

The Impact of Accessibility on Commercial Property Values in Wuse Market, Abuja, Nigeria

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Abstract

Accessibility is a critical determinant in the valuation of commercial property, directly influencing the costs and returns of development. This study assesses the impact of accessibility on the rental values of retail premises in Wuse Market, Abuja, Nigeria. A quantitative research approach was adopted, employing a stratified random sampling technique to collect data from shop owners and tenants. Data from 250 retrieved questionnaires were analysed using descriptive statistics, regression analysis, and ANOVA. Findings reveal a clear spatial relationship between rental value and distance from major access points; rental prices decline as distance from the market's core increases. Statistical analysis indicates a moderately positive correlation between accessibility and rental values ($R = 0.521$). Regression and ANOVA results confirm this relationship is statistically significant ($F = 87.02, p < 0.001$). The study concludes that accessibility significantly influences commercial property rents within the market area. Consequently, it is recommended that government authorities prioritise the provision of dedicated parking facilities and improved traffic management systems. Furthermore, facilitating access to low-interest loans for individual shop owners could stimulate investment in the commercial property sector.

Keywords: Commercial Properties, Accessibility, Rental Value, Abuja, Nigeria

INTRODUCTION

Commercial real estate assets, particularly retail properties, tend to command higher values when located in prime urban areas, as these locations offer greater opportunities to maximise returns. Properties situated near major market roads often attract higher rental values, owing to the advantages of superior accessibility (Mashiri, 2019). In general, the higher a property's accessibility, the greater the demand and the stronger its potential for redevelopment, as strategic positioning facilitates the efficient movement of people, goods, and services. It is also recognised that land suitable for specific urban functions is limited, and the availability of desirable sites is constrained by the capacity of existing transport infrastructure (Henderson, 2014). Consequently, the placement of commercial stores must prioritise accessibility to ensure optimal profitability.

Empirical evidence suggests that commercial properties situated along highly accessible roads generally command higher rents, while those on less accessible routes exhibit lower rental

values (Rossi & Chintagun, 2016). Accessibility enhances a property's visibility, ease of movement, and connectivity - factors essential to commercial success and overall urban functionality. This principle extends to the residential sector, where location remains a strong predictor of value; properties in well-connected urban areas command higher rents, whereas those on the periphery often experience lower demand and reduced values (Sakariyau et al., 2020).

Furthermore, proximity to key productive resources such as markets, transportation hubs, and consumer concentrations significantly elevates the rental value of commercial properties (Yusuf et al., 2021). However, this unequal distribution of value, driven by differential accessibility, can lead to rental disparities and commercial congestion in specific urban market zones (Sakariyau et al., 2020). In densely populated areas like Wuse Market in Abuja, these discrepancies are evident, with certain corridors experiencing high demand and inflated rents while other areas remain underutilised.

Given these dynamics, it is imperative to investigate how accessibility influences commercial property rental values in specific urban contexts. This study therefore seeks to examine the extent to which accessibility factors affect the rental values of commercial properties in Wuse Market, Abuja. The findings aim to contribute to a better understanding of urban land value distribution and inform more equitable and sustainable commercial land-use planning.

Commercial property typically refers to buildings used for business purposes, which may also encompass larger residential rental properties and profit-generating land. This classification affects a building's financing, tax status, and regulatory framework. Common examples include offices, warehouses, industrial facilities, and shopping centres (Osazuwa & Ekenta, 2020). Commercial real estate constitutes a substantial portion of global real estate investments, with an estimated value of £762 billion in the United Kingdom alone (Hassanali, 2019).

Real estate represents a significant component of the cost base for service and industrial sectors, accounting for approximately 44% of non-financial assets held by UK businesses (Hassanali, 2019). The nature and quality of commercial property also impact the technical and organisational flexibility of the work environment, thereby influencing operational efficiency across many service industries. Furthermore, real estate serves as a primary source of collateral for loans, underpinning nearly three-quarters of all bank financing in the UK (Osazuwa & Ekenta, 2020).

