

**A COMPARATIVE STUDY OF RESIDENTIAL AND COMMERCIAL
PROPERTY INVESTMENT PERFORMANCE AMID POST COVID-19 IN
AUCHI**

BY

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**BEING A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF
ESTATE MANAGEMENT AND VALUATION, SCHOOL OF
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**IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE
AWARD OF HIGHER NATIONAL DIPLOMA (HND) IN ESTATE
MANAGEMENT AND VALUATION.**

NOVEMBER, 2022

DECLARATION

I hereby declare that this research project has not been previously submitted by me for a degree at this or any other institution, and further that it is my own work in design and in execution and that all material contained therein has been duly acknowledged by means of complete references.

Declaration by:

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Signature and Date

CERTIFICATION

We the undersigned hereby, certify that this project work: **“A COMPARATIVE STUDY OF RESIDENTIAL AND COMMERCIAL PROPERTY INVESTMENT PERFORMANCE AMID POST COVID-19 IN AUCHI”**: written by **Onagwa Felix** with Matric no.: **ENV/2082070075** in partial fulfillment of the requirement for the award of Higher National Diploma (HND) in Estate Management and Valuation.

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DEDICATION

I dedicate this research work to God Almighty for his unending love, mercy and grace towards me and to my late brother Onagwa Reuben.

ACKNOWLEDGEMENT

Am grateful to God Almighty for his love, care and protection.

My appreciation goes to my project supervisor DR. Adjekophori B. for his support, assistance and encouragement in the completion of my project. My gratitude also goes to my Head of Department ESV. Ojeh P.A Parcy (ANIVS, RSV) and to all the lecturers in the Department of Estate Management, Auchi Polytechnic, Auchi.

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ABSTRACT

The study comparatively analyse residential and commercial property investment performance amid post covid-19 in Auchi. The survey research design was adopted; the close-ended questionnaire was administered using a quota and simple random sampling technique to 200 owners/occupiers of commercial and residential properties in Auchi and 133 were retrieved. Data collected were analyzed using relative importance index and weighted mean score and are presented in tables. The result of the findings revealed that bed sitter, one bedroom and tenement were the major types of residential properties while Retail store is the major types of commercial properties in the study area. The study also discovered a yearly upward increase in average rental value of residential properties in single room, self-contain, one bedroom and three bedroom and also a fall in the average rental value of two bedroom in the year 2021 while for commercial properties, a fall in the average rental value of retail store in the year 2020. The study also revealed that increase demand, urbanization and return on investment were the major factors that influence residential properties investment while urbanization, road accessibility and land availability were the major factors that influence residential properties investment in the study area. The study also shows that rent default, financial aspect, lack of co-operation from the tenant and improper selection of tenant are the most important challenges face by property manager who manage commercial while financial aspect, improper usage of property, improper selection of tenant and service charge account are the most important challenges face by property manager who manage commercial in the study area. The study recommended that properties investor should invest more on bed sitter, one bedroom, tenement and retail store as these are the major types of commercial and residential properties in the study area. Property investor should also ensure proper screening of tenant and always make available fund for property maintenance as these will reduce the problem of property management

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The COVID-19 pandemic is having a devastating impact on economic activity as the gross domestic product (GDP) decreased at an annual rate of 32.9 percent in the second quarter of 2020 (Bureau of Economic Analysis, 2020). Basirat (2020), noted that the covid-19 lockdown involves a limitation (or total restriction) on the movement of people to places of work, commerce, school, leisure, and so on. As a result, in the real estate sector, property agencies have had fewer opportunities to conduct physical inspections with prospective occupants or new clients.

According to Cheung, Yiu and Xiong (2021), the lockdown orders has inevitably disrupt the search processes of property buyers and subsequently lengthen sale completions. Covid-19 related factors should also introduce market frictions to the matching process and negatively affect the transacted prices and liquidity (Cheung *et al.*, 2021). Fang, Long, and Yang (2020), also report a significant decline in mobility following the lockdown orders at the start of Wuhan's pandemic. Such market frictions can be characterised as a negative demand shock where buyers cannot conduct an optimal search and bidding process. Intuitively, therefore, one may conjecture that the contagion rate of covid-19 and the subsequent shutdowns would negatively affect real estate investment (D'Lima, Luis & Archana, 2020).

According to Igbinsosa (2011), real estate was originally seen as a legacy which parents bequeath to their descendants but with the realization that real estate is a major source of capital appreciation and a good hedge against inflation, the real estate market is coming close in popularity and importance to the money and capital markets. However, one of the most challenging problems facing real estate investors is the choice from the myriad of investment opportunities and options (Matthew, 2012). Opportunities abound in residential, commercial and other sectors of real estate investment. Consequently, it is necessary for prospective investors to make choices out of various real estate investment sectors. The significance of comparative assessment becomes obvious when considering the increasing need to evolve judicious investment decisions and the need to protect investors' investment against the ravages of risk (Matthew, 2012). Ng, Lim, Lau and Yuen (2017), noted that real estate or property

investment has become a popular investment opportunity all over the world because of its peculiar or unique characteristics; it is believed that returns on real estate investments appreciate in real terms, even in adverse economic situations. It is a low-risk investment asset whose value is believed to appreciate even during economic downturn thus, a good source of portfolio diversification capable of preventing unsystematic risks (Nittayagasetwat & Buranasiri, 2016).

Investment in real estate is regarded as a specialized form of investment which involves the highest risks, and so requires the highest skills to provide the highest returns (Nwankwo, Kalu, & Igwe- Kalu,2018). Therefore, before investing in real estate, it is essential to consider the characteristics of the proposed real estate investment because the performance of those characteristics will impact the performance of the investment. For instance, when considering a real estate investment, one of the most important criteria apart from location is the type of property. An investor needs to ask himself whether the underlying properties are, for example, residential, shopping malls, warehouses, office towers or a combination of any of these (Ryder, 2012). Each type of real estate has a different set of drivers influencing its performance therefore; an investor cannot simply assume that one type of property will perform well in a market where a different type is performing well. The measurement of risks and returns are the variables for determining the performance of real estate investments (Diala, Nissi & Ezema, 2019).

According to Matthew (2012), the study of performance of real estate investment, whether residential or commercial, is very important at this time when emphasis is on investment performance analysis in many parts of the world. This is even more important in Nigeria where only few studies have been carried out on the level of performance achieved by property investment. Moreover the impact of the ongoing changes in the global and local economy on the performance of real estate investment is serving to highlight the need for its careful consideration in the investment decision making process (Matthew 2012).

Due to the presence of the institution of learning in Auchi, there have been a remarkable increase in residential and commercial property investment. With the recent global economic crisis as a result of Covid-19 pandemic and its attendant consequences on the residential and commercial real estate investment in Nigeria. There is therefore a need to compare residential and commercial property investment performance amid post Covid-19 in Auchi.

1.2 Statement of the Problem

The alarming rate of increase in residential and commercial properties investment due to their performance has provoked some academic scholars and researchers into carrying out researches in the area of residential and commercial property investment performance. Studies that are closely related to this study include:

Boshoff and Cloete (2010), examine the interrelationship between the performances of direct real estate investment and listed property shares in South Africa and the finding showed that there was a strong correlation between direct and securitised real estate investment in the study area for the period under assessment. Kerrigan (2014) carried out a study that provided an overview of property investment performance in the United State of America between 1983 and 2012 and the study revealed that equity real estate investment trusts outperformed direct real estate investment on the basis of average annual returns on investment. However, apartment real estate outperformed other assets. Kampamba and Nnang (2016) conducted a study comparing return on real estate investment with return on capital investment to provide potential investors in Botswana with information on the performance of direct and securitised real estate investments and the results of the study showed that the return on investment in real estate was higher than that of stocks and shares. In conclusion, it is worth noting that most of the literatures reviewed above are research conducted in a more advanced economy whose property markets are more mature than the Nigerian real estate market. Therefore, it may imply that the results or findings of these studies may not be adequate to judge the performance of real estate investment in Nigeria. The studies conducted in Nigeria on the subject matter are reviewed in the next subsection.

Mfam and Kalu (2012) which examined the return and risk attributes of residential and commercial real estate investments in Calabar, Southeast Nigeria and the results revealed that commercial properties performed better than residential properties on the bases of return and risk during the period under assessment. A comparative analysis of the performance of residential and commercial real estate investments in Ilorin was conducted by Oyewole (2013). This study covered the period 2000 to 2011; focusing on average return, risk-adjusted return,

earnings growth and capital appreciation. The results showed that retail commercial real estate investments outperformed residential real estate investments with an average annual return of 14.2% and 11.8% respectively. Mbah and Udobi (2019) examine the comparative performance of commercial and residential property investment in Awka in Anambra state with relative to risk and interrelationship between 2008 and 2017 and the results of the study indicated that investing in commercial property was better than investing in residential property. The performance of residential and commercial property investments in the city of Enugu from 2010 to 2017 was conducted by Diala *et al.* (2019) and the results showed that commercial property investments performed better than residential property investment for the period investigated.

Yusuf, Nurudeen and Omolola (2021), review the studies conducted on property investment performance in Nigeria with the aim of providing a clear insight into the trend, authors' affiliations, performance measurement techniques and the geographical focus of these studies and discovered that revealed that nominal rate of returns, Sharpe index and coefficient of variation were the common performance measurement indices often adopted by majority of the previous authors.

Muhammad, Salihu, Henry and Yakubu (2022), Performance of residential property investment returns in an emerging metropolitan area. The awareness, use and gender inequality and Findings from the study show that total returns for residential property range from 6.99% to 14.44% with risk-return ranging from 20.92% to 51.54% within the property market

From the literature reviewed above, it is clear that none of the studies on residential and commercial property performance was carried out in Auchi and none of the study was carried out after the Covid-19 pandemic. It is on this noted that the study seeks to compare residential and commercial property investment performance amid post Covid-19 in Auchi.

1.3 Research Questions

1. What are the various types of commercial and residential properties in Auchi?
2. What are the difference in the rental value of residential and commercial properties during and after Covid-19 pandemic in the study area?
3. What are the factors that could influence residential and commercial properties investment in the study area?
4. What are the challenges face by property manager who commercial and residential properties in the study area?

1.4 Aim and Objectives

The aim of this study is to comparatively analyse residential and commercial property investment performance amid post Covid-19 in Auchi. To achieve this aim, the following objectives are raised;

1. To identify the various types of commercial and residential properties in Auchi.
2. To identify the difference in the rental value of residential and commercial properties during and after Covid-19 pandemic in the study area.
3. To examine the factors that influence residential and commercial properties investment in the study area.
4. To ascertain the challenges face by property manager who commercial and residential properties in the study area.

