

Examination Of The Characteristics Of Specialized Properties In The Rural Areas Of The Senatorial Districts Of Ekiti State, Nigeria

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Abstract—The rural areas of Ekiti State, Nigeria has been witnessing an upsurge of specialized developments that range from residential to commercial, even to industrial developments making researchers to become inquisitive. Real estate by nature is attracted more to the urban areas because of locational advantages and it is considered not worthwhile therefore locating specialized developments in the rural areas as currently being witnessed because of lack of necessary facilities and amenities. Specialized developments are classified in this study as developments that are differentiated due to their special nature, opulence, size, design and land coverage. These properties are custom built, their types are rare hence they should not have been found in such rural locations. The special nature displayed and in the locations where they are sited has been making researchers to raise pertinent questions, some of which are: what are the characteristics of the specialized developments in the rural areas of Ekiti State? Are these characteristics the same all over the rural areas of the State? Are there policies put in place that encourage rural real estate development? What measures can be initiated that will make rural real estate sustainable? This study therefore aimed at examining the characteristics of the specialized properties in the rural areas of Ekiti State with a view to understanding why the property owners chose these locations ahead of urban areas on one hand and to consider whether the same opinions are held by the property owners in the rural areas across the three senatorial districts of the State on the other hand. Ekiti State is made up of sixteen local governments divided into three geo-political districts. Twenty questionnaires were distributed in each senatorial district out of which eighteen each were returned; this represents ninety percent response rate. The rural settlements sampled were chosen based on the availability of such specialized developments in the settlements. The study reveals that specialized developments in the rural areas of the three districts display identical characteristics. The study also revealed that the most dominant property type is residential property. This is followed by commercial properties of mixed use all built on lands that are well above 1200 square meters making them to be cynosure of eyes as they dominate their environment.

Keywords—Specialized Properties, Rural Areas, Senatorial Districts, Mixed Use.

Introduction

Property development is a process by which land or buildings are developed in a way that their values are enhanced. It is defined as the construction, reconstruction, improvement of an integrated cluster of buildings enjoying facilities and services in relation to land. These activities as observed in Yardney (2023) are very complex, however as expressed in Oladipo, Oni (2012), this is the main cause of the physical development of the environment. Real estate development has been taking place in the rural areas from time immemorial. Sprawling developments were earlier on limited to palaces, educational facilities and places of worship. Of recent however, specialized developments are finding their ways to the rural areas more in a manner expected and in all forms. Idike (1992), Adelakun (2013) claimed that property development in the rural areas is embarked upon more for the betterment and transformation of the lots of rural population. NEST (1991) claimed that such developments create the foundation for healthy, political, social and economic relationships among the rural residents.

A rural area is observed as the countryside, a geographical region which is situated in outer cities and municipalities which characteristically is of low population density and with poor infrastructure (Statistics Canada, 1999). They are also seen as non-metropolitan areas (Filani 1993, Haruna 2000, Akpan 2012). Rural areas are very common in all the senatorial districts of Ekiti State. Here, demand is low and capital appreciation poor, how the interplay of non-favourable factors can yield the expected satisfaction to the property owners has remained a thing of concern to researchers because of the risks faced. Poorvu (2003) opined that investors must approach real estate investment with an understanding of the risks involved such as sub-standard life support systems, infrastructural decay and poor health which are among factors affecting property values negatively (Adebayo 2006, Jacob 2008).

Despite the observed inadequacies, rural areas still operate from the perspective of social, cultural, political and economic perspectives (Alaneme, 2000; Madu, 2010 and Gulumser, 2007). Some recent developments in the senatorial districts are noted to be so special by nature, size, design, land coverage

and opulence. These properties are custom built with their types being rare. Unlike urban properties, the developments are distinguished but the market data upon which to base any comparison with others are scarce and insufficient (French, 2004). Even where property owners might need to carry out appraisals of these developments for economic purposes, proxies based on market analysis are faced with insufficient market data as comparison with similar properties in the neighborhood is impossible.

The Study Area

The three senatorial districts sampled in this study are Ekiti North, Ekiti South and Ekiti Central Senatorial Districts. Despite the state of insufficient infrastructure, these areas have continued to be considered as locations for siting specialized properties.