From an investment perspective, real estate forms a core part of long-term institutional portfolios. Hofman and Aalbers (2019) note its significance for institutional investors in the UK, a trend mirrored in Finland, where investment is concentrated largely in office and retail assets (Ammann, 2019). In Nigeria, commercial property returns are generally comparable to global market trends. Investors typically anticipate both consistent rental income and long-term capital appreciation, a characteristic of the asset class since the emergence of the reverse-yield gap in the 1960s, driven by inflationary pressures in international markets (Baker, 2018; Hassanali, 2019; Malpezzi, 2014).

Rental value refers to the market worth of a property during its occupancy by a tenant. Hood (2001) defines rent both as a periodic payment and as the economic compensation for the use of property. In urban settings, rental values can vary significantly even among similar properties due to a range of locational and physical factors (Ammann, 2019).

Tenant relocation decisions are influenced by multiple variables, including housing attributes, the social environment, accessibility, and local amenities (Mohit et al., 2010). Among these, accessibility - defined by the time-distance connectivity between a property and key origins and destinations - is frequently cited as a primary determinant of value. A site with superior features and amenities may command a higher price despite a longer distance, though proximity generally confers an economic advantage (De Bruyne & Van Hove, 2013).

Commercial real estate markets are also subject to macroeconomic, political, social, and cultural forces, with supply and demand playing a defining role (Cvetkovich, 2018). Market analyses typically monitor key indicators such as demand, supply, vacancy rates, absorption volume, planned developments, and relevant legal or tax issues, providing valuable insights for stakeholders (Warren-Myers, 2012).

In Nigeria, the commercial real estate sector continues to grow, particularly for assets in advantageous locations. Properties with modern amenities and infrastructure attract investment, thereby increasing demand. Proximity to high-rise office complexes, transportation nodes, and commercial centres further underscores the fundamental role of location in ensuring a property's economic and physical viability (Kashef, 2016; Lim & Heng, 2016).

METHODOLOGY

This study adopted a quantitative research approach. The study area, Wuse Market in Abuja, is divided into three main blocks: A, B, and C. Blocks A and B constitute the original market sections, containing a total of 1,365 shops offering diverse goods such as clothing, electronics, and household items. Block C is a more recent extension, comprising 220 units including retail shops, warehouses, cold rooms, and storage facilities.

The target population consisted of shop owners and tenants in Blocks A and B. Using the Krejcie and Morgan table for sample size determination, a sample of 302 respondents was selected. Data were collected via a structured questionnaire administered using a stratified random sampling technique. This method involved dividing the population into homogeneous strata (blocks) before random selection to ensure representativeness.

Following data collection, analysis was performed using SPSS Version 22. Analytical techniques included descriptive statistics, mean ranking, and multiple regression analysis to examine the relationship between accessibility and rental values.

RESULTS AND DISCUSSION

RESULTS

Response Rate and Data Overview

A total of 302 questionnaires were administered. Of these, 250 were completed and returned, yielding a response rate of 82.8%. This high retrieval rate enhances the reliability of the findings and suggests effective sampling and distribution methods.

Table 1: Questionnaire Dissemination and Retrieval

Questionnaire Status	Number	Percentage (%)
Total Administered	302	100.0
Successfully retrieved	250	82.8

Spatial Distribution and Rental Values

The spatial distribution of shops relative to major roads is presented in Table 2. Shops in Zone A (0-60 metres) numbered 20, those in Zone B (61-120 metres) numbered 40, and those in Zone C (121-180 metres) numbered 16.

Table 2: Distance of Shops from Major Roads

Zone	Distance from Road (metres)	Number of Shops
A	0 - 60	20
B	61 - 120	40
C	121 - 180	16
Total		76

A clear tiered pricing structure was observed across the blocks (Table 3). Shops in Block A commanded the highest average annual rent (₦2,500,000), followed by Block B (₦1,800,000), and Block C (₦1,200,000). This variation reflects the influence of location and accessibility on market dynamics.

Table 3: Rental Values of Single Shops by Block

Block	Average Annual Rental Value (₦)
A	2,500,000.00
B	1,800,000.00
C	1,200,000.00

Further descriptive analysis (Table 4) confirmed this trend, showing a decline in mean rental values with increasing distance from the market's core access points, underscoring the role of proximity in determining commercial rents.