1.5 Significance of the Study

The study will reveal the real estate investment with the best performance amid post Covid-19 which will help residential and commercial property investors in making the right decision in the course of making the right decision on commercial and residential real estate investment. The study will provides information on the influences of real estate investment decisions and provide information of how those factors can enhance real estate investment decisions. The study will also promote professional practice in residential and commercial properties management and valuation. It will also add to the body of knowledge in residential and commercial property investment performance. This study also becomes very necessary considering the fact that information in respect to residential and commercial property investment performance amid post Covid-19 which is lacking within the domains of estate surveyors and valuers in the study area shall be explore. It will also be useful to property investors as it reveal to them the best form of real property investment (commercial or residential) with the highest rate of demand after Covid-19 pandemic. This study could also be useful to future researchers and student of Estate Management and Valuation who will want to undertake a study similar to this study.

1.6 Scope of the Study

The scope of this study is divided into two perspectives. The thematic scope and the geographical scope, the thematic scope will deal on the various types of commercial and

residential properties, the difference in the rental value of residential, the factors that could influence residential and commercial properties investment and commercial properties during and after Covid-19 pandemic and the challenges face by property manager who commercial and residential properties in the study area. The geographical scope of the study will cover Iyekhe girls and poly road, Auchi.

1.7 Limitation of the Study

1. Lack of adequate materials
2. Lack of finance.

1.8 The Study Area

Auchi is the second-largest city in Edo State, Nigeria with coordinate of 7.0669⁰N, 6.2748⁰E, after Benin City, the state capital. Auchi is in the Etsako West Local Government Area of Edo State and is also the headquarters of the Local Government Area which comprises Auchi, Uzairue, South Ibie, Agbede and The Anwain Clan. The language spoken by the Auchi people is Afenmai (Afemai) (Yekhee). It is an Edoid Language dialect or variant although the language is commonly referred to by the same name as which the people are also referred to: Auchi here are a varied historical accounts relating to the origins of the Auchi people, for all intents and purposes the most popular of these legends asserts that a mass migration from Udo in present-day Benin City led by a man called Uchi accompanied by his family and followers headed north and finally settled for the relative calm of the Guinea Savannah belt known today as Etsako land. This migration is believed to have taken place in the mid-15th century, during the reign of Oba Ewuare of the Benin Kingdom. This period in the Benin Empire was characterized by constant wars and incessant strife.

Language: The language spoken by the Auchi people is Afenmai (Afemai) (Yekhee). It is an Edoid Language dialect or variant although the language is commonly referred to by the same name as which the people are also referred to: Auchi.

History: There are a varied historical accounts relating to the origins of the Auchi people, for all intents and purposes the most popular of these legends asserts that a mass migration from Udo in present-day Benin City led by a man called Uchi accompanied by his family and followers headed north and finally settled for the relative calm of the Guinea Savannah belt known today

as Etsako land. This migration is believed to have taken place in the mid-15th century, during the reign of Oba Ewuare of the Benin Kingdom

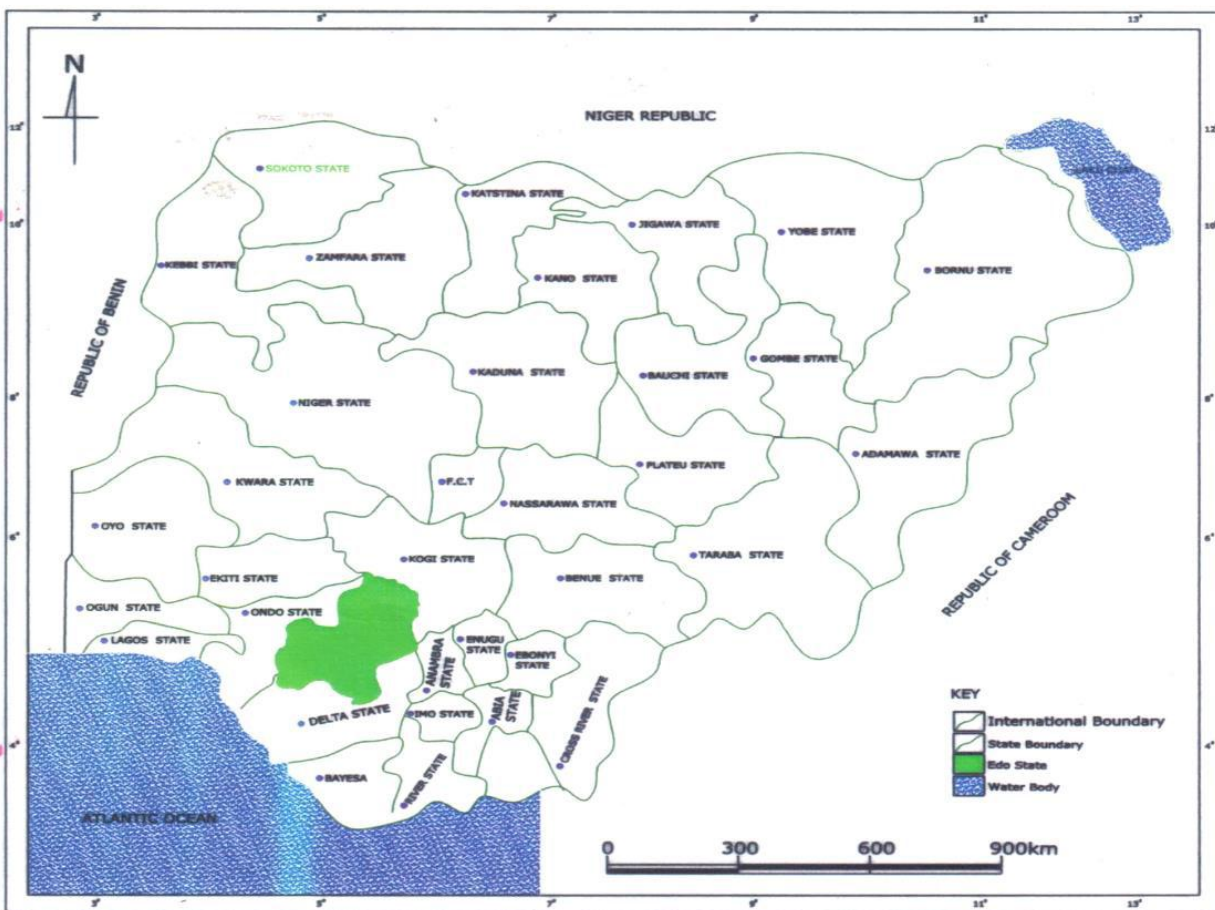
Geography: Auchi town is divided into five grand quarters which could also be referred to as districts; these are in turn made up of 25 villages. The five grand quarters are:

- Utsogu
- Akpekpe
- Aibotse
- Igbhei
- Iyekhei

Religion: Auchi historically is an Islamic enclave, and still has a predominantly larger population of Muslims than Christians. Since the early 1990s there has been a rush of Christian churches setting up base in Auchi and the surrounding towns, this has pushed the religious composition within the community to a 70% Muslim and 30% Christian mix. The very welcoming and hospitable nature of the Auchi people has to a very large degree contributed to the cultural and religious diversity in Auchi.

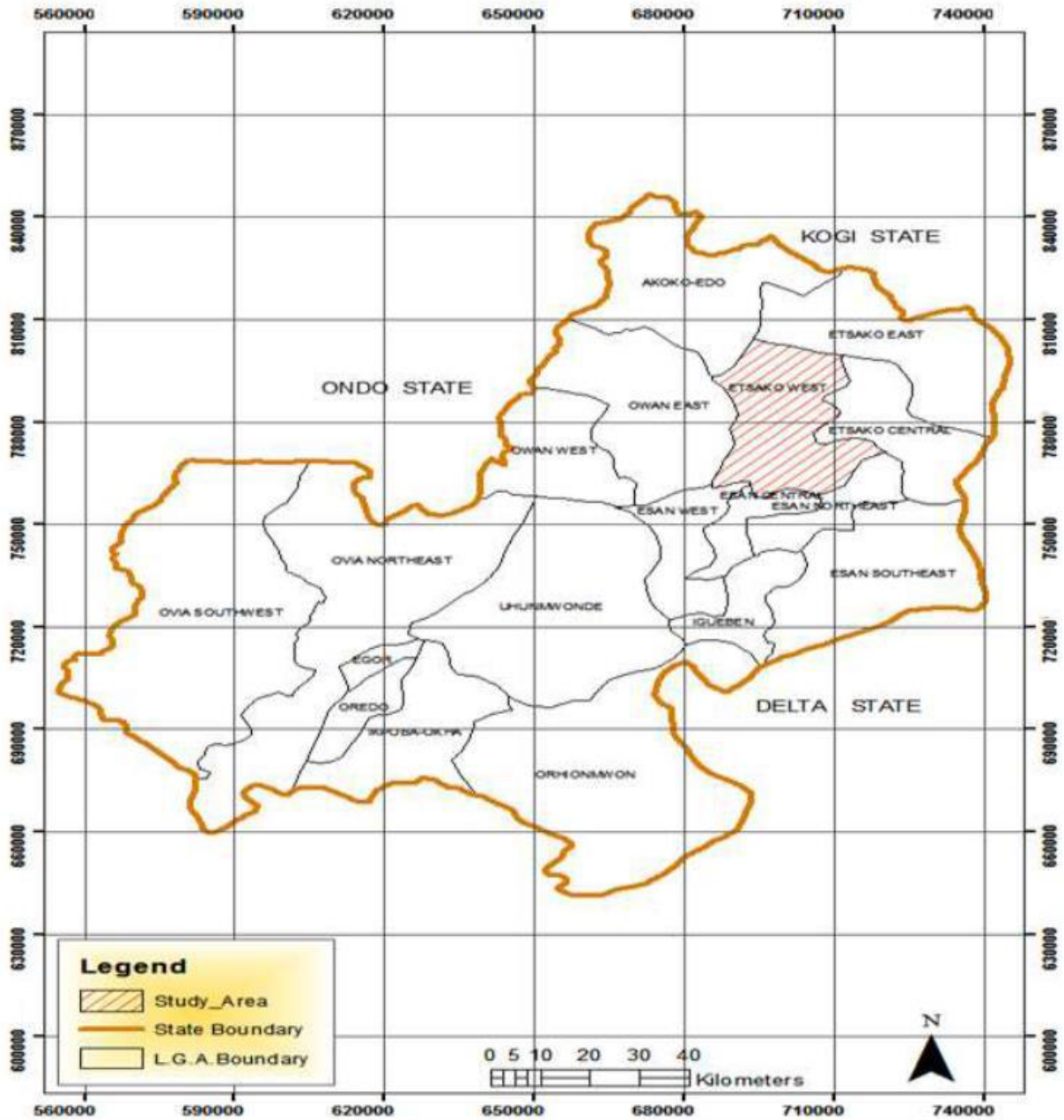
Population: The population grew to 42,638 by 1952, including people from many Nigerian tribes. As of 1995, its population was 140,612. And as of 2005–2006, the population is 152,652.

