location.
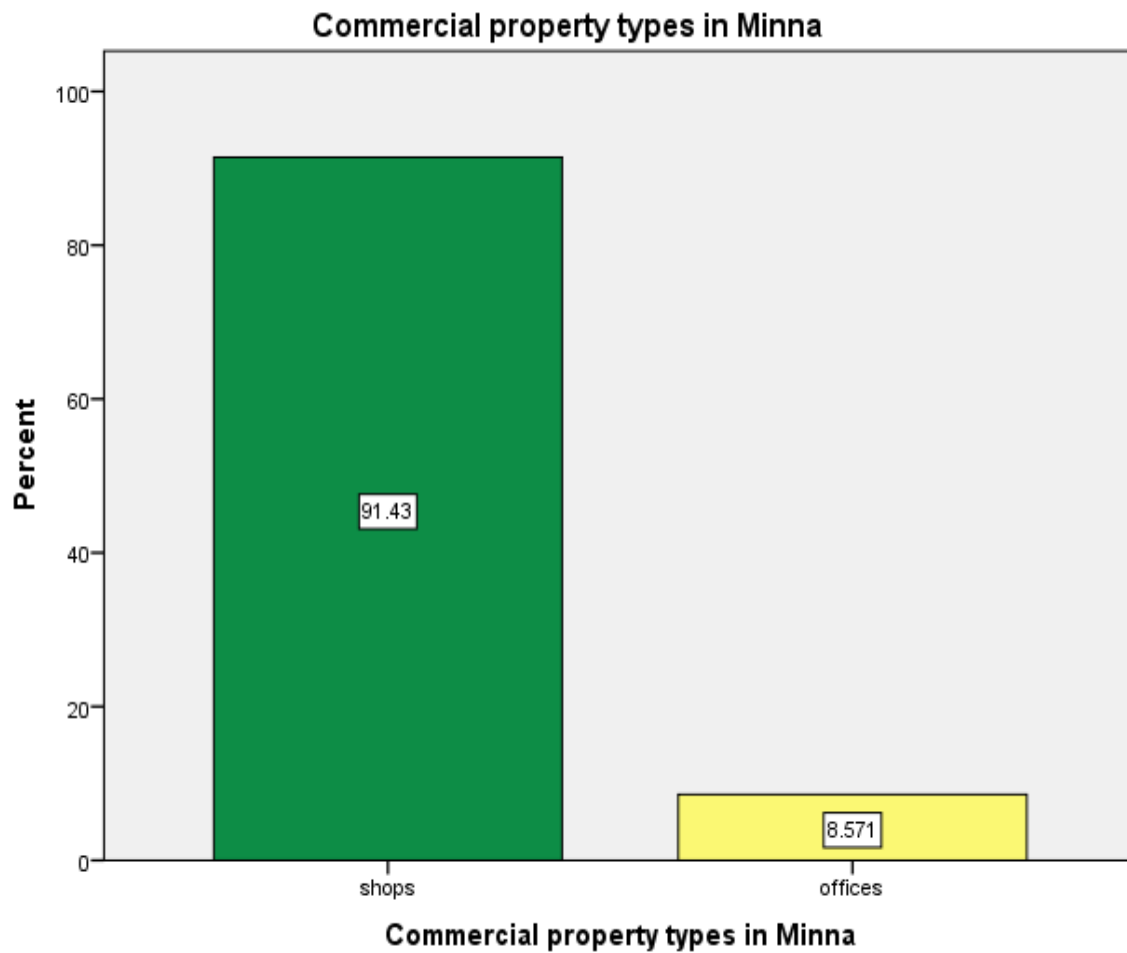
Figure 4.1: Commercial Property types in Minna
Source: Field Survey, 2019
