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The Factors Driving Changes in the Residential Property Market in Udoka Housing Estate, Ngozika Housing Estate and GRA AWKA ANAMBRA STATE (2020 - 2024)

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ABSTRACT

This study examines the factors driving changes in the residential property market in Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State. The objectives of the study are: to identify and analyze the main/major factor(s) driving changes in the residential property market in Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State. The study adopted the use of questionnaire, interview and document analysis. Descriptive analysis was used to summarise the data collected. Tables and simple percentages including Frequency Distribution, and Mean Ranking were used. The population of the study was 561 consisting of all stakeholders in the rental market of Awka. This includes Tenants, Landlords, Property Developers, and Real Estate Agents involved in the rental market. Since the study population has different characteristics, they were stratified and sampled for study. The analysis reveals that the security were ranked 1st as the major factor that derived change in the residential property market in Udoka Housing Estate, Ngozika Housing Estate and GRA AWKA ANAMBRA STATE also show that Economic Growth, Urbanization, Demographic Changes, Infrastructural Development and Security are the main contributing factors to changes in the residential property market in Udoka Housing Estate, Ngozika Housing Estate and GRA AWKA ANAMBRA STATE. The researchers conclude that while the residential property market in Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State offers numerous opportunities for investment and economic growth, effective urban planning and equitable housing policies are essential to ensure inclusive and sustainable development. Recommendations include promoting security.

Keywords: Residential Property, Economic Growth, Urbanization, Demographic Changes, Infrastructural Development and Security

INTRODUCTION

Real estate property just like every other commodity, has no value of its own if it does not have usefulness, this is vital to note from onset. If a property isn't scarce or desired, it lacks inherent worth. Property becomes significant only when it can satisfy human's housing needs and desires. However, it is this aforementioned man's collective need and desire for housing or shelter that gives rise to value. Hence, the ability of a property as an object to meet man's needs and wants in addition to its scarcity and utility when compared with other goods and services that result in man ascribing utility and value to such property.

The residential property market in Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State Nigeria, has witnessed significant changes over the past few decades. This transformation can be attributed to several factors which include economic growth, urbanization, infrastructural development, and demographic shifts. Understanding these trends is crucial for stakeholders such as property developers, investors, policymakers, tenants, and urban planners.

Economic growth has been a primary driver of the residential property market in Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State. With Anambra State experiencing economic development and security challenge, these have boosted the demand for residential properties in Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State. Eze and Kalu (2018), provide that economic stability and growth in the region have positively impacted the real estate market, leading to increased investments and higher property values.

Urbanization has also played a significant role in shaping the Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State. As more people move from rural areas to urban centers in search of better employment opportunities and living conditions, the demand for housing in urban areas has surged. This urban influx has necessitated the expansion of residential areas, influencing property prices, and availability (Oluwaseun and Ayodele, 2021; Muthengi et al., 2025).

Infrastructural development is another critical factor influencing residential property trends in Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State. The government's efforts to improve infrastructure, such as roads, water supply, electricity, and public amenities, have made the Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State more attractive to residents and investors. Umeokafor (2020) opined that the enhancement of infrastructure in Anambra State has led to a significant rise in property development activities, as better infrastructure increases property values and attracts more investments.

However, changes in family structures, such as the rise of nuclear families and single-person households as provided by Njoku and Okonkwo, (2019) have affected the types and sizes of residential property in demand.

The interplay of these factors has resulted in clear trends in the residential property market in Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State. These trends include a rise in the construction of multi-family housing units, increased interest in gated communities, and a shift (change) towards high-rise residential buildings to accommodate the growing population.

Additionally, understanding these trends is essential for making informed decisions in real estate investments and urban planning.

Review of the Empirical Studies

Factors Determining Residential Property Rental Value

Palmquist, (2020) provide that Changes in building method have an effect on the residential property. Value improvement in building techniques will necessarily result in a change in the value of the property. Proximity to good means of communication is a great factor a property needs to possess.

Increase or decrease in population will obviously affect the residential property value. If there is an increase in the total population, demand also increases which leads to an increase in rent and developers will be motivated to develop more properties.