Figure 1.1: Map of Nigeria Showing Edo state



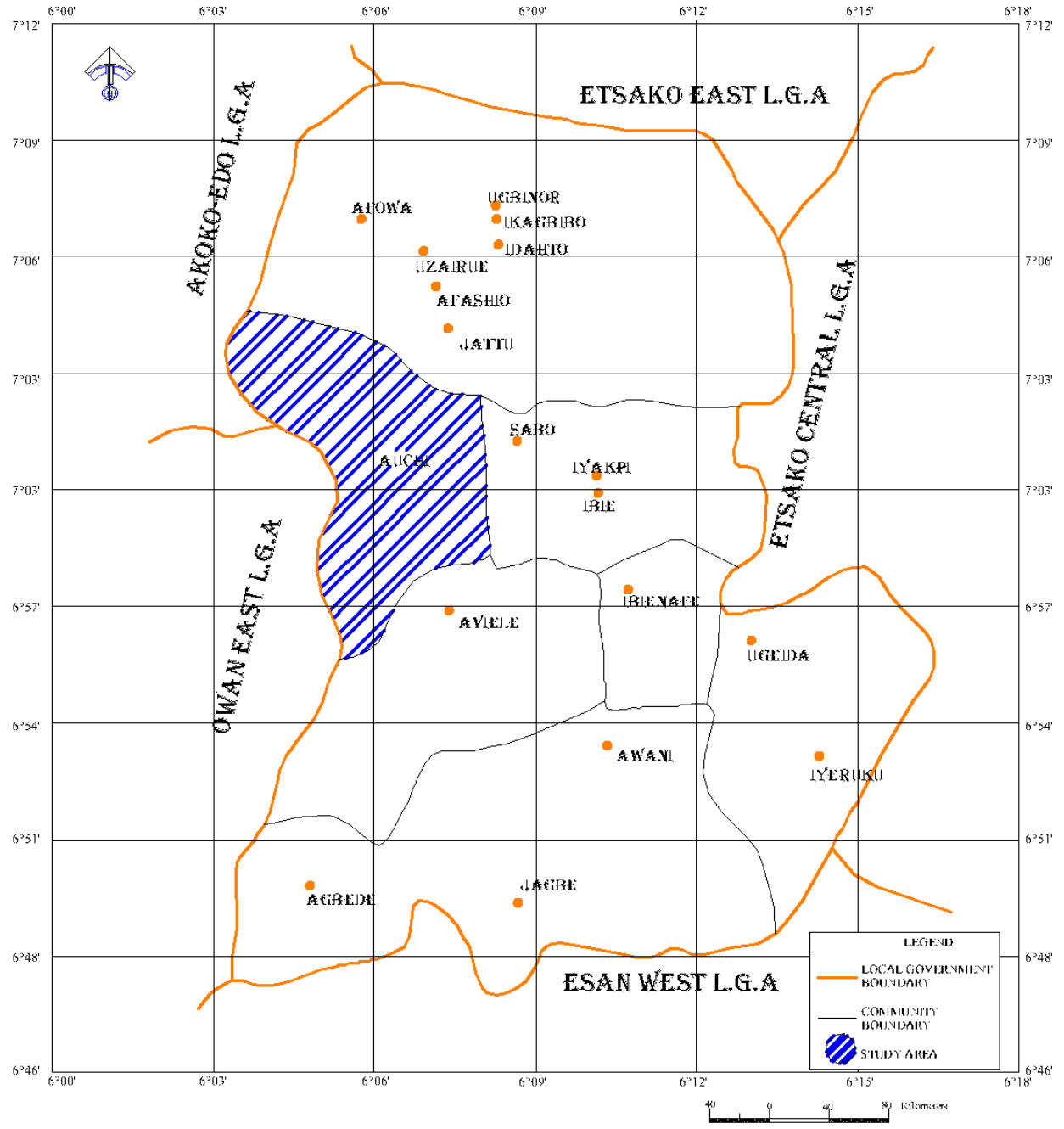
Source: Ministry of Lands, Survey and Urban Development, Benin City, Edo state 2022.

Figure 1.2: Map of Edo state showing Etsako West



Source: Ministry of Lands, Survey and Urban Development, Benin City, Edo state 2022.

Figure 1.3: Map of Etsako West showing Auchi



Source: Ministry of Lands, Survey and Urban Development, Benin City, Edo state 2022.

1.9 Definition of Terms

- 1 Real estate: This is a land along with any permanent improvement attached to the land, whether natural or man-made (Investopedia, 2021).
- 2 Covid-19: This is a contagious disease caused by severe acute respiratory syndrome coronavirus. (Wikipedia, 2019).
- 3 Property: This is used to indicate the right which a man may have to use or enjoy something and sometimes indicate the thing itself which he enjoys or uses (Nwakaji & Ohiro, 2014).
- 4 Residential properties: These comprise of every class of dwelling accommodation which is otherwise known as housing (Nwankaji & Ohiro, 2016).
- 5 Commercial property: These are properties that are basically used for trading (buying and selling) (Nwakaji & Ohiro, 2014).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is based on the review of literatures which are related to the objectives of the study. The chapter looked at the meaning and concept of commercial properties, the meaning and concept of residential properties, the meaning and concept of rental value, meaning and concept of rental trends, the factors that influence real estate investment decision, financial knowledge and investment decisions and the challenges of real estate property management

2.2 The meaning and concept of commercial properties

In real estate, commercial property is property used to make commercial profits, including shops, malls, office buildings and industrial parks. Commercial Property is divided into several types of offices, shops and industrial property. There are different categories with their own purpose. Offices used for the conduct of business, the provision of professional services or other administrative and government activities. Shops are either a shopping complex or a retail outlet for consumption purposes (Ball, Lizieri & MacGregor, 2012).

Commercial property can be seen as a building or land that is use for business it is also define as real estate approved and designed for retail or wholesale trade, hotel, restaurant, offices, clinics, shopping malls, stores, warehouses, light manufacturing, and other such uses but not for residential purposes. Also called commercial facility. James (2018), suggested that the term commercial property is too elaborate to be define, however he said that commercial property refers to real estate property that is used for business activities. Commercial property usually refers to buildings that house businesses, but it can also refer to land that is intended to generate a profit, as well as larger residential rental properties. The designation of a property as a commercial property has implications on the financing of the building, the tax treatment and the laws that apply to it (Udechukwu, 2006; Nwachukwu & Emoh, 2013; Udechukwu & Olusola, 2008). According to Malys (2012), commercial properties refers to buildings or land intended to generate a profit, either from capital gain or rental income. It includes office buildings, industrial property, medical centers, hotels, malls, retail stores, farm land, multifamily housing buildings,

warehouses, and garages. Nwakaji and Ohiro (2014), broadly divided commercial properties into two which are;

1. Shop: the pattern of shops varies widely e.g. mobile shops, supermarkets, chain-stores, departmental stores etc. generally, the value of any given shop depends on location, position and physical characteristics, to mention but a few.
2. Office premises: these are premises used for offices which may be converted dwelling houses, a part of mixed development or purpose built office accommodation.

2.3 The meaning and concept of residential properties

According to Nwankaji and Ohiro (2016), residential property comprise of every class of dwelling accommodation which is otherwise known as housing. Sunday, Kola and Oluwole (2012), viewed Residential property as every class of dwelling accommodation which is otherwise known as housing. Residential property is seldom called housing which can be further expressed in terms of density as low, medium and high; settlement as rural, semi-rural and urban (Olajide *et al.*, 2013). Sunday *et al.*, (2012), added bungalows, duplexes, detached, semi-detached, self-contained and block of flat as the types of residential properties.

Ighodalo (2011), unveil that duplex, detached buildings, semi-detached investment, are regarded as a more secure type of investment because such properties are usually occupied by reputable tenants who have the means to keep the property in good condition and pay rent as at when required and also the management of this class of properties are less troublesome compare to tenement property that are usually multi-tenanted, intensively used and high default in rent payment because of the several tenant.

2.4 The meaning and concept of rental value

According to Kuye (2009), rental value as the monetary return which an investment in a property can reasonably be expected to command for the use of the particular property. Ighodalo and Omorogieva (2009), noted that rental value of a particular property could be actual or notional. It is actual when the property is let on lease and the tenant is paying a rent for its use and occupation. There is a notional rental value when an owner of a property occupies it himself; in which case, although he will not obviously pay a rent, the notional rent is the figure, which he would otherwise have to pay to acquire the use of similar property. As an occupier, the value of

the property to him should also be at least as great as the market rental value, otherwise he would be better off letting it on the market. Thus if a property is not rent, it is possible to estimate the full rental value (be it owner occupied or it in vacant and available to let).

Rental value according to Ighodalo and Omorogieva, (2009) could further be viewed from the understated two perspectives;

- (a) Rent currently being paid (rent passing): this means the annual price paid by the tenant for the right of use and occupation of a particular property. This rent will form a reasonable guide if it is equivalent to the full rental value depending on when it was fixed and some other factor bothering on the letting terms. The rent actually paid can be known by reference to the deed of lease signed between the landlord and the tenant (Ighodalo & Omorogieva, 2009).
- (b) The full rental value of property: this is also referred to as rack rent. It is the highest rent that a property can command in the open market (Salau, 2012).

2.5 Meaning and concept of rental trends

Rental Movement tends to be varying from one geographical area to another regardless of the fact that the grade of the properties might be similar (Mark & Charles, 2016). Rental trend is a general term often used to explain the movement of rent or the steady change in the market price of real property over a given period of time, this change in price could be ascending or descending in the market which could be due to speculation, change in taste and fashion, improve living standard and other economic factors or reasons (Anthony & Daniel, 2016). Iroham, Oluwunmi, Simon and Akerele (2014), noted that a trend can be downward or upward, horizontal or vertical depending on the series of related changes that are identified and projected into a plausible future. When such trends are based on rental values then the observation will be confined to any evident changes in rent patterns. Rents passing on properties are bound to be influenced variedly due to the heterogeneity of real estate (Iroham *et al.*, 2014).

Mark and Charles (2016) examine the rental trend of commercial properties in Nakasero area of kampala city and observed an upward increase in rental value between 2004 to 2014. Nwuba (2008), carried out an analysis of office rent movements in Central Area of Abuja between 2000 to 2007 and it showed a steady but upwards movement of rent. Lawal and Agidi (2016), examine

residential housing rental values and infrastructural development in Osogbo and found a considerable increase in rental trend between 2005 and 2014.