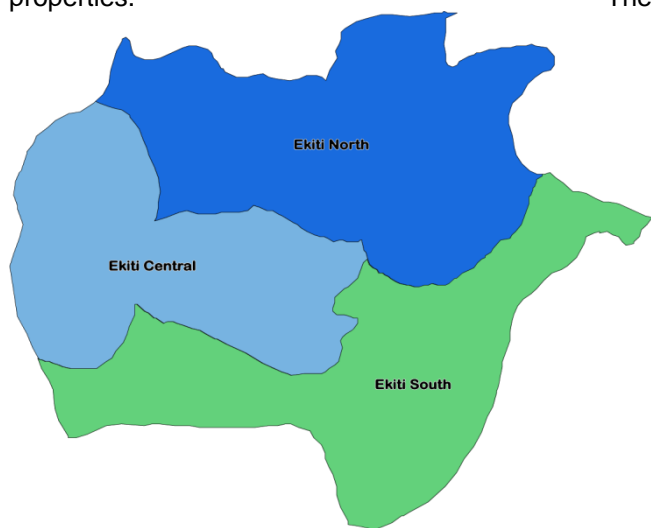


Fig. 1: Map of Ekiti State showing the three Senatorial Districts

Source: INEC Office, Ekiti State.

proliferation of sizeable building projects in the rural areas of these districts where economic yardstick cannot be the primary aim for investing needs to be examined as real estate investment wherever it takes place have been observed to be very capital-intensive making property owners to depend on borrowed capital.

Ekiti State has a land area of about 6,353 km² and it is ranked 31st in terms of land area in Nigeria. It was created on 1st October 1996 and made up of 16 Local Government Councils out of which 6 makes up the South Senatorial District, 5 constitute Northern Senatorial District and 5 falls within the Central Senatorial District. The State is located between longitude 50⁰45'1" East of the Greenwich Meridian and latitudes 40⁰15'1" and 80⁰51'1" North of the Equator and comprises of about 70% rural dwellers. The land in the State falls under the management of the Ministry of Land, Housing and Urban Development. Major developments in the rural areas of Ekiti are mainly through the hands of private owners.

Theoretical Background

1. Concept of Rural Property Development.

Property development involves the construction, addition, removal and renewal of existing developments in a manner that the built environment is being changed to fit personal, governmental and society needs. This process according to Madichie and Madichie (2009), are done in phases from initiation through evaluation, design, costing and disposal. Property development consist of new apartments, townhouses, roads, office buildings, shopping complexes, flyovers, hotel and industrial buildings. In terms of use, these developments are categorised as commercial, residential, Industrial, recreational and religious developments.

The effect of overconcentration of facilities and amenities in the urban centres was known to have led to the drift of man-power and able-bodied men from the rural areas to the urban area (Gaonkar and Bhojane, 2013). As a result of these, economic activities were made to concentrate in the metropolitan districts to the disadvantage of the rural regions where basic infrastructural facilities and services such as good transportation, telecommunication networks, power, water and healthcare that represent a foundational tool for property development (Spacey, 2017) are largely absent, a new trend has emerged therefore. The instability in the urban areas because of poor safety or security is leading to a reverse in human movement making non-economic factors become more important. In Ekiti State and going by the number of physical developments that are being sited despite being characterized by low earnings, low capital formation, low savings, poor infrastructural facilities, poor health, bad roads and erratic electricity, the need has arisen to determine the strength of non-economic factors in real estate development.

2. Factors That Influence Rural Property Development.

Researchers have put forward some factors as responsible for real estate development in the rural areas. Olajide, Bello and Alabi (2012) listed eight of such factors as being:

- i. Physical suitability of the land for development in consideration of soils, hydrology, and slopes.
- ii. Legal prohibitions and governmental guidelines (zoning and other land use controls).
- iii. The placement of other nearby developments and the current land use trends.
- iv. Access, which includes being close to interstates.
- v. The distance to potential job sources.
- vi. Distance to the nearest store.

vii. Accessibility of amenities such as water, restaurants, shopping malls, parks).

viii. Consideration of neighbourhood factors such as the age of the nearby housing stock, nearby schools and places of worship.

