

**ASSESSMENT OF PROPERTY MARKET MATURITY IN PORT HARCOURT,
NIGERIA**

BY

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DECLARATION

I hereby certify that this dissertation on ASSESSMENT OF PROPERTY MARKET MATURITY IN PORT HARCOURT, NIGERIA submitted to the Department of Estate Management, Nnamdi Azikiwe University, in partial fulfilment of the requirements for the award of the degree of doctor of philosophy in Estate Management, is an original research study and has not been presented in full or part for any other diploma or degree of this or any other university.

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APPROVAL

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DEDICATION

This work is dedicated to God, who gave me the grace to start and finish this great task.

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ABSTRACT

Property market maturity is a concept used to describe the level of development and evolution achieved by a property market. Investment in real estate is gaining ground not only locally or nationally but also internationally. This could be attributed to the durability, income generation, and capital appreciation characteristics of real estate. The need for investors to have a good knowledge of the property market they want to invest in brings to the fore the issue of property market maturity. Based on the unique features of real and the fall in the stocks market, some investors mostly local in Port Harcourt now venture into real estate investment without considering the maturity of the proposed property market. Many have by this act ended up not fully utilizing and exploring the investment opportunities in the market. On the other hand, foreign investors have not been investing in the Port Harcourt market because the maturity of the market has not been established. This necessitates the need to know the maturity status of the market, hence this study. The aim of this study is to assess the maturity of the property market in Port Harcourt with a view to providing information that will enhance property information in the study area. The objectives of the study are to: determine the different property types and market players in the study area; identify the characteristics of the Port Harcourt property market; identify factors militating against the property market; and to apply maturity checklists to the Port Harcourt property market. Survey design was employed and data were sourced with questionnaires and interviews. The respondents included: registered and practicing Estate Surveyors and Valuers, Estate Surveyors and Valuers in academics, Rivers State Housing and Property Development Authority, selected commercial and mortgage banks, Rivers State Ministry of Urban Planning and Physical Development and occupiers of selected properties in the study area. Both simple random and multi-stage sampling techniques were used for sampling. Capital and rental values on the different classes of commercial and residential properties were used to arrive at the return and risk levels on these properties for the study period (2000-2014). Standard indicators including: ability of the market to accommodate different objectives of investors and users, flexible market adjustment in both long and short runs, existence of professional bodies with its associated networks, information flows and research activities, market openness in spatial, functional and sectoral terms, standardization of market rights and practices, development stability and finance accessibility for real estate developments were used to assess the maturity of the market. The hypotheses were tested with one-way analysis of variance and one sample t - test. The result of the analysis showed variations in returns and risks in different classes of commercial and residential properties within the study period (2000-2014). The study found out that there is a significant difference between the responses of the five different groups of respondents on the maturity indicators. It was discovered, using the analysis of returns and risks and other eight maturity indicators, that the Port Harcourt property market is immature. In addition, of the factors militating against the property market, the state of the economy of the State ranked topmost, while politics in the State is the least. It was recommended amongst others that the standard of living of the people could be improved by diversification of the government into industrialization and agriculture. This will curb the effect of the state of the economy of the state on the maturity of the market. The professional bodies in the built environment can occasionally come up with programmes and seminars targeted on public enlightenment on issues that affect our properties and the environment at large.

TABLE OF CONTENTS

| CONTENTS | PAGE |
|----------------------------------|------|
| PREAMBLES | |
| Title Page | i |
| Declaration | ii |
| Approval Page | iii |
| Dedication | iv |
| Acknowledgements | v |
| Abstract | vi |
| Table of contents | vii |
| List of Tables | xii |
| List of Figures | xv |
| List of Acronyms | xvi |
| CHAPTER ONE: INTRODUCTION | |
| 1.1 Background to the Study | 1 |
| 1.2 Statement of the Problem | 5 |
| 1.3 Aim and Objectives | 6 |
| 1.4 Research Questions | 6 |
| 1.5 Hypotheses of the study | 6 |
| 1.6 Significance of the Study | 7 |
| 1.7 Scope of the Study | 7 |
| 1.8 The Study Area | 8 |

CHAPTER TWO: LITERATURE REVIEW

| | | |
|-------|---|----|
| 2.1 | Conceptual basis of the study | 14 |
| 2.1.1 | Market | 14 |
| 2.1.2 | Marketing | 14 |
| 2.2 | Property | 17 |
| 2.2.1 | Types of Property | 19 |
| 2.2.2 | Residential Properties | 19 |
| 2.2.3 | Different Types of Residential Dwellings | 20 |
| 2.2.4 | Commercial Properties | 21 |
| 2.2.5 | Recreational Properties | 21 |
| 2.2.6 | Special Built Properties | 21 |
| 2.2.7 | Industrial Properties | 21 |
| 2.2.8 | Agricultural Properties | 22 |
| 2.2.9 | Factors that Cause Change in the Value of Property | 22 |
| 2.3 | Features of Landed Property | 24 |
| 2.4 | The Characteristics of the Property Market | 28 |
| 2.5 | Types of Property Market | 31 |
| 2.5.1 | Perfect Market | 31 |
| 2.5.2 | Imperfect Market | 32 |
| 2.5.3 | Formal and Informal Markets | 33 |
| 2.5.4 | Functions of the Property Market | 35 |
| 2.5.5 | The Disadvantages/Shortcomings/Problems of the Property Market | 36 |

| | | |
|--|---|-----|
| 2.5.6 | Players in the Property Market | 37 |
| 2.5.7 | Commercial and Residential Property Market | 41 |
| 2.6 | Property Market Conduct | 43 |
| 2.6.1 | Main Indicators of the Property Market Conduct and Performance | 56 |
| 2.6.2 | Growth in the Property Sector | 56 |
| 2.6.3 | Share Indices, Risk, and Return | 57 |
| 2.6.4 | Property Concentration | 58 |
| 2.6.5 | Transaction Activities and Property Value | 59 |
| 2.7 | Property Market Research | 59 |
| 2.8 | Factors that militate against property markets growth | 62 |
| 2.8.1 | The Land Use Decree (1978) | 63 |
| 2.8.2 | The Rental Structure | 67 |
| 2.8.3 | The Lease Structure | 69 |
| 2.8.4 | Institutional Structure | 70 |
| 2.9 | Review of related literature on Property Market Maturity | 72 |
| 2.9.1 | An evaluation of property maturity checklists | 86 |
| 2.9.2 | Summary | 100 |
| CHAPTER THREE: RESEARCH METHODOLOGY | | |
| 3.1 | Research Design | 101 |
| 3.2 | Sources of data | 101 |
| 3.3 | Population/ sample size of the study | 101 |
| 3.4 | Data Collection Instruments | 106 |

| | | |
|-------|--|-----|
| 3.4.1 | Questionnaire Design | 106 |
| 3.4.2 | Personal Interview | 107 |
| 3.4.3 | Administration of Instruments | 108 |
| 3.4.4 | Test of Validity, Reliability and Practicality of the Instrument | 108 |
| 3.5 | Data Analysis Techniques | 109 |
| 3.5.1 | Descriptive Statistics | 109 |
| 3.5.2 | Relative Importance Index (RII) | 110 |
| 3.5.3 | Analysis of the Return and Risk Levels of Investments on Residential and Commercial Properties in Port Harcourt | 110 |
| 3.5.4 | One-way Analysis of Variance (ANOVA) | 112 |
| 3.5.5 | One sample t-test | 116 |

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND DISCUSSIONS

| | | |
|-------|---|-----|
| 4.1 | Presentation and Analysis of data from practicing Estate Surveyors and Valuers in the study area | 118 |
| 4.1.1 | Section one: Demographic Information of the Respondents | 118 |
| 4.2 | Presentation and analysis of data obtained from Estate Surveyors and Valuers in academics in the study area | 121 |
| 4.2.1 | Section one: Demographic Information of the Respondents | 122 |
| 4.3 | Presentation and analysis of data obtained from Real Estate Development Company, Rivers State Housing and Property Development Authority (RSHPDA) | 124 |
| 4.3.1 | Section one: Demographic Information of the Respondents | 124 |
| 4.4 | Presentation and analysis of data obtained from the Rivers State | |

| | |
|--|-----|
| Ministry of Physical Planning and Urban Development | 126 |
| 4.4.1 Section one: Demographic Information of the Respondents | 126 |
| 4.5 Presentation and analysis of data obtained from the Real Estate Financiers (Commercial/ Mortgage banks) | 128 |
| 4.5.1 Section one: Demographic Information of the Respondents | 131 |
| 4.6 Section two: Information on the Property Market by the Respondents | 132 |
| 4.7 Testing of Hypotheses | 153 |
| CHAPTER FIVE: SUMMARY OF FINDINGS AND CONCLUSION | |
| 5.1 Summary of findings | 162 |
| 5.2 Factors militating against the market | 163 |
| 5.3 Implications of the findings | 165 |
| 5.4 Conclusion | 166 |
| 5.5 Recommendations | 167 |
| 5.6 Contributions to knowledge | 169 |
| 5.7 Areas for further research | 170 |
| References | 171 |
| Questionnaire | 182 |
| Appendices | 183 |

LIST OF TABLES

| TABLE | PAGE |
|--|------|
| 1: The Institutional hierarchy of property markets | 51 |
| 2: Summary of market opportunities | 74 |
| 3: Levene test for equality of variances | 113 |
| 4: Summary of distributed and returned questionnaires | 117 |
| 5: Distribution of respondents 1 according to status | 118 |
| 6: Distribution of respondents 1 according to academic and professional qualifications | 119 |
| 7: Year of firms' establishment | 120 |
| 8: Firms' staff strength | 120 |
| 9: The distribution of the age of respondents 2 | 122 |
| 10: Distribution of the designation of respondents 2 | 122 |
| 11: Distribution of the academic and professional qualifications of the respondents 2 | 123 |
| 12 : Distribution of the age of respondents 3 | 124 |
| 13: Distribution of the designation of respondents 3 | 125 |
| 14: Distribution of the academic and professional qualifications of the respondents 3 | 125 |
| 15: Age distribution of respondents 4 | 127 |
| 16: Distribution of the designation of respondents 4 | 127 |
| 17: Distribution of the academic and professional qualifications of the respondents 4 | 128 |

| | |
|---|-----|
| 18: Distribution of the age of the respondents 5 | 131 |
| 19: Distribution of the designation of the respondents 5 | 131 |
| 20: Distribution of the academic qualification of the respondents 5 | 132 |
| 21: Professional qualifications of the respondents 5 | 132 |
| 22: Responses on the nature of the Port Harcourt property market | 135 |
| 23: Relative importance and rankings on the nature of the market by the respondents | 137 |
| 24: Responses on the factors militating against the market | 139 |
| 25: RII and rankings on the factors militating against the market | 140 |
| 26: Analysis of the return and risk of investments on 2 bedroom flat on 3 floors (residential) at Peter Odili and Trans- Amadi sub-markets | 143 |
| 27: Analysis of the return and risk of investments on 3 bedroom flat on 3 floors (residential) at Peter Odili and Trans- Amadi sub-markets | 144 |
| 28: Analysis of the return and risk of investments on 3 bedroom flat on 3 floors (residential) at Rumuogba/Oginigba | 145 |
| 29: Analysis of the return and risk of investments on Duplexes 2/3 room with Boys' Quarter at Rumuomasi/ Elekahalia | 146 |
| 30: Analysis of the return and risk of investments on Duplexes 2/3 rooms with Boys' Quarter at GRA 1, 2 & 3 | 147 |
| 31: Analysis of the return and risk of investments on 1 room tenement at Diobu | 148 |
| 32: Analysis of the return and risk of investments on 1 room shop at Stadium road | 149 |
| 33: Analysis of the return and risk of investments on 3 bedroom office complex at D Line | 150 |

| | |
|--|-----|
| 34: Summary of the return and risk in the Port Harcourt residential and commercial properties from 2000-2014 | 151 |
| 35: Benchmark of expected returns from Chin's findings | 152 |
| 36: Descriptive statistics from ESVP | 154 |
| 37: Descriptive statistics from ESVA | 155 |
| 38: Descriptive statistics from RSHPDA | 156 |
| 39: Descriptive statistics from RSMPPUD | 157 |
| 40: Descriptive statistics from Real Estate Financiers | 158 |
| 41: Composite Scores | 158 |
| 42: ANOVA | 159 |
| 43: One- sample statistics | 160 |
| 44: One- sample statistics for the significance of the maturity indicators | 160 |
| 45: Objectives of the study and findings | 161 |

LIST OF FIGURES

| FIGURE | PAGE |
|--|-------------|
| 1: Map of Nigeria showing Rivers State | 11 |
| 2: Map of Rivers State showing Port Harcourt | 12 |
| 3: Map of Port Harcourt | 13 |
| 4: Histogram | 114 |
| 5: Normal Q-Q Plot of Data | 115 |

LIST OF ACRONYMNS

SPECIFICATION OF MATURITY FACTORS IN THE PORT HARCOURT

PROPERTY MARKET

DEVSTAB = Development stability

FINACES = Finance accessibility for real estate developments

INVESTO = Ability of the market to accommodate different objectives of the investors and users.

MAOPEN = Market openness in spatial, functional and sectoral terms

MAFLEX = Flexible market adjustment in both long and short run

PROFNET = Existence of professional body with its associated networks

RESEARCH = Information flow and research activities

STAMRAP = Standardization of market rights and practices

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Global Property Guide story revealed that the country's real Gross Domestic Product (GDP) per capita is still below its 1970 level. It stated that 2005 GDP growth is 3.9% low compared to 16% inflation and 2.3% population growth rate. Thus, 70% of the population lives below the poverty line. Despite this, there is a housing boom even though there have been high levels of construction during the past few years in Lagos and Abuja and the supply of expatriate housing has greatly increased. (Global Property Guide Story, 2006).

Nigeria's natural gas potential is being opened up, bringing in foreign exports. Increasingly, wealthy Nigerians are repatriating money to buy in Lagos and the other commercial centres of the nation. In Guardian Newspaper 19th July, 2011; it was reported that Port Harcourt is another south-south area recording success story in about some months (12) now. There is laudable infrastructural improvement by the present charismatic governor who has created various real estate housing schemes. Example is the Diamond Villa Estate financed by Diamond Mortgage Bank at Elekprenwa for the middle class. Real estate and property development form a major factor in the development of the nation's investment and employment generation. It has been estimated to represent approximately one-half of the world's total economic wealth and it is often viewed as an important symbol of strength, stability and independence. Currently, there is an increasing trend in new property development, finance and investment activities in many parts of sub-Saharan Africa (Noah, 2009). This is partly fuelled by buoyant economics and relatively stable political climates enjoyed by these countries in the past couple of decades.

Investment in real estate is gaining ground not only locally or nationally but internationally. This could be attributed to the durability, income generating, capital appreciation and other unique characteristics of real estate. The astronomical growth of the stock's value of financial institution and the accruing dividend attracted many investors into investment in the bank shares (Sanusi, 2010). Soon after the re- capitalisation exercise of commercial banks (2008-2009), there was a collapse of their stock values and dividends due to some gross inefficiency and fraudulent practice in the banking sector (Sanusi, 2010). This led many investors to invest in real estate where they are sure of the returns. Investment functions are usually carried out in the property market. Udechukwu (2006) affirmed that in the areas of pre- investment studies for property development or redevelopment, the anticipated returns or profitability can only be tested or ascertained with proper understanding of analysis and forecast of the property market.

The property market in Nigeria especially in the commercial nerve centres (Abuja, Lagos and Port Harcourt) has been interesting over the years amidst the drawbacks. A couple of years ago, the property market in Port Harcourt was severely affected by Niger Delta militancy and kidnappings. This resulted in investors leaving the city and re- locating to areas where their lives and properties would be secured. This resulted in down turn in economic activities that affected the property marketing activities in the city. As soon as the president granted amnesty to the militants everything starting coming back to normalcy in the state. As the proportion of investment funds invested in property increased, the property investors became keener on the proper management of their property investments. For this reason, it became important to assess the performance of the property investment in the market (Kalu, 2001).

Over the years, the measurement of the property performance has been based on risk- return analysis, sales and rental growths (Lizieri, 2003). Studies on market performance based on the

outcome of sales, rents, yields and return growth had been observed to be deficient of the analysis of the market process and operations that generated most outcomes (Oladapo, 2011). Thus, in these markets and the globe at large, there is need for accountability and enhanced performance of investment and this requires more than movement in returns. Chin (2002) citing (Keogh & D'Arcy, 1994) stated that in order to understand properly market behaviour and to assist investment making decisions, it is very important to understand what market maturity is and what the current development level of the market is.

Keogh and D'Arcy(1994) defined a mature market as a market with the following characteristics; Accommodation of full range of use and investment objectives, Flexible market adjustment in both long and short run, Existence of a sophisticated property profession with its associated institutions and networks, Market openness in spatial functional and sectoral terms, Standardization of property rights and market practices. The issue of property market maturity became more important in times like this when investors in real estate seek to invest locally, nationally and globally. As many institutional investors like Real Estate Investment Trusts (REITs which is an appealing instrument for small investors to pull their resources together) in Nigeria and different countries of the world have found Investment in real estate to be relatively safe and reliable, with capital appreciation potentials(McDowell & Souza, 1997), it is anticipated that players in the property market especially investors will invest in real estate to meet their investment objective and with time seek to know more about the maturity of the property market they are investing in. The extent to which investment activity is facilitated operates to define a given market's level of maturity (Dugeri, 2011). The place of information in the overall growth of a nation especially on the area of property market maturity cannot be ignored. There are literatures on property market maturity in South East Asia, Hong Kong,

Europe, Spain, yet the concept has been fully researched in Nigerian real estate practice. Thus, there is need for the assessment of the property market maturity in Port Harcourt.

The Port Harcourt property market has opened up considerably with various kinds of users, investors and developers entering into it. Participants range from small, big and medium ones to those who come into the market and leave when they feel like doing so. Kolawole reporting on a one day seminar organised by International Real Estate Federation (FIABCI) said “experts opined that the property market is the future of Nigerian economy because it is capable of stimulating other sectors of the economy”. Their views are anchored on the country’s population demand and the economic capacity of the people. Another challenge facing the Nigerian property market is that of the assessment of the maturity of the market. The market is concluded immature though without empirical evidence. It is a challenge because the understanding of the state of maturity of the property market will determine the type of investors that will invest in such market. Noah (2009) observed that” one of the challenges facing real estate is to understand the complexity of the markets because the operation and structure of real estate markets are directly linked to the maturity of the market”. The maturity of a country’s property market is one of determining factors of the country’s participation in international/ global real estate investment markets. Thus Gordon cited in

(Lee, 2001) suggests that the increase in market transparency in a country’s real estate is the price that must be paid for a country to be considered for admission into today’s global investments market. Market transparency in this sense is directly linked to market maturity. This concept of property market maturity is not new in academic world though most works have been international. It could be seen that this area of real estate has been poorly researched in Nigeria.

The study assessed the maturity of the property market in Port Harcourt which is one of the commercial nerve centres of the nation. This assessment was done using the maturity checklists on the foundation work of (Keogh & D'Arcy, 1994) and other existing literatures with necessary adjustments to reflect local and national conditions.

1.2 STATEMENT OF THE PROBLEM

Real estate contributes immensely to the development of the nation's economy. This could be attributed to the unique characteristics of real estate when compared to the stock market. Investment in real estate has greatly increased especially after the downfall in stocks investment since 2009. Based on the capital appreciation, income generation, durability and other characteristics of real estate, and the fall in the stocks market, some investors mostly local in Port Harcourt now venture into real estate investment without considering the maturity of the proposed property market. Many have by this act ended up not fully utilising and exploring the investment opportunities in the market. On the other hand, foreign investors have not been investing in the Port Harcourt market because the maturity of the market has not been established. A country's property market can only be recognised in the global property market when the maturity of such market has been established. It is in line with this that foreign investors have not explored the Port Harcourt property market because the market maturity has not been globally recognised. This has consequently resulted in the inability of the Port Harcourt market to compete with other property markets in different parts of the world. It was these problems that informed the researcher's quest to venture into this area to fill the gap in knowledge by providing information on the maturity of the Port Harcourt property market. This study will also update previous studies that had been done in his area of real estate in Nigeria.

1.3 AIM AND OBJECTIVES

The aim of this study is to assess the maturity of the property market in Port Harcourt with a view to providing information that will enhance property information in the study area. In order to achieve this aim, the following objectives are outlined;

- (1) To determine the different property types and property market players in the study area.
- (2) To identify the characteristics of property market in the study area.
- (3) To determine the factors militating against the development of Port Harcourt property market.
- (4) To apply the maturity indicators in (Keogh & D'Arcy, 1994), (Chin, 2002) and (Lee, 1999) to the Port Harcourt commercial and residential property market.

1.4 RESEARCH QUESTIONS

The study attempted to answer the following questions;

- (1) What are the different property types and property market players in the study area?
- (2) What are the characteristics of the Port Harcourt property market?
- (3) What are the factors militating against the development of Port Harcourt property market?
- (4) How can the maturity indices set up in (Keogh& D'Arcy, 1994) and (Lee, 1999) be applied to the Port Harcourt residential and commercial property market?

1.5 HYPOTHESES OF THE STUDY

The following null hypotheses are put forward for testing;

¹Ho: There is no significant difference between the responses of the five groups of respondents based on the maturity indicators.

²Ho: The Port Harcourt property market is immature.

1.6 SIGNIFICANCE OF THE STUDY

This work will be beneficial to investors or real estate developers in Port Harcourt and Nigeria at large. It will open their eyes on the level of maturity of Port Harcourt real property market and thus guide them on investment decisions. It will be beneficial to professional bodies (Nigerian Institution of Estate Surveyors and Valuers) that regulate property management and development in Port Harcourt and Nigeria. This will guide them on decisions that have to do with the Port Harcourt or the Nigerian property market.

Its relevance will also be felt by the government of Rivers state. It will guide them in taking decisions and formation of policies on real property matters in the state. Furthermore, those in allied professions for example urban and regional planning, quantity surveying and others will not be left out. They will be enlightened more on property marketing maturity in Port Harcourt. More so, the users of properties in the state may have to learn one or two things from the study even as they aspire to translate from users to investors in the near future. The financial service providers in the state will be given insight into the level of maturity of the property market and thus assist them in their decision taking. Non –governmental organizations that may wish to invest in real property in the state will also benefit from the work. The knowledge of the maturity of the property market will be a guide to them on investment decisions. Finally, this work will be a reference point to researchers that will research on the subject or related subjects in the future.

1.7 SCOPE OF STUDY

The study on the assessment of the property market maturity in Port Harcourt is limited to Port Harcourt because it is one the commercial nerve centres of the nation. It is Nigerians oil and gas hub. The Port Harcourt property market ranks next to Lagos and Abuja (Dugeri, 2011). Also, (Olaleye, 2008) classified the Lagos, Abuja and Port Harcourt metropolitan areas property

markets as primary markets which are characterised by high rental and capital value markets where there is very active and dynamic market situation. He also stated that approximately 61% of real estate practitioners in the country have their head offices located in these three locations while about 60% of real estate transactions/activities in Nigeria are conducted in the areas. Some years ago, the property markets in Niger- Delta regions including Port Harcourt experienced set-backs because of militant activities. The amnesty programme granted by the Federal government has really contributed to the resurrection and booming of real estate market in the garden city (Port Harcourt). This fast growth in Port Harcourt property and real estate market which will equally be attributed to the rate of growth and development in Port Harcourt has started attracting both local and international investors to the market. Ayeyemi in National Mirror of December 11, 2012 reports that “the south- south region, especially Port Harcourt the Rivers state capital is gradually becoming the hub of real estate activities as investors take advantage of the return of stability to take positions in a potentially lucrative market”. The residential and commercial property types will mostly be used because of the ease of collection of data.

1.8 THE STUDY AREA

Port Harcourt is the capital of Rivers state, Nigeria. It was renamed from Iguocha (meaning hill of the white men) after Lewis Vernon Harcourt, the secretary of the state for the colonies by Fredrick Lugard, the governor general of Nigeria at that time. It is situated in Obio/Akpor Rivers, Nigeria. Its geographical co-ordinates are 4.47°21' North, 6.5°55' East. It lies along the Bonny River and is located in the Niger Delta. According to 2006 census, Port Harcourt has a population of 1,382,592. It was founded in 1913 by the British Colonial administration of Nigeria. After the discovery of crude oil in Oloibiri in 1956, Port Harcourt exported the first ship

load from Nigeria in 1956. Port Harcourt became the centre of the Nigerian oil economy and it subsequently reaped benefits of its associations with the petroleum industry by undergoing modernization and urbanization. Port Harcourt growth is further due to its position as the commercial centre and foremost industrial city of the former eastern region, its position in the Niger Delta and its importance as the centre of social and economic life in Rivers state. Port Harcourt grew from an area of 15.54km² in 1914 to an uncontrolled area of 360km² in the 1980s. The main city of Port Harcourt is the Port Harcourt city in the Port Harcourt local government area, consisting of the former European quarters now called Government Reservation Area (GRA) and new layout areas. The Port Harcourt urban area (Port Harcourt metropolis) is made up of the city itself and parts of Obio/Akpor local government area. Port Harcourt which is the capital of Rivers state is highly congested as it is the only major city of the state. The greater Port Harcourt urban area spans eight local government areas that include Port Harcourt local government, Okrika, Obio/Akpor, Ikwerre, Oyibo, Ogu/Bolo, Tai and Eleme local governments respectively. It is the fifth largest urban area in Nigeria. This work concentrated on Port Harcourt metropolis where property marketing activities are thriving and felt strongly.