Ekpo and Udoh (2021), examine the trends in commercial property's rental value, capital value and returns from 2011 to 2020 in Uyo metropolis, Nigeria and observed a yearly upward increase in rent. Iroham *et al.*, (2014) assess the trend in rental values of commercial properties along Oyemekun road, Akure, Nigeria and discovered a considerable increase in rent from 2007 to 2011. James (2018), examine rental growth of commercial property investment in Calabar between 2010 to 2018 and discovered a significant increase in rent. Iroham, Udonquak, Peter and Okagbue (2020) comparative analyse the rental values in slums and adjoining neighbourhoods in Ijora Badia, Ijora Oloye, Ijora Olopa and Ijora 7up, Lagos observed an upward increase in the rental trends between 2012 – 2019 and decrease between 2010 and 2011.

2.6 The factors that influence real estate investment decision

Factors that influence residential property investments decisions as stated by Siddhant and Shivam (2020), includes rate of interest, Urbanization, inflation rate, member's contributions, benefit payment, return on investment (ROI), investment in Government securities etc. However, the factors that would lead an investor in the decision-making process to invest in a residential property as noted by Tan (2012b) are as follows;

1. Locational factors

Good locational attributes are generally linked to the proximity and accessibility towards local amenities such as school, shopping malls and transportation centers (Clark *et al.*, 2006; Kauko, 2007; Levine, 1998; Tan, 2011b). Elder and Zumpano (1991) argued that the price of land and house is reflected in good locations or areas that are near to schools, shopping centre and public transports. Daly *et al.* (2003) claimed that location has a major impact on buyer's preference in purchasing residential properties in Australia, UK and Ireland. Distance is described as a factor that affects buyer's preference in the decision making of property buyers, such as distance to workplace, schools, shops and central business districts (CBD). The distance to home from workplace is largely considered when choosing a property to invest in. Karsten (2007) and Tu and Goldfinch (1996) stated that the distance from the workplace has been found to affect household choice among residents preferring not to spend too much time travelling to work.

Furthermore, Kauko (2003) identified that location has a strong correlation with the increment of property value and behaviours in property investment.

2. **Neighbourhood factors**

Coguill (2008) defined neighborhood as a space in which residents live together for a common interest. As stated by Tan (2011), a home that is situated in a good neighborhood would be preferable as households are willing to pay more for the house with good indoor and outdoor environmental qualities. Studies by Chapman and Lombard (2006) and Tan (2011) stated that neighborhood environment, such as cleanliness, pollution and crime are important factors before deciding on the purchase of a property. It is of prime importance that safety in the neighborhood is the main concern for property purchasers in Malaysia nowadays due to an increase in the trend of crimes such as burglary and snatch thefts. According to Hunter (1985) and Lang and LeFurgy (2007), homeowners are willing to pay more to live in a gated and guarded neighborhood to attain a greater peace of mind. Similarly, investors would have to look into the property in the gated and guarded neighborhood in order to make sure they are getting the most for their investment. Gated-guarded properties usually come with a price tag. Asiedu and Arku (2009) mentioned that with CCTV installed along the fences and security personnel guarding the vicinity would bear greater costs associated with the maintenance of the gated guarded property. Additionally, there is a common perception among people that a gated and guarded housing estate reflects an individual's ranking or income (Blakely & Snyder, 1998; Tan, 2010). People choose to live in a gated and guarded community for the elite image that is projects along with the desire for differentiation. This is because the gated and guarded community is said to symbolise and crate ranking on the social ladder.

3. **Structural factors**

Structural attribute considers all physical conditions as well as the quality of the property. The number of rooms or bathrooms in a house is a feature that one considers before making home-ownership decisions, particularly in western countries (Hurtubia *et al.*, 2010). Common structural attributes consist of size of living hall and dining hall, built-up size, and number of bedrooms and bathrooms (Arimah, 1992; Fierro et al., 2009; Laakso

& Loikkanen, 1995; Tan, 2012; Tiwari & Parikh, 1998; Tse & Love, 2000; Wilhelmsson, 2000). It is generally believed that buying a property for own use and buying an investment property has different criteria. Investors generally prefer smaller properties especially apartments and flats because these properties have always been more popular among tenants (Kohler, 2013).

4. **Financial factors**

The financial attribute is also taken into consideration by property investors. As mentioned by Reed and Mills (2006), several key areas regarding the financials are identified. These include mortgage interest rates, household income, house price, and ability to obtain financing. As an investor, the financials might be the utmost important factor among all factors. This is because the financials are often involved with money in which investors would want to gain from their investment. In the case of homeowners, the financials accounts almost 30 percent of the decision for them when purchasing a house (Reed & Mills, 2006).

In Malaysia, the ability to obtain financing has now been stricter since January 2010. It is because the housing loan eligibility must now be based on net income rather than gross income. Also the Central Bank of Malaysia has lowered the loan-to-value (LTV) ratio to 70% for the third property onwards. As such, investors now may find it harder to obtain financing and it may dampen their ability to purchase more residential properties. Karsten (2007) mentioned that affordability is a major factor in terms of making purchasing decisions of a residential property. Therefore, the financial factors would play a significant role in making investment decisions.

In the recent Malaysian Budget 2014, the government has taken certain cooling measures to curb speculative activities in the housing market. The recent budget has announced the increase in the rate of property speculation tax, known as Real Property Gains Tax (RPGT) with effect from 1 Jan 2013. There is a 30% RPGT for properties sold within 3 years of ownership, followed by 20% in 4th year and 15% in 5th year, respectively. According to Lim (2013), the upward revision on the RPGT would affect the property market in the short run and it decreases property purchasers to speculate in the long run.

Additionally, the recent government budget has also imposed curbs on the Developer Interest Bearing Scheme (DIBS). DIBS has become a popular and easy financing package offered in joint-promotion activities between banks and developers in recent years as the scheme allows a low barrier to entry for property purchases, enabling property buyers to purchase without having to make any payment until the property is fully constructed. Property investors would have to pay interest on the project that they invested into now due to the effect of this abolishment. Interest rates, such as the base lending rate (BLR) are directly correlated with the housing market as the sensitivity of change in interest rates may affect the demand for properties (Tan, 2010).

5. **Financial Knowledge and Investment Decisions**

The financial knowledge is taken into consideration by property investors to make property investments. Financial knowledge of the investors contributed 30 percent on the investor decision to buy a property (Reed & Mills, 2006). As mentioned by Reed and Mills (2006), mortgage rates, household income, house price and ability to obtain financing are several key areas regarding financials. Financial can become a very important factor as it often involves money in which investors would want a gain from their investment (Sean & Hong, 2014).

Jayanthi and Narsis (2019), itemize the following factors that influence properties investment decision;

6. Land Availability
7. Easy to land acquisition
8. Land security
9. Profit motive
10. Road accessibility
11. Property rates and taxes
12. Increase Demand
13. Prestige and visibility

2.7 The challenges of real estate property management

The challenges of real estate property management as highlighted and explain by Onyekwelu (2009) are as follows

1. **Financial Aspect:** The little rental income from the various units of accommodation in a multi-tenanted low income residential property comes at different times. This is not easy to accumulate funds to effect needed repairs because most often no service charge account is maintained. Apart from the fact that some tenants may be unable to pay their rents several months after their tenancies have become due, the property may also be the only source of income for the landlord. In such a situation, the property manager will constantly be under pressure from the landlord to remit to him whatever amount is realized to solve his personal and family problems while all outstanding maintenance request are shifted to a later date. Such repairs if ever they are effected may take place some months or even years after they were detected especially when they are not of emergence nature, like leaking roof.
2. **Improper Usage:** Improper use of property may again lead to deterioration which if not promptly checked could prove fatal for the building. Due to acute problem of housing especially in urban cities, an accommodation unit meant for three (3) persons often end up accommodating ten (10) persons. The first noticeable effect is usually a run on the amenities apart from the long-term effect on the building members and structure. The result is constant breakdown and before long it will become uneconomical to continue to repair it. If there is no alternative source of water in a building, the effect on the building is immediate and may be in the form of unflushed toilets, blocked sinks and drains.
3. **Lack of Infrastructural facilities:** There has been general inadequacy of infrastructural facilities in multi-tenanted properties. The erratic and fluctuation supply of electricity and acute shortage of water have in most cases affected residential property management. It causes a drastic increase in the maintenance cost. The maintenance cost of the facilities is very high on the overall, increased costs of maintenance reduce income accruing to the property. All these problems however make the responsibility of managing low income residential properties time consuming, labourious and less rewarding.
4. **Service Charge account:** In most multi-tenanted low-income properties, no service charge account is maintained. Essential services such as lightening and cleaning of common parts, clearing the drains and gutters, etc pose serious problems for the property manager. Service charge account should be maintained for such properties. This will

ensure that the property is well taken care of, as the money in the service charge account would be used to maintain the facilities and other services.

5. **Wanton Destruction of Property:** Some tenants vandalise the property before vacating it. When some tenants vacate their premises, it is often peculiar to find out that the property is deliberately left in shambles and in an un-lettable condition. Some tenants go as far as removing all fixtures and fittings which they met in the premises. Sometimes electric wires and cables are left exposed dangerously in most parts of the premises. Such acts of destruction regrettably make the responsibility of the property manager burdensome. Legal actions taken against such irresponsible tenants by the property manager normally takes time to remedy the situation. In a situation where the tenant packed and left the town completely, there is nothing the property manager can do.
6. **Nuisance to other Tenants:** From time to time, multi-tenanted properties encounter tenants whose behaviour constitutes nuisance to other tenants. Examples are careless attitudes, quarrelsome, noise making, dirty habit and wrong parking of cars thereby causing obstructions to other tenants.
7. **Lack of co-operation from the tenant:** Ignorantly, some tenants see property manager's functions as only to protect and enforce landlords' wishes on them without any consideration for the rule of law or recourse to the covenants between the parties. Importantly they see property managers as instrument by the landlord to increase rent or eject tenants. This view is however very parochial. Thus they tend to frustrate the efforts by the property manager to have reasonable co-operation from them at initial stage of take over. In fact, some will openly declare before the landlord and the representative (s) of the landlord (property manager) not to give necessary co-operation. h)
8. **Technical Factor:** Getting qualified and experienced technical manpower to carry out certain types of repairs poses a lot of problems. Many building technicians claim to be experts in repairs yet a single roof leakage may take several attempts before the leakage is stopped. Sometimes, the property manager may be negligent in supervising the artisans while they are working. This is because the income accruing to the property manager from the property is so meager that it cannot pay for his services to constantly and adequately supervise the ongoing repairs. Supervision of ongoing repairs to ensure not only that the job is completely and thoroughly done but that the right types of materials

are used is very essential. Furthermore, due to low motivation or very tight work schedule, the property manager may fail to visit a particular building despite repeated complaints from tenants. By the time he eventually gets there, the situation may have either gotten out of hand and a great deal of damage may have occurred which could have been curtailed.