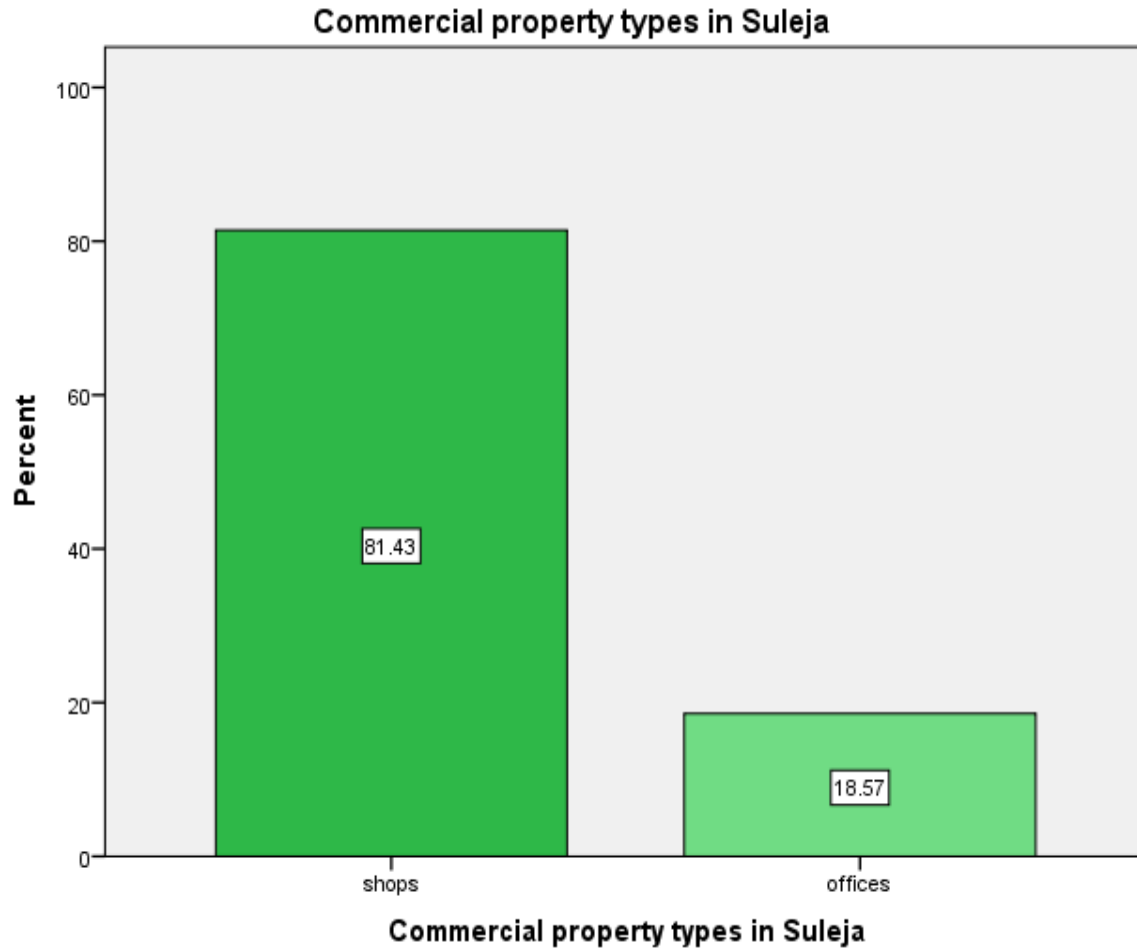
Figure 4.2: Commercial Property Types in Suleja
Source: Field survey, 2019