Factors Affecting Residential Property Rental Value

Abraham (2020) provides that residential property value increase in value from the center of the city to the peripheral in an urban area but not in the case of gated communities, however many factors were found to have influence in the residential property value these factors include:

A. **Location:** A residential property's location significantly influences its **value**, which directly affects the level of **demand**. Prime locations command higher rental values. For instance, properties within gated communities that face major roads often fetch a premium at the edge of an estate. The fundamental principle guiding the placement of all private economic activities is **profit maximization**. Businesses and investments tend to gravitate towards locations where they can achieve the greatest relative advantage. Affable Homes Limited (2025) highlights Awka's profitable investment potential due to its strategic location between Onitsha and Enugu. However, their research doesn't elaborate on other contributing factors.
B. **Population Growth:** Changes in population trends directly influence the demand for residential property. An increase in the total population generally leads to a rise in demand for residential properties, consequently driving up property values. Conversely, a decrease in population would likely have the opposite effect.
C. **Cost of Construction:** These have been observed to have responded to inflation like other commodities in the market, the price of building materials has risen therefore affects the property value.

D. **Public Utilities:** Amenities such as electricity, water supply, and drainage system on a property will influence the value of such property. For instance, a tenant will be willing to pay higher rent for a residential property with adequate facilities and less on the other property with little or no facilities.
E. **Planning Control:** Planning as a control has a measure of significant effect on residential property market planning control policy use to restrict undesired development and to ensure the best rational use of the scarce land resources.

Determinant of Residential Property Rental Value

According to Anthony, Dabara, Oyediran, Guyimu and Oladimeji, (2023) study, grouped the variables determining property values into; environmental variables, neighborhood variables, accessibility (Location) variables and property variables. The factors mostly considered in the Nigerian property market as property value determinants apart from location include; institutional factors, social factors, technological factors, and economic factors (Anthony, et al. 2023).

Mackmin (2021), provides that the determinant of rental value of various residential properties is the rent actually paid for a similar property. Rent paid for other existing residential property may be used as the basis for rent determination for various properties. In a situation whereby a property has just been newly developed in a particular area and is to let out, the accurate rental value for which the property can be let may be determined by considering the rental value of similar existing residential property by relating to the occupied/similar properties in same neighborhood. Never the less, assessment of the property value within the residential property neighborhood in a city will adjudge the comparable land value (property value) within such area (Bjorklund, 2022) As such relatively slum area due to their characteristics and effect exerts to the city, they are expected to command a very low rental value because maintenance is the major problem couples with adequacy infrastructure and sewage facilities consequence as a result of the environment (slum areas) the land has no economic rent to provide revenue for the provision of amenities or infrastructure facilities (Watts, 2020).

Trends on Property Rental Values

According to Nwuba (2020), the need to analyze the movement of rents is premised on the fact that it would aid entrepreneurs in their planning and cash flow projections as well as assisting developers in proposed development projects and providing information for researchers. Bjorklund (2022) conducted a study on residential rent in Stockholm between 1990 and 1997, adopting an investor's perspective. Using rent equations, the study estimated whether rent levels differed across various locations, while keeping other rent-influencing variables (such as property age and improvements) constant. The findings indicated that rent levels indeed varied significantly between locations. While evidence supported the existence of such varied rents, the study did not consider the security of the area as a contributing factor. The situation in Scotland is quite different as no regular trend in office rents was observed. Moreso, there were fluctuations particularly between 1987 and 2002 (Langdon and Everest, 2021)

Iroham, Oluwunmi, Simon and Akerele (2014) found in the assessment of trend in rental values of residential properties along Oyemekun road, Akure Nigeria. In their work they compared trends in rental values of purpose-built offices, converted offices and shopping complexes and discovered that purpose-built office spaces commanded the highest rent and the highest rate of increase in rent. Oni (2019) tried to develop predictive models of commercial property rental values in Ikeja, Lagos State Nigeria. This study was necessitated by an arbitrary increase in rental values of residential properties along busy streets in Ikeja (Oni, 2019). Oni (2019) used polynomial regression models and spatial distribution of commercial properties values along arterial roads in Ikeja to develop a model that will assist Estate Surveyors and Valuers in practice to predict accurately future values of residential properties within the study area. However, Nwuba (2020) carried out an analysis of office rent movements in Abuja, Nigeria. The work focused on the Central Area of Abuja between 2000 - 2019 and it tried to determine if the rates of rental growth in the study area were significant. The study found out that retail rents in the study area had a positive relationship with building apartment rents, property outgoings, consumer price index and housing deposit-basis lease values, but a negative relationship