9. **Problem of rent increase at tenancy renewal** Overtime, some tenants have enjoyed payment of rent below market rates, due to landlord's ignorance of market rentals, familiarity with the landlord or lack of proper maintenance, hence, rental increment cannot be contemplated thus, where a professional manager take rent over, encounters problem upon introduction and/or demand for market rent from sitting tenants. Consequently the tenants form a "union: to combat the property manager on the new rent whilst also listing several demands on repairs as ridiculous as internal decoration which is primarily a tenant's responsibility. Their demand could also include improvement on available facilities within the premise.
10. **Problems of outstanding claims and / or expenditure made on the property by tenants.** Due to several factors including shortage in accommodation supply, many tenants take up properties in a hurry without necessary checks on issues such as repairs, accumulated bills consumed by the past tenants and so on. Some of these issues always drag for sometime and mostly cause a lot of argument and problems between the landlord and tenants; in most cases, the landlord would insist that the new tenant carry out the repairs while the tenant would reluctantly agree, only to deduct the cost from the subsequent rent. This act would definitely be rebuffed by the landlord, which would then lead to a dispute. It now becomes a task for the property manager to resolve the resultant impasse thereof. How this is resolved would also depend on the skill and experience of the property manager.

CHAPTER THREE

RESEARCH METHODOS

3.0 Introduction

In this chapter the procedure and method used in carrying out the research study was considered. This is done under the following sub headings: Research design, population of the study, sample frame and sample size, sampling technique, instrumentation for Data collection, Data collection procedure and method of data analysis.

3.1 Research Design

To every research study, there is a research design most appropriate for it. In the case of this study, the descriptive survey research design is considered most appropriate as it attempt to document events in their natural settings without the manipulation of any variable and also it investigates problems in the present.

3.2 population of study

For the purpose of this study, the targeted population will be the household head occupiers/owners in the five grand quarters of Auchi namely Utsogu, Akpekpe, Aibotse, Igbhei and Iyekhei. 80 household head occupiers/owners will be selected in each of the five grand quarters of Auchi making it a total of 400. These forms the population of the study.

3.3 Sample Frame and Sample Size

The sample frame adopted for this study will be occupiers/owners occupying commercial and residential properties in the five grand quarters of Auchi namely Utsogu, Akpekpe, Aibotse, Igbhei and Iyekhei. 80 household head occupiers/owners will be selected in each of the five grand quarters of Auchi making it a total of 400. Therefore, the sample frame will be 400.

The sample size was calculated using The Taro Yamane (1976) statistical formula for determining sample size. The formula is stated below:

$$n = \frac{N}{1+N(e)^2}$$

Where: N = Population of the study/sample frame

e = Level of significance

n = sample size

Therefore,

$$N = 400, e = 0.05, n = ?$$

$$n = \frac{400}{1+400(0.05)^2}$$

$$n = \frac{400}{1+1}$$

$$n = \frac{400}{2}$$

$$n = 200$$

Therefore, from the above calculation, the sample size was 200 from the sample frame of 400.

3.4 Sampling Technique

A combination of Quota and Simple random sampling technique will be adopted. A quota of 20% is selected for each of the quarters in Auchi. It therefore means that Utsogu, Akpekpe, Aibotse, Igbhei and Iyekhei will have a quota of 40 each. The Simple random sampling technique will be adopted for the actual selection of the respondents because it gives each element in the population equal chance of being selected in the sample.

3.5 Instrumentation for Data collection

The instrument used for the collection of data will be a structured survey questionnaire. The close ended form will be use, using the 5 (five) point likert format which are Strongly Agree (SA); Agree (A); Neutral (N); Disagree (D); Strongly Disagree (SD) in order to get responds to questions. The questionnaire will be in two sections. The section A captured the bio-data of respondents while section B will centered on the research objectives. 200 copies of the questionnaire representing the sample size drawn from the study population of 400 will be distributed.

3.6 Method of data analysis

The descriptive and inferential statistical tools will be adopted for data analysis. descriptive statistical tools include frequency table and percentage while the inferential statistical tools such as weighted mean score and relative importance index will be used for the analysis of the research objectives, as shown in the table below

Table 3.1: showing the analytical tools to be adopted.

S/N	Objectives	Analytical tools
1	To identify the various types of commercial and residential properties in Auchi.	Relative importance index
2	To identify the difference in the rental value of residential and commercial properties during and after Covid-19 pandemic in the study area.	Trend analysis
3	To examine the factors that influence residential and commercial properties investment in the study area.	Weighted mean score
4	To ascertain the challenges face by property manager who manage commercial and residential properties in the study area.	Relative importance index

Weighted mean score will be determined using

$$WMS = \frac{5n_5 + 4n_4 + 3n_3 + 2n_2 + n_1}{N}$$

Where: N = total number of Respondents

N₅ = Number of respondent who answered strongly agree

N₄ = Number of respondent who answered agree

N₃ = Number of respondent who answered neutral

N₂ = Number of respondent who answered disagree

N₁ = Number of respondent who answered strongly disagree

Relative importance index will be determined using

$$RII = \frac{5n_5 + 4n_4 + 3n_3 + 2n_2 + n_1}{5N}$$

Where: N = Total number of Respondents

N₅ = Number of respondent who answered strongly agree

N₄ = Number of respondent who answered agree

N₃ = Number of respondent who answered neutral

N₂ = Number of respondent who answered disagree

N_1 = Number of respondent who answered strongly disagree

CHAPTER FOUR DATA PRESENTATION AND ANALYSIS.

4.0 Introduction

This chapter presented the analysis, interpretation and discussion of findings from data obtained from the field. Data from the 133 copies of the questionnaire retrieved are presented and analysed below with the accompanying findings.

Table 1: Questionnaire Distributed and Retrieved

S/N	Questionnaire	Frequency	Percentage
1	Number distributed	200	100
2	Number retrieved	133	66.5

Source: Field survey, 2022

A total of 200 questionnaires representing the sample size was administered to the respondents and 133 questionnaires representing 66.5% were retrieved. The table above showed the analysis of the questionnaire distributed and retrieved.

Table 2: Showing Socio-Economic Characteristics

S/N	Gender	Frequency	Percentage
1	Male	59	44
2	Female	74	56
	Total	133	100
	Age bracket	Frequency	Percentage
1	17 years and below	0	0
2	18 – 28 years	9	7
3	29 – 39	81	61

4	40 years and above	43	32
	Total	133	100

	Academic Qualification of Respondent	Frequency	Percentage
1	primary leaving certificate	1	1
2	SSCE/WAEC	29	22
3	OND/HND	40	30
4	BSC/B.Tech	52	38
5	M.Sc/M.Tech	2	2
6	Ph.D	0	0
7	Others	9	7
	Total	133	100

	Property type	Frequency	Percentage
1	Residential	86	65
2	Commercial	47	35
	Total	133	100

	Place of residence	Frequency	Percentage
1	Utsogu	28	21
2	Akpekpe	23	16
3	Aibotse	27	20
4	Igbhei	24	18
5	Iyekhei	31	23
	Total	133	100

	Duration of property ownership/occupation	Frequency	Percentage
1	2 years and below	29	22
2	3 – 5 years	56	42
3	6 – 8 years	41	31

3	9 years and above	7	5
	Total	133	100

Source: Field survey, 2022

Table 2 shows the Socio-Economic Characteristics of the respondents. The table reveals that the male respondents are 74 representing 44% while female are 59 representing 56%. This reveals that the female respondents are more than the male respondents. The table also showed that 81 respondents representing 61% are within the age bracket of 29 – 39 years, 43 respondents representing 32% are between 40 years and above while 9 respondents representing 7% are with the age bracket of 18 - 28 years.

For Academic qualification of the respondents, 1 respondent representing 1% is a primary leaving certificate holder, 29 respondents representing 22% are SSCE/WAEC holders, 40 respondents representing 30% are OND/HND holders, 52 respondents representing 39% are BSC/B.Tech holders, 2 respondents representing 2% are M.Sc/M.Tech holders, 0 respondents representing 0% are Ph.D holders while 9 respondents representing 7% had others qualifications such as NCE and B. ED. This reveals that majority of the respondents are educated and could answer the question correctly. The table also reveals that majority (65%) of the respondents are residential property owners/occupiers while 47 respondents representing 35% are commercial property owners/occupiers. For the place of residential property ownership/residence, majority of the respondents (23%) own/occupied residential/commercial property at Iyekhei, 28 respondents representing 21% own/occupied residential/commercial property at Utsogu, 27 respondents representing 20% own/occupied residential/commercial property at Aibotse, 24 respondents representing 18% own/occupied residential/commercial property at Igbhei while 23 respondents representing 16% own/occupied residential/commercial property at Akpekpe. For the duration of property ownership/occupation, majority of the respondents representing (42%) own/occupied the property for a period of 3 – 5 years, 41 respondents representing 31% occupied the property for a period of 6 - 8 years, 22% of the respondents occupied the property for a period 2 years and below while 7 respondents representing 5% occupied the property for a period of 9 years and above.

Objective 1: To identify the various types of commercial and residential properties in Auchi.

Table 3: Showing the various types of residential properties in Auchi.

S/N	Residential properties	SA	A	N	D	SD	RII	Rank
1	Bed sitter	71	50	10	0	2	0.88	1 st
2	One bedroom	63	45	22	3	0	0.85	2 nd
3	Tenement	60	52	15	2	4	0.84	3 rd
4	Two bedroom	61	38	25	9	0	0.83	4 th
5	Three bedroom	45	65	17	4	2	0.82	5 th
6	Four bedroom	39	54	21	17	2	0.77	6 th
7	Duplex	20	45	52	8	8	0.69	7 th

Source: Field survey, 2022

Table 3 shows the various types of residential properties in Auchi. Findings revealed that bed sitter, one bedroom and tenement were the major types of residential properties in the study area. These are ranked 1st, 2nd and 3rd with a relative importance index of 0.88, 0.85 and 0.84 respectively. Next in ranking are two bedroom and three bedroom. These were ranked 4th and 5th with a relative importance index of 0.83 and 0.82 respectively. The least ranked types of residential properties in the study area are four bedroom and duplex. They were ranked 6th and 7th with a relative importance index of 0.77 and 0.69 respectively.