It features a tropical monsoon climate with lengthy and heavy rainy seasons and very short dry seasons. Only the months of December and January truly qualifies as dry season months in the city. The harmattan which climatically influences many cities in West Africa is less pronounced in Port Harcourt. Port Harcourt's heaviest precipitation occurs during September with an average of 370mm of rain. December on average is the driest month of the year with an average rainfall of 20mm. Temperatures throughout the year in the city are relatively constant showing little variation throughout the course of the year. Average temperatures are typically between 25.c-28.c in the city. Economically, the city is a major industrial centre as it has a large number of

multinational firms as well as other industrial concerns, particularly business related to the petroleum industry. It is the chief oil- refining city in Nigeria. Rivers state is one of the wealthiest states in Nigeria in terms of gross domestic product and foreign exchange revenue from the oil industry, crude oil being its main export earner. (Fig1, 2 and 3 show the map of Nigeria highlighting Rivers State, the map of Rivers State showing Port Harcourt and the map of Port Harcourt)

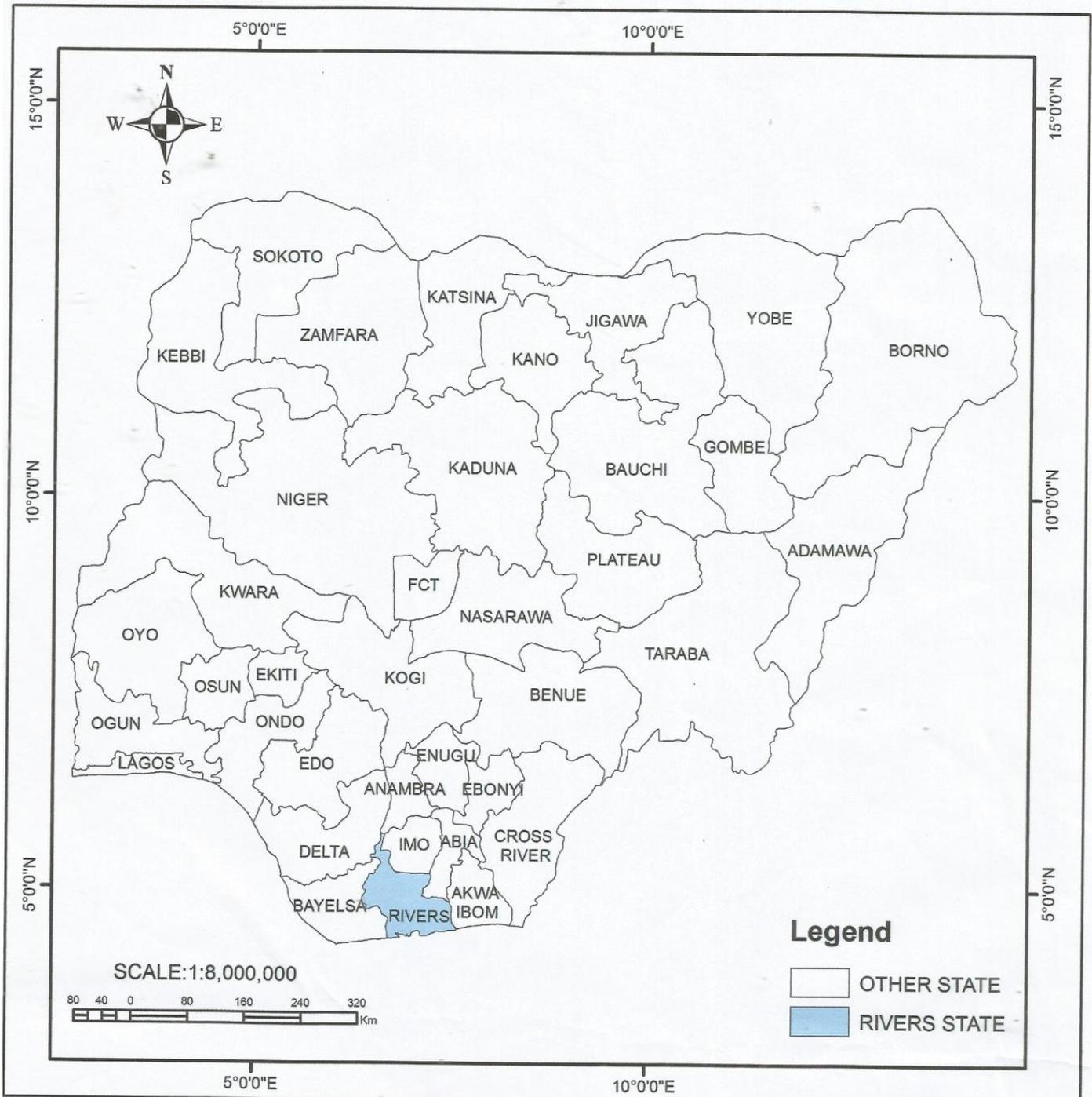


Fig 1: Map of Nigeria showing Rivers State

Source: Akwa Ibom state office of the state Surveyor General

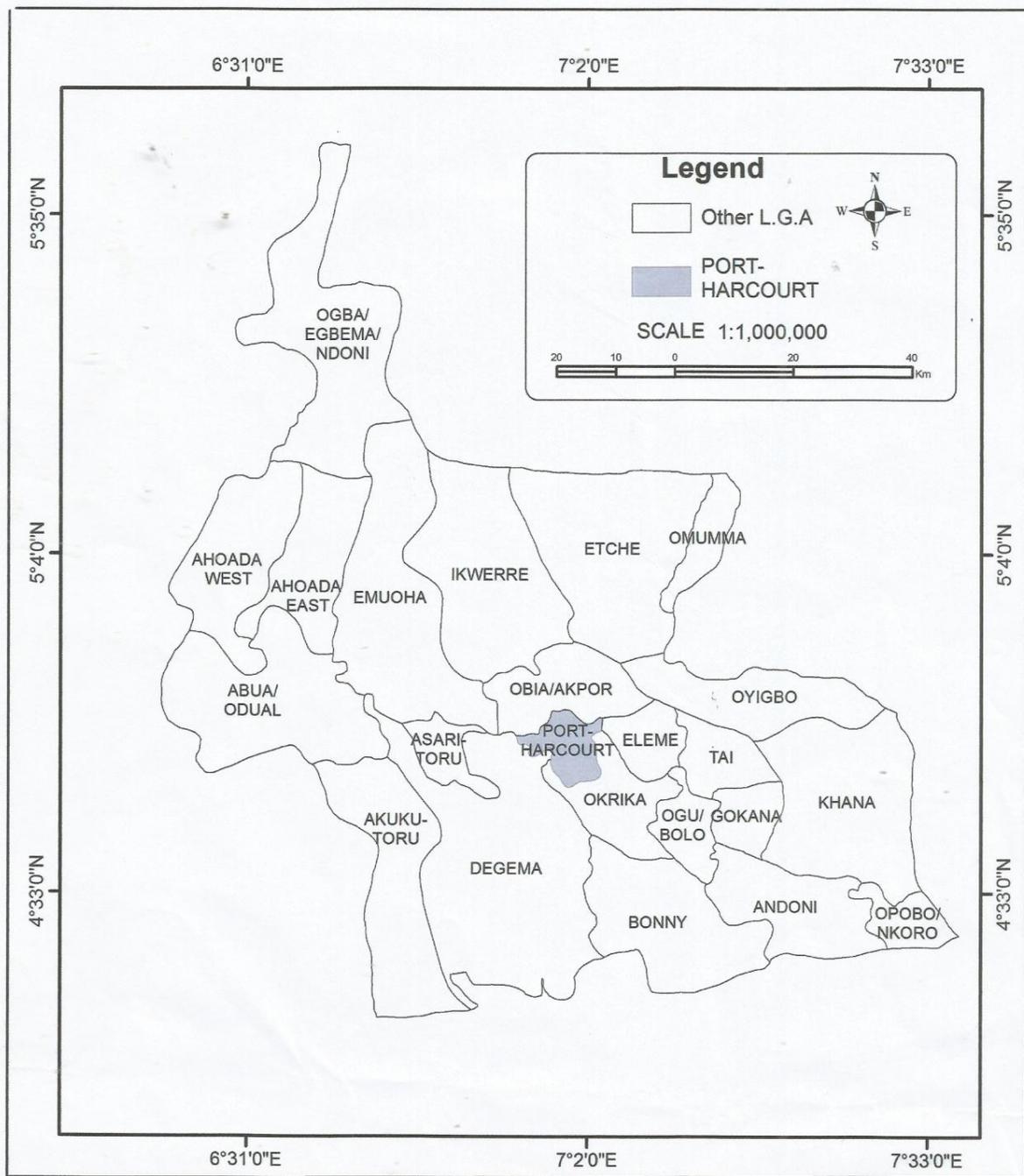


Fig 2: Map of Rivers State showing Port Harcourt

Source: Akwa Ibom state office of the state Surveyor General

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual Basis of the study

2.1.1 Market

A market is a setting or environment in which transactions between buyers, sellers, and/ or parties representing them take place. It may not necessarily be a place (Iman, 2006). Smith and Corgel (1987) sees it as a setting or environment in which buyers and sellers come together to exchange goods and services and in which price determining forces operate. Another way of defining it is describing it as thousands of smaller markets operating in different localities, dealing with different types of properties and involving different groups of market participants (Iman, 2006). It consists of a series of smaller markets that are local in nature (Millington, 1975) (Olaleye, 2008) .

It could be simply put that a market is a setting/ environment where exchange of goods/services/ transactions between buyers and sellers or other people representing them occur with the operation of price determining forces. A property market is a place in which property activities occur and that market participants are those who buy, sell, or otherwise participate in property transactions. It includes a host of functionaries who aid in real property transactions such as brokers, property agents, commissioners, auctioneers, bankers, attorneys, and insurers (Brown, 1970).

2.1.2 Marketing

Kotler and Levy (1969) see marketing as the task of finding and stimulating buyers for the firm output. It involves product development, pricing, distribution and communication and in the more progressive firms continuous attention to the changing needs of customers and the

development of new products with product modifications and services to meet these needs. It is a business activity that involves pushing products as well as customer satisfaction engineering. Kotler (2000) listed the five concepts of marketing concept to include; the production concept, the product concept, the selling concept, the marketing concept and the societal marketing concept. The production concept holds that consumers will prefer products that are widely available and inexpensive. They assume that consumers are interested in product availability and low prices. This may not always hold true in real property because as much as the consumer wants the product to be available he may not desire the cheap one. In other words, apart from availability, the choice of the product will equally be affected by the consumers taste and level of income. The product concept holds that consumers will favour those products that offer the most quality performance or innovative features. Managers focussing on this on this concept concentrate on making superior products and improving on them overtime. They assume that buyers admire well made products and can appraise quality and performance. However, these managers are sometimes caught in a love affair with their product and do not realise what the market needs. This concept also holds true in real property because investors' decisions in real estate investments are highly affected by quality and good performance of the properties. His focus is always on the maximisation of return and minimization of risk (Kalu, 2001). Thus he makes sure that the portfolio is properly diversified to achieve this target (Markowitz, 1959). The selling concept which is another common business orientation holds that consumers and businesses if left alone, will ordinarily not buy enough of the selling company's product. The organizations must, therefore, an aggressive selling and promotion effort. It assumes that the company has a whole battery of effective selling and promotional tools to stimulate more buying. Most firms practice the selling concept when they have overcapacity. Thus, in real estate

marketing, some of the advertising tools employed by estate surveyors and valuers include: signs and billboard, interview, radio, television, internet, news letter, personal contacts, brochures, newspaper. Udechukwu and Johnson (2011) also included flyers, periodical and other publications, and direct mailing, and then photographs (Akomoledede, 2006) .These marketing strategies are differently employed by estate surveyors and valuers to get their target clients. The strategy to be employed will be affected by the targeted client, the available products, the literacy level or exposure of the targeted clients/ buyers. Ezenwafor (2009), in comparative analysis of the marketing strategies of two property developing companies in Uyo using simple percentages found out that amongst the different methods adopted by the companies namely billboard, newspaper, personal appeal, bulletin, and so on, the most popular and effective method adopted by Akwa Ibom Property and Investment Company Limited is newspaper while those of Mutual Alliance are billboard and personal appeal. Olayonwa (2000) stated that most advertising and promotion policies are based on the following considerations; identification of the target (potential buyer or tenant), decision on message to tell them, decision on how to convey the message and the assessment of cost implications in the choice of media. The marketing concept is a business philosophy that challenges the above three business orientations. Its central tenets crystallised in the 1950's (Kotler, 2000). It holds that the key to achieving its organizational goals consists of the company being more effective than competitors in creating, delivering and communicating customer value to its selected target customers. The marketing concept holds on four pillars; target market, customer needs, integrated marketing and profitability. It is important to state that while sales concept focuses on the needs of the seller, the marketing concept focuses on the needs of the buyer. Also, while the sales concept is preoccupied with the sellers need to convert his or her product into cash, the marketing concept is preoccupied with the idea of

satisfying the needs of the customer by means of the product as solution to the customers' problems (needs). The societal marketing concept holds that the organisation's task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfaction more effectively and efficiently than competitors (the marketing concept). Additionally, it holds that this must be done in a way that preserves and enhances the consumer's and the society's well-being. This is also applicable in the property's market especially in a matured one.

2.2 Property

People see property as what they own and can exercise right of ownership on. It could be personal property or real property. The emphasis here will be on real property. When people think of real property, they often think of homes or houses in their community or buying and selling of houses. This is true but it also includes our places of education, worship, relaxation, trading and so on. It includes a wide range of business and institutional activities associated with the development, purchase, use and sale of land and buildings.

Real property has been differently defined by different people. The Arnold Encyclopedia of Real Estate defined real property as “ the rights, interests, and benefits inherent in the ownership of real estate ;lands, tenements, and hereditaments of every kind which are immovable, permanent, and fixed and are not annexed to the person ; frequently thought as the bundle of rights often used synonymously with the term real estate”. Property has to do with the rights that can be exercised in land (Olayonwa, 2000). The Encyclopaedia of Mortgage and Real Estate Finance defined it as the rights and interests stemming from the ownership of real estate. The term is often used to mean the same as real estate.

Rosen (1974) as cited in (Kamaruddin et. al, 2003) explains that a property encompasses of a bundle of attributes and these are implicitly reflected in property prices. Buyers and sellers

evaluate these attributes separately before closing the deal for the sale and purchase of the property. Emoh (2004) defined real property as the combination of land and any permanent structure or man-made structures and improvements that are permanently attached to the land with the aim of improving the land and enjoying its utilities, amenities and profits or returns. According to Ifediora (2009) “property suggests possession or better still, the belongings of a person which he can deal with as he likes this is in accordance with the latin derivation of property (proprietas, proprius)”. He equally gave a legal definition of property to be the highest right a man can have to anything, being that right which one has to lands or tenements, goods or chattels which does not depend on another’s courtesy. On the other hand, the doctrine of *quid plantato solo solo credit* holds that land encompasses the things on it, below and above it. This implies that real property also signifies land and buildings and based on this, could also be described as an essential factor of production.

Property comprises of two parts; the physical things which are tangible such as land and improvements on it, and the rights upon the things which are intangible. The market in real property deals with these rights. Udechukwu and Johnson (2011) identified three most significant property rights that can be held in land to include right of use and enjoyment in land, right to income arising from land and the right to alienate or transfer land.

Land markets exist when and wherever it is possible to exchange rights in land for amounts of money or services rendered (Dale et.al, 2002). According to them, land markets are mechanisms that provided that there are appropriate institutional checks and balances, allocate ownership and use rights in a manner that allows land and its associated assets to be in the most economic way. Property market is an important arm of a nation’s economy because the numbers of investors on

real property are increasing on daily basis. In the same way, the need for the assessment of different property markets is becoming paramount.

2.2.1 Types of property

It is important to discuss the property types because the real property market offers a lot of investment opportunities in different property types which the investor is left to choose which one to invest in. It is equally an essential prerequisite in understanding and assessing the property market maturity of a place.

2.2.2 Residential property

Residential properties are used as dwelling accommodation, which is varied in design for example a maisonette, flats, duplex, tenement and soon. These properties might be located in urban, sub-urban and rural areas (Holmes, 2008). According to (Udechukwu, 2006), the value of any residential property will depend on the following;

Location: in common with all types of properties, residential estates depend largely on their ease of access to those locations which support related uses; areas of employment, shopping facilities, schools, churches, places of entertainment, and so on. Accessibility is achieved either by proximity of location or by good means of communications.

Position: Properties that are well positioned attract high value. The most favoured properties are set in natural surroundings.

Physical characteristics: The value of a property will be affected by the physical characteristics of such property. One of the characteristics of real property is its durability. The quality of the physical components of a property will determine the value that will be attached to that property.

The design layout and structure of housing must therefore be adaptable to changing styles and fashions in order to avoid obsolescence.

Political factors: An unwise use of tax power in the hands of government would no doubt tantamount to power to destroy property values (Nwanakezie, 1996). The political situations as it concern the national policy towards, for example home ownership and public housing is also of interest to the valuer since changes in national policy as expressed on housing legislation have a direct and often significant effect on property values.

2.2.3 Different types of residential dwellings

Bungalow: This is a dwelling unit on a single/ ground floor. A bungalow could be detached where the unit is standing alone on a plot of land or semi- detached/ duplex bungalow where two or more with a definite separating wall are located within the plot.

Detached house: This is a single accommodation unit existing on two floors. It would usually have conveniences that are kitchen and toilet on the ground floor as well as sitting and guest room. The bedrooms as well as a family sitting/lounge will be on the first floor.

Semi-detached duplex: This differs from a detached house in that there will be two units built together but with a definite separation within a plot. Where there are more than two units it is referred to as a terrace house.

Flats/ luxury-flats: Here, we have several accommodation units within a building. Each unit will however have its own separate convenience contained within it. Flats could be a ground single, two or more storey building and there could be one or two flats on each floor.

Tenement building: This is usually referred to as “face me I face you”. It also has several bedrooms each serving as an accommodation unit (and at times sitting and bedroom) within a

single building. All occupants will usually share the conveniences which will usually be located at the back of the house.

Maisonette: This has several units within a building like flats. It however differs from a flat in that it is on two floors. Like duplex, it will usually have the bedrooms on the top floor and the sitting and conveniences on the lower floor. A building containing maisonettes will usually have several floors and every two floors will hold a maisonette. Maisonettes by virtue of their design are usually referred to as a flat on two floors.

Boys quarter or outhouse: These are small building located usually to the rear of the main building. It usually contains service unit/ convenience to the main house example in the case of tenements it usually contains the kitchen, toilets and bathroom. For other residential houses, the boys quarter/ outhouse will contain living units for service staff. In this case, it will usually contain the bedrooms and the conveniences.

2.2.4 Commercial properties

This relates to properties that are basically used for trading (buying and selling). Here, we have;
Shops: Such as chain store, supermarkets, departmental shops, local shops and so on. Office premises: It may be built with shops or purpose built office accommodation.

2.2.5 Recreational properties

These are properties used mainly for recreational activities. For example, amusement parks, relaxation spots and open spaces, tourist centres, hotels, game reserves, clubs and museums. Their attributes affect values through facilities provided, size and so on.

2.2.6 Special built properties

These are a class of properties that cannot be readily found in the property market (that is, they are not always bought or sold). They have distinctive features. Examples include cemeteries,

churches, mosques, shrines, public properties (buildings and utilities). Such properties often have a quasi- monopoly element. Their attributes do not influence their respective values because they are not found in the market.

2.2.7 Industrial properties

In this category are every class of property primarily used for the production of goods and services for example factories and warehouses.

2.2.8 Agricultural properties

These are used for the cultivation of crops and rearing of animals for example, farmland, farmhouse, ranches, orchard and so on. These properties can move from one category to another and thus could be described as transitional. For example, a residential building can be translated to a commercial building to meet a need.

Property can also be classified for valuation purpose based on the nature and value characteristics (Ifediora, 2009). They are classified into investment property that is those that will yield income to the owner. For example an investor may build blocks of flat solely for letting purpose, this serves as a good example of an investment property. Another category according to (Ifediora, 2009) is Marketable non- investment property; these are the ones that are useful to the owner without direct monetary yield, owner-occupied property is a good example. Then, Service property; these are also useful to the owner without direct monetary yield. Whether the classification of properties are based on the use the property will be put to or based on the nature and value characteristics, the point remains that there are different types of property that could be put to different uses by the owner and they could be translated sometimes from one category to another when the need arises. More so, the values of these properties are not static. Certain factors are responsible for the change in the value of property. Some of these factors are listed below.

2.2.9 Factors that cause change in the value of a property

As value is a function of supply and demand, considerations of factors which are likely to affect either the supply of or demand for property are listed below:

Population: any increase or decrease in population will affect property values. When there is increase in population, there will be increase in demand for housing and thus increase in property values vice versa. Changes in the age distribution of the population: Any change in age distribution of a population will affect the property values of a place. Where there are more young people in a population, there demand will be different from a population that is dominated by aged people. Changes in size of families: When there is a change in the size of a family, there will be change in the demand for property and thus the values of properties will be affected. Changes in fashion and taste: When a particular property is fashionable in an area, the demand for such property will increase alongside the value. Changes in technology: This may also affect property values. A house with central heating is invariably more valuable than a similar house which does not have central heating, but the difference in values has been decreased by the advent of improved installation techniques which enable complete central heating systems to be installed rapidly with a minimum of fuss and at relatively low cost. Planning control: This may limit or encourage the supply of a particular type of property into the market and have a direct effect on the market by increasing or decreasing the rent or value of such properties. The power of a planner in today's world is very great indeed, and the decision of a planning committee can result in huge increases in value arising or alternatively in such increases being denied. The above factors are some of the factors that affect property values. Location: the location of a property has important role to play in the value of the property. A property that is well located is liable to attract higher value than the one that is not well located. Physical Characteristics of the

property; the type and use of property will affect its value. By type I mean any of the property types; residential, commercial or others and by use I mean whether it is for occupation, investment or any other. Commercial property market is the most developed and transacted in any economy. Report from the UK property market stated that the core sectors of commercial property; shops, offices and industrial – account for about 80% of the market. Around half of this is investment property that is rented to tenants by landlords. The remainder is mostly owned by occupiers mainly private companies and to a lesser extent, public sector and non- profit organizations (Investment Property Forum, 2007). Based on this fact that the commercial property market is the most transacted in any economy coupled with ease for data collection the researcher chose to concentrate on commercial and residential property types in assessment of the market maturity in the study area. Landed properties have certain features that distinguish them from other forms of investments say gilt and bonds. These features or characteristics are the reasons why investors would prefer landed investments to capital investments. This takes us to the next discussion, features of landed property.

2.3 Features of landed property

Real properties have distinctive features which make it different from stocks and shares. Nwanekezie (1996) classified these unique features of landed properties into physical and economic features. These characteristics are;

Heterogeneity: The main feature of property interests is that, to use an economist's expression they are heterogeneous or in plain man's English, they are all different (Millington, 1975) and (Egolum, 2002). Apart from joint interests in the same property, there will probably never be two interests which exactly the same, even though there may be row upon row of semi- detached

houses which are apparently similar, they will all be on different sites. Although this may seem a minute distinction between them, it nevertheless means that each of the properties will be different. Often such a small difference may be irrelevant in market terms but in some instances, it will make a considerable difference to the market value. Even when a new estate of basically identical houses is constructed, within a short period of time differences between the properties will invariably develop. One person may move in and add another garage to his house, another may build an extension to his kitchen, another may add a shower room, whilst yet another may install double glazing. Similarly, with shops there are rarely two identical properties. A number of shops which from the front appear similar may on inspection all prove to be different to a significant degree.

Durability: Many goods wear out and deteriorate rapidly, but property normally lasts for many years with a very low rate of deterioration. The value of land appreciates with time even when the property on it has undergone some depreciation. This appreciation in value will outweigh the depreciation of the building and so still keep the value of the land and building on the high side. Iman (2006) highlighted some implications of the durability and indestructibility characteristics to include : (a) Property products can be kept for the future. The developers can keep the land until when they are ready to develop it knowing how durable the product is. (b) Appreciation: Lim (2000) enumerated two reasons why properties are likely to appreciate. First, property industry has a well established resale market. This is more effective where there is property database. Second, the annual depreciation rate for property products is much slower due to the much longer economic life compared to most other durable goods. Landed properties always appreciate in value. (c) Different investment and consumption decisions: some people may rent out their properties; others may keep it for speculative purposes and so on. All these are possible

because of the durability of property products which make it possible for them to be put to different long term planning purposes. (d) Land can be used for redevelopment: Land can be transformed from one use to another to fit a particular location when the building on it is destroyed.

Immobility: Most landed properties cannot be moved from one place to another apart from caravan or makeshift buildings. They are fixed in location. The concept of location, location, location (3L) propounded by Pearson applies to property development. The 3L refers to the location of a particular parcel within a particular cluster of properties, the location of site itself in a particular neighbourhood and the location of a particular neighbourhood with respect to other population centres within a broader geographic setting. Fixity of location makes the property market local. This is because the demand and supply in one area cannot be saved by the demand and supply in another area.

Large involvement of capital: Unlike other goods, large amount of capital is always involved in the purchase of landed property. Even the meanest interest will usually require a considerable amount of money for its purchase. According to (Ajoku & Nubi, 2009) and (Ajibola et.al, 2009) development of land requires such huge capital that developers and investors are not able to provide alone thereby requiring credit financing. It is no gainsaying that the best programmes of any government, or investor, no matter how grandiose and viable in scope and content will remain a daydream unless there is sufficient capital to concretize it (Hemuka, 2007).

Proof of ownership: The owner of a book can easily prove the ownership by may be carrying it, by possession or by showing the receipt. This is not applicable to properties .In property, possession is not always indicative of ownership and it is obviously impossible to pick up a property and carry it around. Many properties have several interests existing in them, each of

which is capable of a transfer of ownership and to establish ownership of any particular interest some title documents could be required.

High cost of transfer: As a result of difficulty in proof of ownership in property, the costs of transfer are relatively high when interests in property change hands. A skilled professional (estate surveyor and valuer) will be involved and he has to be well paid for the services he renders.

Decentralised market: Unlike the stock market, the property market is not a central market. Property is normally bought or sold through agents acting in and familiar with a particular locality. The exception of this is with regard to the major firm who operate nationally and even internationally in the purchase and sale of investments for major clients particularly the institutions. The property market is made up of series of small markets which are local in nature.

Imperfect market: Even within local markets, the knowledge of property transactions tends to be far from perfect and purchasers and vendors suffer from a shortage of information concerning past transactions. A person may have knowledge of a particular locality at a time, but as soon as he finds himself in another locality he will start from the scratch to gather information on the property market of that locality. To salvage this situation, there is now an increasing stream of generalised information about transactions and the state of the market appearing in the professional press especially in developed countries of the world. The situation in the study area is not far-fetched from what is obtainable in other commercial nerve centres of the nation where there is still paucity of information on property market transactions.

Source of income: Properties unlike some other forms of durable possessions are good source of income and investment. People who invest in real property in the long run generate income from such investment in form of rent or capital appreciation.

Demand: Since property is one of the basic needs of man, there must always be demand for it. Everything that man does require land or buildings proving the point that there will always be demand for it.

Legislation: Another characteristic of landed property is that it is 99% law. Before landed property can be acquired or disposed, it must pass through strict legal processes. As a result of this, legal factors can have profound effect on demand and supply of landed properties and hence its value.

Special problems of management: Due to complicated economic and legal problems associated with property investment, particular regard to management is required. Halia (2000), stated that in spite of the similarities shown by Singapore and Hong Kong as property states, their real estate markets exhibit several differences linked in turn to different policy options for their management. To this end, the type of management skills to be employed in a property market and the challenges to be expected from the application of these principles will to some extent depend on the peculiar nature of the property markets.