3. Players in Rural Real Estate Investment

At the centre of the concept of rural real estate investment are three players that stand as the hub of rural real estate development; therefore, they dictate the pace and the success of the investment. The players are:

I The Property Owner (Investor)

Wikipedia.com sees an Investor as anyone who invests his time and capital in real estate - whether actively or passively. The success of the investment depends on his knowledge and experience which he uses in driving his purpose to commit his capital and other resources in the investment. If there is any probability that the purpose of investment shall not be achieved, his intention to invest would stop. The investor determines the purpose of the investment – either economic or any other purpose best known to him.

II The Land

The decision to invest predicated on the availability of land. Land is the prerequisite for any development, it can be purchased directly from the land owners or obtained from the Ministry through allocation or could be through gift or inheritance. Land determines location and provides the space for the development.

III The Finance

The ability to raise the needed capital which can be through personal or family savings (equity contribution) or from the capital market (borrowed fund) is very important. Availability of fund is what will encourage the investor to go further in his quest to invest. Though investors in real estate are interested in recouping invested capital, this is not the case in specialized rural development as the investor is guided by non – economic factors.

4. Characteristics of Specialized Properties in the Rural Areas of Ekiti State

Real estate developments are termed as either commercial, residential, industrial, recreational or religious developments. These developments are always necessary (Galor & Weil, 2000) due to changes in population, technology, tastes and political/cultural motives. These developments operate under some peculiar characteristics which serves as the differentiating factors. Property owners therefore consider these factors before they take the decision to invest. The characteristics are that:

- i. specialized developments are of historical significance
- ii. opulence and beauty differentiate each from proximate buildings

iii. specialized properties are hardly sold in property market

iv. interest of owners in making the properties cynosure of eyes makes the locations the best

v. required size of land for development makes the choice of rural areas inevitable.

vi. size (height, complexity) is special compared to other proximate developments

vii. tax reduction makes rural locations more attractive

viii. The design fits perfectly to rural location

Methodology

Research Design

The research problem in this study is mainly quantitative in nature hence the research design adopted is that of survey adopting survey questionnaire. The target population comprise of selected owners of specialized developments in the selected communities of the Senatorial Districts. The sampling frame for selected developments is 36 at 12 per Senatorial District. The owners that were served with the questionnaires having been identified through a pilot survey. Questions were made to centre on the characteristics of specialized properties as listed. As stressed in Israel (2003), total census is adopted to make the margin of error to be minimal.

For the condition of rurality to be adhered to, all settlements sampled are chosen not to be a Local Government Headquarters, so the influence of Government is reduced. Table 1 shows the details of sampled developments.

Table 1: Distribution of Sampled Properties in the Study Area

Senatorial District	LGs Sampled	Settlements
Ekiti North	Ido/Osi Ilejemeje Oye	4
Ekiti Central	Irepodun/Ifelodun Ekiti West Efon	4
Ekiti South	Gbonyin Emure Ekiti East	4
Total		12

Source: Researcher's pilot survey

Data Analysis, Discussion and Presentation of Findings

1 Response to questionnaire Distribution

Table 2 shows the responses of the owners of the specialized properties to the questions on the characteristics of specialized properties posed in the questionnaire. The responses were analyzed and presented as shown in Table 2.

Table 2: Number of Questionnaires Distributed and Retrieved.

Respondents	Number distributed	Number Collected	%
Ekiti North	12	12	100
Ekiti Central	12	12	100
Ekiti South	12	12	100
Total	36	36	100

Source: Field survey, 2023

Table 2 shows that 36 questionnaires were distributed across the 3 Senatorial Districts at 12

Table 3: Characteristics of specialized properties in the selected rural areas of Ekiti State