Table 4: Showing the various types of residential properties in Auchi

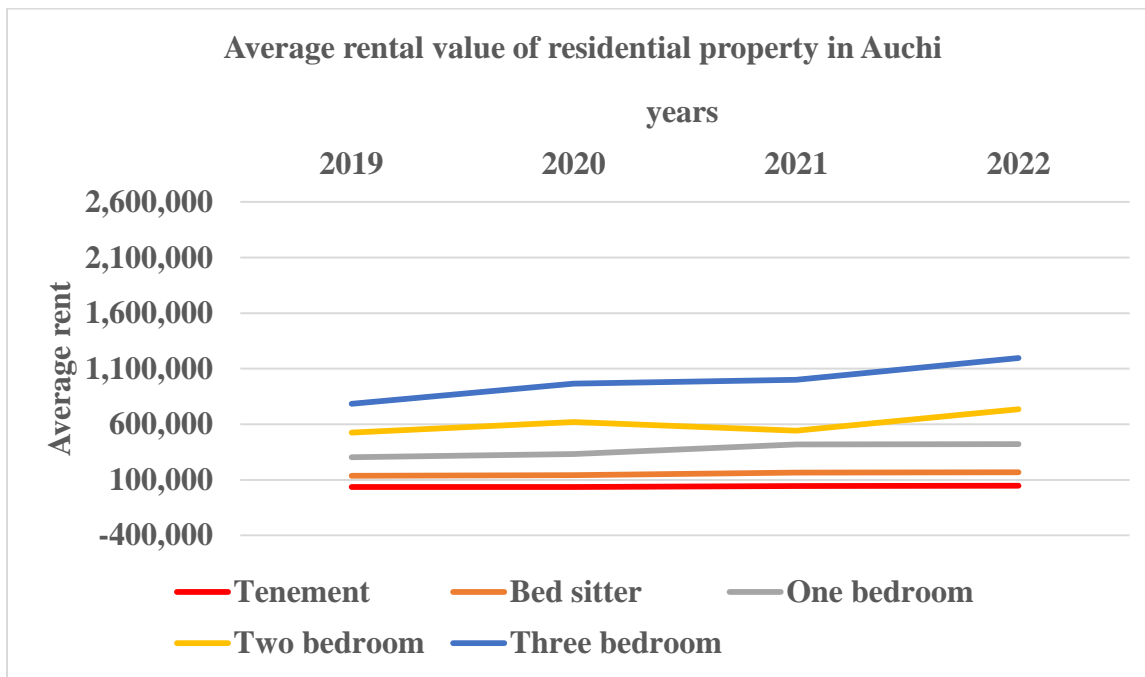
S/N	Commercial properties	SA	A	N	D	SD	RII	Rank
1	Retail store	69	46	11	6	1	0.86	1 st
2	Shops in shopping mall	40	47	27	15	4	0.76	2 nd

Source: Field survey, 2022

Table 4 shows the various types of commercial properties in Auchi. Findings revealed that Retail store is the major types of commercial properties in the study area. This is ranked 1st a relative importance index of 0.86 respectively. Next in ranking Shops in shopping mall. This is ranked 2nd with a relative importance index of 0.76 respectively. The least ranked types of commercial properties in the study area is the office space ranking 3rd with a relative importance index of 0.74 respectively.

Objective 2: To identify the difference in the rental value of residential and commercial properties during and after Covid-19 pandemic in the study area.

Fig 4.1 showing the average rental trends of residential property between 2019 - 2022 in the study area.



Source: field survey, 2022

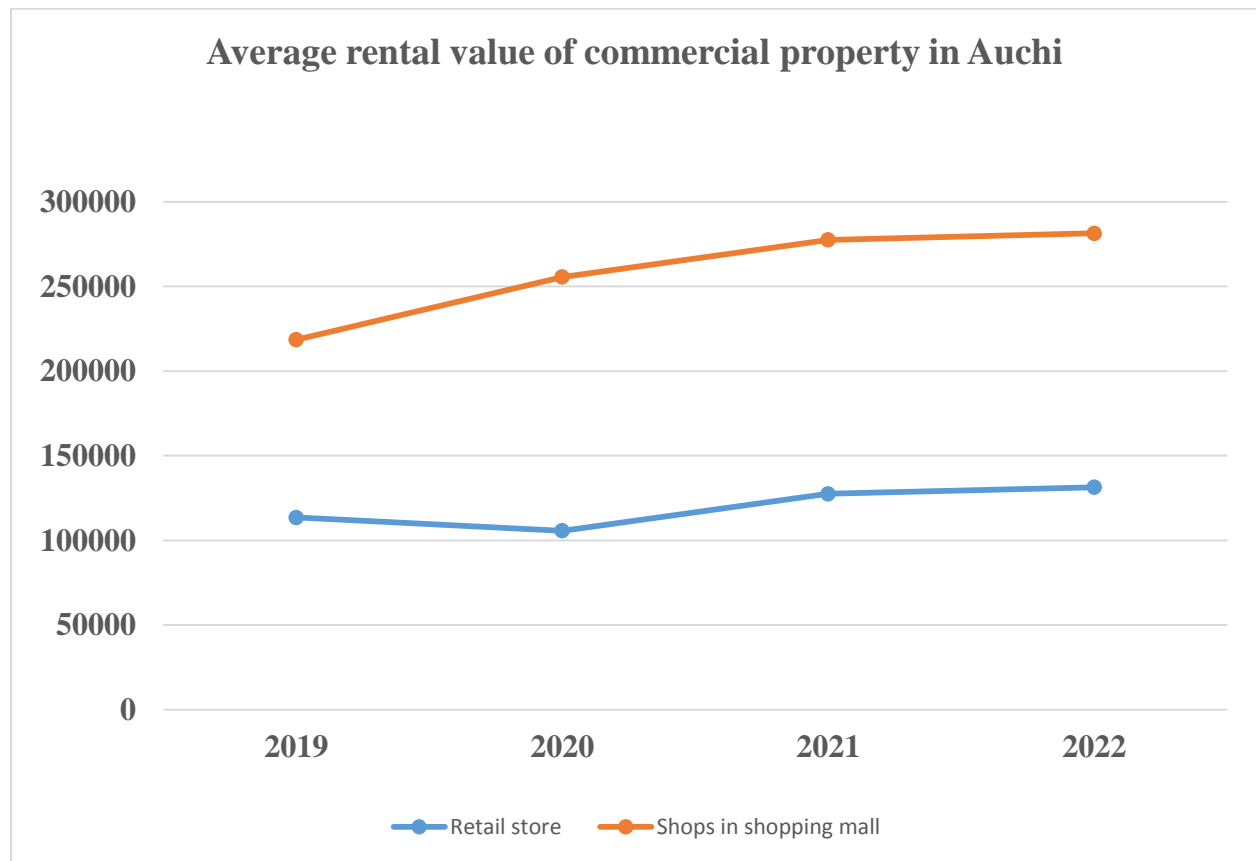
Table 5 showing the growth rate in rental value of residential property between 2019– 2022 in the study area.

year	Single room	Growth rate	Self- contain	Growth rate	One bedroom	Growth rate	Two bedroom	Growth rate	Three bedroom	Growth rate
------	-------------	-------------	---------------	-------------	-------------	-------------	-------------	-------------	---------------	-------------

	2019		2020		2021		2022	
	(₦)	(%)	(₦)	(%)	(₦)	(%)	(₦)	(%)
2019	35,486	-	100,786	-	166,923	-	222,888	-
2020	36,125	1.8	107,000	6.2	187,923	12.6	287,900	29.2
2021	44,338	22.7	120,767	12.9	252,923	34.6	261,800	-8.3
2022	45,661	3.0	121,333	0.4	253,100	0.1	315,600	20.6

Fig 4.1 revealed the average rental value of residential properties in Auchi for the period of 2019-2022 and table s shows the growth rate in rent. None of the respondents owns or occupied four bedroom which make it impossible to display the rental trend. The table reveals that a yearly upward increase in average rental value of residential properties in single room, self-contain, one bedroom and three bedroom. Three bedroom has the highest average rent in each year. There is a fall in the average rental value of two bedroom in the year 2021.

Fig 4.2 showing the average rental trends of commercial property between 2015 - 2022 in the study area.



Source: field survey, 2022

Table 6: Showing the growth rate of average rental value of different commercial properties between 2019 – 2022 in the study area.

year	Retail store	Growth rate (%)	Shops in shopping mall	Growth rate (%)
2019	113,500	-	105,000	-
2020	105,625	-6.9	150,000	42.9
2021	127,500	20.7	150,000	0.0
2022	131,400	3.06	150,000	0.0

Fig 4.2 revealed the average rental value of commercial properties in Auchi for the period of 2019-2022 and table 6 Shows the growth rate of average rental value of different commercial properties between 2019 – 2022 in the study area. None of the respondents owns or occupied office space which make it impossible to display the rental trend. The Figure reveals that there is no yearly upward increase in average rental value of commercial properties in retail store and shops in shopping mall. Shops in shopping mall has the highest average rent in each year while retail store has the lowest average rent of in each year. The figure also reveals a fall in the average rental value of retail store in the year 2020.

Objective 3: To examine the factors that influence residential and commercial properties investment in the study area.

Table 7: Showing the factors that influence residential properties investment in the study area.

S/N	Factors	SA	A	N	D	SD	RII	Rank
1	Increase demand	71	50	10	0	2	4.43	1 st
2	Urbanization	69	46	11	6	1	4.30	2 nd
3	Return on investment	63	45	22	3	0	4.25	3 rd
4	Land availability	60	52	15	2	4	4.21	4 th
5	Easy to land acquisition	61	38	25	9	0	4.15	5 th
6	Security	45	65	17	4	2	4.10	6 th
7	Investment in government securities	51	46	17	13	6	3.92	7 th
8	Locational factor	44	48	27	10	4	3.89	8 th
9	Inflation rate	46	45	26	13	3	3.89	8 th
10	Physical conditions	37	48	34	10	4	3.80	9 th
11	Financial factors	40	47	27	15	4	3.80	9 th
12	Mortgage rates	39	54	21	17	2	3.85	10 th
13	Prestige and visibility	42	42	37	7	5	3.82	11 th
14	House price	45	41	22	15	10	3.72	12 th
15	Ability to obtain financing	35	46	33	14	5	3.70	13 th
16	Member's contributions	33	42	42	15	1	3.70	13 th
17	Benefit payment	30	48	31	18	6	3.60	14 th

18	Land security	27	59	30	6	1	3.59	15 th
19	Profit motive	25	58	23	20	7	3.59	15 th
20	Road accessibility	24	52	34	17	6	3.58	16 th
21	Property rates and taxes	20	45	52	8	8	3.45	18 th
22	Rate of interest	30	51	25	12	5	3.44	19 th
23	Household income	38	40	25	26	4	3.44	19 th
24	The number of rooms or bathrooms in a house	20	45	52	8	8	3.42	20 th
25	Good indoor and outdoor environmental qualities	26	42	28	26	11	3.35	21 st
26	The quality of the property	16	40	26	37	14	3.05	22 nd

Source: Field survey, 2022

Table 7 shows the factors that influence residential properties investment in the study area. The table revealed that increase demand, urbanization and return on investment were the major factors that influence residential properties investment in the study area. These are ranked 1st, 2nd and 3rd with a weighted mean score of 4.43, 4.30 and 4.25 respectively. Next in the ranking are land availability, easy to land acquisition and security. These were ranked 4th, 5th and 6th with a weighted mean score of 4.21, 4.15 and 4.10 respectively. The least ranked factors that influence residential properties investment in the study area are the number of rooms or bathrooms in a house, good indoor and outdoor environmental qualities, the quality of the property ranking 20th, 21st and 22nd with a weighted mean score of 3.42, 3.35 and 3.05 respectively.