Investment in property is exposed to many kinds of risks just like other forms of investment. Financial risk arises from changes in value of money while business risk arises from market and change in demand and supply. Diversifiable risks are those risks that are peculiar to a particular property investment while non- diversifiable/ systematic are those risks that affect investment including the one in question for example, the economy of the nation, taxation and so on(Kalu, 2001). Nappi- Choulet (2006), Floyd and Allen (1994), Brown and Matysiak(2000), Jaffe and Sirmans (1986) emphasised that real estate as an asset offers the potential for relatively high rates of return on invested, aided considerably by financial leverage, and provides both value appreciation and protection against inflation. They further stated that it also comes with a degree

of risk due mainly to illiquidity, including the possibility of loss of income or capital. However, the real estate sector remains one of the driving forces of the nation's economy. The next section discusses the nature of the property market.

2.4 The characteristics of property market

Ogedengbe (2004) defines the property market as the market where property rights are bought and sold with the price being determined by the interaction of the forces of demand and supply while Harvey (1996) cited in Mooya (2009) defined real estate markets as arrangements by which buyers and sellers of virgin land, agricultural estates, industrial buildings, offices, shops, and houses are brought together to determine a price at which the particular property can be exchanged. D'Arcy and Keogh (1999) refer to property market as institutional arrangements through which real property is used, traded, and developed with wide range of actors involved in these processes. Udechukwu (2006) sees "the property market as a medium where bundle or clusters of rights are being exchanged and also as a system of transaction between landowners, land users and estate agents". It is a market made up of smaller markets that operate in different areas and the transactions in the market takes place within a legal framework. It is unlike the stock market or other markets that has a central or large market where buying and selling takes place. Oyebanji (2003) defines it "as an arrangement by which buyers and sellers dealing in real properties such as virgin land, residential estates, commercial, industrial and agricultural land are brought together to determine their exchange prices". Therefore, it is a conglomerate concept made up of smaller markets where buyers and sellers or those representing them engage in transaction of property rights. In order to understand fully any property market, it is necessary to consider the nature of that market and its evolution as well as economic conditions (Chin & Dent, 2005). Unlike the stock market, there is no central market for landed property. It consists of

a series of smaller markets that are local in nature (Millington, 1975) (Olaleye, 2008). The property market is an imperfect market and the imperfection of the market becomes even more critical if an area in which a valuer has to work is not familiar to him. In order to be a good player in the property market, a good understanding of the nature, conduct and performance of the market is essential. The major constraint to understanding the property market has been traced to lack of market information. A mature property market is noted by Jones (2010) to be one with a highly transparent real estate market characterised by free- flow of high quality market information. However, other features of the property markets are explained. Another feature of the property market as stated in Millington (1975) and Udechukwu (2006) is that the total supply of land is to all intents and purposes fixed, although land reclamation may provide marginal increases in the total supply. In the short run, it may be possible to increase the supply of a particular type of property by conversion from one use to another. In a situation where there a great need for office properties, a residential building can conveniently be converted to office property provided the planning permission was obtained. Balchin and Kieve (1979) described the property market as one of the least efficient markets where there is imperfect knowledge of buyers and sellers, the uniqueness of each site and building and the strong preferences for existing sites. Also, there is the unwillingness of some owners to sell despite the certainty of monetary gain, the absence of early recoverable investment in costly and specific developments and the immobility of the resources once they are committed. The possible loss of initial investment, the time absorbing and costly process of seeking and acquiring new locations, the expense and legal complexity of transferring property, the length and legal rights of property interest, the influences of conservations and the monopoly of planning authorities, property companies, mortgage institutions, sellers of properties and the design of professions ensure that

at no time is the market in a state of equilibrium. Ring (1972) as cited in (Iman, 2006), considers the nature of the property market as follows : market is local in character, transactions are private in nature, commodity is not standardized, market is unorganised and lacks central control, absence of short selling and poor adjustment of market supply and demand. These are some of the points that differentiate property market from stocks and there are different types of property market.

2.5 Types of property market

It is important to discuss the different types of property market since we are dealing with the assessment of the property market maturity of the Port Harcourt property market. Even though property market has been adjudged to be imperfect because of the heterogeneous nature of property by Millington (1975), Udechukwu (2006) and others, Iman (2006) outlined the types of property market to include perfect and imperfect property markets.

2.5.1 Perfect market

According to Iman (2006), a perfect market or pure competitive market is any market that satisfies the following structural conditions; homogeneous commodity, large number of buyers and sellers so that no one can appreciable influence the market, free entry into and exit from the market, no artificial barriers for the mobility of resources needed to produce the commodity, perfect flexibility of prices and perfect information accessible to buyers and sellers. He further stated that in a pure competitive property market, four-self adjusted processes are assumed to occur. Firstly, the market general equilibrium is established by the demand and supply factors. Secondly, in the short run, equilibrium will produce economic profits for individual firms. Thirdly, these profits eventually attract new entrants; the market will expand. Fourthly, in the long-run, the profits gets thinned out due to distribution of market share and the market general equilibrium occurs in the manner that

the price of property will be equal to the minimum long –run average cost of production. Looking at the features of a perfect market, it could be said that the property market cannot come into this category. Take for instance homogenous commodity, no two properties are exactly the same. Even in the case of prototype buildings, there is location difference and with time other notable differences will be noticed. According to (Iman, 2006), for some economic goods, a perfect market may prevail. In the case of property products, it can be argued whether or not such markets exist. The Port Harcourt property market just like every other property market is not perfect.

2.5.2 Imperfect property market

The property market is characterised by its imperfect nature. Iman (2006) noted that many types of residential and offices have imperfect market such as monopolistic and oligopolistic competitions. Monopolistic competition is a market structure quite similar to perfect competition in that vigorous price competition among a large number of firms and individuals is present. The major difference between these two market structures is that at least some degree of product differentiation is present in monopolistically competitive markets. As a result, firms have at least some discretion in setting prices. However, the presence of many close substitutes limits the price setting ability of individual firms and drives profits down to a normal rate of return. Oligopoly on the other hand is a market structure where only a few large rivals are responsible for the bulk, if not all, industry output. As in the case of monopoly, high to very high barriers to entry are typical. Under oligopoly, the price/ output decisions of firms are interrelated in the sense that reactions from leading rivals may be expected. As a result, the decision making of individual firms is based in part on the likely response of the competitors. Iman (2006), pointed out four results from such an imperfect market. First, it is impossible to produce the long- run equilibrium output of any firm in this market at minimum average cost. Second, the price of product in this market is likely to be

higher than what can be expected under competitive conditions. Third, the price of the product will tend to be equal to the long- run average cost of production so that the economic profits will disappear. Fourth, the industry in the long- run will be characterised by excess supply. Two other characteristics that become the fundamental reasons behind the results are also mentioned- relative freedom of entry and product differentiation. Applying this to the property market, he stated that the market imperfections that basically affect the property supply include;(1) limited financial resources of the developer, resulting in limited supply of certain bundles of estate goods, (2) intended motives of the developer whereby the size of supply is reduced so as to exploit the higher prices of goods(3) zoning regulations (4) restrictive building codes (5) lack of purchasing power (5) market concentration (6) mal-practices in the factor-of-production market. The market imperfections that basically affect property include (1) limited access to and/or unfavourable qualities of loan, (2)unfavourable price of property goods,(3)) highly differentiated property products, (4) imperfect knowledge about the market conditions and property transactions,(5) lack of purchasing power, resulting in lack of effective demand, (6) racial discrimination. Market imperfections that basically affect both supply and demand include ;(1) fixity of location, (2) long economic life, (3) large economic size of firm. However, the interplay of these factors in a property market determines the conduct and behaviour of the property market. The Port Harcourt property market could be classified as an imperfect market following the behaviour of the market and the listed characteristics of an imperfect market.

2.5.3 Formal and informal markets

Turner (2010) in his article, Building market- based (ad- valorem) property assessment capacity- International challenges and opportunities in developing countries mentioned two types of

property markets. They are formal and informal property markets. He stated that property markets can be described as more or less formal according by the extent to which market activities are authorized and supported by the government.

While citing (Ballard, 2008), Turner (2010) identified informal markets as those that have met local needs in the local property markets of some countries for many years, people have relied on local authorities to recognise and validate local land transactions and transfers. He stated in addition that there can be resistance to a movement towards formal markets in countries in which central governments introduce onerous property transaction fees and taxes, especially when people do not understand the broader benefits associated with a formal property market. Formal property markets could be attained in developed countries of the world. In Nigerian case and Port Harcourt in particular the happenings and behaviour of the property market are majorly determined by the key players in the market that is; developers, investors, estate surveyors and valuers' and others. The government's effect, control, or intervention on the property market is sometimes through the introduction of legislations such as building codes, rent edict, land use act and others.

The key to successful transition to formalised property markets is the ability of developing countries to draw on the collaborative experience of professionals to expedite the transition which has taken decades to accomplish in developed countries (Turner, 2010). In order words, the picture that is being painted here is that a formal market is a matured market. Keogh and D'Arcy (1994) see a matured property market amongst other qualities as one with the existence of a sophisticated property profession with its associated institutions and networks. Thus, agreeing with the assertion of Turner (2010) that the key to successful transition to formalised (matured) market is the ability

of developing countries to draw on the collaborative experience of professional practitioners to expedite the transition which has taken decades to accomplish in developed countries.

In summary, a formal market is guided by rules and regulations. Participation in the market is in accordance with legal procedures both for acquisition and disposals. In contrary, informal markets despite land nationalisation in developed countries are not regulated.

There are different functions of the property market. These will be discussed below.

2.5.4 Functions of the property market

Udechukwu (2006) listed the importance which the researcher called functions of the property market to include; management, investment, property dealing and estate formation and disposal.

Management: It is important for an estate surveyor and valuer to be conversant with the happenings in the property market for him to properly carry out management functions. He will be conversant with prevailing prices and rental levels and trends, advance payments obtainable in the market on categories of property, the current leasing arrangement, the aggregate demand and supply of different types of property, the monetary policies of the central bank of Nigeria and the general changes in the property market. In other words, the property market creates an avenue for the property manager to gather information that will help him to carry out management functions effectively.

Investment: Investment is giving up capital sum for future returns. In the areas of pre-investment studies for property development or redevelopment, the anticipated returns or profitability can only be tested or ascertained with proper understanding of analysis and forecast of the property market (Udechukwu, 2006).

Property Dealing: This involves the buying and selling of properties by players in the property market to maximise returns. These developers, investors, speculators, estate surveyors and valuers can only achieve this function by the proper

understanding of the property market. The property market creates an avenue for them to learn and showcase their expertise on property transactions. Estate formation and disposal: This involves the assemblage of small estates to form a large pool which is later disposed of in parts or whole at a profit (Udechukwu, 2006). It is important that the investor understands the market to know when to make purchases and sales. In the absence of a property market, there will be problems like absence of basis for estimation of value, problem of estate management and so on. In spite of these functions, there are some shortcomings of the property market, they are briefly discussed below.

2.5.5 The disadvantages/ Shortcomings/ Problems of the Property Market

The shortcomings of the property market can easily be more visible when we remember the features of properties that have been listed above.

Large capital involvement: Unlike other forms of investments, property investment is capital intensive. Most times the investor has to exhaust his life savings and borrow in other to erect a building. Only those that are capable financially can venture into such investment. The buying and selling of properties in the property market also involves huge capital outlay. While (Afoloyan, 1991) mentioned finance as playing a lead role in real estate development,(Umeh, 1977) noted that finance influences the phasing, timing, scale of operation and marketing strategy of finished products. Thus, real estate is unable to effectively compete with other investment opportunities such as shares, due to its capital intensive nature, illiquidity, low yield, and long pay- back period (Ajibola et.al, 2009).They attract litigations: Most things about property are backed up by law. Before landed property can be acquired or exposed, it must pass through strict legal processes. Some people do not want to have anything to do with litigation and may likely shy away from property market.

Properties could be subject to natural disasters like fire, water, tornado, hurricanes, earthquakes and soon. Most of these natural disasters occur on land and the landed properties are subject to these disasters. Recently some states in Nigerian had been seriously affected by flooding. This resulted in the reduction in the value of affected properties. Sometimes, there could be total loss of property in the occurrence of these natural disasters. Properties cannot be easily converted to cash: It takes a lot of capital to bring a property into existence. It equally takes a lot of capital to buy a landed property unlike stocks and shares. Most times, it takes some time to convert a landed property into cash due to the huge capital involvement. The illiquidity of property differentiates it from other forms of investments.

There is also a high cost involved in the transfer of property interest: Many properties have several interests existing in them and each of these is capable of transfer of ownership. Costs of transfer are always high when interests in property change hands; this is usually because a professional has to be employed and must be well remunerated. Moreover, much time is usually involved because of the need to look into the history of the property and the challenges that might come up.

Effect of government policies: Sometimes government interventions in form of development controls, rent controls, land use Act, and others hamper the growth of the property market. Every government raises revenue, one of the avenues is through taxation. Land taxation has effect on property holding, developments, dealings, sellings, lettings and so on. This will be discussed in the latter part of this chapter. There are many active players in the property market. This will form the topic of the next discussion.

2.5.6 Players in the property market

These are people that are actively involved in the property market activities. They are Estate Surveyors and Valuers, Estate Agents, Lawyers, Developers (Investors and Speculators) and others.

Estate Surveyors and Valuers: An estate surveyor and valuer means any person that is engaged in the profession of estate surveying and valuation and is registered with Estate Surveyors and Valuers Registration Board Of Nigeria under Decree 24 of 1975 now CAP 111 Laws of the Federation of Nigeria (LFN) 1990 (Estate Surveyors and Registration Board of Nigeria, 2010). He carries out estate functions like property valuation, property development and project management, estate agency, property rating and taxation, compulsory acquisition and compensation, feasibility and viability studies, auctioneering, property management, property maintenance and so on. By his training, he keeps up to date records of the estates under his portfolio and is well equipped to analyse, understand and forecast the property market. He is also known as land economist in some part of the world.

Estate Agent: Estate agency means the trading of rights and interests in land on behalf of others (Nwanakezie, 1996). Trading in this context means buying, selling, mortgaging, letting, renting. Agency in U.S.A is called brokerage. Agency is one of the functions of an estate surveyor and valuer. The estate agent is the major player in the property market. He is the link man that brings buyer and seller together in any given property transaction. In Nigeria, the estate agency is carried out by trained professionals as well as untrained quacks. They have good knowledge of the happenings in the property market. Other functions of the estate agent as outlined in (Oyebanji, 2003) include; Meeting individual needs: through his knowledge and experience, he strives to meet the requirements of buyers and sellers as well as borrowers and lenders. Skill in advertising

and negotiation: using various advertising media, he undertakes sale and lease advertisements and enters into negotiation. Multiple agency: For widespread of information about available properties in the market, estate agents usually make standing agreement among themselves. This will result in joint letting, sale and canvassing amongst themselves with a view to meeting the requests or needs of their clients. Auction sale: Estate agents carry out auction sales for mortgaged properties. He follows the laid down rules to make sure that successful sales are achieved. Preliminary advice on acquisition and disposal: He can give information on the cost, planning requirements and ownership titles to the clients as it pertains to acquisition. For the disposal of properties, he advertises, uses the most appropriate time and method of sale and communicates same to his clients.

The Lawyer: The Oxford Advanced Learners Dictionary defines a lawyer as a person who is trained and is qualified to advise people about the law and to represent them in the court, and to write legal documents. Going by this definition, a lawyer handles all legal documents and matters pertaining to property, He prepares lease agreements, deeds of assignment, sublease and management agreements. He also conducts search at the land registry to ascertain the genuineness or otherwise of interest being offered for sale. In the event of litigation, emanating from the property transactions, he represents the party as an advocate (Udechukwu, 2006). In the context of this work, lawyers are people who by the virtue of their profession are involved in real estate activities.

Real property investors: Emoh (2004) grouped real property investors into public investors and private investors. The public investors include the various federal, state and local governments and their agencies, quasi- government organizations and government floated companies while private investors include limited liability companies, societies and clubs, individual investors/ developers.

He further stated that most of the real properties being developed by the Federal Government are carried out by the Federal Ministry of Housing and Urban Development, the Federal Capital Development Authority (FCDA) in the case of Federal Capital Territory, Abuja and the Federal Housing Authority. Most of the state governments' participation in real property investments is done through their various state Housing Development Corporations. The local government are now involved in the construction of markets, shopping complexes and other commercial buildings for sale, letting to members of the public. The private investors are the major participants in the property investment market and their primary objective is that of profit maximization. Udechukwu (2006) added that the developer provides information and supplies the property into the market by developing or acquiring them. He provides or sources the fund for the construction, purchase or development of estates. He is principally an investor and a speculator and he goes into the property business with the principal aim and objective of making profit. Apart from profit maximization, individuals also venture into property development/ investment for social, economic and political reasons. This is in line with (Thorncroft, 1965) definition of estate management as the direction and supervision of an interest in landed property with the aim of securing the optimum return, this return need not always be financial, but may be in terms of social benefit, status, prestige, political power or some other goal or group of goals. Furthermore, (Oyebanji, 2003) mentioned that sellers (referring to developers or real estate investors) are risk takers busy in their various areas of interest.

Ogbuefi (2002) opined that investors are of differing categories, qualities and capacities and the nature of the society determines the nature of the investors. The issue of politics, economy, culture, legislation, and level of development all play important role in determining who invests and the nature of investment one can execute. He further stressed that in a free enterprise economy

characterised by the economy's ability to produce large number of goods and services, the private investors are the major actors , government as an investor usually limits itself to specific projects especially those with social and defence character. In regulated economy, the state played the role of major investor while private individuals were engaged as workers within the state- owned investments. The other categories of investors he listed are town and community unions, local, state and national governments, international organizations, multi- national companies and a consortium of national governments. As the number of capable investors' increases in a society, so also does the number of financial intermediaries such as banks, insurance companies, mortgage institutions, pension funds and so on.

Users: Real estate user markets are characterized by competition among users for physical locations and space. The primary participants in user markets are the potential occupants, both owner occupants and tenants, or renters. Ultimately, the demand for real estate derives from the need that these individuals, firms, and institutions have for convenient access to other locations, as well as for shelter to accommodate their activities. Based on the financial positions of households and firms and their wants and needs, they decide either to own and occupy property, or to lease property from others. Thus, about two-thirds of U.S. households own their home, and many businesses own their property, while most commercial real estate located in the central business districts of U.S. cities is leased.

Capital market: Landed investments are capital intensive. Most times, an investor's equity funds will not bring his or her dreams of investment to fruition and thus has to borrow funds from the financial institutions. Funds are usually traded in the capital market that is why it is considered as one of the players in the property market.

2.5.7 Commercial and residential property market

The focus of this study is on commercial property market because it is the most developed and transacted in any economy. Commercial property include office buildings, industrial property, medical centres, hotels, malls, retail stores, farmlands, multifamily housing buildings, warehouse and garages. Residential property includes those properties that are mostly used as dwelling units. They include detached/ semi- detached buildings, bungalows, tenement buildings, terrace buildings and so on. The commercial and residential property markets are those sections of the property market that deals with commercial and residential properties respectively. These markets may be local, national or international. According to Jones Lang Lassalle commercial real estate forecast update 2013 -2014,” the office market enjoyed 11 consecutive quarters of occupancy growth and eight straight quarters of rent increases”. The length of the expansion is more noticeable than the strength of the expansion. Commercial real estate continues to improve at a moderate pace much in line with our previous forecast from six months ago. This shows how massive the commercial property market is. Report from the UK property market stated that the core sectors of commercial property – shops, offices and industrial – account for about 80% of the market. Around half of this is investment property that is rented to tenants by landlords. The remainder is mostly owned by occupiers, mainly private companies and, to lesser extent, public sector and non-profit organisations (Investment Property Forum, 2007).What is obtainable in United Kingdom is not far from that of Nigeria where investment in commercial property market is enormous as people scramble for space to carry out their commercial activities wide range of organizations and individuals invest in commercial property. Examples are; financial institutions, property companies, overseas investors, private investors, traditional real estate and charities, and so on. Financial institutions are mainly dominated by insurance companies, pension funds and

investment banks that pull their funds together to invest in commercial property. In the analysis of UK investors in commercial property carried out by Investment Property Forum 2007, it was reported that 28% of the investment are carried out by UK financial institutions, overseas investors 15%, UK private property companies 15%, UK listed property companies 14%, limited partnerships 7%, Traditional estates and charities 5%, property unit trusts 4%, unitised and pooled funds 4%, UK private investors 3%, and other investors 3%. These show that commercial property investment constitute the greater part of real estate investment in different countries. Lizieri (2003) stated that much of the research on commercial property has tended to focus on real estate as an investment asset and has thus been concerned with rent and capital value determination, market performance and role of property in a mixed asset portfolio. There are significant differences between commercial and residential property markets. Some of these are: Residential tenants typically commit to relatively short renewable leases, while commercial ones usually sign long-term contracts: periods of 5 years or more are not uncommon. Most residential leases are between the period of 1 or 2 years. Secondly, most repairs in commercial properties are carried out by the tenants while the major repairs in residential properties are carried out by the landlord leaving the minor repairs for the tenants. These are always contained in the lease agreement. Thirdly, commercial properties usually cost more especially in the major commercial nerve centres of the nation where there are big shopping centres and massive office buildings. Fourthly, the returns on residential property come mainly from increases in capital value, whereas a large part of the commercial return is income. Thus, commercial property has attractions for investment. This informed the researcher's choice of concentration on Port Harcourt commercial and residential market.

2.6 Property market conduct

This deal with the way the property market performs and behaves at every point in time and how it should be researched. Capital markets are becoming global markets, so are real estate markets. Studies have shown that international investors are becoming increasingly aware of the property market and are massively investing in it. For example,(Lee, 2001) found out some reasons why international investors are increasingly investing in Asian emerging market to include; strong economic performance in the region, and the huge potential growth of the region in the future. In his analysis, he stated that over the period of 1966-1991, the average annual real economic growth for Hong Kong, Japan, Singapore and Malaysia was greater than 6% while the comparable figures for US and UK were between 2% and 3%. The second reason he observed for investing in these countries is the very high returns that such economics generate. A final reason apart from sharing in such economic growth and high expected returns is the additional diversification benefits that may accrue. Based on the findings of the study, the property market performance and behaviour is a factor in attraction of international investments. In addition, the behaviour and performance of a property market will certainly contribute to the knowledge and assessment of the market's maturity. Adding to the ones already listed by (Lee, 2001) is globalisation; my understanding of globalisation arose from the definition given in Hansen (2003) as increasing shares of agents at increasing distances from the market area, involved in the production, ownership, maintenance, use and reproduction of the built environment. It is increased shares of foreign investment and ownership. Simply put, it is tremendous or increased number of foreign investment and ownership in real property transactions .The real estate markets are increasingly growing in different parts of the world. In order to fully understand any

property market, it is necessary to understand the nature of that market and its evolution, as well as the economic conditions.

One of the distinctive natures of the property market is its local and decentralised nature. Quite unlike the capital market, there is no central market for property. Property transactions are usually through agents that are familiar with a particular locality. This including other characteristics of the property market that had already been discussed in section 2.3 affect and determine the performance and behaviour of the property market. It is noteworthy to mention that price in the property market just like every other market is determined by the interplay of the forces of demand and supply. The law of demand states that the higher the demand, the lower the price and the higher the supply, the lower the price. In a given property market, the behaviour of users to a particular product will to some extent be determined by their choice of product and the availability of such in the market. Kauko (2010), posited that real estate industry covers both the production process and social setting of services therefore, supply and demand aspects must be balanced. He further stated that while the short term price formation mechanism is demand driven, what happens is more difficult to see is that also the producer preferences matter and here the issue is about the supply side driver- long term goals and motivations of developers, investors, planners and other relevant decision makers. Prior to this, he gave a picture of price formation of a real estate at a specific location. It was seen that the price of a real estate is determined by demand and supply. The demand side is affected by the following factors; institutions, socio-demographic, economic, socio-cultural norms, and formal rules. The supply side is affected by new and existing factors, transactions costs and other factors. Harvey (1996) in (Kamaruddin, 2003) using the classical economic theory in illustrating the functions of the

property market through the changes in demand and supply stated that property market acts as indicators which sends signals to buyers and sellers through price changes. At the equilibrium level price, the demand will always be equal to supply. As market is always changing, the increase in price would suggest increase in demand and the market will be at disequilibrium. Increase in supply through construction activities will pull price down in the course of bringing the market back to equilibrium. The market is always changing and the process of adjustment is a continuous of readjusting demand and supply. This is true and as long as there is a market for real property, the principle of demand and supply will always be at play and will contribute to the behaviour of the market. Apart from constructions activities as stated by (Harvey, 1996) as affecting the supply of property stock, other factors that could affect the demand and supply include taste and choice of consumers, population increase, government regulations, economic boom, economic recession and so on.

Another economic principle at work in the property market is the principle of change. It is often said that change is the only thing that is constant in life. Homes, cities, communities, neighbourhood and nations undergo change and this change is always reflected in the property market (Nwanekezie, 1996). As the income, taste or population of consumers' household change, this most times results in change of accommodation resulting in increase in demand or supply of such product. This implies that the behaviour of the users of property in the market is subject to the economic principle of change. This change in their taste, income likes and dislikes will amidst other things push the demand or supply of certain property stock in the market, thereby determining the conduct or behaviour of the market at every point in time.

Ball et.al (1998), suggested that the dynamic behaviour of the property market could be analysed by developing models illustrating the changes that take place in each sector (the sectors being development, investment, use and land markets). The user market is measured by rents paid by occupiers for business or dwellings. These rents will rise or fall as market move from equilibrium. There are a number of reasons that could cause a shift in the market equilibrium; they are population increase, economic growth or economic recession (Kamaruddin et.al, 2003). Other factors are change in income, change in taste and fashion and soon. These changes in the market may trigger response on property stocks. Simply put, the behaviour of users in a property market contributes in the analysis of the conduct or behaviour of that property market.

Another sector of the property market as identified by (Ball et.al, 1998) and (Udechukwu, 2006) is the investment sector. Investors are one of the key players in the property market. Certain factors guide the investors on their investment decisions in a property market. One of the way are through property performance measurement. According to (Kamaruddin, op.cit) performance of properties are distinguished through analysis of yields or returns on property. Every investor wants investment that will offer maximum return and minimum risk. Property performance measurement managers in this instance use their expertise to properly guide the investors on quality and right investment decisions. The activities of investors in a property market contribute to the conduct and performance of the market. On the other hand, in the investment market, investors' particularly institutional investors rely on property market analysis to guide them in asset selection (Kamaruddin, op cit). He further stated that as capital and property markets are different forms of investments, investors are keen to know the performance of these markets and how they relate to each other. Keogh (1994) as cited by

(Kamaruddin, op. cit) monitored and suggested that investors may switch between these two mediums although it is difficult to track funds from property may switch to capital market when property investment does not perform. Investors play key roles in the investment market which is an integral part of an active and functional property market. Their activities will contribute to shaping the behaviour of a particular property market.