Characteristics of Developed Properties	Northern Senatorial District		Central Senatorial District		Southern Senatorial District	
	Frequency	%	Frequency	%	Frequency	%
Property Type Mostly Developed						
Residential	9	75.0	7	58.0	7	58.0
Commercial	2	16.7	2	16.8	2	16.8
Industrial	1	8.3	1	8.4	1	8.4
Recreational	-	-	1	8.4	1	8.4
Religious	-	-	1	8.4	1	8.4
Total	12	100.0	12	100.0	12	100.0
Purchase from Family Owner						
Family Land	5	41.6	3	25.0	4	33.3
Gift	2	16.7	2	16.7	5	13.9
Inheritance	0	0.0	1	8.3	2	5.6
Government Allocation	2	16.7	3	25.0	7	19.4
Total	3	23.0	18	25.0	10	27.8
Total	12	100.0	12	100.0	12	100.0
Availability of Electricity						
Available	12	100.0	12	100.0	12	100
Not Available	0.0	0.0	0.0	0.0	0	0.0
Total	12	100.0	12	100.0	12	100.0
Size of Land						
Less than 600 ^{m2}	0	0.0	0.0	0.0	0.0	0.0
600 ^{m2} – 1000 ^{m2}	2	16.7	1	8.3	2	16.7
1001 ^{m2} - 1200 ^{m2}	4	33.3	2	16.7	2	16.7
1201 ^{m2} and above	6	50.0	9	75.0	8	66.6
Total	12	100.0	12	100.0	12	100.0
Type of Access to the Site						
Dual Carriage Way	0	0.0	0	0.0	0	0.0
Single Tarred Road	3	25.0	4	33.3	2	16.7
Untarred Road	8	66.7	7	58.4	8	66.6
Foot Path	1	8.3	1	8.3	2	16.7
Total	12	100.0	12	100.0	12	100.0
Age of the Property						
1 to 2 years	2	16.7	4	33.4	1	8.3
3 to 4 years	8	66.6	7	58.3	10	83.4
5 to 6 years	2	16.7	1	8.3	1	8.3
Total	12	100.0	12	100.0	12	100.0
No of Floors						
1 Floor	2	16.7	3	25.0	4	33.4
2 Floors	8	66.6	8	66.7	6	50.0
3 Floors	2	16.7	1	8.3	2	16.6
Above 4 Floors	0	0.0	0	0.0	0	0.0
Total	12	100.0	12	100.0	12	100.0

Source: Field survey, 2022

questionnaires each. All the 36 questionnaires were obtained representing 100%. The questionnaires were distributed directly at the locations of the properties which makes collection easy.

2. Characteristics of specialized properties in the sampled senatorial districts

The characteristics of the specialized developments in the sampled rural areas of the Senatorial Districts is presented in Table 3

Table 3 covers the characteristics of developed specialized properties in the selected rural areas of the 3 Senatorial Districts of Ekiti State. The survey dealt with characteristics that are common to all sampled developments starting from the type of properties mostly developed and mode of acquisition of land for the development. The table revealed that the developers in the rural areas of the Northern Senatorial District mostly obtain land through purchase from family owners (41.6%), Government allocations (25%), family lands and through inheritances (16.7%). In comparison, the owners in Central Senatorial District mostly obtain land through inheritance (25%), Government allocation (25%), direct purchase (25%), family land (16.7%) and even through gifts at 8.3%. The Developers in Southern Senatorial District were found to rely more on direct purchase from owners at 33.3% and Government allocations also at 33%. Other sources are through inheritances at 16.8%, family lands and gifts at 8.3% respectively. Generally, the table revealed that developers in both Central and Southern District sourced land from all possible sources unlike for Ondo developers that does not get land through gift. Very important to this study is the general opinion of the developers in all the districts under study. The consensus is that most land used by the developers were obtained through direct purchase from the owners of such lands (33.3%). This is followed by Government allocation at (27.8%) and inheritance at (13.9%) respectively; the least source is gift which occurs at (5.6%).

Of importance to this study is the sizes of land used by the developers in the construction of their developments. Specialized investments as defined were said to be buildings with opulence and that they enjoy ample of space beyond what they might enjoy in the urban areas. The table revealed that most of the magnificent developments are done on land that are well above 1200m² in all the districts at 50%, 75% and 66.6% respectively on lands above 1200m² which indicates availability of sufficient land; in fact, none of the buildings is done on land less than 600m².