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with interest rates. Also, Mueller (2022) investigated real estate rental growth rates at different points in the physical market cycle in the United States. His result shows that the national average growth rates at each point in the cycle were statistically different. Finally, Baum (2019) worked on cycles and steps in the British commercial property values from 1974 - 1990.

Also, Omuojine (2020) in a related study on trends in rental values provided that urban rents in Nigeria have maintained upward movements in the previous two decades. In Ikeja, Lagos State Nigeria, due to the rate of increase in rental values of commercial properties along each arterial road which has become unpredictable leading to inability of Estate Surveyors and Valuers to accurately predict its trend, Oni (2019) focused on determining spatial distribution and providing models for predicting the trend of the values. In doing so, data (rental values over a period of 5 years, 2021-2017) were collected by interviewing Estate Surveyors and Valuers and Occupiers of commercial properties in the study area, analyzed using polynomial regression models and spatial distribution of commercial property values along the arterial roads were depicted on a value map. Models were also provided to assist Estate Surveyors and Valuers, real estate developers and financiers in predicting accurately future values of commercial properties along the arterial roads in the study area. Studies so far focused on assessing trends on property value. However, none of the studies have studied the factors driving changes in the residential property market in Udoka housing estate, Ngozika housing estate and GRA Awka Anambra State. This present study intends to fill this gap in that direction.

RESEARCH METHODOLOGY

This study involves both primary and secondary data. Validated structured questionnaire and interviews were used to gather primary data from respondents as well as document analysis for secondary data collection. The primary data are firsthand information that was obtained from field survey and interviews while secondary data were that of already published information which further applied to the study. Descriptive analysis was used to summarise the data collected. Tables and simple percentages including Frequency Distribution, and Scaling approach were used.

The scaling approach, particularly through the use of the Relative Importance Index (RII), is adopted to accurately measure and determine the actual position of respondents on a continuum of variables. This method involves rating variables against a scale to assess their individual significance. These scaled ratings are then transformed into a Relative Importance Index (RII) for each component, which allows for the ranking of different variables. In this study, respondents assigned weights to each variable and method, ranging from 1 to 5, with 5 representing the highest weight.

The population of the study was 561 consisting of all stakeholders in the rental market of Awka. This includes Tenants, Landlords, Property Developers, and Real Estate Agents involved in the rental market. Since the study population has different characteristics, they were stratified and sampled for study as shown in Table I below.

Table 1: Population and Sample Size

S/No.	Stratum	Population	Sample size
1	Stratum 1 Tenants,	350	227 (Using Kothari (2004), the Formula for estimating Sample Size)
2	Stratum 2 Landlords,	78	69 (Using Kothari (2004), the Formula for estimating Sample Size)
3	Stratum 3 Property developers,	10	10 (In respect of the sample size for the Property developers, Denscombe (2003) opined that a total enumeration survey is more appropriate for any population of less than 30 people or events.)
4	Stratum 4 real estate agents,	123	102 (Using Kothari (2004), the Formula for estimating Sample Size)
	Total	561	408

Source: Researchers field accessibility (2024)

Data Presentation and Analysis

Distribution of Questionnaire and Retrieval

Table 2: Questionnaire Administration and Retrieval

Respondents	Distributed	Retrieved	Not Retrieved
Tenants	227	215	12
Landlords	69	68	1
Property developers	10	10	0
Real estate agents	102	100	2
Total	**408**	**393**	**15**

Research Question 1

What are the main factors driving changes in the residential property market in **Udoka Housing Estate, Ngozika Housing Estate and GRA AWKA ANAMBRA STATE**?