4. 3 Rent Passing on Commercial Properties in the Study Area

Table 4.2 shows the trend in rent/M^2 of commercial property in Minna and Suleja. Shops in Minna and Suleja were let on an average of ₦5, 000 /m^2- ₦8, 000/m^2 from 2009 to 2018. Also, office properties were let on an average of ₦9000/m^2- ₦16, 000/m^2 which was almost twice the price of space occupied by shop properties from 2012-2018. This result further showed that office commercial rental value in suleja was better than that of Minna but shop commercial property operation had the highest rental value/m^2 in 2018. This further signified that rent/m^2 of offices was

higher than rent / square meter of commercial shop property. In other words, commercial shop properties in Minna and Suleja had lower value than office commercial properties. The rent in Suleja may be higher because the infrastructural facilities in the location was better than what obtained in Minna. In addition, Suleja was closer to raw materials hence the higher rental value in Suleja. This affirms the position of Baltagi *et al*. (2015), who posited those rental values are influenced by infrastructural development.

Table 4.2: Trends in Rent/m² of commercial property in Minna and Suleja ((₦0, 000/M²)

Years	Minna (₦/M²)		Suleja(₦/M²)	
	Shop	Office	Shop	Office
2009	5.02	9.45	5.73	11.25
2010	5.14	9.73	5.82	11.46
2011	5.44	9.91	5.94	12.15
2012	6.53	11.23	6.21	12.36
2013	6.54	11.75	6.53	13.74
2014	6.72	12.94	6.75	13.94
2015	7.51	13.67	7.43	14.41
2016	7.82	13.87	7.65	15.14
2017	7.93	13.98	8.26	15.84
2018	8.32	14.03	8.56	16.52
Mean	6.697	12.056	6.888	13.681

Source: Field Survey, 2019

4.4 Rental Differentials between Minna and Suleja Towns

The growth in commercial property rental value presented in table 4.3 reveals an annual change in rental growth in commercial property investment in Minna and Suleja. Annual growth rate showed an increase in commercial property investment over the years in the study area. The result revealed that annual rental growth of shop properties in Minna had highest growth in 2012 at 18.35%. This may be due to the fact that oil which used to be the major contributor to Nigeria GDP started contracting during this period. Hence there was a rise in commodity prices which further led to the

need for households to have more than one source of income in order to meet up with the household demands. Thus, diversification into one form of business or the other became a norm and property development was one of such form of diversification as reported by Edo and Ikelegbe (2014). Office commercial properties performed better in Suleja when compared to office commercial properties in Minna at an average growth rate of 4.06%. Even though shop commercial property investment in Minna performed better than shop commercial property investment in Suleja, office commercial property performed better in Suleja than office commercial property in Minna. This is an indication that Suleja may have more corporate organizations than Minna and this also could be attributed to its closeness to the FCT and other neighboring states like Kaduna.

Table 4.3: Rental growth in Commercial Property Investment in Minna and Suleja

Years	Minna (%)		Suleja (%)	
	Shop	Office	Shop	Office
2009	0	0	0	0
2010	2.39	5.24	1.57	1.82
2011	5.83	5.15	2.06	1.66
2012	18.35	2.29	4.55	3.88
2013	0.15	4.79	1.45	1.83
2014	2.75	4.27	3.37	1.55
2015	11.89	4.09	10.07	12.14
2016	3.85	3.37	2.96	6.40
2017	1.41	3.80	7.97	10.52
2018	4.92	3.80	3.63	0.8
Average rental growth	5.15	3.68	3.76	4.06

Source: Field Survey, 2019

HYPOTHESIS TESTING

The result of analysis of variance in commercial properties investment across the study area is presented in Table 4.4. The result shows that there was no significant variation in the rental values

of commercial shop in Suleja and Minna. In the same vein, there is no significant difference in the rental values of commercial office property in Suleja and Minna. Hence the study failed to reject the null hypotheses and concludes that there was no significant difference in the rental values of commercial shops and commercial office properties in Suleja and Minna respectively.

Table 4.4: Analysis of Variance in Commercial Property Rental Value

	Source of Variation	SS	Df	MS	F	P-value	F crit
Shop	Between Groups	367.6531	1	367.6531	1.45466	0.243396	4.413873
	Within Groups	4549.351	18	252.7417			
	Total	4917.004	19				
Office	Between Groups	3.536405	1	3.536405	0.016644	0.898779	4.413873
	Within Groups	3824.508	18	212.4726			
	Total	3828.044	19				

Source: Field Survey, 2019

4.5 The Quantum of Void Commercial Properties in the Study Area

The result of annual trend in commercial property void is presented in Table 4.5. The study revealed that in 2015, 50% of the total spaces were left void and 2014 had least percentage of voids at 27% in Minna. However, the number of void spaces reduced to 42% by 2018. This implies that commercial activities in Minna is on the increase. The average percentage of void over the period was 39%. This showed that occupied space is more than number of void and at the same time signifying average market performance. Table 4.5 also shows the quantum of void associated with commercial properties in Suleja. The results revealed that 60% of the total space were left void in 2009 but, 2015 had least percentage of void at 46%. Over the period of the study, the percentage of

void was more than average (54%). This is an indication that there is low demand of commercial properties in Suleja and this could be attributed to high rental values..