Development is yet another sector of property market mentioned by (Ball et.al, 1998).Section 2 (2) of the British Town and Country Planning Act 1947 defines Development as “the carrying out of building, engineering, Planning or other operations in, on, over or under land, or the making of any material change in the use of any buildings or other lands”. According to (Nwanakezie, 1996), in real estate terms, development can be said to mean the carrying out of works involving a change in the physical structure or the type and intensity of use of an existing real property. It could be deduced from these definitions that development is not only setting up a new structure, it could also be renovation of existing building, changing a property from one category to another, even clearing a bush land. Development occurs as a result of population increase, change in income of workers, change in taste and fashion and others. All these changes lead to increase in demand for land for new buildings, renovation or redevelopment. Kamaruddin et.al (2003) commented that development will take place when demand exceeds supply in the existing stock and this continues until excess demand is satisfied. As far as real estate development is concerned, demand and supply require structural change which may take different forms namely renovation, redevelopment and new development. The conduct of a property market could be adjudged through the analysis of the happenings in the development sector.

The land market sector is always a very active part of the property market especially in this part of the world. Many people engage themselves in agency especially land transactions because they want to enjoy the 10% that will result from such transactions. In fact, even when the other sections are slow in a property market, this sector is always active and functional. Other sectors; user, investment and development are linked to the land market. Thus, (Kamaruddin op.cit) stated that the land market analyses the competition between the different land uses and will be made available through the process of land conversion if there is demand for it. According to them, these are normally shown by price or rent increase. The price mechanism of the land market determines the allocation of land for development. This shows how interesting the land market is and the activeness of this sector speaks volume about the conduct of the property market.

Keogh and D'arcy (1999) described the property market as the institutional arrangements through which real property is used, traded, and developed, and the wide range of actors involved in these processes. This is shown in the figure1 below; at the macro level, the property market exists within an institutional framework defined by the political, social, economic and legal rules and conventions by which the society is organised. At the next level, the property market itself can be considered as an institution with a range of characteristics which determine its structure, scope and function. It entails both market and non-market mechanisms through which property sector activities occur. These institutional activities vary from one property market to another and from one time period to another. These national differences are important in the analysis of market outcomes and behaviour (Keogh & D'Arcy, 1994). This implies that all

property markets do not behave in the same way. One cannot then sit down and assume that a property market must behave like the one closest to it but it calls for proper analysis and understanding of these institutional activities (listed in the second level in the figure) in the property market to understand the conduct and behaviour of the property market. At the third level, the main organizations which operate in the property market can be considered in terms of the way they are structured and the way they change. Keogh and D'Arcy (1999) described the relationship between institutions and organizations at each level and between levels as interactive defined in relation to one another and capable of change in response to action and experience. They stated that any analysis of the property market should first of all take into account the physical and legal aspects of property and its explanatory role in the urban development process. The physical quantity and quality of the existing property stock in urban development and it is the existing stock of property that will dominate the market. Since the existing occupation of space is the result of development decisions taken in the past often reflecting considerably different circumstances, varying degrees of physical mismatch can be expected; the property market is characterised by persistent disequilibrium and cycles of oversupply and undersupply (Keogh & D'Arcy, 1999). Nevertheless, every property market goes through these levels and cycles at one time or the other and in different degrees and measures, this is also one of the reasons why some markets have been adjudged matured, developed and emerging property markets.

The description below shows the institutional hierarchy of property markets;

Table 1: The Institutional Hierarchy of Property Markets

| |
|--|
| The institutional environment(macro) |
| <p>Political institutions</p> <p>Social institutions</p> <p>Economic institutions</p> <p>Legal institutions</p> |
| The property market as institution(meso) |
| <p>Market and non-market aspects</p> <p>Decentralized and informal</p> <p>Legal and conventional aspects of property rights</p> <p>Legal and conventional aspects of land use and development</p> |
| Property market organizations(micro) |
| <p>Users</p> <p>Investors</p> <p>Developers</p> <p>Property service providers</p> <p>Financial service providers</p> <p>Professional bodies</p> <p>Governmental and non- governmental agencies</p> |

Source: The institutional hierarchy of property markets (Keogh & D'Arcy, 1999).

A careful study of the macro, meso, and micro factors in any property market amongst other factors will help to analyse the conduct and performance of the property market. The Port Harcourt property market performance was adversely affected few years ago by kidnappings that emanated from Niger Delta militancy. As a result of this many users of property relocated to safe and secure places, the investors stopped investing as well as other players in the market. In fact, little or nothing happened in the property market then. In this case, the political events in the Niger Delta affected the players in the market which in turn affected the behaviour and performance of the market.

Chin (2002) compared the various factors that previous empirical studies have examined to predict office market performance. These factors are real GDP (gross domestic product), employment rate, unemployment rate, income, stock of floor space, interest rate, volume of new building output, T-bill rate, stock market index, lending rate, consumer price index, past values, and economic uncertainty. This implies that these factors could also be used to measure and predict the conduct and performance of the property market.

Iman (2006) described the market environment by the acronym STEP-which stands for socio-cultural environment, technological environment, economic and competitive environment, and political and legal environment. The socio-cultural environment includes demography, socio-psychological profile, business ethics and environmental issues. The technological environment pertains to innovation and improvements in methods and techniques of human life such as new building materials, new product technology, new production process, and information technology. The economic and competitive environment is considered at both

micro and macro levels. It includes many complex interrelated aspects such as company resource, structure of property market, economic/market variables such as interest rate, taxation, and government spending. He also regarded the global economic conditions, as macro aspects of the economic environment. These policies and regulations which are both implemented at the local and international levels affect various aspects of the property industry (Iman, 2006). However, in order to capture the performance of real estate markets at different stages of maturity, the economic conditions as well as the social, political, legal and institutional aspects have to be considered.

Apart from the mentioned factors, institutional and cultural factors affect the conduct and behaviour of a property market. Chin (2002), Guest and Jaffe (1996) opined that property markets will perform differently according to their institutional form and structure. North (1999) as cited in (Chin, 2002), defines the institution as “the rules of game in society or more formally are the humanly devised constraints that shape human interaction”. In consequence, they structure incentives in human exchange, whether in political, social, or economic. Institutional change shapes the way societies evolve through time and hence is the key to understanding historical change”. Institutional changes can be formal and informal. Formal changes can be the result of political statement or a judicial decision, informal changes can be the changes in customs and traditions. Those cultural constraints not only connect the past with the present and future, but also provide the key to explaining the path of the changes (North, 1999). Within the property market, these factors would include the professional bodies, the market actors, code of conduct, property laws and so on (Lee, 1999). Informal institutions are private constraints stemming from norms, culture and customs that emerge spontaneously (Williamson, 2009). In

other words, they are the set of formal and informal rules and conventions governing the operation of the market as well as the behaviour of the set of market participants discharging the rules (Barlowe, 1978) (Eggertsson, 1990). They are outcome of human behaviour but in turn shape human behaviour (Lawson, 1994). These institutions affect the behaviour of the market participants and the market at large.

Oladapo (2011) observed that these rules should define the transaction environment and structure the transaction incentives for market participants' objectives to be realised. It could now be submitted that these institutions shape the market outcome, the rental and lease structures of the property market. As a result of this, (D'Arcy & Keogh, 1998), argued that the major institutional differences between the countries of Europe are likely to persist for many years to come even after the convergence of the economies. Lee (1999), in a careful review of literature of (Keogh & D'Arcy, 1994) and (D'Arcy & Keogh, 1998), focussed on five institutional factors namely; (1) market actors, (2) obligations of occupation, (3) market openness and flexibility, (4) market specialisation and (5) information generation and transmission. In addition, (Oladapo, 2011) pointed out that institutional structure was indicated to represent among others; a device that should provide certainty and reduce the transaction costs associated with the acquisition and use of the property, provide framework within which transaction should occur transparently; help the market to respond to the changing socio- economic environment by modifying its initial rules and conventions; and serve to promote or protect the interests of all market actors thereby contribute to the market efficiency. Thus, the effect of institutional factors on the behaviour and performance of the property market cannot be overlooked.

Furthermore, (Kishore, n.d), in his analysis of the theory of behavioural finance and its application to the property market opined that human psychology and investor irrational behaviour influence property investors and the decision making process. He emphasized that behavioural finance theories have a lot to offer towards analysing property investments. (See also Diaz (1990, 1997), Gallimore (1994, 1996), Hardin 1999, Levy and Schuck 1999). This is to say that human behaviours affect the property market. Among emerging markets especially those that are undergoing profound transition, key stakeholders such as those who hold political and economic power can play a key role in the process of market formation, affect market behaviour and its stability and cyclicity (Wu et.al, 2009). The challenge of the property analyst here should be to properly provide the transaction environment, analyse the human behaviour and elements within the various decision making process, so that the growth and maturity of the market is enhanced. Quite unlike the neo-classical model with typical economic analysis of property cycle which failed to include the human side of the market, Bretten and Wyatt (2002) in (Ogunba, 2008) investigated the extent and possible causes of variance in property investment valuation for commercial lending purposes within UK. They observed that the main cause of variation amongst others was the individual valuers behavioural influences. Also, Wu et.al (2009) carried out a study on commercial property markets and property cycles in Chinese cities. The research identified varying opinions and perceptions among the key stakeholders about cycles in the China's emerging commercial property markets. It argued the perception of stakeholders matters in transitional economies because it drives human decisions and therefore market behaviour. Following on, studying stakeholders perception and property cycles during an economic transition means that key market players are strongly associated with the way market emerges, where they are also closely correlated with property cycles in that particular system. In

his study, a cross sectional comparison of three cities revealed that the behaviour of the property market are shaped by some factors including human decisions. Secondly, the comparison of these cities has shown similarity of pattern regarding commercial property cycle despite the dispersion in geography, culture, and market maturity. Thirdly, the varying views about market drivers and cyclical mechanisms representing different stages of market maturity (or immaturity) may become a measure or indicator of commercial property market maturity in emerging markets. Consequently, human behaviours, their actions and otherwise to some extent contribute to the behaviour/ performance of a market which in turn affects its maturity. Similarly, the perception of the stakeholders or the study of their views is a useful way to explain the market behaviour. It is critical to examine what key stakeholders think about the market because their perception and decisions can be closely associated with historical and future aggregate market behaviour (Wu et.al, 2009). It is certain that market outcome is closely correlated with stakeholders' perception.

Since the property sector is an important sector in nation's economy, (Iman, 2006) pointed out that one way to study the dynamics of the property market is to discuss some of the factors which he considered as the main indicators of property market conduct and performance.

2.6.1 The Main Indicators Of The Property Market Conduct And Performance

2.6.2 Growth in the property sector: Iman (2006) pointed out some proxies that are used to measure the role of the property sector in the economy since it is difficult to accurately measure the growth in the property sector because of paucity of data. The mentioned proxies are the growth of the construction sub-sector, growth of the finance, insurance, real estate (FIRE) sub-sector, and their GDP contribution to the economy both in monetary and percentage terms. Using

two property- related sectors in Malaysia (the construction and FIRE and business service sectors) as proxies of the property sector from 1996- 2002. He observed that the GDP growth of these two property- related sectors has shown fluctuation compared to their GDP contribution over the 1996-2002 period. He attributed this amongst other things to the slow start in the construction of various property projects and infrastructure as a result of the developers being cautious about the property levy, loan restrictions by the bank Negara Malaysia. This implies that one of the peculiar problems encountered in the property market which is the unavailability of information is not only experienced in the Port Harcourt property market. Nevertheless, growth in other sectors of the economy could be used as proxies to measure growth in the property sector. Deveikis and Bagdonavicius(2002) in analysing the property market changes in Lithuania stated that the analysis of the property market changes 1995- 2001 shows that the real property market depends very much on the growth of the national economy, business investment, employment, density and living standard of citizens.

2.6.3 Share indices, risk, and return: According to (Iman, 2006), in order to understand the conduct and performance of the property, one can investigate whether property share index, risk and investment return are more sensitive to changes in the macro factors compared to other indices. In a tabular form, he showed the changes in the share indices in the Kuala Lumpur Bourse which reflect the performance of the property market. The figures were mainly related to the measures by the Bank Negara Malaysia in imposing credit control effective from 1 April 1997 and the speculative attack on the Baht that had resulted in the outflow of short- term capital. The table showed that property share index is relatively more vulnerable to such macro changes compared to other indices such as those of plantation and industry. He further

commented that although in depth research has not been carried out to relate the changes in share indices to the property sector, it can be said that share indices can be used to investigate the macro behaviour of the property market. Although, it is beyond the scope of this work to investigate these share indices, it should be noted that share indices can be used to investigate the macro behaviour of the property market.

2.6.4 Property concentration: According to (Iman, 2006),property concentration is a loose terminology used to refer to the situation in which the property market is dominated by a few main types of properties, either on the basis of production or transaction. Property concentration can also be analysed by property type, by price range and by geographic area. This can be used with some modifications for property industry to analyse various situations which reflect property performance. Iman (2006) analysed the property concentration ratio calculated on the basis of property type and geographic area in Malaysia in 2002. The findings clearly showed that property sub- markets have different levels of concentration. The market is very much concentrated in the residential sub-market, less concentrated in the agricultural sub-market, and very much less concentrated in the industrial sub-market. Based on property type, the housing sub-markets have a relatively high concentration in ten states led by the Federal Territory of Kuala Lumpur, Negeri Sembilan, Selangor, Pulau Pinang, and followed by Kedah, Melaka, Perak, Pahang, Terengganu, and Johor. Based on geographic area, Iman (2006), submitted that still using Malaysia as a whole, the concentration in the agriculture sub-market is rather inversely related with that in the housing sub-market. This means that states with a high concentration in the housing and industrial sub-markets show lower concentration in the agriculture sub-market. Furthermore, among the many types of properties, it was stated that the market concentration in

the residential sub-market is largely contributed by single-storey, one-and-half storey, and double-storey terraced houses. Thus, these property sub-markets are heavily competed, could be considered as entrenched sub-market and may pose stiff challenges to the developers. This implies that the analysis of property concentration by property type or geographic area could be used to analyse the conduct or performance of a property market.

2.6.5 Transaction activities and Property value: The statistics on the number and value of property transfers indicate a number of situations in the property market (Iman, 2006). Using Malaysia (1991-2003), he found out that the residential sub-market constitutes the largest transacted physical stock of property commodity but the per transfer value contribution to the nation's wealth is relatively smaller compared to some other property types such as industrial and commercial properties. Apart from using the percentage contribution of various property sub-markets to the economy, another useful measure of market performance is per transfer or per transaction property value (Iman, 2006). As the property market of a place matures, the implementation of these principles become more feasible. One of the challenges facing the real property market in Nigeria and in other developing countries is the paucity of market information. In essence, the availability of market information in a property market will assist in the knowledge of the conduct, behaviour and performance of the market. The importance of information in a property market will usher in the next discussion on property market research which is an important path to tread on the road to property market maturity.

2.7 Property Market Research

Property market research has been defined by (Iman, 2006) as a scientific process of collecting, organising, maintaining, analysing and presenting data for the purpose of maximising the capabilities, technologies and competitive forces of the market-place to meet an organisations needs for property products and services. He also defined it as a scientific process of enquiry into discovering the cause and effect explanation of various phenomena occurring in the property market to aid in certain business decision making. This entails that property market research is all about using scientific measures to find out various events that take place in the property market and using such information in decision taking. I consider it vital here because how researched a property market is, is an indicator of the maturity level of such market. Keogh and D'Arcy (1994) mentioned one of the maturity checklists to be extensive information flows and research activities. The important questions to be answered here are, why conduct market research, what are the basic concepts of market research and what is the relevance of market research?

It is important to conduct market research because a lot of decisions are made in estate management. For example, valuations are carried out for various purposes namely; probate, compensation, rating, investment, mortgage, investment, management, feasibility and viability and so on. Before any of these decisions should be taken, some level of research has to be undertaken. Take for instance, prior to any significant investment decisions, there ought to be a proper study of the behaviour and conduct of the property market, a knowledge of the maturity of the market, the analysis of the different types of risks involved, the performance of the property market and others. Iman (2006) opined that each of these real estate decisions has the

objective of securing various forms of monetary benefits such as quantity of sales, income, profit, investment returns and growth in market share and many of these decisions are arrived at based on imperfect information on imperfect markets. A client that needs to make such decisions approaches the market research agency with a set of questions to which he needs answers to. These questions will form the basis of the market research. Therefore, the reason for conducting market research is to enable the market participants get answers to their questions and take important decisions through collection, organisation and interpretation of data.

The basic aspects of market research include collection and analysis of data. Data could be collected from primary sources for example interview, field work or from secondary sources for example literatures. It also involves analysis of data to enable a client or market participant take important decisions. Data are analysed through the use of statistical approaches that the researcher or the property analyst considers most suitable. Moser and Kalton (1971) cited in (Samedayessay, 2009) posited that whatever the nature of the data, the task of interpretation falls squarely on the shoulders of the researcher. One key aspect of property market research is speed, while maintaining the validity and reliability of the results (Iman 2006). He stated that speed is important because clients normally request for market research to be done, after giving short notices and require the results within a short period of time. However the speed of delivery by the researcher will depend on the nature of research. For example, for a small scale project say mixed residential development projects on a 150 acre land or less will take lesser days than for the feasibility and viability studies of similar project of similar size. Furthermore, the validity and reliability of results are very important aspects of property market research. Invalid and unreliable results could be deceptive, dangerous and misleading. It therefore calls for caution and

carefulness on the part of the researcher. Notwithstanding, the relevance of property market research cannot be neglected.

It has already being established that property market research is important in property market decisions. Research findings send signals of some specific situations occurring in a property market that may impinge upon a particular proposed project so that project specific decision making can be made from it. For example, the research findings on the maturity of a property market will guide investors on investment decisions like the best class of property to invest in, portfolio diversification, and international investments. Iman (2006) stated that for research to be useful, any research finding must be translated into the decision making process with a view to solving certain. However, he listed some factors that may hinder market research, they include; consultant- developer special relationship, consultant's profit drive, incompetent personnel, inaccurate and/or lack of data, lack of methodology standard, inadequate analysis and others. In addition, sometimes researchers may not see the need of property market research prior to a proposed development may be due to overreliance on past experiences or for some other reasons. A study found that about 55% of developers interviewed did not conduct market research (Felep, 2000) cited in (Iman, 2006). This means that some researchers have not grasped the essence of property market research. This study will fill this gap by providing information on the property market maturity in Port Harcourt, Nigeria.

2.8 Factors that militate against property markets

Having discussed the property market maturity checklists/parameters, it will be pertinent at this juncture to highlight and discuss some factors that can constrain or militate against the maturity of property markets.

Balchin (1988) as cited in (Mooya, 2009) listed four factors constraining the smooth functioning of the property market as follows; the imperfect knowledge of buyers and sellers, the uniqueness of each site and building, the unwillingness of some owners to sell despite the certainty of monetary gain, the time absorbing and costly process of searching for property, the expense and legal complexity of transferring property, the length and legal rights of property interests and the need to conform to statutory requirements. Some of these points will be briefly discussed here.

The imperfect knowledge of buyers and sellers in the property market has been known to affect the maturity of the market. There is no central market for the property market as there is for other types of markets like stocks and shares. This makes the market to be local in nature and affect the flow of information in the market amongst all the participants.

Another factor that affects the smooth functioning of the property market as has mentioned above is the expense and legal complexity of transferring property. This had been discussed in the chapter two of this work under the characteristics of property. Landed property is 99% law. Before landed property can be acquired or disposed, it must pass through strict legal processes. As a result of this, legal factors can have profound effect on demand and supply of landed properties and hence its value. This will affect the development and maturity of the property

market because one that wants to invest in property may be discouraged in doing so because of the laid down legal process one has to go through.

2.8.1 The Land Use Decree (1978)

At this juncture, it will be pertinent to discuss the effect of the Land Use Decree of 1978 on the length and legal rights of property interests and the need to conform to statutory requirements (which invariably affect the property market). The Land Use Decree of 1978 now known as CAP 202 laws of the Federation of Nigeria 1990 (ACT), CAP L5 L.F.N (Laws of the Federation of Nigeria) 2004 which came into being during Obasanjo's regime is the highest land policy document in Nigeria. The Land Use Act aims at making land available to both private and public uses, making access to land more equitable, facilitating government control of the land market and thereby eliminating speculation, unifying various land tenure systems operating in the country, encouraging and enabling proper, productive and efficient use of land, breakdown the cost of land for developmental purposes making it readily available to the three tiers of government and streamline and simplify the management and ownership of land in the country. Holders of interest in land under this act have long leases of ninety-nine years in the form of statutory or customary occupancy. The powers of land owners are restricted by the provisions of the law in a way that no assignment, alienation or mortgage on urban land can take place without the express consent of the state Governor and likewise, title holders cannot sell their interest on land as they are leaseholders. The governor when giving his consent to an assignment, mortgage or sub-lease may require the holder of a statutory right of occupancy to submit an instrument executed in evidence of the assignment, mortgage or sublease and the holder shall when so required deliver the said instrument to the governor in order that the consent given by the

governor under sub-creation (1) of this section may be signified by the endorsement thereon S(26) of the Land Use Act. Any transaction or any instrument which purport to confer on or vest in any person any interest or right over other than in accordance with the provisions of this Act shall be null and void. The implication here is that the consent of the governor is required before any legal transaction in land can be deemed consummated. This is an impediment created by the Act.

Eleh (2009) stated that in practical terms, it is nearly impossible to comply with the provisions of this clause. The clause requires that if A wants to sell his plot to B, A will have to first seek and obtain the consent of the governor before effecting the sale to enable the governor effect a change of title to land in favour of B. In reality, however, when A decides to sell his land, A may not have a ready buyer to whom the consent will be granted and will not be certain of the exact sale price the property will fetch, as this can only be confirmed upon effective sale. The purchase price is required to here to enable the governor compute consent fee, registration fee and Capital Gains Tax (CGT). This has made it difficult and almost impossible for the clause to operate literally as specified. In practice, the vendor (seller) will sign all the documents to enable the vendee (buyer) obtain the consent of the governor at the point of sale and therefore transfers the cost and trouble of obtaining the required consent to the buyer. In addition, the process of obtaining consent is cumbersome.

Firstly, it is quite expensive as state governments now exploit the process to make money for their states. In some states in Nigeria especially Lagos state, the direct cost of obtaining consent is a minimum of 15 percent of the assessed value of land. If one juxtaposes this cost with high cost of land say in Lagos, Abuja and Port Harcourt, it can be seen that the high cost of obtaining

consent has made land even more expensive. Secondly, it takes a long time to obtain the consent even when the conditions have been met. Eleh (2009) stated again that in Lagos state, despite the commendable changes they have made to the process; it still takes about three months for consent to be obtained. The same is obtainable in Abuja and indeed Federal Registries. The story of piles of assignments awaiting consent in many parts of the nation is well known. Thirdly, the entire process of obtaining governor's consent is frustrating. The process is plagued by corruption as a series of under the table expenses are usually involved. This has forced many people into the practice of not registering their land transactions thereby making the management of our real estate resources and the real estate market more difficult due to the fact that most people choose to operate in the informal market (Eleh, 2009).

Furthermore, Udechukwu (2006) listed the failures of the Land Use Decree (1978) to include; it enables very few and wealthy individuals to acquire land, the procedure involved in the acquisition of land is too stringent for an average Nigerian, there is conflicting interest between the state and federal government on who has absolute power over land, it delays the execution of projects as it takes a very long time to acquire certificate of occupancy and it makes land held by inheritance insecure. Consequently, it could be seen that the provisions of the land Land Use Decree (1978) affect the activities and growth of the Nigerian property market. However, many Nigerians including professionals in the built environment are suggesting the amendment of the Land Use Decree (1978) because most of its objectives have not been realised. It was to this end that one of the Nigerian's national newspaper This day of July 9th (2013), Adebayo reported that President Goodluck Jonathan through the Presidential Committee on Land Reform (PTCLR) was working out modalities to repeal the Land Use Decree 1978. This was made known by the

minister of agriculture and rural development Dr. Akinwumi Adesina in Abuja at a summit in “realising the potentials of agriculture in Africa” organised by the Rockefeller Foundation (RF) as parts of the foundations centenary celebration. According to Adesina, “Mr President has said that we should remove the land use act from the constitution, there is a presidential committee on land reforms that has been put in place and the committee has been given the task to ensure that Nigeria can begin to have land titles because if you want to do agriculture and you do not have titles to land, you cannot use it as collateral for lending or accessing funds”. The land use Decree 1978 from all indications affects the maturity of the Nigerian property market.

However, still on the constraints to property market maturity, (Keogh & D’Arcy, 1994) pointed out that commercial property market is a market of many structures. Each of these structures can act as barriers in the effective and efficient operation of the market performance. These structures include rental, lease and institutional structures. These structures in the commercial as well as the residential property markets and their effects on the maturity of the market will be discussed below.

2.8.2 The Rental Structure

Onatunde (2012) in classification and discrimination of office properties using rental as a criterion in developing countries specified that some of the reasons for using rental approach in the study are that rental value can easily be measured and information on rental values of offices is readily available as most offices are tenant-occupied. Another reason is that rental values have been observed to be overall indicators of property qualities. Citing the works of (Graham & Bible, 1992) and (Baum, 1994). He also stated that the relationship of rental levels and office quality is simple and straightforward. According to him, this can make the approach easily explainable to the understanding of a layman and such simplicity can make the approach to be

handy to real estate practitioners. In spite of these advantages listed in Onatunde (2012), Olaleye (2004) stated that the provision of statistical information on rental values and returns have equally been observed to be weak.

Oladapo (2011) while lamenting on the unavailability of published studies on the data relating to structure and performance of the market across the globe, noted that within the rental structure, the feature of market maturity is diversity of property products capable of meeting participants' objectives. She observed that office property within the overall commercial property has been historically observed to lack good quality data on property transactions. All these contribute to making market transactions in the property market informal, disorganized and decentralized. Furthermore, (Dunse et.al, 1997) observed that another problem that might be encountered even when information is available is that of rent definition as rents are being interpreted and measured differently by different providers. This could be explained from some classic theories of urban location and rent. Wyatt (1999) posits that the consideration of the relationship between location of urban land uses and rent began in earnest at the beginning of twentieth century. He stated that Hurd (1903) applied the theory of economic competition among farmers for agricultural land developed by Adam Smith, David Ricardo and Johann Von Thunen to businesses in urban areas. He further attempted to explain the cause of different land values within an urban area and suggested that since value depends on economic rent and rent on location and location on convenience and convenience on nearness, we may eliminate the intermediate steps and say that value depends on nearness. Thus, suggesting that the central business district (CBD) will have the highest values and rent because this is where transport facilities maximise labour availability, customer flow and proximate linkages .Also, Alonso's

theory of land rent (Alonso, 1964) asserted that rents decline outward from the CBD to offset declining revenue- earning ability and higher cost such as transport. He equally cited (Haig, 1926) who suggested that rent appears as the charge which the owner of a relatively accessible site can impose because of the saving in transport cost which the use of the site makes possible.