Location and access are very important factors to be considered in real estate development. The investments in question here are special in nature. The study is inquisitive in finding out how developers would want to choose rural areas ahead of urban areas. The scenario of the type of access to the locations of the developments revealed that none of the villages has a dual carriageway passing through. 25%, 33.3% and 16.7% of the access to the sites in Northern District, Central District and the Southern District of Ekiti respectively have good single tarred road connecting them to larger settlements. It was also displayed that 66.7%, 58.4% and 66.6% of the sites are linked up by poor, single tarred roads. On the average, it was found out that 66.7% of the access to the developments are on poor single roads though covered with tar macadam, the table also revealed

that 8.3% of the developments are connected by dusty tracts of roads.

This study also observed the facilities and infrastructure available in the villages. Supply of electricity (power) is important. The respondent owners have only 16.7%, 25% and 25% of power respectively coming from the Public main and reliance on generators and other means of electricity being 83.3%, 75% and 75% respectively. On the average, it was revealed that up to 75% of power consumed is provided by investors through generating plants. This shows that a lot of cost goes on power/electricity by all the developers. The table also shows that water either through borehole or well is provided solely by all owners and that 33.3% of such developments are connected to the outside world through internet facilities.

Analyzing the ages of the developments - which has a direct relationship with the physical condition/obsolescence level, most of the developments have their ages below 4 years. 16.7%, 33.4% and 8.3% of the specialized developments respectively in the districts have their ages below 2 years, 66.6%, 58.3 and 83.4% were built between 3 and 4 years ago. The above indicates that 83.3%, 91.7% and 91.7% of the sampled developments were constructed less than 4 years ago. This goes on to confirm that these forms of developments are recent.

Another criterion for the measurement of the complexity of the specialized buildings outside age is the number of floors the properties afford. From the table, it is observed that 16.7%, 25% and 33% of the buildings respectively are bungalows. This does not in any way indicate that the properties are simple in nature as some of them are sprawling and dense in construction. 66.6%, 8.3% and 16.6% respectively are on two floors while 16.7%, 8.3% and 16.6% are on three floors. Generally, 58.3% reveals that majority of the developments are on two floors. This is important because such developments are rarely expected to be built in rural areas.

Further observations reveal the magnificence of these developments. Questions were asked from the owners of the kind of materials they used in the constructions. 33.3%, 41.7% and 50% of the developers respectively claimed to have used sandcrete blocks, 41.7%, 50% and 33.3% of the respondent developers claimed to have used reinforced concrete to build and 25%, 8.3% and 16.7% employed steel construction infilled with blocks. All these indicate that the developments are strong and can stand the test of time.

Conclusion

The study investigated the recent upsurge in specialized rural property development in the senatorial districts of Ekiti State to create a framework through which the influence of non-economic factors can be evaluated in specialised property development in the rural areas. The study therefore examined the

various characteristics of the special properties developed in the different rural areas of the senatorial districts. The research showed that residential properties are the most developed properties in the sampled rural areas. Furthermore, the research revealed that the developments of such nature are historical and show opulence and will eventually result in accelerated economic growth and development as well as the transformation of the socio and spatial structure of the different rural regions.

It is therefore concluded based on the findings of this research that financial and economic motives alone do not dictate the development/construction of real estate but that other non-economic factors also influence real estate development as the returns and motives may also be non-pecuniary. Thus, it is imperative to note that irrespective of the nature and purpose of real estate development, it is important that necessary facilities and infrastructures be put in place to ensure adequate development of real estate and aid the provision of real estate services while aiding the economic growth and development of the area.

Recommendation

Based on the findings of the study, the following are therefore recommended.

- i. Non-economic factors should always be adequately considered while planning for real estate development.
- ii. The provision of adequate facilities and infrastructures to further aid real development in the rural regions is paramount.
- iii. Mortgage facilities and funding should be more readily available for rural real estate development.
- iv. The Government should empower the grassroots in harnessing the development of the rural areas.
- v. Government at all levels – most especially the Local Governments should continue to encourage local real estate development and provide incentives for such development since it aids rural growth and development.

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