Table 4.5 Trend in Number of Shop and Office Commercial Properties Voids in the study area

	Minna			Suleja		
Year	Total space(unit)	Occupied space(unit)	Void (%)	Total space (units)	Occupied space (Unit)	Void (%)
2009	430	259	40	550	220	60
2010	591	353	40	681	315	54
2011	635	420	34	665	315	53
2012	671	455	32	711	347	51
2013	699	481	31	750	337	55
2014	701	511	27	777	319	59
2015	832	419	50	800	429	46
2016	789	425	46	899	401	55
2017	867	488	44	935	443	53
2018	956	550	42	967	456	53
Average	717	436	39	775	358	54

Source: Field Survey. 2019

The number of approved commercial development in Minna and Suleja is presented in table 4.6. The highest number of approvals was made in 2010 in Minna, while the highest number of approvals was made in 2014 in Suleja. The result further showed that the number of grant approvals for commercial property development was higher in Suleja than Minna. This could be one of the reasons why the number of void properties in Suleja was higher than that of Minna as indicated in Table 4.5

Table 4.6: Total number of approved Grants for Commercial Development in Minna and Suleja

Year	Minna	Suleja
2009	20	23
2010	48	12
2011	24	37

2012	25	26
2013	12	9
2014	13	37
2015	14	30
2016	15	21
2017	14	22
2018	12	36

Source: Urban Development Board Minna and Suleja Branch Office

The number of approved grants for commercial development in Minna and Suleja is presented in table 4.6. the table the number of approved developments annually. Highest number of approvals was made in 2010 in Minna, and also in 2014, highest number of approvals was also made in Suleja.

4.6 Determining the Effect of Void, Approved Grant and Rental Values on Commercial Property Development in the Study Area from 2009 to 2018

Table 4.7 Effect of Void, Approved Grant and Rental Value on Commercial Shop Property Development in Minna

.	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R^2
	B	Std. Error	Beta			
1 (Constant)	-185.181	266.588		-0.695	0.513	88.5
Void	-0.359	0.412	0.230	-0.871	0.017	

Average rental value	0.656	1.136		0.827	0.577	0.049
Number approved grant	0.815	1.793		0.133	0.455	0.040

a. Dependent Variable: development

The result of simple regression analysis presented in table 4.7 showed the effect of rental value on the trend of commercial property development across the study areas. The result revealed that 88.5% variation in rate of commercial property development in Minna, can be explained by three independent variables such as void, approved grants and average rental value. In other word, variation in the rate of commercial property development is significantly influenced by void, approved grants and average rental value of commercial properties in Minna such that any further successful increase in number of voids will cause negative change in the rate of development by 35.9%. whenever there is positive in rental value/m2 of commercial properties will significantly cause 81.5% positive change in the rate of commercial properties development. Any successful increase in average rental value of commercial property will cause a positive change in the rate of commercial property development by 65.6% in Minna.

Table 4.8 Result of Effect of Void, approved grant and Rental Value on Commercial Shop Property Development in Suleja

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R^2
	B	Std. Error	Beta			
(Constant)	-26.533	225.487		-.118	.910	76.09
1 Void	-.746	3.320	-.052	-.225	.018	
Average rental value	.154	1.367	.970	.113	.040	
Number approved de	.900	1.296	-.068	-.694	.014	

a. Dependent Variable: development

The result of simple regression analysis presented in table 4.8 showed the effect of rental value on the trend of commercial property development across the study areas. The result revealed that 76.09% variation in rate of commercial property development in Suleja, can be explained by three independent variables such as void, approved grants and average rental value. In other word,

variation in the rate of commercial property development is significantly influenced by void, approved grants and average rental value of commercial properties in Suleja such that any further successful increase in number of void will cause negative change in the rate of development by 74.6%. whenever there is positive in rental value/m2 of commercial properties will significantly cause 90% positive change in the rate of commercial properties development. Any successful increase in average rental value of commercial property will cause a positive change in the rate of commercial property development by 15.4% in Suleja