Table 3: Main Factors Driving Changes in the Residential Property Market in Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State

Responses	Frequency	Percentage (%)
Economic Growth, Urbanization, Demographic Changes, Infrastructural Development and Security	389	9%
Investment Opportunities, Educational Institutions and Technological Advancements	4	1%
Total	393	100%

This table shows that 99% of the respondents accepted that the main factors driving changes in the residential property market in **Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State** are Economic Growth, Urbanization, Demographic Changes, Infrastructural Development, and Security; while 1% said the main factors driving changes in the residential property market in **Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State** are Investment Opportunities, Educational Institutions and Technological Advancements.

Research Question 2

Which of the followings among Economic Growth, Urbanization, Demographic Changes, Infrastructural Development and Security is the major factor driving change in the residential property market in **Udoka Housing Estate, Ngozika Housing Estate and GRA AWKA ANAMBRA STATE**?

Table 4 gave detailed analysis of the responses from each of the variables. Respondents' responses which were in terms of very important, important, moderately important, little important and not important for the Variables in table 4 was assigned 5, 4, 3, 2 and 1 respectively.

Table4: Major factor driving change in the residential property market in Udoka Housing Estate, Ngozika Housing Estate and GRA AWKA ANAMBRA STATE

Variables	Very important W = 5	Important W = 4	Moderately important W = 3	Little important W = 2	Not important W = 1	Total	RII	Ranking
Economic Growth	293 WF = 1465	55 WF = 220	45 WF = 135	0 WF= 0	0 WF = 0	393 (1820)	4.6	2nd
Urbanization	186 WF = 930	106 WF = 424	101 WF = 303	0 WF = 0	0 WF = 0	393 (1657)	4.2	4th

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Demographic Changes	169 WF = 845	222 WF = 888	2 WF = 6	0 WF = 0	0 WF = 0	393 (1651)	4.4	3rd
Infrastructural Development	233 WF = 1165	160 WF = 640	0 WF = 0	0 WF = 0	0 WF = 0	393 (1805)	4.6	2nd
Security	393 WF = 1965	0 WF = 0	0 WF = 0	0 WF = 0	0 WF = 0	393 (1965)	5.00	1st

Key: WF = Weighted frequency.

Table 4 showed that Security ranked first (RII = 5.00). This was followed by Economic Growth and Infrastructural Development (RII = 4.6). And followed by Demographic Changes (RII = 4.4). Then, followed by Urbanization (RII = 4.2). This goes to explain that the variables that ranked first with (RII = 5.00) were the major factors with respect to change in the residential property market in **Udoka Housing Estate, Ngozika Housing Estate and GRA AWKA ANAMBRA STATE**, that is not to say that other variables are not relevant because other factors contributed to the change but not as high as security.

DISCUSSION/CONCLUSION

The study revealed that the security were ranked 1st as the major factor that derived change in the residential property market in **Udoka Housing Estate, Ngozika Housing Estate and GRA AWKA ANAMBRA STATE** also show that Economic Growth, Urbanization, Demographic Changes, Infrastructural Development and Security are the main contributing factors to change in the residential property market in **Udoka Housing Estate, Ngozika Housing Estate and GRA AWKA ANAMBRA STATE.**

The researchers conclude that while the residential property market in **Udoka Housing Estate, Ngozika Housing Estate and GRA Awka Anambra State** offers numerous opportunities for investment and economic growth, effective urban planning and equitable housing policies are essential to ensure inclusive and sustainable development. Recommendations include promoting security which in turn will bring the following into effect.

i. Increased Property Value:

Strong security features like well-maintained locks, fences, and security systems contribute to a higher perceived value of the property for the investors and the residents.

ii. Higher Rental Rates:

Properties in secure estates often command higher rental prices due to the increased demand for safety.

iii. Reduced Fear of Crime:

A sense of security, even without actual crime, can boost property value as residents feel safer and more comfortable in their homes and as such attract more investors.

iv. Community Engagement:

Secure estates can foster a stronger sense of community as residents feel safer interacting and engaging with one another.

v. Economic Benefits:

Secure estates can lead to increased investment in the area, attracting more residents and businesses, and contributing to overall economic growth.

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