Table 4: Descriptive Statistics for Rental Values by Block

Block	Shop Type	Average Range (₦*000)	Minimum (₦*000)	Maximum (₦*000)	Mean (₦*000)	Std. Deviation
A	Single	800 - 1,600	800	1,600	840	4,594.68
B	Single	600 - 1,200	600	1,200	706	3,204.35
C	Single	300 - 800	300	800	583	4,330.13

Regression and ANOVA

Regression analysis was conducted to quantify the relationship between accessibility (independent variable) and rental value (dependent variable). The model summary is presented in Table 5.

Table 5: Regression Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	.521*	.271	.268	1.207

*Predictors: (Constant), Accessibility

The correlation coefficient (R = 0.521) indicates a moderately positive relationship between accessibility and rental value. The R² value of 0.271 suggests that approximately 27.1% of the variance in rental values can be explained by accessibility within this model.

An ANOVA was performed to test the overall significance of the regression model (Table 6).

Table 6: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.543	1	0.543	87.016	< .001
Residual	1.547	248	0.006		
Total	2.090	249			

The model is statistically significant ($F(1, 248) = 87.02, p < .001$), confirming that accessibility is a significant predictor of rental value in Wuse Market.

DISCUSSION

The results demonstrate a statistically significant, moderately positive relationship between accessibility and the rental value of commercial properties in Wuse Market, Abuja ($R = 0.521, p < .001$). This aligns with established theory and empirical studies which posit that superior accessibility enhances a property's visibility, customer footfall, and logistical efficiency, thereby justifying a rental premium (Rossi & Chintagun, 2016; Yusuf et al., 2021).

The spatial analysis clearly shows a rental gradient, with the highest values concentrated in Block A, closest to major access points, and declining through Block B to the more peripheral Block C. This pattern is consistent with bid-rent theory, where commercial users are willing to pay more for centrally located, accessible land to maximise profitability (Alonso, 1964).

While the model confirms the importance of accessibility, the R^2 value of 0.271 indicates that other factors not captured in this model - such as shop size, tenant mix, property condition, and specific retail characteristics - also explain a substantial portion of rental value variance. The negative adjusted R^2 , though indicative of model simplicity relative to the complexity of market dynamics, does not negate the identified significant relationship. The highly significant F-statistic robustly supports the conclusion that accessibility is a key driver of rent in this context.

CONCLUSION

This study investigated the effect of accessibility on commercial property rental values in Wuse Market, Abuja. The empirical results confirm a statistically significant, positive relationship, demonstrating that properties with better access to major roads and market entry points command higher rents. The findings affirm that accessibility is a crucial determinant of commercial rental value within this dense urban market, influencing spatial patterns of rent distribution. Based on the findings, the following recommendations are proposed:

1. *For Urban Planners and the Abuja Market Management Board*

- a) Prioritise investments in road infrastructure and traffic decongestion strategies to improve overall market accessibility.
- b) Design and implement efficient pedestrian circulation routes and clearly signposted entry points.
- c) Develop dedicated parking facilities to alleviate congestion and enhance convenience for customers and suppliers.
- d) Consider accessibility metrics formally in the zoning and planning of commercial developments to promote equitable value distribution.

2. *For Government and Policy Makers*

- a) Facilitate access to low-interest credit facilities for small-scale shop owners and investors to encourage property development and upgrades within the market.

- b) Strengthen and enforce regulations governing infrastructure development around major commercial centres to ensure sustained accessibility.

3. *For Real Estate Practitioners and Investors*

- a) Integrate granular accessibility analysis - including precise distance to roads, parking, and pedestrian flow - into property valuation and investment appraisal models.
- b) Recognise properties with superior accessibility as premium assets with higher income potential.

4. *For Further Research*

- a) Future studies should employ more complex modelling techniques, such as hedonic pricing models or spatial regression, to isolate the specific contribution of accessibility while controlling for other property attributes.
- b) Research could be extended to other major markets in Nigeria for comparative analysis.
- c) Investigating the interplay between physical accessibility and emerging factors like digital connectivity (e-commerce logistics) would provide a more holistic view of modern commercial property valuation.

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