4.7 Determining the Effect of Rental Values on Commercial Property Development in the Study Area from 2009 To 2018

The result of simple regression analysis presented in Table 4.7 showed the effect of rental value on the trend of commercial property development across the study area. The result revealed that 65% and 60% variation in number of commercial property development in Minna and Suleja, can be explained by the trend in rental value of commercial property. In other word, variation in the rate of commercial property development is significantly influenced by the value of commercial properties in Minna and Suleja such that any further successful increase in rent/m2 of commercial properties will significantly cause 39.5% and 47.6% positive change in commercial properties development in Minna and Suleja respectively.

Table 4.9 Result of Effect of Rental Value on Commercial Shop Property Development

Market	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R^2
		B	Std. Error	Beta			
Minna	(Constant)	70.242	19.652		3.574	.007	
	Rental value	.395	.152	.676	2.597	.032	.65
Suleja	(Constant)	74.805	27.012		2.769	.024	
	Rental value	.476	.232	.587	2.053	.044	.60

Source: Authors Survey, 2019 (Computed from table 4.2 and table 4.7)(dependent variable-rate of property development, Independent variables- rental value)

Table 4.10 Result of Effect Of Rental Value on Commercial Office Property Development

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R^2
		B	Std. Error	Beta			
Minna	(Constant)	61.859	26.112		2.369	0.024	
	Rental Index	0.271	0.132	0.487	2.053	0.034	0.62
Suleja	(Constant)	2.434	33.080		0.074	0.043	0.66
	Rental Index	0.233	0.276	0.285	0.842	0.024	

Source: Authors Survey, 2019 (Computed from table 4.2 and table 4.7) dependent variable-rate of property development, Independent variables- rental value)

The result of simple regression analysis presented in Table 4.8 showed the effect of rental value on the trend of commercial property development across the study areas. The result revealed that 62% and 66% variation in number of commercial office property development in Minna and Suleja, can be explained by the trend in rental value of commercial property. In other word, variation in the rate of commercial property development is significantly influenced by the value of commercial properties in Minna and Suleja such that any further successful increase in rent/m2 of commercial properties will significantly cause 27.1% and 23.3% positive change in commercial properties development in Minna and Suleja respectively.

4.8 Summary of Finding

1. The study revealed that the commercial shop properties comprised of the bulk of commercial property as presented in Minna and Suleja at 81.43% and 91.435% respectively. The finding further indicates that retailing activities were more than office commercial properties.

2. This study found that office commercial land value in suleja is better than that of Minna. This further signifies that rent/m2 of offices is higher that rent/m2 of commercial shop property. In other words, rental value of commercial shop properties in Minna and Suleja is lower than office commercial properties.

3. The study discovered that the percentage of void is less than the occupied space in Suleja. In the same vein, the percentage of void is higher than occupied space in Minna. therefore, more than 50% of the available commercial space in Minna were void and also more than 50% of available commercial space were occupied in Suleja. This further indicates that a period of low demand due to general economic outlook characterized by commercial property market in Minna.

4. The study revealed that commercial property development in Minna might experience decreased in future and the predictive ability for further decrease in the future is not realistic as predicted by 51.2%. This also indicated that commercial property development in Minna might not likely to decrease for the next couple of years as suggested by the R^2. In Suleja, commercial property development will experience future increase as predicted and the predictive ability to have an increased property development in Suleja is depicted by R^2 at 78%

5. The study also found that 65% and 60% variation in number of commercial shop property development in Minna and Suleja respectively is significantly influenced by the trend in rental value of commercial property. The study further revealed that any further successful increase in rent/m2 of commercial properties will significantly cause 39.5% and 47.6% positive change in commercial shop properties development in Minna and Suleja respectively.