According to (Wyatt, 1999), this theory emphasised the correlation between rent and transport costs, the latter being the payment to overcome the friction of space; the better the transport network, the less the friction. The classic theories of urban locations clearly put the greatest emphasis on accessibility as the prime determinant of rent and rent variation over space. Apart from accessibility, the market participants employ other factors like the facilities in a building, the age of the building, the quality of the environment and others in the determination of rent. Watkins et.al (2001) stated that the market structure can give rise to a spatial distribution of rental values that is quite different in form from that derived from the location theory. In line with this, Oladapo (2011) stated that as the property agents often incorporate property characteristics in the determination of rental values, the approaches used by them in the description of property characteristics often differ. Each of them operates independently so that how they categorise properties that vary in unit size, age, quality, depreciation and specification also differ. Conclusively, the paucity of information on the property market transactions in the property market mostly caused by the market participants and the different measures employed in the measurement and interpretation of rent affect the maturity of the property market.

2.8.3 The Lease Structure

A lease could be seen as a relationship/ agreement that exist between a landlord and a tenant or between a property owner and user in which the specific responsibilities of the lessee and the lessor are spelt out or implied. Usually, the landlord acquires land and develops it and agrees to give the developed land to the tenant to use the premises for a specific period over a period of time called the lease period and at an agreed sum of money called rent. Leases could be created by express grant, by contract, by atonement, and by statute. Oladapo (2011) observed that constraints may not have risen if the definition (that is the terms of the lease) is upheld by the parties involved. However, the property managers are often employed in the management of these leases because of the problems that do arise in the execution of the lease agreement/ terms by the property owners and users. On the other hand, sometimes leases created by statute may not be favourable on the parties involved and may act as constraints to the development of the property market. Sayce et.al (2006) noted that in UK, commercial leases are usually from 10-25 years with periodic rent reviews typically five yearly. According to them, traditional leases tend to have upward only rent reviews, so at rent review, a higher rent is negotiated if market rents are rising but the rents remains fixed if market rents are falling. At the end of the lease, possession may revert to the freeholder due to the operation of statutory controls. In periods of high economic growth, property owners will benefit from rising rents at review, while in periods of low growth or deflation the upward only rent review protects the investor from falls in income. Problems often arise when the statutes that govern these leases favour one party against the other. At other times, the attitude of market participants or the parties in the lease agreement hinders the maturity of the property market. For example, rigid adherence to long lease in the phase of dwindling economic conditions, property owners full control of letting terms, lack of

technical know-how to develop lease innovation, lack of market analysis to determine lease incentives or rational lease agreement, lack of co-operation among owners and users on suitable lease terms, litigation due to misrepresentation of lease arrangement by the parties, lack of co-ordination of lease market by professional institution, lack of knowledge to ascertain who the market favours and tenants perception of super-normal profit (Oladapo, 2011).

In summary, problems not only emanate from the terms of express and implied leases, but also from the behavioural attitude of the market participants/parties to a lease in connection with leases. These negatively affect the development and maturity of the property market.

2.8.4 Institutional Structure

The institutional factors in property market maturity span through local legal infrastructure, market structures, conventions and other formal regulatory barriers identified as institutional risks by (Guerts & Jaffe, 1996). He stated that these institutional factors should be a prime area of concern when contemplating overseas investment especially into emerging markets where cultural and legal differences will even be more pronounced. Lee (1999) and North (1990) argue that markets are a collection of institutional factors both formal and informal. The formal factors were explained to include the concrete organisational forms and the explicit rules by which business is transacted within each market; in the property market they include the professional bodies, the market actors, codes of conduct, property laws and so on. The informal factors are the local market social attitudes, accepted norms of behaviour and expected modes of business conduct. All of which derive from the cultural, ethical and religious convictions of the market.

Taken together the formal and informal institutions define the market structure and provide market players with certainty as to how market activity is to be conducted (Lee 1999). The presence or absences of these factors in the property market affect the maturity of the property market. For example, in the study carried out by (Chin & Dent, 2005), on an analysis of the level of maturity in South- East Asian property markets, property professional level was related to the perceptions of level and quality of market information, transaction data and development activity. Where the property professional level is high, the quality of service and analysis will be more sound and balanced. The result of the research carried out by (Chin & Dent, 2005) showed that one of the criteria in ranking a city mature or emergent was the level and quality of property professionals, presence or absence of property professional regulations, qualifications and property professional institutions in the cities. The existence of codes of conducts and property laws that do not encourage investment and the general growth of the property market will slow down the maturity of the market.

Armitage (1996) in the study of the constraints to the operation of commercial property market in Asia pacific noted some key institutional problems militating against urban development, infrastructure development and hence property maturity to include: large number of overlapping government agencies, lack of effective monitoring or co-ordination of various agencies' activities, lack of trained professional staff, an outdated and centralized administrative and legal framework, and low agency staff morale due to preceding reasons. This suggests that the level and quality of property professionals amongst other factors will either encourage the maturity or otherwise of the property market.

2.9 Review of related literature on Property Market Maturity

Academics from different parts of the world especially from Asia and Europe have written on property market maturity since it is not entirely a new topic. It is a concept that is used both frequently and loosely by participants in the property market to describe a level of development or evolution achieved by a market.

Keogh and D'Arcy (1994), constructed a market maturity paradigm by looking at the examples of London, Barcelona and Milan. In their study, London, Barcelona and Milan were been chosen to be case studies representing mature and emerging markets. Property market maturity was conceptualised as market process whose evolution and development are characterised with some specific market features. They suggested six maturity checklists and they include; accommodation of full range of use and investment objectives, flexible market adjustment in both long and short run, existence of a sophisticated property profession with its associated institution and networks, extensive information flows and research activity, market openness in spatial, functional and sectoral terms and the standardisation of property rights and market practice. The rethinking characteristics are; the wider business of a full range of use and investment objectives, investment culture, overshooting, market decisions rules, problem of over-specialisation, knowledge base, false consensus, market distortions, destabilisation, and role for local real estate culture. They conclude that the concept of market maturity is too complex to provide a simple definition or route to define the market activity. Market maturity does not follow the same route for all the markets. It could be described in economic, social, political, legal and institutional ways. However, in application of these checklists the peculiar nature of the property market must be taken into consideration. Keogh and D'Arcy (1994) has

been regarded as the most understandable work on the treatment of market maturity (Lee 1999, Armitage 1996, Lim 2000). This study has been known as the most comprehensive work on property market maturity. The maturity parameters postulated in the study have been used to assess the maturity of other markets especially in South Asian countries. The present study is set to compliment these efforts in the African continent by using these maturity checklists to assess the maturity of Port Harcourt property market.

Koh (1995) viewed maturity from the angle of market opportunities and risk. He drew the market opportunities and risk in mature markets, developing markets and emerging markets with an example of Southeast Asian cities. His findings are summarised below;

Table 2: Summary of market opportunities

| Mature market | Developing market | Emerging market |
|---|--|--|
| Opportunities | | |
| Prime locations | Demand for residential development | Local housing |
| Prospects where there is growth(lower risk) longer time reviewed | Retail centres with income growth Recreational and leisure projects | CBD office in principal cities Industrial Business Hotels |
| Risks | | |

| | | |
|--------------------------------------|---|---|
| High entry costs | Wider fluctuations in market from Mis-timing of development | Insufficient local demand |
| Less diversification possibilities | Choice of wrong location not ready for growth | Title problems |
| | | Lack of development control Lack of good information and professional service |
| Expected return | | |
| IRR: 12% - 15% Yields: 4% -7% | IRR: 13%- 22% Yields: 8% - 11% | IRR: 20% - 35% Yields: 12% - 16% |

Source: Koh (1995) as cited in Chin(2002)

The table quickly shows at a glance the different characteristics of mature, developing and emerging markets in terms of market opportunities, risk and expected return. Mature market has low risk, while the developing markets have higher risks. The lists of criteria to maturity are limitless and depend on the angle the researcher looks at it. The study concentrated only on market opportunities and risks as maturity criteria. This study would employ other maturity checklists that will give a better assessment of the maturity of the Port Harcourt property market.

Seek (1995) observed the differences in the various checklists earlier drawn on market maturity and stated that different property markets within different nations might follow a common evolutionary process from early development through stages that could finally lead to maturity at

different periods. He visualised a continuum from early development and emergence to high levels of maturity and places specific urban markets on that spectrum. This suggests an s-shaped pattern of development with the evolutionary process accelerating rapidly and then slowing as maturity is approached. It also implies that maturity is always the end product or the ultimate goal. Since the future evolution of the property market may render obsolete our current perception of maturity, it will be more appropriate to see maturity as a relative rather than an absolute achievement (Lee, 2001). Thus, in (Seek, 1995) the evolutionary path or development process of a property market suggests its maturity. The study viewed maturity only in one angle; the development process of a market. However, market maturity can be viewed or interpreted in different ways apart from the way the study looked at it. A more comprehensive assessment of a market will come from involvement of other maturity checklists which will be addressed by the present study taking into cognizance the unique nature of the Port Harcourt property market which is a sub-set of the Nigerian property market.

Armitage (1996), defined market maturity as the term used both frequently and loosely by participants in the property market to describe a level of development or evolution achieved by a market. In her study, she applied the paradigm of Keogh and D'Arcy (1994) to selected Southeast Asia prime office markets in 1996. She extended the factors of market maturity to include rapid urbanization in emerging economies, an increasing share of international economic activity, sustained economic growth, large domestic markets and swift adoption of new technology and work practices. She was silent about respondents and seemed to use more of secondary data.

Lee (1999) drew the strands of international diversification in terms of risk and return and in terms of institutional market characteristics in the study of the European office market. He used eleven countries in Europe namely; Belgium, Denmark, Finland, Germany, Holland, Ireland, Italy, Portugal, Spain, Sweden, Switzerland and United Kingdom. In order to provide a clearer picture of the similarities and differences between countries each characteristic was coded between 1 and 5/10. Where the highest value was always given to the United Kingdom as an exemplar against which other countries could be judged. It was revealed in the study that most onerous tax structure, the least market maturity and liquidity and hence the least institutional demand. This was closely followed by Switzerland and France. On the other hand, in the analysis of the risk and return characteristics of the European real estate office markets from 1985-1997, the study found out that the yields of countries in the maturing group displayed the second highest values but with the lowest variability and hence the lowest coefficient of variation. The study concluded that three groups of countries; Germany, Portugal and United Kingdom identified by their institutional characteristics, do indeed display performance differences overtime, both in terms of the cyclical behaviour, yields and their risk and return. Here, maturity could be seen in the different markets performance overtime. However, the study relied heavily on secondary sources of data. This study will cover not only commercial investments that were peculiar to the study being reviewed but also residential investments with data from primary and secondary sources.

Lee (2001) investigated the risk of investing in property markets in the Asian region. He divided risks into investment risk, currency risk, political risk and institutional risk. In terms of institutional risk, he assessed the level of maturity, the level of transparency and corruption level

within each country. He took transparency to be closely related to maturity and also adopted the criteria outlined in Gordon (2000), these are; presence of public and private performance indices, quality of market fundamental research, availability of reliable financial statements, alignment of interests among directors, managers and investors and; taxes, penalties and restrictions on cross-border transactions. His findings indicated that the markets of China, Vietnam, Indonesia, Korea and the Philistines are still at the emerging stage of maturity and so also display the least transparency. While the markets of Malaysia, Thailand and Taiwan have moved to a stage of rapid development towards maturity so can be thought of as emergent markets and so still displaying low levels of transparency. In contrast, the markets of Hong Kong, Singapore and New Zealand, Australia and Japan have much more established markets and all show good to high levels of transparency. His findings of the property markets of Hong Kong and Singapore are in line with the findings of (Chin and Dent 2005). The study was done outside Nigeria in fact outside African continent and some of the checklists employed may not be most suitable for the present study. The present study will give a picture of what is obtainable in Nigeria and in extension the African continent. It will also cover residential and commercial unlike the reviewed study that used only office markets.

Stasiak and Matysiak (2004) carried out a study on the transition of the Polish real estate market within a central and eastern European context. The Polish real estate market was adjudged immature but one that is undergoing substantial transformation. They identified a number of factors that have contributed to the development of the Polish real estate market. These factors which in order words could be seen as factors that contribute to the growth or motion to maturity of the market include; economic transition;(after some years of setbacks, the economy show

signs of recovery in 2003 with GDP growth of 3.8%), amendments to legislations(the introduction of the principle that all types of ownership are equal before the law and restrictions on governmental bodies interference on private property relations has been restricted), changes in financial environment(reforms in the banking sector abolished the monopoly of single state bank and facilitated the emergence of competing commercial and mortgage banks), migration of capital between different markets(the flow of capital into the real estate market occurred across all sectors), changes in poles' mentality(poles have gradually started to perceive real estate as not only a physical asset but, a place of residence, or somewhere to run a business from but also as an investment asset), flow of foreign capital(the total volume of foreign investments increased), and market underpinnings(the real estate market has strong institutional foundations with quality elements like establishment of a legislative base underpinning the functioning of the real estate market free trade in property, the rules for its privatisation, as well as amend the rules for disposition and acquisition. Some of these criteria are in line with that of Jones (2010). The list could be in-exhaustive, and there is no single evolutionary path that must be followed by property markets because of the complexity of the concept. The study relied heavily on secondary data. This study will fill this gap by using a mix of primary and secondary sources for a more comprehensive and reliable findings and results.

Chin and Dent (2005) analysed the level of maturity in south-east Asian property market using the methodology developed in the European context, in addition to the quality of property product, market information standardisation and availability, and presence of property intermediaries were also included as had been used in Lee (2001). The study was carried out between January 2003 and March 2003 in Hong Kong, Bangkok, Kuala Lumpur, Singapore and

Taipei. In order to provide a clear picture of the similarities and differences between countries, each characteristic was assessed on a scale of 1 to 5 where 1 meant very well developed, or very mature and 5 meant very limited development, or very immature. From the study, he found out that Singapore and Hong Kong have the lowest scores for each criterion suggesting that overall these two markets were seen as the most developed and having the most matured elements compared to the three other cities. For Kuala Lumpur, Taipei and Bangkok scores range from 2.5-3.5. It was concluded that the property markets in Hong Kong and Singapore were relatively stable and they were largely considered to be mature markets while Kuala Lumpur, Bangkok and Taipei were considered emerging markets. This complimented other works that had been earlier done in Southeast Asian on property market maturity. However, there is need for research on property market maturity in sub-Saharan especially Nigeria. This study will fill this gap by providing information on the maturity of the Port Harcourt market which is one of the commercial nerve centres in Nigeria.

In Chin et.al (2006), an exploratory analysis of barriers to investment and market maturity in Southeast Asian cities was identified. The aim of the study was to measure perceptions of investors on these market maturity employing (Keogh & D'Arcy 1994) market maturity criteria, secondly, to measure investor perceptions on a range of institutional factors and to consider factors viewed as important determinants for investing in local and international investments. They concluded that the most important factor to make a market attractive was a sound financial structure while a market is most influenced by restrictions on foreign investments. The sample size of the study was considered small looking at the study area. The study added to one of those studies in market maturity in the region. There is therefore need for such studies in the African

continent and Nigeria in particular to compliment these studies. The present study is timely and aims to fill this gap.

However, Dale et.al (2006) saw an effective and efficient market to as a crucial component of any successful market economy bringing a variety of advantages to a nation and its citizens. According to them common themes emerge that are present when a thriving and efficient land market exist; these include, guaranteed security of land rights, low transaction costs for all users, access to credit, transparency, openness and ease of access to all, protection of minorities, opportunities to raise revenue through land and property taxes, support for social, economic and environmental sustainability, and private/public partnerships to provide value for money services. They used Colombia, Thailand, Latvia and Uganda as case studies. They found out that in Colombia, much of the inequitable pattern of land ownership is as a result of the dispossession of the native population by colonisers and the assignment of land in large estates to influential families. Formal land transactions are normally registered and authenticated by a notary but poor people in many parts of the country are excluded due to lack of information, cost, the distance to the nearest registration office and a distrust of the authorities. In Thailand, there are very active sales and rental markets particularly in Bangkok with a well established finance sector. Banks accept titles and to a lesser extent certificates of utilisation as security for mortgages. There is very little informal trading in urban and but an active informal lending market in rural areas where delays in the in the registration of transfers among family members are not common .It was found out that Latvia has a steadily developing property market. Much of the land activity has taken place around Riga especially for residential properties. There are currently no large private estates in Latvia and no evidence of speculative buying of rural land since there has been

a reluctance to sell when the market price was too low. The study saw market maturity only from the angle of effective and efficient land market, management and registration. A little diversion to other elements of maturity which the present study aims at would have added more to the findings of the study.

Jones (2010), in benchmarking China's real estate market noted that China's tier 1 cities are fast tracking to maturity. The China's real estate market was assessed based on four criteria that were considered to constitute a mature market. These were ;(1) a highly transparent real estate market characterised by free- flow of high quality market information, robust regulatory enforcement and fair transaction processes.(2) High connectivity with international real estate capital markets in terms of both capital inflows and outflows.(3) A commercial building offer that is equipped for future generations of corporations. In terms of environmentally- sustainable, resource-efficient and well managed buildings. (4) Robust domestic and international corporate base in terms of depth and breadth of activities and functions, leading- edge firms headquarters and high-order activities. Using these criteria in their analysis of 22 cities around the globe, highlighted the rapid rise of Shanghai and Beijing rise (China's tier 1 cities) up the maturity curve. Amidst these, this ascent up the real estate maturity curve was also attributed to the unique combination of massive infrastructure investment, highly effective government policies, long term planning, impressive speed of real estate delivery and vibrant domestic economy. This suggests maturity checklists entail a lot of factors which must be properly harnessed before a property market could be adjudged mature. However, in (Keogh and D'Arcy 1994), it was warned that these numerous lists of maturity factors should be concise and well articulated to avoid ambiguity. Another effort was made here to assess the maturity of China's property make.

A similar effort is needed in the Nigerian property market; this prompted the researcher's quest to carry out the study.

Dugeri (2011) evaluated the maturity of the Nigerian property market; the study employed the property market maturity paradigm suggested by Keogh and D'Arcy (1994) as a framework for analysing property markets. The population of the study comprised of 247 estate surveyors and valuers alongside 24 interviews comprising property developers and public officers. Uni-dimensional maturity criteria classification metric-scale was employed to evaluate the maturity of the Nigerian property markets in the four cities (Lagos, Kano, Port Harcourt and Abuja). Further analysis was done with means, kruskal Wallis H test, historic rents and official exchange rate. The study found out that the market is open but failed in the other criteria. Based on the findings, the market is adjudged immature. However, the study centred on commercial properties in Port Harcourt and other cities. This research takes a wider coverage of both commercial and residential properties maturity assessment in Port Harcourt property market. This will give a better result of the maturity of the Port Harcourt property market.

Oladapo (2011), focussed on the assessment of maturity in Lagos office property rental market through its rental, lease and institutional structures. She employed the principal component analysis to identify the office property characteristics and kendall's coefficient of concordance to show the degree of agreement among office property managers rating of the maturity factors in both lease and institutional structures. The study found out that the rental structure within the ten metropolitan areas could be explained by the three components; accessibility, quality, and structural factors. The lease structure was said to have significantly influenced market maturity

while the institutional structure of the market leaned on some local market practices that posed threats to the market development. The study focussed only on office commercial property, a wider scope of coverage involving other property types would have given a better representation and result. This study will cover both commercial and residential property markets in Port Harcourt.

Sahni (2012) submitted that the property market in India has traditionally been unorganised and fragmented in other words immature. Whilst the Indian real estate market still lacks transparency and liquidity compared to more mature real estate markets, the increasing requirements of multi-national occupiers, as well as the influx of international property consultancies has led to the introduction of greater availability of market information both in the published and private form pushing the sector to an organised market form. She further stressed that maturity of the real estate markets will lead to infusion of foreign investment and adoption of international best practices by real estate players. The author saw a matured market as one that is organised, not fragmented, transparent and illiquid. However the study lacked empirical evidence to back up these assertions.

Thontteh (2013), appraised the extent of market maturity in Nigeria property market.. The study using qualitative comparative analysis explored attitudes and perceptions of key property markets across the country. Key market determinants used in the study included market openness, professionalism, the presence of property intermediaries, information availability and standardization, development stability, flexibility, quality of property products and user and investor objectives. It also assessed the impact of institutional frameworks in the perception of

maturity. Questionnaire and interview guide was used to obtain data from property consultancy firms in the city of Lagos. The level of maturity of the market was assessed using the inferential statistics (χ^2 – chi square). The study found out that only the skilled workers; professionals in real estate are evident in the Nigerian property market. It also found out that Nigeria market is yet to adopt or show evidence of maturity in its day to day activities. However, it asserts that that with the existence of skilled workers and good political environment, maturity factors can emerge and be sustained in the Nigeria property market. The finding was in line with (Dugeri 2011) that the Nigerian property market is immature. However, there was no mention of the population or/ and sample size of the property consulting firms used as respondents in the study. Furthermore, involvement of other market participants in the study would have given a more reliable and dependable results. Also, the study area; Lagos seemed small for a study of this nature where we have thirty six states in Nigeria. The present study concentrates on Port Harcourt commercial and residential property market maturity with different market participants as respondents.

Clement et.al (2016), explored the maturity status of some selected city property markets in Southwestern Nigeria namely Lagos, Ibadan and Osogbo with a view to providing information for enhanced property investment in Africa. The study adopted and expanded on property market maturity paradigms suggested by Keogh and D'Arcy (1994), Akinbogun (2012) and Jones Lang LaSalle (2014) to measure the maturity status of the property markets in the Nigerian cities. In achieving this objective, the study sampled players in the markets - estate surveyors and valuers, public land administrators and financiers (represented by commercial banks), using questionnaire surveys and structured interviews. The responses were classified by means of a five-point classification scale which expanded on the initial scale developed by Dugeri (2011). The three

property markets were found to exhibit varying maturity characteristics (with weighted mean scores of 3.07, 2.71, 2.51 respectively), representing emerging, emerging and immature stages of evolution on the maturity path. The study concluded that the Ibadan and Osogbo markets require substantial remodelling to make them attractive to international investors. The study focussed only in Southwest Nigeria, there is need to evaluate other property markets for the investor to be fully guided in decision to invest in the Nigerian property market.

It is obvious from these literatures that the most comprehensive property maturity checklists were those identified in Keogh and D'Arcy (1994). These include; accommodation of full range of use and investment objectives, flexible market adjustment in both long and short run, existence of a sophisticated property profession with its associated institutions and networks, extensive information flows and research activities, market openness in spatial, functional and sectoral terms, and standardization of property rights and market practices. Building on the work of Keogh and D'Arcy (1994), Chin & Dent (2005) summarised the characteristics of a mature market as a market that:

- Offers a sophisticated and sound financial structure
- Accommodates a full range of use and investment objectives
- Provides the extensive property information and property intermediaries with high level of property professionals.
- Offers a wide range of investment opportunities
- Provides a liberalised financial market environment
- Updated and well-developed public infrastructure
- Low risk and return
- Provides high quality property products

- Provide the accurate financial and market information
- Standardisation of property rights and market practice
- Flexible market in both the short and long run
- Stable economic environment
- Stable development environment
- Large pool of skilled workers-user and investor opportunity

However, it was observed that the lists of maturity factors could be limitless. On this ground, Keogh and D'Arcy (1994) suggested that the factors need to be more concise and articulated in proper detail to avoid ambiguity and lack of focus. It is also obvious that most researches on property market maturity are in the Asian and European countries. Only a handful of local researches have been carried out on this subject. This prompted the researcher's interest on the subject and in an area where little has been researched on the topic.

2.9.1 An Evaluation of Property Market Maturity Indicators

It has been noted and observed that property market maturity checklists are limitless and complex; there is no single evolutionary path that must be followed by all property markets in the assessment of their maturity. The effort here will be the evaluation of the property maturity checklists or factors from previous literatures.

A full range of use and investment objectives

Keogh and D'Arcy opined that a mature market is one characterised by a full range of use and investment objectives. They observed that the ability of a commercial market to accommodate diverse objectives of users and other investors is the characteristics of a modern and mature

market. In a mature market, there is diversity of users of property products namely commercial property users, residential property users, industrial property users and so on. The essence of investments especially in commercial property is for generation of returns that will be greater than the amount invested. Since the players in the property market has varied investment plans and objectives, it is expected that the rate at which these players are able to meet these investment plans to a large extent depends on the performance of the property market and its ability to provide the needed products. However, the provision of these products cannot be effectively achieved without the functioning of the capital and financial market. As capital and property markets are different forms of investments, investors are keen to know the performance of these markets and how they can relate to each other. Investors may switch investments in these two media. According to Armitage (1996), user and investor opportunities relates back to the level of market openness in general and refers to the ability of both local and international players to participate in the market. Thus, a mature market is one characterised by its diversity of use and investment objectives.

Flexible market adjustment in both long and short run

Keogh and D'Arcy (1994), Chin and Dent (2005) noted that one of the principal characteristics of a mature market is being able to adjust itself in both long and short runs. In a mature market, flexible market adjustment would allow market equilibrium to be instantaneously reached although real property market had been traditionally noted for its adjustment problems to respond quickly to new market requirement thereby resulting in mismatch between supply and demand and distorted equilibrium position (Oladapo, 2011). In other words, there is the ability of the mature market to accommodate pressures for change in both short and long terms. Still in line with this, (Keogh & D'Arcy, 1994), (Chin & Dent, 2005) stated that a mature market should be able to exhibit a

fluidity of functions between different actors and sectors and also offer a high level of capital liquid. They explained further that in a mature market, the flexibility of the market is premised on the fluidity of capital to finance development proposals of the various property market participants. This is encouraged and facilitated by existing planning laws and practices.

Existence of a sophisticated property profession with its associated institutions and networks

Keogh and D'Arcy (1994) see the existence of property profession with its associated institutions and networks as an attribute of a mature market. Due to the local and decentralised nature of the property market, information about the market depends on the property professionals and other intermediaries. This suggests that the number of property professionals in a property market and the rate at which they relate with one another is a pointer to the maturity of the market. Chin and Dent (2005) and (Armitage, 1996) stated that property professional level relates to the level and quality of market information, transaction data and development activity. Where the professional level is high, the quality of service and analysis will be more sound and balanced. In such circumstances, clients would expect more details and depth of analysis in the industry. This will give foreign investors courage and confidence to invest in the market. This implies that foreign investors need to see a high level of transparency within markets as such transparency leads to pricing efficiency by which they can be confident that their investment decisions are based on a more thorough information set as to the risks and returns within the market (Lee, 2001). In contrast, a lack of transparency diminishes the reputation and credibility of its real estate market and increases significantly the cost of capital destined for a particular country (Gordon, 1999). However, (Olaleye, 2004) stated that real estate practitioners in Nigeria are noted for too much confidentiality to property information and transactions. While others opined that estate surveyors

and valuers inability to release of property information could be traced to certain factors like instruction from clients, personal gains, incompetence and others. Furthermore, (Chin & Dent, 2005), believed that the presence of property intermediaries indicates a level of sophistication in the market. They stated that the brokering of property through intermediaries from the financial, accounting or specialised property sectors is an indicator of the level of maturity in a market. In all, a mature market is characterised by the presence of a sound, functional and sophisticated property profession with corresponding intermediaries and networks.