Table 8: Showing the factors that influence commercial properties investment in the study area.

S/N	Factors	SA	A	N	D	SD	RII	Rank
1	Urbanization	52	52	21	5	3	4.11	1 st
2	Road accessibility	42	65	17	6	3	4.05	2 nd
3	Land availability	37	64	22	5	5	3.92	3 rd
4	Increase demand	43	54	23	8	5	3.92	3 rd
5	Prestige and visibility	49	40	31	11	2	3.91	4 th
6	Return on investment	36	60	27	9	1	3.90	5 th
7	Profit motive	32	43	29	34	6	3.71	6 th
8	Land security	32	53	27	20	1	3.71	6 th
9	Security	27	37	29	34	6	3.71	6 th
10	Physical conditions	24	56	25	24	4	3.55	7 th
11	Financial factors	38	42	17	29	7	3.55	7 th
12	Mortgage rates	33	38	30	27	5	3.52	8 th
13	Household income	33	38	30	27	5	3.50	9 th
14	House price	16	52	42	19	4	3.46	10 th
15	Ability to obtain financing	23	42	44	19	5	3.46	10 th
16	Inflation rate	25	42	34	24	8	3.41	11 th
17	Easy to land acquisition	27	35	38	25	8	3.40	12 th
18	Locational factor	27	35	38	25	8	3.35	13 th
19	Investment in government securities	20	40	34	29	10	3.25	14 th

20	Rate of interest	20	40	34	29	10	3.25	14 th
21	Property rates and taxes	24	34	26	43	6	3.22	15 th
22	Benefit payment	24	34	26	43	6	3.20	16 th
23	Member's contributions	21	36	31	33	12	3.17	17 th
24	The number of rooms or bathrooms in a house	18	33	25	46	11	3.00	18 th
25	Good indoor and outdoor environmental qualities	14	40	19	44	16	2.95	19 th
26	The quality of the property	14	33	27	45	14	2.90	20 st

Source: Field survey, 2022

Table 8 shows the factors that influence commercial properties investment in the study area. The table revealed that urbanization, road accessibility and land availability were the major factors that influence residential properties investment in the study area. These are ranked 1st, 2nd and 3rd with a weighted mean score of 4.41, 4.05 and 3.92 respectively. Next in the ranking are prestige and visibility, return on investment, profit motive, land security and security. These were ranked 4th, 5th and 6th with a weighted mean score of 3.91, 3.90 and 3.71 respectively. The least ranked factors that influence commercial properties investment in the study area are the number of rooms or bathrooms in a house, good indoor and outdoor environmental qualities and the quality of the property ranking 18th, 19th and 20th with a weighted mean score of 3.00, 2.95 and 2.90 respectively.

Objective 4: To ascertain the challenges face by property manager who commercial and residential properties in the study area.

Table 9: Showing the challenges face by property manager who manage commercial in the study area.

S/N	Challenges	SA	A	N	D	SD	RII	Rank
1	Rent default	63	45	22	3	0	0.85	1 st
2	Financial aspect	60	52	15	2	4	0.84	2 nd
3	Lack of co-operation from the tenant	62	36	26	9	0	0.83	3 rd
4	Improper selection of tenant	61	38	25	9	0	0.83	3 rd
5	Low property maintenance budget	55	47	24	4	3	0.82	4 th
6	Nuisance to other tenants	45	65	17	4	2	0.82	4 th
7	Lack of infrastructural facilities	43	63	19	7	1	0.81	5 th
8	Improper usage of property	55	47	17	9	5	0.81	6 th
9	Accumulated unpaid electricity bill from old tenant	50	47	23	9	4	0.80	7 th
10	Problems of outstanding claims and / or expenditure made on the property by tenants	48	49	23	10	3	0.79	8 th
11	Lack of proper property maintenance	42	54	27	8	2	0.79	8 th
12	Technical factor	50	48	16	15	4	0.79	8 th
13	Wanton destruction of property	39	54	21	17	2	0.77	9 th
14	Tenant in-satisfaction with property facilities	40	47	27	15	4	0.76	10 th

15	Problem of rent increase at tenancy renewal	37	48	34	10	4	0.76	10 th
16	Service charge account	35	46	33	14	5	0.74	11 th

Source: Field survey, 2022

Table 9 shows the challenges face by property manager who manage commercial properties in the study area. Findings revealed that the most important challenges face by property manager who manage commercial in the study area are rent default, financial aspect, lack of co-operation from the tenant and improper selection of tenant ranking 1st, 2nd and 3rd with relative importance index of 0.85, 0.84 and 0.83 respectively. Next in ranking are low property maintenance budget, nuisance to other tenants, lack of infrastructural facilities and improper usage of property. These were ranked 4th, 5th and 6th with a relative importance index of 0.83, 0.82 and 0.81 respectively. The least ranked challenges face by property manager who manage commercial in the study area tenant in-satisfaction with property facilities, problem of rent increase at tenancy renewal and service charge account ranking 10th and 11th with a relative importance index of 0.76 and 0.74 respectively

Table 10: Showing the challenges face by property manager who manage residential in the study area.

S/N	Challenges	SA	A	N	D	SD	RII	Rank
1	Financial aspect`	64	52	10	1	6	0.85	1 st
2	Improper usage of property	43	56	24	9	1	0.80	2 nd
3	Improper selection of tenant	50	52	19	5	7	0.80	2 nd
4	Service charge account	44	53	19	12	5	0.78	3 rd
5	Lack of infrastructural facilities	37	62	16	12	4	0.77	4 th
6	Low property maintenance budget	45	52	17	12	7	0.77	4 th
7	Accumulated unpaid electricity bill from old tenant	41	51	23	11	7	0.76	5 th
8	Problems of outstanding claims and / or expenditure made on the property by tenants	51	37	23	13	9	0.76	5 th
9	Nuisance to other tenants	37	54	25	12	5	0.76	5 th
10	Problem of rent increase at tenancy renewal	40	45	27	14	7	0.75	6 th
11	Rent default	46	41	19	19	8	0.75	6 th
12	Technical factor	43	37	34	13	6	0.75	6 th

13	Wanton destruction of property	34	55	25	11	8	0.74	7 th
14	Tenant in-satisfaction with property facilities	39	47	18	20	9	0.73	8 th
15	Lack of co-operation from the tenant	31	55	15	25	7	0.72	9 th
16	Lack of proper property maintenance	48	53	5	11	6	0.66	10 th

Source: Field survey, 2022

Table 10 shows the challenges face by property manager who manage residential in the study area. Findings revealed that the most important challenges face by property manager who manage residential in the study area are financial aspect, improper usage of property, improper selection of tenant and service charge account ranking 1st, 2nd and 3rd with relative importance index of 0.85, 0.80 and 0.78 respectively. Next in ranking are lack of infrastructural facilities, low property maintenance budget, accumulated unpaid electricity bill from old tenant, problems of outstanding claims and / or expenditure made on the property by tenants and nuisance to other tenants. These were ranked 4th and 5th with a relative importance index of 0.77 and 0.76 respectively. The least ranked challenges face by property manager who manage residential in the study area are tenant in-satisfaction with property facilities, lack of co-operation from the tenant and lack of proper property maintenance ranking 8th, 9th and 10th with a relative importance index of 0.73, 0.72 and 0.66 respectively.

4.2 Discussion of findings

Objective 1: To identify the various types of commercial and residential properties in Auchi.

Table 3 shows the various types of residential properties in Auchi. Findings revealed that bed sitter, one bedroom and tenement were the major types of residential properties in the study area. These are ranked 1st, 2nd and 3rd with a relative importance index of 0.88, 0.85 and 0.84 respectively. Next in ranking are two bedroom and three bedroom. These were ranked 4th and 5th with a relative importance index of 0.83 and 0.82 respectively. The least ranked types of residential properties in the study area are four bedroom and duplex. They were ranked 6th and 7th with a relative importance index of 0.77 and 0.69 respectively

Table 4 shows the various types of commercial properties in Auchi. Findings revealed that Retail store is the major types of commercial properties in the study area. This is ranked 1st with a relative importance index of 0.86 respectively. Next in ranking Shops in shopping mall. This is

ranked 2nd with a relative importance index of 0.76 respectively. The least ranked types of commercial properties in the study area is the office space ranking 3rd with a relative importance index of 0.74 respectively.

Objective 2: To identify the difference in the rental value of residential and commercial properties during and after Covid-19 pandemic in the study area.

Fig 4.1 revealed the average rental value of residential properties in Auchi for the period of 2019-2022 and table 5 shows the growth rate in rent. None of the respondents owns or occupied four bedroom which make it impossible to display the rental trend. The table reveals that a yearly upward increase in average rental value of residential properties in single room, self-contained, one bedroom and three bedroom. Three bedroom has the highest average rent in each year. There is a fall in the average rental value of two bedroom in the year 2021.

Fig 4.2 revealed the average rental value of commercial properties in Auchi for the period of 2019-2022 and table 6 Shows the growth rate of average rental value of different commercial properties between 2019 – 2022 in the study area. None of the respondents owns or occupied office space which make it impossible to display the rental trend. The Figure reveals that there is no yearly upward increase in average rental value of commercial properties in retail store and shops in shopping mall. Shops in shopping mall has the highest average rent in each year while retail store has the lowest average rent of in each year. The figure also reveals a fall in the average rental value of retail store in the year 2019 and 2020.

Objective 3: To examine the factors that influence residential and commercial properties investment in the study area.

Table 7 shows the factors that influence residential properties investment in the study area. The table revealed that increase demand, urbanization and return on investment were the major factors that influence residential properties investment in the study area. These are ranked 1st, 2nd and 3rd with a weighted mean score of 4.43, 4.30 and 4.25 respectively. Next in the ranking are land availability, easy to land acquisition and security. These were ranked 4th, 5th and 6th with a weighted mean score of 4.21, 4.15 and 4.10 respectively. The least ranked factors that influence residential properties investment in the study area are the number of rooms or bathrooms in a house, good indoor and outdoor environmental qualities, the quality of the property ranking 20th, 21st and 22nd with a weighted mean score of 3.42, 3.35 and 3.05 respectively.