6. The study also discovered that 62% and 66% variation in number of commercial office property development in Minna and Suleja is significantly influenced by the trend in rental value of commercial property. The study further discovered that any further successful increase in rent/m2 of commercial properties will significantly cause 27.1% and 23.3% positive change in commercial properties development in Minna and Suleja respectively.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The study of the effect of rental value on commercial property development in Minna and Suleja has shown the influential power of rental value to cause significant development commercial property development in the study area. The performance of commercial property investment in Suleja was better than Minna, and this may be attributed to the proximity of Suleja to Federal Capital Territory. Rent/m2 of commercial property investment across the study areas had caused a significant change in the rate of commercial property development and causal effect on rental value commercial property is higher in Suleja than Minna. Thus, the study concludes that rent/m2 in Suleja impact more on commercial property development than Minna.

5.2 Recommendations

1. The study recommends that investors in commercial property should understand the proper functioning of the market and its operations, this will enable efficient market performance. This is because performance of commercial property market determines the rate of commercial development by the investors. Therefore, investors should be properly guided by Estate Surveyors and Values in commercial property investment.

2. Investors should be encouraged to invest more in commercial shop development since it offers a higher rental value than offices and also performed more than commercial office property.

3. Commercial property investors should try and engage the built professionals in the establishment of commercial property investment in order to enhance their ability to make decisions regarding the best investment suited in a given area in order to prevent void properties which translates into loss of income.

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APPENDIX

FEDERAL UNIVERSITY OF TECHNOLOGY, MINNA DEPARTMENT OF ESTATE MANAGEMENT AND VALUATION

Dear sir/madam

This questionnaire is meant to assist in gathering information, relevant to my research work, on the topic "Effect of Rental Values on commercial property development a case study of Minna and Suleja, Niger State" in the department of Estate Management and Vaaluation of Federal University of Technology, Minna, Niger State. The project work is purely for academic purposes,that will contribute knowledge in the area of business, planning and modern rental analysis.

We assure the respondent of the confidentiality of every details supplied in connection with this work.

Kindly tick the appropriate boxes as it is applicable to you.

Thank you.

Odine Jude Ehichioya

MTECH/SET/2017/7100

For Estate Surveyors and Valuers:

  1. Age:_____   **Sex:_____**

2.   Educational Qualification: No Formal Education   Secondary Education

Professional Qualification

Tertiary

1. What are the types of commercial property managed?
    (a) Shops (b) Offices (c) Ware House (d) Petrol Station (e) Guest Hotel/Guest House (f) Others (specify)? _____
2. Where is the location of this property? _____
3. Is the motive of development for Rental Purpose? Yes/No
4. What is the superficial floor area? _____
5. What is the rent paid to occupy the property in the last ten (10) years?

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018

6. What is the total number of spaces available per square meter? _____
7. What is the total number of spaces occupied at the moment?
8. Do you have any void property? Yes/No, if Yes, how many _____
9. Do you think rental values has effect on property development? Yes/No,
    If   Yes   _____
    _____
    _____

For the Landlords/Agents/Developers:

Age:_____   **Sex:**_____

Educational Qualification: No Formal Education   Secondary Education

Tertiary   Professional Qualification

   1. Type of commercial property development?(a) Shop (b)Offices (c) filling station (d) recreational facility (e) others(specify)

       Location…………………………………… …………………………
   2. Which of the following factors influenced your choice of commercial property development? (a) High Rentals (b) Nearness to Infrastructure Facility (c) Proximity to sources   of   supplies/market   (d) Others:_____
3.   Which of the structural factors influenced your choice of the commercial property, you are developing.
       (a) Number and size of space (b) Number of occupier allocated for the space (c) Facilities in the structure (d) Others.
4.   What is the rent passing on the commercial property in your property?

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018

5.   How many floors is your commercial property lying? …………………..

6.   How many shops/offices do we have in your property………….

7.   Are there any vacant property within your property? Yes/No if yes, how many…………

8.   Do you think rental values have effect in property development? Yes/No

9.   Who advises you on your rental values?

a.   Estate Surveyors/Managers (b) Legal Practitioner /Lawyer (c) Owner/Landlord (d) others