Extensive information flows and research activities

A mature market is the one that should be able to offer extensive information flows (including information standardisation, availability and quality) which will enable high level of research activities. Almost all markets are getting globalised and the place of information in achieving this cannot be underestimated. Information could be likened to the wing on which markets fly. However, overtime the property market has been known to be information deficient (Oladapo, 2011), (Olaleye, 2004), (Millington, 1975) and has been noted to be a constraint to real property market development (Lee, 2001). Market information in the property market is carried out by the market participants especially the estate agents from which it flows to the investors, developers, the financial institutions and so on. Information from these market participants gives insight on the behaviour and performance of the property market. Furthermore, research activities amongst the market participants and those in academics are being driven by extensive information flows from the market. Information flows in the property market act as catalyst that synthesizes and gives insight to research activities. Lee (2001), observed that data limitations result in less research undertakings. Therefore, (Keogh & D'Arcy,1994) firmly stated that a mature market is one characterised by extensive information flows and research activities.

Market openness in spatial, functional and sectoral terms

Market openness could be measured by various dimensions; spatial, functional, and sectoral but essentially a very open market should be as open as a local market for national and international participants (Keogh & D'Arcy, 1994), (Chin & Dent, 2005). Here, market openness which could be seen as transparency is very necessary to both local and international market participants as it guides them in investment and development decisions. Market openness is directly linked with the level of information flow and research activities in a market. In other words, the level of the flow of information and research activities amongst the market participants (including those in academics) is a pointer to how transparent and open the market will be. Oladapo (2011) defined transparency as the ability of market participants to observe the information driving the trading process. She added that such dictates the investment strategies which influence the market equilibrium and prices. Jones (2010) sees a transparent real estate market as one characterised by the free- flow of high quality information, robust regulatory enforcement and fair transaction processes. Lee (2001) suggested that on the question of informational efficiency, emerging markets by their nature have more recent origins than developed markets in addition to which they have adopted differing policies relating to the financial and real estate sectors than developed countries. Thus, arguing that emerging markets differ from their counterparts in the world in terms of their institutional structures and informational related attributes. Guerts and Jaffe(1996) suggests that unless an outsider is fully aware of the institutional structures of the market both formal and informal, they are likely to be at a major disadvantage compared with the local market players. All this suggests the importance of market openness and transparency in market maturity because if investors can be more informed of the institutional structures and business practices of the overseas market, they are more likely to invest in those markets. Thus, according to (Stratman,

1999) familiarity breeds investment. Gordon (1999) suggests that the increase in market transparency in a country's real estate market is a price that must be paid for a country to be considered for admission into today's global investment's market. In other words, countries have to recognise that greater transparency and openness is a pre-requisite for success in the future (Roulac & Eachempati, 2000). This means that for a country to be involved in global investment's market, it must have a matured market which must be reflected in the level of transparency and openness of the market. Greater transparency will help improve market efficiency, encourage stable long term investment and equip domestic players to compete in international real estate markets. However, (Keogh & D'Arcy, 1994) opined that this market maturity factor (market openness in spatial, functional and sectoral terms) has the disadvantage of causing instability induced by flexibility in capital flows between markets.

Standardisation of market rights and property practices

A mature market is one that has standardised market rights and property practices. There are many rights and interests that exist in a property. For example, freehold interest, leasehold interest, subleases and so on and could be on individual, family, corporate or other institutional developers. They often give rise to management and measurement problems which slow down the performance of professionals in the market. These problems could be overcome by the standardisation of market rights and property practices. However, (Oladapo, 2011) observed that standardisation tasks require concerted effort, collaboration work and readiness of all the market participants so that descriptions are made with the same exactitude. The Society of Property Researchers (1995) as cited in (Oladapo, 2011) had noted the need for standardisation due to the following advantages it could confer on the market;

Standardisation allows the attractiveness of properties to be consistently compared by users, investors and developers

It will provide a consistent method for comparing the qualities of investment assets and

It provides consistent basis for collecting and comparing property data for quantitative analysis.

This suggests that the importance of standardisation cannot be despised. Thus explaining why Keogh and D'Arcy listed standardisation of market rights and property practices as checklists of property market maturity.

These are basically the six major property maturity attributes listed in (Keogh & D'Arcy, 1994). The additional maturity attributes contributed by other authors arose from these already listed ones, some are even repetitions of what had already been listed in Keogh and D'Arcy (1994). However, some of them will be briefly discussed.

Development stability

Chin and Dent (2005), observed that one of the measure of the property market maturity of a country is the stability of development in the country. According to them, development projects depend on finance therefore, the level of development stability will depend on the level of stability in a country's financial system. A mature market should offer a sound environment in order to maintain the stability of the development process (Armitage, 1995). This suggests that a mature market is characterised by the presence of sound financial and banking systems. These facilities help to stabilise development activities. Where this help is not forthcoming from these banking and financial sectors, there may be significant numbers of half- built and empty projects across the cities.

Urban planning

Urban planning is a technical and political process concerned with the use of land and design of the urban environment, including transportation networks, to guide and ensure the orderly development of settlements and communities. It concerns itself with research and analysis, strategic thinking, architecture, urban design, public consultation, policy recommendations, implementation and management (Wikipedia). Urban planning helps to shape the real property market of a city by the use of some controls like zoning laws, and other town planning laws. In Keogh (1996) as cited in (Oladapo, 2011), the urban planning system could impose important constraints on the evolution of the urban property market. In turn, market pressure could influence the design and application of planning policy. Generally, government actions which in this case urban planning affect real estate investments everywhere. Baum and Crosby (1988) stated that even in domestic markets, the investors must deal with the potential for government actions like rent controls, asbestos removal, hazardous waste cleanup, and tax law changes all of which affect the value of real estate. Furthermore, taking zoning law as an example of urban planning controls, certain areas are always designated for various land uses. An area mapped out for industrial land use cannot be used for another purpose apart from that it has been zoned for. Therefore, the availability and implementation of planning laws in a city is also a determining factor of the level of the property market maturity in that city.

Quality of property products

The urban design and quality of property products give investors first impression about a city and provide the image of the level of maturity of the property market (Chin & Dent, 2005). A mature market is generally characterised by high quality and well located property products.

Realistic market values and market stability

Basically in a mature market, market value should reflect the conditions of demand and supply at any point in time. Investors and developers should therefore be able to predict undersupply or oversupply conditions (Chin & Dent, 2005). The mature markets are characterised by greater stability in investment returns (Lee, 1999). The immature markets display a high level of volatility in returns due to their lack of transparency coupled with relatively few market players and hence little possibility of easy exit. While the most mature market shows high level of variability as a result of its openness and large numbers of market actors.

Political Stability

One of the factors that are being considered by international investors before investing in a country's real estate market is the political stability of such country. When they are greatly informed of the political stability of the country and other institutional factors, they may likely invest in such countries. Errunza (1983), observes that political risks particularly in developing countries could have a great deal of influence on the international portfolio investment decisions. Thus, (Chin et.al, 2006) as cited in (Oladapo, 2011) stated that the political stability of the market environment was perceived as one of the maturity perceptions of institution environment. Political instability is as a result of adverse consequences arising out of unexpected political events. Lee (2001) added that this instability in politics arises when a sovereign host government unexpectedly change the rules of game under which business operate through intervention in the economy. Such intervention may take many forms, including explicit barriers to capital flows, taxes, exchange controls and outright expropriation. He further stated that, such interventions are precipitated by exogenous shocks to the economy, such as changes in the world demand and trade and endogenous behaviour in response to internal forces such as coupe or changes in the ruling party.

A host government may impose penalties like repatriation of dividends and the control of remittance of funds as a result of instability in a country's government, money and fiscal policies. Thus, a mature property market is experienced in a country or a city where the government, money and fiscal policies are stable. Political instability can decrease investment. In order to fully capture the level of maturity of the real estate market in a city, the political as well as economic, social and legal conditions have to be considered.

Public infrastructure level

Public infrastructure is the term that describes infrastructure that is owned by the public and/or is for the public. It is generally distinguishable from private or generic infrastructure in terms of policy, financing, purpose and so on. There are different types of infrastructure namely; transport infrastructure which includes vehicles, road, rail, cable and financing of transport, aviation infrastructure which includes air traffic control technology in aviation, sustainable urban infrastructure which includes technology, architecture, policy for sustainable living and so on. Ogbonna (2010) defined infrastructure as the system of land based physical assets and technologies which collectively provide the enabling environment and deliver the services required to enhance economic growth and quality of human life in society. According to (Oluba, 2013), public infrastructure touches on a wide spectrum of basic amenities which enhance the capacity of economic agents to conveniently engage in productive activities with less stress. The world development report elaborated by the World Bank 1994 as cited in (Adetola et.al, 2011) defined infrastructure as long-life engineering structures, equipment and facilities, and also the services that are derived from and utilised in production and in final household consumption. The importance of infrastructure has been underlined by the United Nations of declaration of the Millennium Development Goals. The absence of these amenities or their un-optimal provision can

equally result in complete seizure of production at economic unit levels. With good infrastructure base, development is both easily attainable and sustainable. Efficient infrastructure development underlines the integration of national economy and helps in spreading its benefits. For example, the adequacy of good roads, water and electricity infrastructure in certain remote areas can serve as an incentive to attract certain levels of industrial activities in such places. In that wise, infrastructure provision facilitates investment in less developed areas. Infrastructure provision and development is therefore very important in the property market maturity of a place. In fact, (Oladapo, 2011) sees it as the aggregate of all the facilities that allow the property market to function effectively. The level of infrastructure in a city is a determining factor of the level of the property market maturity in that city.

The presence of property intermediaries

Chin and Dent (2005) opined that the presence of property intermediaries indicates a level of sophistication in a market. According to them, the brokering of property through intermediaries from the accounting, financial or specialised property sectors is an indication of the level of maturity in a market. It is only in a mature market that a high presence of property intermediaries could be felt.

Connectivity with international capital markets

Jones (2010) in benchmarking China's real estate market noted that for China's real estate market to fast track to maturity, it must develop connectivity with international capital markets. They stressed that one of the key measures of city competitiveness relates to a city's external relations to others with regards to trade, capital flows and corporate activities. The more connected a city is in terms of physical and business networks, then the better it tends to perform. Connections with international capital markets are important in order to offer more diversity in vehicles and facilitate

capital inflows, and also to help prepare a city's money to find strong footholds abroad. Thus, the level of the maturity of a city's property market maturity could be measured by the city's connection with international capital markets in terms of both capital inflows and outflows.

Corruption level

According to Lee (2001), the unwritten rules of game in each country can be markedly different in terms of how business is conducted compared to an individual's home market. The level of perceived corruption faced by business within a country could prove a major impediment to the successful implementation of an investment strategy. Lee (2001) further stated that corruption comes in different forms and is constantly changing over time both in terms of level of corruption (petty or grand), whether political, public or private, the frequency of corruption and price paid (low or high) and so on. However, it was found out from the study carried out by (Lee, 2001) and other authors like (Lambsdorff, 1999) that the less developed countries display significantly worst levels of corruption than developed countries. Low transparency is frequently considered to be synonymous with corruption (Lee, 1999). He however warned that a transparent market is not only about freedom from corruption; it is also about the availability of information and the efficiency of the market. Wei 1997 in (Lee, 1999) concluded that investors chose less corrupt- more transparent- economies in which to invest. Furthermore, he also suggested that corruption has the same deterrent effect on investment as increased taxes. In other words, the corruption level of a country is one of the determinants of the stage of the property market maturity of that country.

Risk and expected return

Prasana (2005) referred to returns as the primary factor that drives investment. It represents the reward for undertaking investments. She further stated that since the game of investing is about

returns (after allowing for risks), measurement of historical returns is necessary to assess how well the investment manager has done. The available performance measurement recognised the need to measure the returns from investments. These returns are of two components; the rental growth and the capital growth. The measurement of returns provides an insight into the effectiveness of the utilisation of capital as well as comparison inside and outside the portfolio. This sends signals to investors and other market participants to what is happening in the property market as it regards investments.

Risk is another component of investments. Every investor is interested in maximising returns and minimising risk. In investment risk analysis, the most desirable investment choice is an investment which has a high return and low risk profile. Thus, investments located on a high return/ low risk quadrant of a risk- return diagram would be ideal investment choice while the least desirable is the low return / high risk quadrant (Markowitz 1959). This implies that the findings from the return/ risk investments measurements in a property market is a pointer to the stage of the development of the market.

Thus, (Koh, 1995) in (Chin, 2002) viewed maturity from the angle of market opportunities and risk. He drew the market opportunities and risk in mature markets, developing markets and emerging markets with an example of Southeast Asian Cities. His findings summarised that mature market has low risk while developing markets have higher risks. IRR for mature; developing and emergent markets are in the range of 12-15%, 13-22% and 20-35% while the yields are in the range of 4-7%, 8-11% and 12-16%.

Furthermore, from the study carried out by (Lee, 1999) on the European real estate market, he found out that UK and other European markets maturity and transparency levels are different looking at the returns and risks levels from 1985- 1997. The maturing markets are characterised by

greater stability in investments returns as measured by the standard deviation and the immature display a far higher variability in returns. Whilst the most mature market the UK shows high level of variability as a result of its openness and large market actors. In other words, the immature markets display high levels of volatility in returns due to their lack of transparency coupled with relatively few market players and hence little possibility of easy exit. The reasonable level of returns shown by the maturing group coupled with their lower risks means that this group showed the lowest coefficient of variation in returns over this period and hence the highest risk-adjusted returns. The immature markets displayed the worst risk-adjusted performance with the United Kingdom. The study in an attempt to find out the variability in returns in the study area would analyse the return/ risk levels of different classes of investments in the study area.

Currency exchange stability and convertibility

Lee (2001) observed that while investors may reap the benefits of increased returns at lower portfolio risk when they venture overseas, such investors suddenly find themselves exposed to a relatively new type of risk, currency risk. This risk has to deal with exchange rate variations and ease of conversion. Currencies can have a substantial impact on real estate investment returns in the short and medium term making the management of exchange rate during these periods vital to the immediate future health of the investor. This suggests that one of the important factors that investors take into consideration before venturing into investment in the real estate market of a country or city is the currency exchange stability and convertibility in the country or city. Therefore, the level of maturity of a property maturity could be measured by the currency exchange stability and convertibility in the country. The more matured a property market is, the more stable and ease of conversion of currency exchange in that country. However, some of these maturity indicators may not be applied in the current study.

2.9.2 Summary

The chapter discussed the concepts of market, marketing, property, property marketing, property market conduct, factors militating against the property market and property market maturity. In the review of related literature on property market maturity, it was found out that most work on property market maturity were outside. A known example was the study carried out in Southeast Asian cities which concluded and categorised the property markets of the cities into mature, immature and emerging. Some works done on property market maturity in Nigeria based only on the commercial property type concluded that property market in some parts of the country is open and lack in other criteria (Dugeri, 2011). In addition to this, the Lagos property market has been significantly influenced by the lease structure (Oladapo, 2011). There is dearth of information and empirical works on the maturity of the Port Harcourt property market apart from the ones that had been mentioned. Therefore, this study is timely and filled the gap in knowledge by providing empirical data on the maturity of Port Harcourt property market.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research design

This research adopted the survey research design which is a type of design where the researcher uses the entire population as a sample or selects a sample of respondents from the population (if the population is too big) and administers standardized questionnaires or/ and interview to them. In addition, the survey strategy allows the researcher to collect quantitative data which can be analysed quantitatively using descriptive and inferential statistics (Saunders et.al, 2007).

3.2 Sources of data

Data used in the study were obtained from primary and secondary sources. Primary data were obtained from the respondents in the study population through the use of research instruments i.e. questionnaire and interview schedule for example the rental and capital values of the different classes of residential and commercial properties.(see appendix 1-6). The secondary data were collected from books, articles/ periodicals, journals and internet sources.

3.3 Population/ sample size of the study/ sampling technique

Kothari (2004) defined population or universe as all items in any field of enquiry in other words, the population of a study is the totality of people, material/ items about which the study intends to obtain information. A sample is a sub set of the population from which inferences could be drawn about the population. In line with this definition, the population for the study is categorised into five namely: estate surveyors and valuers in practice and in academics, public real estate developers (Rivers State Housing and Property Development Authority), real estate

financiers (commercial/mortgage banks), Rivers State Ministry of Physical Planning and Urban Development and tenants in the study area.

The registered and practicing Estate Surveyors and Valuers in Port Harcourt:

A registered estate surveyor and valuer is a person that is trained and registered with the Nigerian Institution of Estate Surveyors and Valuers and the Estate Surveyors and Valuers Registration Board of Nigeria to practice Estate Surveying and Valuation in accordance with the Decree No 24 of 1975 now Cap 111 LFN 1990. It is only a member that is registered with Estate Surveyors and Valuers Registration Board of Nigeria that is entitled to practice estate surveying and valuation in Nigeria. The total number of practicing firms approved and permitted to carry on the practice of Estate Surveying and Valuation in Port Harcourt as stipulated in the Nigerian Institution of Estate Surveyors and Valuers, Rivers State Branch Membership Directory second edition is 188. This gives the population of the practicing firms in Port Harcourt. Census survey was employed since the population is not too big. In each of the firms, one principal staff was administered questionnaires to. This comprised mainly of the principal partner/chief executive officer, resident surveyors, and head of departments. The population of Estate Surveyors and Valuers in practice added up to 188 which is also the sample size since the population is small. Simple random sampling technique was used to obtain data from the respondents.

Estate surveyors and valuers in academics

These comprise of estate surveyors and valuers that are lecturing in the different higher institutions in the study area. The two accredited higher institutions that offer Estate Management in Rivers State are Rivers State University of Science and Technology and Rivers

State Polytechnic Bori. It was found out that there are 22 lecturing estate surveyors and valuers in the two tertiary institutions. This comprised the population. Data were obtained from 10 of them that are in the rank of senior lecturers and lecturer 1 through simple random technique.

Real estate developer

This comprise Property Development Company in the study area that deal with property development, selling, maintenance and so on. Amongst the 15 number estate surveyors and valuers staff in the company, data were obtained through simple random sampling technique from 9 of them that are senior staff.

Real Estate Financiers

The real estate financiers comprise the various financial institutions that specialize in financing real property development in the study area. These are the commercial and mortgage banks. According to VConnects Nigeria Limited; there are about 30 commercial and mortgage banks in the study area. This constituted the population and was conveniently covered. The researcher obtained information from them using the purposive sampling technique. Some of these banks include; First Bank Nigeria, United Bank for Africa, Guaranty Trust Bank, Aso Savings and Loans Limited, Taf Nigeria Homes Limited and so on.

Rivers State Ministry of Physical Planning and Urban Development

This is a body that specialises in planning in the study area. They were 15 number staff in the planning authority as at the time of data collection. Through simple random sampling technique, data was obtained from 7 of them that are senior staff.

Different classes of commercial and residential properties in the study area.

The different classes of commercial properties that were used for this study include a shop unit, a room tenement, 3 bedroom flat on 3 floors, 2/3 room duplexes with boys quarter and 3 bedroom office complex. These properties were chosen so that high and low income residential and commercial property types would be represented.

The multi-stage sampling technique was used by the researcher to get the different sub-markets from which the rental and capital values were obtained. A multi-stage sampling is a sampling method in which the population is divided into a number of groups or primary stages from which samples were drawn and so on. This method was adopted because there are limited reliable data on the rental and capital values trends in Port Harcourt.

Using the information obtained from the Property Databank 2013 of the Nigerian Institution of Estate Surveyors and Valuers, the city was first segmented into eight property sub-markets namely Rumuogba, Rumuibekwe, Ogbonda/ Cocaine; Rumuomasi/ Elekahalia, Nkpolu/Oginigba/Rumuobiakani; Stadium road, Mummy B road, Mopol Barracks, Presidential Estate 1&2; Trans Amadi 1&2; Odili road; GRA 1&2; D/Line; Amadi Flats/ Old GRA. This constituted the first stage and the sub-markets were referred to as primary sampling unit (Udo, 1987).

In the second stage, the selected property sub-markets were further divided into secondary sampling units. The number of the secondary sampling units was based on the size of the submarkets and the degree of the economic and social activities within the submarkets. Thus, the following were covered;

Rumuogba and Ogbonda for the first sub-market

Rumuomasi, Elekahalia and Oginigba for the second

Stadium road, Mopol barracks and Presidential estate 1 for the third

Trans Amadi 1&2 for the fourth

Odili road for the fifth

GRA 1&2 for the sixth

D/Line for the seventh and

Amadi Flat/ Old GRA for the eighth

The third stage sampling involved the selection of specific housing units for interview. Systematic sampling technique was used taking one street at a time. For all classes of properties in each of the roads of the selected sub-markets, every fourth of the same property type was interviewed on each of the road (Udo, 1987). The classification of any of the properties interviewed into residential or commercial property was based on the predominant use of the property. This was adopted because no special account was given for mix-user.

The last stage of sampling involved the selection of interviews. Tenants were selected for interviews as they were more willing and open to disclose information on rental data than landlords who are always not comfortable on giving data relating to their buildings (Udo, 1987). To randomise the choice of tenants selected for the interview, every first tenant contacted in any given property who was willing to respond to the researcher's interview was selected. Properties that were owner occupied were skipped and similar property next to it was selected.

Market transaction was relied upon for the properties capital value. The capital values of the different classes of properties in these different sub-markets were obtained from real estate firms in Port Harcourt. This information was obtained from Estate surveyors and valuers in practice

that are willing to release vital information needed by the researcher. The basics of selection of practicing Estate surveyors and valuers had already been discussed.

A total of 242 properties were surveyed out of which 25 responses were rejected because of absence of complete data needed for the study. 217 responses which constituted the sample size were classified and analysed accordingly. Their distribution was as follows;

Tenements- residential = 60

Commercial = 40

Flats - residential(3 bedroom)=65

(duplex) = 27

Commercial(3 bedroom) = 25

3.4 Data collection instruments

The data collection instruments employed in the study were structured questionnaire and interview. Self- administered structured questionnaire and/or interview were used to obtain information from the practicing and lecturing estate surveyors and valuers in the study area, staff of the Rivers state Housing and Property Development Authority, Real Estate Financiers, Rivers State Ministry of Physical Planning and Urban Development and tenants. Questionnaire based surveys in general has the advantage of providing a straight forward approach to respondents attitude and motives, but bear the risk of the questions being misunderstood and the results not reporting the respondents motives accurately (Robson in Falkenbach, 2010). It was based on this that the researcher conducted pilot investigation to test the validity and reliability of the questionnaire.

3.4.1 Questionnaire design

The questionnaire was designed to suit the objectives of the study, the study problems and research questions. Six different questionnaires were designed to cover the different respondents used in the study. Questionnaire 1 was for the estate surveyors and valuers in practice, Questionnaire 2 was for estate surveyors and valuers in academics, Questionnaire 3 was for the staff in the Rivers State Housing and Property development Authority, 4 was for Real Estate Financiers, and 5 was for Rivers State Ministry of Urban Planning and Physical Development and 6 for tenants.

In designing questionnaires 1, 2 and 3, 4 and 5 summated scales or likert- type scales was employed by the researcher to get information from the respondents on the evaluation of those listed maturity checklists in the Port Harcourt property market (see appendix 1-5). Summated scales consist of a number of statements which express either a favourable or unfavourable attitude towards the given object to which the respondent is asked to react. The respondent indicates his agreement or disagreement with each statement in the instrument. Each response is given a numerical score, indicating its favourableness or unfavourableness, and the scores totalled to measure the respondent's attitude. In other words, the overall score represents the respondent's position on the continuum of favourable- unfavourableness towards an issue (Kothari, 2004). A 5 point likert scale was employed in this study with the ranking 1 for strongly disagree and 5 for strongly agree.

The second part of questionnaire 1 was arranged in tabular form in order to get information on capital values of properties from the respondents (see appendix 1).

3.4.2 Personal interviews

Personal interview method requires a person known as the interviewer asking questions generally in a face to face contact to the other person or persons (Kothari, 2004). The researcher employed structured personal interviews whereby a set of predetermined questions was asked in a laid down procedure and properly recorded making sure the questions were quite understood by the respondents.

3.4.3 Administration of the Instruments

Personal interview and questionnaires were administered for the collection of data required for the study. The interview schedule was administered where necessary alongside with the questionnaire to the respondents. The respondents were interviewed based on the predetermined questions and their responses were recorded by the interviewer. All questions were duly interpreted to the understanding of the respondents.

The different sets of questionnaires designed for the collection of data for the study were properly distributed to the different respondents with the help of some personal assistants.

Furthermore, a handful of questionnaire1 & 2 were mailed through e-mails to some respondents that the researcher could not get to.

3.4.4 Test of Validity, Reliability and Practicality of the instrument

Validity indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2004) (Ranjit, 1999). The instruments used in the collection of data were adjudged valid because there are logical links between the questions and the objectives of the study; the data collected were used to achieve the objectives of the study.

A measuring instrument is reliable if it provides consistent results (Kothari, 2004). The research instruments were simply structured and worded to avoid ambiguity and differences in interpretation by the respondents. There was consistency and stability in generating the data required following the pilot study conducted by the researcher as a proof of the reliability of the instruments.

The practicality characteristic of a measuring instrument can be judged in terms of economy, convenience and interpretability (Kothari, 2004). The instruments passed the test because most of the respondents understood the questions and the administration of the instruments was convenient in spite of some of the challenges encountered by the researcher.

3.5 Data analysis techniques

Analysis involves estimating the values of unknown parameters of population and testing of hypotheses for drawing inferences (Kothari, 2004). Several methods have been demonstrated in different literatures for example in (Kothari, 2004). The following methods were adopted in this study; descriptive statistics, relative importance index, one way Analysis of Variance (ANOVA) and one sample t-test.

3.5.1 Descriptive statistics

It is employed in showing the information on the different respondents, the distributional characteristics of other data to be employed in the subsequent inferential statistics. Simple tables, frequencies, mean, percentages and measures of dispersion were used to present and analyse data obtained from the respondents that were administered questionnaires 1, 2, 3, 4, 5 and 6 (that is estate surveyors and valuers in practice, estate surveyors and valuers in academics, real estate developers, real estate financiers, planning authority in the study area and tenants in the study

area.). These were used to resolve objective 1 in chapter one. The hypothesis ¹Ho and ²Ho were tested with one-way analysis of variance and one sample t-test, respectively.