Table 8 shows the factors that influence commercial properties investment in the study area. The table revealed that urbanization, road accessibility and land availability were the major factors that influence residential properties investment in the study area. These are ranked 1st, 2nd and 3rd with a weighted mean score of 4.41, 4.05 and 3.92 respectively. Next in the ranking are prestige and visibility, return on investment, profit motive, land security and security. These were ranked 4th, 5th and 6th with a weighted mean score of 3.91, 3.90 and 3.71 respectively. The least ranked factors that influence commercial properties investment in the study area are the number of rooms or bathrooms in a house, good indoor and outdoor environmental qualities and the quality of the property ranking 18th, 19th and 20th with a weighted mean score of 3.00, 2.95 and 2.90 respectively.

Objective 4: To ascertain the challenges face by property manager who commercial and residential properties in the study area.

Table 9 shows the challenges face by property manager who manage commercial properties in the study area. Findings revealed that the most important challenges face by property manager who manage commercial in the study area are rent default, financial aspect, lack of co-operation from the tenant and improper selection of tenant ranking 1st, 2nd and 3rd with relative importance index of 0.85, 0.84 and 0.83 respectively. Next in ranking are low property maintenance budget, nuisance to other tenants, lack of infrastructural facilities and improper usage of property. These were ranked 4th, 5th and 6th with a relative importance index of 0.83, 0.82 and 0.81 respectively. The least ranked challenges face by property manager who manage commercial in the study area tenant in-satisfaction with property facilities, problem of rent increase at tenancy renewal and service charge account ranking 10th and 11th with a relative importance index of 0.76 and 0.74 respectively

Table 10 shows the challenges face by property manager who manage residential in the study area. Findings revealed that the most important challenges face by property manager who manage residential in the study area are financial aspect, improper usage of property, improper selection of tenant and service charge account ranking 1st, 2nd and 3rd with relative importance index of 0.85, 0.80 and 0.78 respectively. Next in ranking are lack of infrastructural facilities, low property maintenance budget, accumulated unpaid electricity bill from old tenant, problems of outstanding claims and / or expenditure made on the property by tenants and nuisance to other

tenants. These were ranked 4th and 5th with a relative importance index of 0.77 and 0.76 respectively. The least ranked challenges face by property manager who manage residential in the study area are tenant in-satisfaction with property facilities, lack of co-operation from the tenant and lack of proper property maintenance ranking 8th, 9th and 10th with a relative importance index of 0.73, 0.72 and 0.66 respectively.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter presents the summary of the findings that was gotten from the data collected and analyzed, logical conclusion was also raise and suitable recommendations were given.

5.1 Summary of Findings

1. The study discovered that bed sitter, one bedroom and tenement were the major types of residential properties while Retail store is the major types of commercial properties in the study area.
2. The study also discovered a yearly upward increase in average rental value of residential properties in single room, self-contain, one bedroom and three bedroom and also a fall in the average rental value of two bedroom in the year 2021 while for commercial properties, a fall in the average rental value of retail store in the year 2020.
3. The study also revealed that increase demand, urbanization and return on investment were the major factors that influence residential properties investment while urbanization, road accessibility and land availability were the major factors that influence residential properties investment in the study area.

4. The study also shows that rent default, financial aspect, lack of co-operation from the tenant and improper selection of tenant are the most important challenges face by property manager who manage commercial while financial aspect, improper usage of property, improper selection of tenant and service charge account are the most important challenges face by property manager who manage commercial in the study area

5.2 Conclusion

The study comparative analyse residential and commercial property investment performance amid post covid-19 in Auchu. The study discovered that bed sitter, one bedroom and tenement were the major types of residential properties while Retail store is the major types of commercial properties in the study area. The study also discovered a yearly upward increase in average rental value of residential properties in single room, self-contain, one bedroom and three bedroom and also a fall in the average rental value of two bedroom in the year 2021 while for commercial properties, a fall in the average rental value of retail store in the year 2020. The study also revealed that increase demand, urbanization and return on investment were the major factors that influence residential properties investment while urbanization, road accessibility and land availability were the major factors that influence residential properties investment in the study area. The study also shows that rent default, financial aspect, lack of co-operation from the tenant and improper selection of tenant are the most important challenges face by property manager who manage commercial while financial aspect, improper usage of property, improper selection of tenant and service charge account are the most important challenges face by property manager who manage commercial in the study area

5.3 Recommendation

1. Properties investor should invest more on bed sitter, one bedroom, tenement and retail store as these are the major types of commercial and residential properties in the study area.
2. Properties investors should invest in single room, self-contain, one bedroom and three bedroom as these type of properties serve as an hedge again Covid-19 pandemic.
3. Properties investors should also look as the factors influencing the property investment before investing in any property.
4. Property investor should ensure proper screening of tenant and always make available fund for property maintenance as these will reduce the problem of property management.

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APPENDIX

Department of Estate Management,
School of Environmental Studies,
Auchi polytechnic,
Auchi, Edo state.
September, 2022.

Dear Respondent,

I am a student from the above named institution and department carrying out a research titled, “**A COMPARATIVE STUDY OF RESIDENTIAL AND COMMERCIAL PROPERTY INVESTMENT PERFORMANCE AMID POST COVID-19 IN AUCHI.**”

I therefore solicit your assistance in providing sincere response to the underlisted questions. I assure you that the information provided will be used strictly for academic purpose and kept with utmost confidentiality.

Thank for your cooperation.

Yours Faithfully,

Onagwa Felix

(Researcher)

QUESTIONNAIRE

This Questionnaire is divided into two sections. Section A captures bio-data while section B captures the research objectives. Please read through the whole question carefully and tick the option you consider most appropriate to the question. Any question you do not have an answer to should be omitted.

SECTION A

1. Gender: (a) Male () (b) Female ()
2. Age bracket: (a) 17 years and below () (b) 18 – 28 years () (c) 29 – 39 years () (d) 40 and above ()

3. Highest Academic Qualification: (a) primary leaving certificate () (b) SSCE () (c) OND/HND () (d) B.SC/B.Tech () (e) M.SC/M.Tech () (f) Ph.D () (g) Others please specify.....
4. Which of the property do you own/occupier? (a) Residential () (b) Commercial ()
5. In which of the quarter do you occupy/own a residential or commercial property: (a) Utsogu () (b) Akpekpe () (c) Aibotse () (d) Igbhei () (e) Iyekhei ()
6. How long have you own/occupies a residential or commercial property in the quarters? (a) 2 years and below () (b) 3 – 5 years () (c) 6 - 8 years () (d) 9 years and above ()

SECTION B

Listed below are the research questions of the study. Please indicate your opinion to these questions on the option of: ***Strongly agree (SA); Agree (A); Neutral (N); Disagree (D); Strongly Disagree (SD).***

1. Listed below are the various types of commercial and residential properties in Auchi. Please, kindly rate your level of agreement with the residential and commercial properties listed below

S/N	Residential properties	SA	A	N	D	SD
1	Tenement					
2	Bed sitter					
3	One bedroom					
4	Two bedroom					
5	Three bedroom					
6	Four bedroom					
7	Duplex					
	Commercial properties					
1	Retail store					
2	Shops in shopping mall					
3	Office space					

2. What are the rental value of residential property you own/occupied for the period of 2019 to 2022

S/N	Residential properties	2018 (₦)	2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)
1	Tenement					
2	Bed sitter					
3	One bedroom					
4	Two bedroom					
5	Three bedroom					
6	Four bedroom					
7	Duplex					

3. What are the rental value of commercial property you own/occupied for the period of 2019 to 2022

S/N	Commercial properties	2018 (₦)	2019 (₦)	2020 (₦)	2021 (₦)	2022 (₦)
1	Retail store					
2	Shops in shopping mall					
3	Office space					

4. Listed below are the factors that could influence residential properties investment. Please, kindly rate your level of agreement with the factors listed below

S/N	Factors	SA	A	N	D	SD
1	Rate of interest					
2	Urbanization					
3	Inflation rate					
4	Member's contributions					
5	Benefit payment					
6	Return on investment					
7	Investment in government securities					
8	Locational factor					
9	The quality of the property					
10	Physical conditions					
11	Financial factors					
12	Mortgage rates					

13	Household income					
14	House price					
15	Ability to obtain financing					
16	Land availability					
17	Easy to land acquisition					
18	Land security					
19	Profit motive					
20	Road accessibility					
21	Property rates and taxes					
22	Increase demand					
23	Prestige and visibility					
24	The number of rooms or bathrooms in a house					
25	Good indoor and outdoor environmental qualities					
26	Security					

5. Listed below are the factors that could influence commercial properties investment. Please, kindly rate your level of agreement with the factors listed below

S/N	Factors	SA	A	N	D	SD
1	Rate of interest					
2	Urbanization					
3	Inflation rate					
4	Member's contributions					
5	Benefit payment					
6	Return on investment					
7	Investment in government securities					
8	Locational factor					
9	The quality of the property					
10	Physical conditions					
11	Financial factors					
12	Mortgage rates					

13	Household income					
14	House price					
15	Ability to obtain financing					
16	Land availability					
17	Easy to land acquisition					
18	Land security					
19	Profit motive					
20	Road accessibility					
21	Property rates and taxes					
22	Increase demand					
23	Prestige and visibility					
24	The number of rooms or bathrooms in a house					
25	Good indoor and outdoor environmental qualities					
26	Security					

6. Listed below are the challenges face by property manager who manage residential properties. Please, kindly rate your level of agreement with the challenges listed below

S/N	Challenges	SA	A	N	D	SD
1	Financial aspect					
2	Improper usage of property					
3	Lack of infrastructural facilities					
4	Service charge account					
5	Wanton destruction of property					
6	Nuisance to other tenants					
7	Lack of co-operation from the tenant					
8	Technical factor					
9	Problem of rent increase at tenancy renewal					
10	Problems of outstanding claims and / or expenditure made on the property by tenants					
11	Lack of proper property maintenance					

12	Improper selection of tenant					
13	Low property maintenance budget					
14	Rent default					
15	Tenant in-satisfaction with property facilities					
16	Accumulated unpaid electricity bill from old tenant					

7. Listed below are the challenges face by property manager who manage commercial properties. Please, kindly rate your level of agreement with the challenges listed below

S/N	Challenges	SA	A	N	D	SD
1	Financial aspect					
2	Improper usage of property					
3	Lack of infrastructural facilities					
4	Service charge account					
5	Wanton destruction of property					
6	Nuisance to other tenants					
7	Lack of co-operation from the tenant					
8	Technical factor					
9	Problem of rent increase at tenancy renewal					
10	Problems of outstanding claims and / or expenditure made on the property by tenants					
11	Lack of proper property maintenance					
12	Improper selection of tenant					
13	Low property maintenance budget					
14	Rent default					
15	Tenant in-satisfaction with property facilities					
16	Accumulated unpaid electricity bill from old tenant					