3.5.2 Relative Importance Index (RII)

The data obtained on the nature of the Port Harcourt property market and the factors that militate against the Port Harcourt property market from the different respondents were analysed using the Relative Importance Index to determine the relative importance of these factors. This was done to resolve the research objectives number 2 and 3.

$$\text{RII} = \frac{\text{sum of weights (W1+ W2 + W3-----Wn)}}{A \times N}$$

Where W is the weight given to each of the factor by the respondents and will range from 1 to 5 where 1 is strongly not important/ strongly disagree and 5 are strongly important/ strongly agree. A= highest weight in this case and N is the number of respondents. This was used to resolve objectives 2 and 3.

3.5.3 Analysis of return and risks levels of investment on residential and commercial properties in Port Harcourt

In Chin (2002) using a table format as was shown table 2.1 above, the range of expected returns and risks in emerging, developing and matured markets were shown. This was also shown in Lee (1999).The effort here was to find out the trend in the returns and risks in chosen classes of property in Port Harcourt over the years and compare same to what was obtained in Chin(2002).

The rental values and capital values of data collected from the field were arranged in tabular format in the succeeding chapter. The averages of the rental and capital values of the same class of property were determined and grouped together in accordance with their locations.

In order to get the periodic return from the investor's point of view from these investments in different classes of commercial and residential properties (a room tenement, a shop, 3 bedroom flat, 3 bedroom office property and duplexes) in the study area from 2000-2014, it is the capital appreciation plus rent received over period under consideration. It is given by the formula;

$$R_t = \frac{CV_t - CV_{t-1} + Nit}{CV_t}$$

Where;

R_t = return at period t

CV_t = capital value at the end of the period t

CV_{t-1} = capital value at the beginning of the period

Nit = net income (rent) at period t

The holding period return was used to get the return for the period under study; it was arrived at with this formula;

$$HPR = \sum \frac{R_t}{n}$$

Where

HPR = arithmetic mean return

$\sum R_t$ = summation of periodic returns

n = number of years covered by the period

To determine the risks associated with each class of property in the study, the mean, variance, and standard deviation were used.

The variance was arrived at with the formula;

$$S^2 = \frac{\sum(R_t - HPR)^2}{n}$$

Where;

S^2 = variance

R_t = periodic return

HPR = holding period return

n = number of years covered by the period

The standard deviation which is the square root of the variance was arrived at with this formula;

$$SD = \sqrt{\frac{\sum(R_t - HPR)^2}{n}}$$

Where;

SD = standard deviation

RT = periodic return

HPR = holding period return

n = number of years covered by the period.

3.5.4 One- Way Analysis of Variance (ANOVA)

This statistical tool was employed in the study to test the second hypothesis ²Ho which states that there is no significant difference between the responses of the five groups of respondents. The one- way analysis of variance is used to determine whether there are any significant differences between the means of two or more independent (unrelated) groups. It assumes that the variances

of the population are homogenous, that the response variable residuals are normally distributed and that the responses for a given group are independent and identically distributed normal random variables (Kothari, 2004). In order to find out whether the data met these assumptions, the data was subjected some tests namely: the test of homogeneity of variances, test for normality and test of independence of responses. The table and figures below showed these tests.

Table 3: Levene test for equality of variances

Data

| Levene Statistic | df1 | df2 | Sig. |
|------------------|-----|-----|------|
| 2.061 | 7 | 32 | .077 |

The above table checked the homogeneity of the variances to make sure this assumption of one – way ANOVA was met by the data. The result showed positive which means that the variances are homogeneous since the p – value is 0.077, greater than 0.05.

Test for the normality of the distribution of data.

In order to carry out this test, figures 4 and 5 were used.

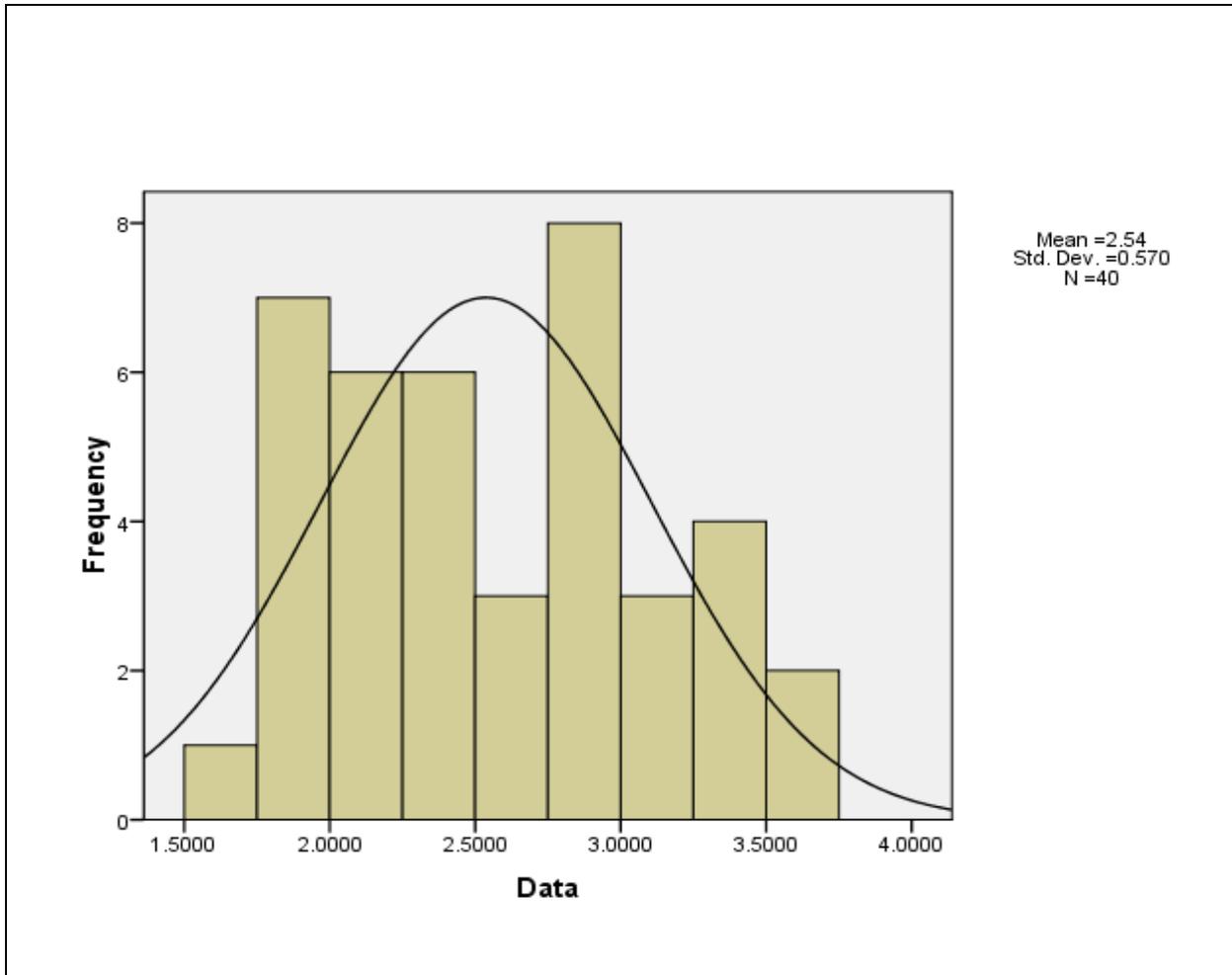


Fig. 4: Histogram for test of normality of data
Source: SPSS Statistics

The mean responses from the respondents were used to arrive at the histogram (fig 4). Looking at the histogram, it could be seen that the data is normally distributed because we can get a line of best fit from the histogram. A normal curve that was comfortably super-imposed on the histogram as shown above depicts that the data passed the normality test.

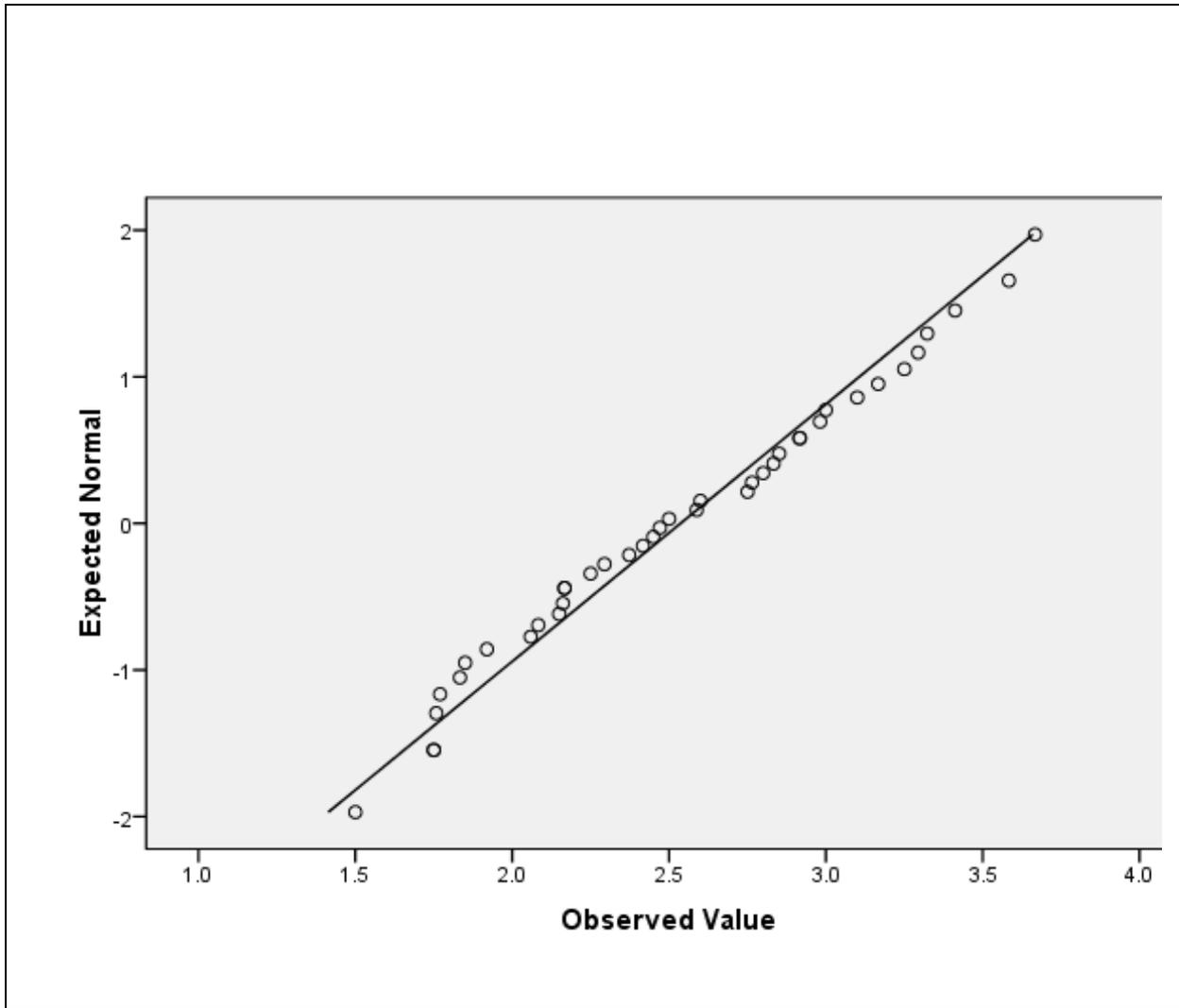


Fig.5: Normal Q-Q Plot of Data
Source: SPSS Statistics

Normal Q-Q Plot of data (fig.5) as shown above was equally used to test the normality of the data. Looking at the result, it could be seen that the dots (representing the data) were not scattered but cluster closely to one another and round the straight line. This infers that the data met the test of normality.

Test of independence of responses of different groups

The study involved five groups of respondents namely; Estate surveyors and Valuers in Practice, Estate Surveyors and Valuers in Academics, Rivers State Housing and Property Development Authority, Rivers State Ministry of Urban Planning and Physical Development and Real estate financiers. The data collected from these respondents were independently done. No group was dependent on the other for data collection. The data therefore met the independence of responses assumption of one-way ANOVA.

3.5.5 One sample T- Test

This parametric test was employed in the analysis to test the significance of the maturity checklists which was used to ascertain the maturity status of the market. The basic assumptions of this test tool are that the data must be normally distributed and independent. These have been tested above.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSIONS

The table below showed total number of distributed and returned questionnaires by the respondents.

Table 4: Summary of distributed and returned questionnaires

| Respondents | Population | distributed | Returned | % response |
|---------------------------|------------|-------------|------------|--------------|
| ESVP | 188 | 172 | 161 | 93.60 |
| ESVA | 22 | 10 | 9 | 90.00 |
| RSHPDA | 15 | 9 | 9 | 100.00 |
| RSMUPPD | 15 | 7 | 6 | 85.71 |
| Real estate financiers | 30 | 30 | 20 | 66.66 |
| Total | 270 | 228 | 205 | 89.91 |

Where ESVP= Estate Surveyors and Valuers in practice, ESVA= Estate Surveyors and Valuers in academics, RSHPDA= Rivers State Housing and Property Development Authority, RSMPPUD= Rivers State Ministry of Physical Planning and Urban Development.

A total of 242 properties were surveyed out of which 25 responses were rejected because of absence of complete data needed for the study. 217 responses which constituted the sample size were classified and analysed accordingly. This constituted 89.66% response.

4.1 Presentation and Analysis of Data from Practicing Estate Surveyors and Valuers in the Study Area.

The population of estate firms in the study area is 188 from the NIESV Rivers State Branch Membership Directory second edition. These data were mainly collected from the chief executive officer and heads of different departments and other officers in the firms. In each of these firms, one questionnaire was given to senior personnel.

4.1.1 Section One: Demographic information of the respondents

The tables below showed the distribution of the respondents according to status.

Table 5: Distribution of respondents 1 according to status

| Status | Frequency | Percentage (%) |
|------------------------------|------------------|-----------------------|
| Principal partners | 26 | 16.15 |
| Branch managers | 25 | 15.53 |
| Heads of departments | 90 | 55.90 |
| Estate surveyors and valuers | 20 | 12.42 |
| Others | - | - |
| Total | 161 | 100.00 |

The result in the table 5 above showed that over 100% of the respondents held important and key positions in their firms. The data they supplied could be relied on based on their various positions and their awareness of the happenings in the property market.

Table 6: Distribution of respondents 1 according to academic and professional qualifications.

| Academic/professional/ Qualifications | Frequency | Percentage (%) |
|--|------------------|-----------------------|
| HND only | 30 | 18.63 |
| B.Sc/B.Tech only | 20 | 12.42 |
| HND/B.Sc/ ANIVS/RSV | 100 | 62.11 |
| M.Sc/ RSV | 4 | 2.48 |
| Ph.D/Fellow | 2 | 1.26 |
| Others | 5 | 3.10 |
| Total | 161 | 100.00 |

The result in table 6 showed that over 97% of the respondents had good academic qualification in estate management profession. This implied that they are knowledgeable in land matters, transactions and property management. Apart from their academic qualifications, 66% of them are registered with the professional body of estate management.

Table 7: Year of firms' establishment

| Year | Frequency | Percentage (%) |
|----------------------|------------------|-----------------------|
| Between 1 and 5 | 15 | 9.32 |
| Between 6 and 10 | 28 | 17.39 |
| Between 11 and 15 | 60 | 37.27 |
| Between 16 and 20 | 50 | 31.06 |
| Between 21 and above | 8 | 4.96 |
| Total | 161 | 100.00 |

The result from the table 7 showed that greater percentage of the respondents (86%) had been in real estate business in the study area between 6 and 20 years ago. This implied that they are quite familiar with property transactions in the study area and their inputs could be relied on by the researcher.

Table 8: Firms' staff strength

| Staff strength | Frequency | Percentage (%) |
|-----------------------|------------------|-----------------------|
| Between 1 and 5 | 25 | 15.52 |
| Between 6 and 10 | 80 | 49.68 |
| Between 11 and 15 | 45 | 27.95 |
| Between 16 and 20 | 8 | 4.96 |
| Between 21 and above | 3 | 1.87 |
| Total | 161 | 100.00 |

The distribution on the table 8 above showed that greater percentage of the firms have staff strength in the range of 1 and 20. Between 1 and 5(15.52%), between 6 and 10(49.68%), between 11 and 15(27.95%), between 16 and 20(4.49%).

4.2 Presentation and Analysis of Data Obtained from Estate Surveyors and Valuers in Academics in the Study Area

The researcher obtained part of the data for this work from Estate Surveyors and Valuers in academics from Rivers State University of Science and Technology and Rivers State Polytechnic Bori.

The Rivers State University of Science and Technology is the first technological University in Nigeria and was established in 1980 from the Rivers State College of Technology, itself established 1972. It was the first University to be situated within the Niger Delta Region. It is located in the Diobu area of Port Harcourt. It has staff strength of 3,000 and student population of 17,000. Rivers State University of Science and Technology has seven faculties in which Environmental sciences is one of them. There are 12 numbers of staff lecturing in the department of Estate Management. Six (6) questionnaires were distributed to those in the rank of senior lecturer and lecturer 1.

Rivers State Polytechnic Bori was established by the Rivers State Government on 13th May 1988. It has two campuses, one for the school of management and the other for the school of engineering. It is approved as the state owned polytechnic by the national board for technical education. There are a total number of about 10 staff in the department of Estate Management, 4 of them that are highly ranked were used in data collection. A total number of 10 questionnaires were distributed to Estate Surveyors and Valuers lecturing in

these institutions. Out of the 10, 9 of them were properly filled and returned giving it a 90.00% response rate.

4.2.1 Section one: Demographic information of the respondents

The data obtained from the respondents were shown in the tables below.

Table 9: The distribution of the age of respondents 2

| Age | Frequency | Percentage (%) |
|--------------|-----------|----------------|
| 20-40 | 1 | 11.11 |
| 40-60 | 8 | 88.89 |
| 70 and above | - | - |
| Total | 9 | 100.00 |

The result in the table 9 showed that over 89% of the respondents were in the range of 40- 60 years while the remaining percentage was in the group of 20-40 years.

Table 10: Distribution of the designation of the respondents 2

| Designation | Frequency | Percentage (%) |
|---------------------|-----------|----------------|
| Graduate assistant | - | - |
| Assistant lecturer | - | - |
| Lecturer 11 | - | - |
| Lecturer 1 | 3 | 33.33 |
| Senior lecturer | 5 | 55.56 |
| Associate professor | 1 | 11.11 |
| Professor | - | - |
| Total | 9 | 100.00 |

The result showed that over 100% of the respondents were academics that had attained some reasonable heights in their teaching experience and were conversant with what is happening in the Port Harcourt property market. This implied that reasonable data about the maturity of the market could be obtained from them.

Table 11: Distribution of the academic and professional qualification of the respondents 2

| Academic/professional Qualification | Frequency | Percentage (%) |
|--|------------------|-----------------------|
| HND/B.Sc/ ANIVS | - | - |
| HND/B.Sc/ANIVS/RSV | 1 | 11.11 |
| M.Sc/ANIVS/RSV | 5 | 55.56 |
| Ph.D/ Fellow | 3 | 33.33 |
| Others | - | - |
| Total | 9 | 100.00 |

ANIESV= Associate Nigerian Institution of Estate Surveyors and Valuers, RSV= Registered Surveyor and Valuer.

The table showed that greater percentage of the respondents had attained some heights in academics and in the professional body of estate management. This showed that the responses of the respondents emanated from their wealth of experience gathered over the years in learning, lecturing and familiarity with the happenings in the Port Harcourt property market. This also implied that the data supplied by them in the achievement of the objectives of the study were dependable.

4.3 Presentation and Analysis Of Data Obtained From Real Estate Development Companies Rivers State Housing and Property Development Authority (RSHPDA).

The RSHPDA is a government agency that has the task of preservation and delivery of affordable housing in Rivers state. It was established under the Housing and Property Development Law no 14 of 1985. Its main goal is to reduce homelessness. It also manages all government-owned housing estates. The RSHPDA is governed by a board of directors who are charged with policy, control and management of the Authority. There are five departments under the RSHPDA. They are administrative department, estate department, Projects department, research and planning department, account, legal and audits departments.

A total of 9 questionnaires were distributed to the staff in the estate department of the RSHPDA . Out of the 9 distributed questionnaires, 9 were filled and returned giving it 100% response rate.

4.3.1 Section one: Demographic information of the respondents

This section gave information on the age, designation, academic and professional qualifications of the respondents.

Table 12: Distribution of the age of the respondents 3

| Age | Frequency | Percentage |
|--------------|------------------|-------------------|
| 20 -40 | 1 | 11.11 |
| 40 -60 | 8 | 88.89 |
| 70 and above | - | - |
| Total | 9 | 100.00 |

The results on the table showed that over 89% of the respondents were within age 40- 60 and have worked in the company for some time.

Table 13 : Distribution of the designation of the respondents 3

| Designation | Frequency | Percentage (%) |
|--------------------|------------------|-----------------------|
| Senior staff | 9 | 100.00 |
| Junior staff | - | - |
| Others | - | - |
| Total | 9 | 100.00 |

The result on the table showed that over 100% of the respondents were senior staff which includes director and deputy director. This showed the high exposure of the respondents to the work in the company over the years and the dependability of the data obtained from them for the achievement of the objectives of the study.

Table 14: Distribution of the academic and professional Qualification of the respondents 3

| Academic/professional Qualification | Frequency | Percentage (%) |
|--|------------------|-----------------------|
| OND/probationer | - | - |
| HND/ B.Sc/ANIEVS | - | - |
| HND/B.Sc/ANIEVS/RSV | 8 | 88.89 |
| HND/BS.c/Fellow/RSV | 1 | 11.11 |
| Total | 9 | 100.00 |

It could be seen from the table that over 100% of the respondents were HND/B.Sc holders and registered members of the institution. Based on these, the data obtained from them could be relied on for this study.

4.4 Presentation and Analysis of Data obtained from the Rivers State Ministry of Physical Planning and Urban Development.

The Rivers state Ministry of Urban Planning and Physical Development was formed in December 2007 by the government of Rivers State. It is a ministry entrusted with the task of reviewing and preparing physical development, urban renewal and transportation plans. The ministry is also in charge of urban reorientation and enforcement, regional rural planning, land provision and the approval of building plans. The ministry has the following functions; administration of physical, development control, regional/ rural planning and urban re-orientation/ urban renewal departments; general development for physical planning and general policies for the state; preparation and review of physical development plans (master plan) and development controls laws and regulations; liaise with LGA on physical planning and development issues; and enforcement of physical planning and development controls laws and regulations. 7 number questionnaires were distributed to the staff of the Rivers State Ministry of Urban Planning and Physical Development. 6 were filled and returned, giving it a response rate of 85.71%.

4.4.1 Demographic information of the respondents

This section contained information on the age, designation, academic and professional qualification of the staff of the establishment.

Table 15: Age distribution of the respondents 4

| Age | Frequency | Percentage (%) |
|--------------|------------------|-----------------------|
| 20 -40 | 1 | 16.67 |
| 40 -60 | 5 | 83.33 |
| 70 and above | - | - |
| Total | 6 | 100.00 |

The table showed that most of the respondents (over 83%) were within the ages of 40 -60.

Table 16: Distribution of the designation of the respondents 4

| Designation | Frequency | Percentage (%) |
|--------------------|------------------|-----------------------|
| Senior staff | 6 | 100.00 |
| Junior staff | - | - |
| Others | - | - |
| Total | 6 | 100.00 |

The table revealed that 100% of the respondents were in the rank of senior staff. This equally showed that they have worked in the establishment for some time to be able to get to that cadre. It was on this ground that the researcher affirmed that the data supplied by these respondents were dependable and reliable for this study.

Table 17: Distribution of the academic and professional qualifications of the respondents 4

| Academic/ Professional Qualification | Frequency | Percentage (%) |
|---|------------------|-----------------------|
| OND/RTP | - | - |
| HND/BS.c/RTP | 4 | 66.66 |
| HND/BS.c/ MNITP/RTP | 1 | 16.67 |
| M.Sc/TOPREC | 1 | 16.67 |
| P.hD | - | - |
| Total | 6 | 100.00 |

RTP= Registered Town Planner, MNITP= Member Nigeria Institute of Town Planners

TOPREC=Town Planners Registration Council

The result on the table 17 showed that 100% of the respondents were HND/B.Sc holders as well as registered town planners. This implied that their contributions to the study were significant and valuable.

4.5 Presentation and Analysis of Data Obtained From the Real Estate Financiers (Commercial / Mortgage banks)

A total of 30 questionnaires were distributed to real estate financiers in the study area.

Some of these banks include;

First bank

First bank Nigeria sometimes referred to as first bank is a Nigerian bank and financial services company. It was founded in 1894. In 1957, bank of British West Africa changed its name to Bank of West Africa (BWA). After independence in 1960, the bank began to send more credit to indigenous Nigerians. At the same time, citizens began to trust British banks since there was an independent financial control mechanism and more citizens began to patronize the new bank of West Africa. In 1965, Standard bank acquired the bank and change its acquisition name to Standard Bank of West Africa. In 1969, Standard bank of West Africa incorporated its Nigerian operations under the name Standard bank of Nigeria. In 1971, Standard bank of Nigeria listed its shares on the Nigerian stock exchange and placed 13% of its share capital with the Nigerian investors. After the end of the Nigerian civil war, Nigerians military government sought to increase local control of the retail banking sector. In response, now Standard Chartered Bank reduced its stake in Standard bank Nigeria to 38%. Once it has lost majority control, Standard Chartered wished to signal that it was no longer responsible for the bank and the bank changed its name to First bank of Nigeria in 1979. In Port Harcourt, First bank has 21 branches.(First Bank Nigeria, 2015).

United bank for Africa

United Bank for Africa was founded in 1949. It is a Nigerian bank with offices in nineteen largest banks namely; the old UBA and erstwhile Standard Trust Bank (Plc) respectively, and subsequent acquisition of the erstwhile Continental Trust Bank Limited (CTB). The union emerged as the first successful corporate combination in the history of Nigerian banking. UBA has nineteen branches in Port Harcourt. (United Bank for Africa, 2015).

Guaranty Trust Bank

Guaranty Trust Bank also known as GT Bank is a leading African financial institution with a strong service culture that offers online/internet banking, retail banking, corporate banking, investment banking, and asset management services with headquarters in Victoria Island Lagos. GTB was incorporated as a limited liability company licensed to provide commercial and other banking services to the Nigerian public in 1990 and commenced operations in February 1991. GTB has eleven branches in Port Harcourt. (Guaranty Trust Bank, 2015).

Aso Savings and Loans Limited

Aso savings and loans PLC is a primary mortgage institution instituted in Nigeria as a limited liability company on November 9, 1995. They formally commenced business on January 2, 1997 and converted to a public limited company on September 22, 2005. They are regulated by central bank of Nigeria under the Mortgage Bank Decree no.53 of 1989 to carry out the business of mortgage banking in Nigeria (Aso savings and Loans, 2015).

Taf Nigeria Homes Limited

The firm which was founded by Chief Executive Officer Mustapha Njie is on an upward trajectory after entering a public private partnership with the Rivers State Government to build 900 housing units in the Golf Estate Project. It aims at bringing affordable and quality homes to Africans as one of the main drivers behind the construction and development company Taf Nigeria Homes Limited.(Rivtaf Nigeria limited, 2015)

A total number of 30 questionnaires were distributed to bankers in these different commercial banks in the study area. Only 20 of the questionnaire were filled and returned, having a response rate of 66.7%.

4.5.1 Section one: Demographic information on the respondents

This section provided information on the age, status, designation and academic qualification of the respondents.

Table 18: Distribution of the age of the respondents 5

| Age | Frequency | Percentage (%) |
|--------------|------------------|-----------------------|
| 20-40 | 12 | 60.00 |
| 40-60 | 8 | 40.00 |
| 70 and above | - | - |
| Total | 20 | 100.00 |

This showed that 60% percentage of the respondents were within the ages of 20-40 while the remaining 40% were within ages 40-60.

Table 19: Distribution of the designation of the respondents 5

| Designation | Frequency | Percentage (%) |
|--------------------|------------------|-----------------------|
| Senior staff | 7 | 35.00 |
| Junior staff | 11 | 55.00 |
| Others | 2 | 10.00 |
| Total | 20 | 100.00 |

The table showed that the junior staff was 55%, senior staff 35% and others 10%. It implied that this number were familiar with banking operations and their contributions to the study necessary.

Table 20: Distribution of the academic qualifications of the respondents 5

| Academic qualification | Frequency | Percentage (%) |
|-------------------------------|------------------|-----------------------|
| OND | 5 | 25.00 |
| HND | 6 | 30.00 |
| B.Sc | 8 | 40.00 |
| M.Sc | 1 | 5.00 |
| Ph.D | - | - |
| Total | 20 | 100.00 |

The table showed that 25% of the respondents had OND, 30% had HND, 40% had B.Sc while 5% had M.Sc. This implied that the respondents were knowledgeable enough to supply the data needed from them by the researcher.

Table 21: Professional qualifications of the respondents 5

| Professional qualification | Frequency | Percentage (%) |
|-----------------------------------|------------------|-----------------------|
| ANIVS | 2 | 10.00 |
| ANIVS/RSV | - | - |
| Others | 18 | 90.00 |
| Total | 20 | 100.00 |

The table showed that only 10% of the respondents were estate surveyors and valuers. The rest of them were in other professions.

The total number of responses from the respondents was **205**(these comprised 161 from estate surveyors and valuers in practice, 9 from estate surveyors and valuers in academics, 9 from real estate developers, 6 from town planners, and 20 from real estate financiers).

Having shown the section one of the data obtained from the different categories of respondents, section two followed on.

4.6 Section Two: Information on the Property market by the respondents

In order to resolve objective one on what constitute the different property types and market participants in the study area, data obtained from the five different categories of respondents (Estate Surveyors and Valuers in practice, Estate Surveyors and Valuers in academics, Rivers State Housing and Property Development Company, Rivers State Ministry of Physical Planning and Urban Development and real estate financiers) showed that there are various types of commercial and residential types of properties in the study area. These range from tenement buildings to flats/luxury, semi-detached/duplex, terraced building, maisonette, bungalow, detached house, boy's quarter/outhouse, tenement shops, chain stores, supermarkets, departmental shops, purpose built office, office with shop and so on.

The types of residential and commercial properties used in this work were narrowed down to two and three bedroom flats on three floors and on a plot of land, bungalow and duplexes for residential buildings and shopping units and shopping plaza in various locations. Port

Harcourt depicts cluster development and it was based on this that these types of properties prevalent in the 8 sub-markets as stated in chapter three were chosen.

In resolving objective two on the nature of the Port Harcourt property market, it was found out from the respondents that the different factors listed in the questionnaire exist in the Port Harcourt property market but in different degrees. These factors include; market is local in nature, transactions are local in nature, confidentiality of market information, commodities are not standardised, market is unorganised and lacks central control, poor adjustment of market to supply and demand, imperfect knowledge of buyers and sellers and uniqueness of each site and building. Table 22 showed the analysis of the respondents view on the nature of the Port Harcourt property market.

Table 22: Responses on nature of the Port Harcourt property market

| FACTORS | SF | MF | NF | U | Total |
|--|-----|-----|-----|-----|-------|
| | (4) | (3) | (2) | (1) | |
| Market is local in nature | 100 | 60 | 18 | 2 | 180 |
| Transactions are local in nature | 80 | 60 | 20 | 10 | 170 |
| Confidentiality of market information | 120 | 60 | 10 | 5 | 195 |
| Commodities are not standardised | 17 | 80 | 80 | 10 | 185 |
| Market is unorganised &lacks central Control | 20 | 10 | 70 | 30 | 130 |
| Poor adjustment of market to supply and demand | 5 | 30 | 100 | 2 | 137 |
| Imperfect knowledge of buyers and sellers | 90 | 70 | 5 | 20 | 185 |
| Uniqueness of each site and building | 150 | 50 | 4 | 1 | 205 |

SF= strongly felt, MF= mildly felt, NF= not felt, U= uncertain

It could be seen from table 22 that in the first listed factor (market is local in nature),100 respondents indicated strongly felt, 60 indicated mildly felt, 18 indicated not felt and 2 uncertain, this gave it a total of 180 responses.

In the second factor (transactions are local in nature), 80 respondents indicated strongly felt, 60 indicated mildly felt, 20 indicated not felt, 10 uncertain giving it a total of 170 responses.

The third factor (confidentiality of market information) has 120 responses from strongly felt, 60 indicated mildly felt, 10 indicated not felt, 5 were uncertain, making it a total of 195

responses. The other remaining factors; commodities are not standardised, market is unorganised and lacks central control, poor adjustment of market to supply and demand, imperfect knowledge of buyers and sellers and uniqueness of each site and building have a total responses of 185, 130, 137, 185, and 205 respectively.

Furthermore, the relative importance index of these factors was shown in table 23.

Table 23: Relative importance index and rankings on the nature of the market by the respondents.

| FACTORS | Sum of weights | AxN | RII | Rank |
|---|----------------|-----|------|------|
| Market is local in nature | 618 | 720 | 0.90 | 2nd |
| Transactions are local in nature | 470 | 680 | 0.70 | 4th |
| Confidentiality of market information | 685 | 780 | 0.90 | 2nd |
| Commodities are not standardised | 478 | 748 | 0.60 | 5th |
| Market is unorganised and lacks central control | 280 | 520 | 0.50 | 6th |
| Poor adjustment of market to supply and demand | 312 | 548 | 0.60 | 5th |
| Imperfect knowledge of buyers and sellers | 600 | 740 | 0.80 | 3rd |
| Uniqueness of each site and building | 759 | 820 | 0.92 | 1st |

A = highest weight, N = number of respondents, RII= relative importance index

It could be seen from table 23 above that uniqueness of each site and building, confidentiality of market information and market is local in nature have 0.92 RII respectively and came 1st in ranking. Heterogeneity of landed properties has been known to be a strong feature of landed properties. No two properties are exactly the same even prototype buildings. No two properties

are on the same site, prototype buildings after some time could be differentiated by attachments or adjustments that were added to the building by the occupants. These are some of the reasons why this feature was highly ranked by the respondents.

In the same vein, respondents attested to confidentiality of market information amongst market participants as another factor that is highly prevalent in the property market. This is usually noticed amongst the practicing surveyors, this could be attributed partly to the instructions they receive from their clients. Some clients may not want information about their properties to be disclosed to anyone due to one reason or the other. Similarly, some surveyors may not like information about some properties under their custody to be disclosed to protect their interest and that of their clients.

Furthermore, the Port Harcourt (set) market consists of different sub-markets (sub-sets). It is localised in nature because anyone that has to do anything in these sub-markets will have to study that particular sub-market and find out what is going on in the market.

The second ranked item was imperfect knowledge of buyers and sellers. It was noticed from the respondents that there is always imperfect knowledge amongst the buyers and sellers because of the nature of the property market. The other items ranked by the respondents that are felt in the market include: commodities are not standardised, transactions are local in nature, poor adjustment of market to supply and demand and lastly market is unorganised and lacks central control. It is to be noted that the level of occurrence of these features in a property market is one of the pointers to the level of maturity or otherwise of that market. In a mature market, these factors are strongly felt. At this point, it cannot be said that the market is mature or not without looking at some of the factors that will help in the assessment of the maturity of the market.

In resolving objective three which was to find out the factors militating against the Port Harcourt property market, the following was found out from the respondents.

The following factors were identified by the respondents to militate against the Port Harcourt property market. They include; security factors, politics in the state, activities of the quacks, corruption amongst the market participants, environmental factors, state of the economy of the nation, and governmental actions. The table below showed the lists of the factors identified by the respondents.

Table 24: Responses on the factors militating against the market

| FACTORS | SA (5) | A (4) | U (3) | D (2) | SD (1) | Total |
|---|-----------|----------|----------|----------|-----------|-------|
| Security factor | 48 | 70 | 20 | 10 | 30 | 178 |
| Politics in the state | 30 | 90 | 50 | 20 | 10 | 200 |
| Activities of the quacks | 70 | 110 | 3 | 6 | 7 | 196 |
| Corruption amongst the market Participants | 180 | 20 | 3 | 1 | 1 | 205 |
| Environmental factors | 100 | 70 | 12 | 5 | 2 | 189 |
| State of the economy of the State | 170 | 30 | 2 | 3 | 2 | 107 |
| Governmental actions | 70 | 60 | 30 | 30 | 5 | 195 |

SA =strongly agree, A = agree, U = uncertain, D= disagree, SD= strongly disagree

The table 24 showed that in the first listed factor, security factor, 48 respondents indicated strongly agree, 70 of them indicated agree, 20 indicated uncertain, 10 indicated disagree, and

30 strongly disagree making it a total of 178 responses. In the second factor which is politics in the state, 30 respondents indicated strongly agree, 90 of them indicated agree, 50 indicated uncertain, 20 respondents indicated disagree and 10 strongly disagree giving that a total of 200 responses. Following on, 70 respondents indicated strongly agree for the factor; activities of quacks, 110 agreed, 3 was uncertain, 6 disagreed and 7 strongly disagreed giving that a total of 196 responses. In the same vein, there were a total of 205 responses for the factor corruption among the market participants, a total of 189 responses for the factor environmental factors, 107 total responses for the state of the economy of the nation and a total of 195 responses for the factor governmental actions. This information was further used to prepare the Relative Importance Index.

Table 25: RII and rankings of the factors militating against the market

| FACTORS | Sum | AxN | RII | Rank |
|--|-----|------|------|------|
| Security factor | 630 | 890 | 0.70 | 5th |
| Politics in the state | 710 | 1000 | 0.70 | 5th |
| Activities of the quacks | 818 | 980 | 0.80 | 4th |
| Corruption amongst the market Participants | 992 | 1025 | 0.96 | 2nd |
| Environmental factors | 828 | 945 | 0.87 | 3rd |
| State of the economy of the State | 984 | 535 | 1.80 | 1st |
| Governmental actions | 745 | 975 | 0.80 | 4th |

The table 25 showed the ratings of the different factors militating against the market by the respondents. The factor; the state of the economy of the nation was the highest rated.

The extent of the participation of individuals, investors, developers and others could somehow be related to the state of the economy of the nation. When the standard of living in a nation is very high, it will have an adverse effect in the property sector and other sectors of the nation. In the Nigerian situation, it had been stated that 70% of the population lives below the poverty line (Global Property Guide Story, 2006).

The second item in rank was corruption among the participants followed by environmental factors. In countries that are prone to natural disasters like hurricane, earthquakes, tornadoes, flood and others, the property market is also affected by these environmental factors. Some parts some parts of Rivers and Bayelsa states were affected some years by flood and this affected property market activities in those areas then. The effect may be on the rental as well as capital values of properties in the areas and the neighbourhoods. In addition to that, no investor will like to invest in areas that are prone to these natural factors. On the other hand, corruption by market participants in different degrees and levels affect the property market. There have been cases of over valuation of properties by surveyors to satisfy their selfish interests, delays in registration of title documents, inappropriate extortion of under the table monies and others by the market participants. These factors impede the development of a property market. Investors most times would invest in less corrupt and more transparent markets.

The next in line was the activities of quacks and governmental actions. Quacks are people that do not have the required academic qualification or formal training to practice a

profession. They by their informal training and exposure to the skills of the profession can now carry out some of the activities of the said profession. Some surveyors lamented that the activities of these quacks affect them and in extension affects the property market.

In the case of governmental actions, there have been several measures by the government to check and improve on the Port Harcourt property market and other property markets in the federation. Some of them have to do with rent control, development control, zoning and so on. The greatest land policy document in Nigeria is the Land Use Decree of 1978.

The major purpose of this Act was to bring to an end, the issue of land fragmentation in the country and to make land easily accessible to all Nigerians. The purpose of the establishment of the Act has not been achieved; in fact, it is becoming very difficult for an average Nigerian to have access to land for development because of the intricacies of the Land Use Act. Security factor and politics in the state were the least of the factors that rated by the respondents. This security factor is mainly felt in some parts of Nigeria where there are cases of Boko Haram attacks.

The third objective of the study was to apply the maturity indicators to the market which included to find out the trends in rental and capital values of different classes of commercial and residential property in the study area. In resolving this objective, the average rental and capital values of 2/3 bedroom flat on 3floors, duplexes 2/3 bedroom with boys quarter, tenement room and shop from (2000-2014) were obtained from the 8 different sub-markets in the study area. The tables below showed these as well the analysis of the return and risk of the different classes of properties in the study area over the study period.

**Table 26: Analysis of the return and risk of investments on 2 bedroom flat on 3 floors
(residential) at Peter Odili and Trans- Amadi sub-markets**

| Year | Average Rent/annum | Average capital value | Rt | Rt- Rt | (Rt-Rt) ² | $\sqrt{(Rt-Rt)^2}$ |
|------|--------------------|-----------------------|----------|--------|----------------------|--------------------|
| 2000 | 73,000 | 3,500,000 | - | - | - | - |
| 2001 | 85,000 | 4,000,000 | 0.167 | -0.064 | 0.004 | 0.063 |
| 2002 | 130,000 | 4,200,000 | 0.082 | 0.149 | 0.022 | 0.148 |
| 2003 | 180,000 | 5,000,000 | 0.233 | 0.003 | 0.000009 | 0.003 |
| 2004 | 220,000 | 7,000,000 | 0.44 | 0.209 | 0.04 | 0.200 |
| 2005 | 250,000 | 10,000,000 | 0.46 | 0.229 | 0.052 | 0.228 |
| 2006 | 300,000 | 15,000,000 | 0.53 | 0.299 | 0.089 | 0.298 |
| 2007 | 350,000 | 18,000,000 | 0.22 | -0.011 | 0.00012 | 0.010 |
| 2008 | 400,000 | 24,000,000 | 0.35 | 0.119 | 0.014 | 0.118 |
| 2009 | 450,000 | 31,000,000 | 0.31 | 0.079 | 0.006 | 0.077 |
| 2010 | 510,000 | 35,000,000 | 0.14 | -0.091 | 0.008 | 0.089 |
| 2011 | 560,000 | 40,000,000 | 0.15 | -0.081 | 0.006 | 0.077 |
| 2012 | 600,000 | 45,000,000 | 0.14 | -0.091 | 0.008 | 0.089 |
| 2013 | 680,000 | 50,000,000 | 0.12 | -0.111 | 0.012 | 0.110 |
| 2014 | 750,000 | 56,000,000 | 0.13 | -0.101 | 0.010 | 0.10 |
| | | | 3.472/15 | | | 1.61 |

HPR(holding period return)=0.231=23%

Standard deviation (risk) =10.73%

Table 27: Analysis of the return and risk of investments on 3 bedroom flat on 3 floors (residential) at Peter Odili and Trans- Amadi sub-markets

| Year | Average re Nt/annum | Average Capital value | Rt | Rt-Rt | (Rt-Rt) ² | $\sqrt{(Rt-Rt)^2}$ |
|------|---------------------|-----------------------|------|--------|----------------------|--------------------|
| 2000 | 90,000 | 8000000 | - | - | - | - |
| 2001 | 130,000 | 10000000 | 0.26 | 0.105 | 0.011 | 0.105 |
| 2002 | 150,000 | 14000000 | 0.41 | 0.254 | 0.064 | 0.253 |
| 2003 | 220,000 | 17000000 | 0.23 | 0.069 | 0.0047 | 0.069 |
| 2004 | 270,000 | 20000000 | 0.19 | 0.031 | 0.00096 | 0.031 |
| 2005 | 325,000 | 25000000 | 0.26 | 0.105 | 0.011 | 0.105 |
| 2006 | 370,000 | 29000000 | 0.17 | 0.013 | 0.00016 | 0.013 |
| 2007 | 430,000 | 33000000 | 0.15 | -0.009 | 0.000081 | 0.009 |
| 2008 | 470,000 | 37000000 | 0.13 | -0.026 | 0.000067 | 0.008 |
| 2009 | 530,000 | 40000000 | 0.09 | -0.066 | 0.0044 | 0.066 |
| 2010 | 610,000 | 44000000 | 0.11 | 0.046 | 0.0021 | 0.046 |
| 2011 | 650,000 | 50000000 | 0.15 | -0.01 | 0.0001 | 0.010 |
| 2012 | 720,000 | 52000000 | 0.05 | -0.109 | 0.011 | 0.105 |
| 2013 | 760,000 | 57000000 | 0.11 | -0.051 | 0.0026 | 0.051 |
| 2014 | 810,000 | 60000000 | 0.06 | -0.094 | 0.0088 | 0.094 |
| | | | 2.42 | | | 0.965 |

HPR (holding period return) =0.16=16%

Standard deviation (risk) =6.43%

**Table 28: Analysis of the return and risk of investments on 3 bedroom flat on 3 floors
(residential) at Rumuogba/Oginigba**

| Year | Average rent/ Annum | Average Capital value | Rt | Rt-Rt | (Rt-Rt) ² | $\sqrt{(Rt-Rt)^2}$ |
|------|------------------------|--------------------------|-------|--------|----------------------|--------------------|
| 2000 | 510,000 | 32000000 | - | - | - | - |
| 2001 | 560000 | 35000000 | 0.131 | 0.030 | 0.0009 | 0.03 |
| 2002 | 600000 | 39000000 | 0.131 | 0.050 | 0.0025 | 0.05 |
| 2003 | 620000 | 43000000 | 0.118 | 0.037 | 0.0013 | 0.036 |
| 2004 | 650000 | 47000000 | 0.108 | 0.027 | 0.00072 | 0.027 |
| 2005 | 700000 | 51000000 | 0.100 | 0.019 | 0.00036 | 0.019 |
| 2006 | 720000 | 54000000 | 0.072 | -0.009 | 0.000081 | 0.009 |
| 2007 | 750000 | 59000000 | 0.106 | 0.025 | 0.00062 | 0.025 |
| 2008 | 800000 | 62000000 | 0.064 | -0.017 | 0.00028 | 0.017 |
| 2009 | 860000 | 65000000 | 0.062 | -0.019 | 0.00036 | 0.019 |
| 2010 | 900000 | 68000000 | 0.060 | -0.021 | 0.00044 | 0.021 |
| 2011 | 950000 | 72000000 | 0.072 | -0.009 | 0.000081 | 0.009 |
| 2012 | 970000 | 75000000 | 0.055 | -0.026 | 0.00067 | 0.026 |
| 2013 | 1000000 | 79000000 | 0.066 | -0.015 | 0.00022 | 0.015 |
| 2014 | 1050000 | 85000000 | 0.094 | 0.013 | 0.00016 | 0.013 |
| | | | 1.219 | | | 0.316 |

HPR= 0.081=8.1%

Standard deviation (risk) =2.10%

Table 29: Analysis of the return and risk of investments on Duplexes 2/3 room with

Boys' Quarter at Rumuomasi/Elekahalia

| Year | Average rent/ annum | Average Capital value | Rt | Rt-Rt | (Rt-Rt)² | √(Rt-Rt)² |
|-------------|--------------------------------|------------------------------|-----------|--------------|----------------------------|-----------------------------|
| 2000 | 660000 | 32000000 | - | - | - | - |
| 2001 | 690000 | 36000000 | 0.146 | 0.066 | 0.0043 | 0.066 |
| 2002 | 720000 | 38000000 | 0.075 | -0.005 | 0.00025 | 0.016 |
| 2003 | 740000 | 40000000 | 0.072 | -0.008 | 0.00064 | 0.025 |
| 2004 | 780000 | 44000000 | 0.119 | 0.039 | 0.0015 | 0.039 |
| 2005 | 800000 | 47000000 | 0.086 | 0.006 | 0.00036 | 0.019 |
| 2006 | 820000 | 51000000 | 0.102 | 0.022 | 0.00048 | 0.022 |
| 2007 | 860000 | 54000000 | 0.075 | -0.005 | 0.00025 | 0.016 |
| 2008 | 890000 | 58000000 | 0.090 | 0.01 | 0.0001 | 0.01 |
| 2009 | 920000 | 60000000 | 0.050 | -0.03 | 0.0009 | 0.03 |
| 2010 | 950000 | 63000000 | 0.065 | -0.015 | 0.00022 | 0.015 |
| 2011 | 1000000 | 67000000 | 0.079 | -0.001 | 0.00001 | 0.003 |
| 2012 | 1300000 | 70000000 | 0.064 | -0.016 | 0.00025 | 0.016 |
| 2013 | 1500000 | 75000000 | 0.092 | 0.012 | 0.00014 | 0.012 |
| 2014 | 1700000 | 80000000 | 0.089 | 0.009 | 0.00081 | 0.028 |
| | | | 1.204 | | | 0.317 |

HPR=0.0802=8.0%

Standard deviation =2.11%

Table 30: Analysis of the return and risk of investments on Duplexes 2/3 rooms with Boys' Quarter at GRA 1, 2 & 3

| Year | Average rent/annum | Average Capital value | Rt | Rt-Rt | (Rt-Rt) ² | $\sqrt{(Rt-Rt)^2}$ |
|------|--------------------|-----------------------|-------|--------|----------------------|--------------------|
| 2000 | 800000 | 31000000 | - | - | - | - |
| 2001 | 810000 | 35000000 | 0.155 | 0.062 | 0.00384 | 0.062 |
| 2002 | 840000 | 38000000 | 0.109 | 0.016 | 0.00025 | 0.016 |
| 2003 | 880000 | 42000000 | 0.128 | 0.035 | 0.0012 | 0.035 |
| 2004 | 930000 | 45000000 | 0.093 | 0 | 0 | 0 |
| 2005 | 960000 | 48000000 | 0.088 | -0.005 | 0.0025 | 0.050 |
| 2006 | 1000000 | 56000000 | 0.083 | -0.01 | 0.0001 | 0.010 |
| 2007 | 1200000 | 60000000 | 0.121 | 0.028 | 0.00078 | 0.028 |
| 2008 | 1600000 | 65000000 | 0.1 | 0.07 | 0.0049 | 0.070 |
| 2009 | 1900000 | 68000000 | 0.115 | 0.022 | 0.00048 | 0.022 |
| 2010 | 2100000 | 72000000 | 0.078 | -0.015 | 0.00022 | 0.015 |
| 2011 | 2500000 | 75000000 | 0.095 | 0.002 | 0.000004 | 0.002 |
| 2012 | 2700000 | 74000000 | 0.065 | -0.028 | 0.00078 | 0.028 |
| 2013 | 3000000 | 76000000 | 0.067 | 0.004 | 0.000016 | 0.004 |
| 2014 | 3500000 | 80000000 | 0.098 | 0.005 | 0.000025 | 0.005 |
| | | | 1.395 | | | 0.347 |

HPR =0.093=9.3%

Standard deviation (risk) =2.31%

Table 31: Analysis of the return and risk of investments on 1 room tenement at Diobu

| Year | Average rent/ annum | Average Capital value | Rt | Rt- Rt | (Rt- Rt) ² | $\sqrt{(Rt- Rt)^2}$ |
|------|---------------------|-----------------------|-------|--------|-----------------------|---------------------|
| 2000 | 10000 | 6000000 | - | - | - | - |
| 2001 | 10000 | 8000000 | 0.335 | 0.201 | 0.040 | 0.200 |
| 2002 | 15000 | 9000000 | 0.126 | -0.008 | 0.000064 | 0.008 |
| 2003 | 20000 | 11000000 | 0.224 | 0.09 | 0.0081 | 0.090 |
| 2004 | 25000 | 13000000 | 0.184 | 0.05 | 0.0025 | 0.050 |
| 2005 | 30000 | 15000000 | 0.156 | 0.022 | 0.00048 | 0.022 |
| 2006 | 35000 | 20000000 | 0.336 | 0.202 | 0.0004 | 0.020 |
| 2007 | 40000 | 23000000 | 0.152 | 0.018 | 0.0003 | 0.017 |
| 2008 | 46000 | 26000000 | 0.132 | -0.002 | 0.000004 | 0.002 |
| 2009 | 51000 | 29000000 | 0.117 | -0.017 | 0.00028 | 0.017 |
| 2010 | 57000 | 31000000 | 0.070 | -0.064 | 0.004 | 0.063 |
| 2011 | 65000 | 32000000 | 0.034 | -0.1 | 0.01 | 0.100 |
| 2012 | 80000 | 33000000 | 0.033 | -0.10 | 0.01 | 0.100 |
| 2013 | 100000 | 35000000 | 0.060 | -0.074 | 0.054 | 0.232 |
| 2014 | 120000 | 37000000 | 0.057 | -0.077 | 0.0059 | 0.077 |
| | | | 2.016 | | | 0.979 |

HPR =0.134 =13.4%

Standard deviation (risk) =6.52%

Table 32: Analysis of the return and risk of investments on 1 room shop at Stadium road

| Year | Average rent/annum | Average Capital value | Rt | Rt-Rt | (Rt-Rt) ² | $\sqrt{(Rt-Rt)^2}$ |
|------|--------------------|-----------------------|-------|--------|----------------------|--------------------|
| 2000 | 14000 | 11000000 | - | - | - | - |
| 2001 | 16000 | 13000000 | 0.183 | 0.065 | 0.0042 | 0.065 |
| 2002 | 18000 | 15000000 | 0.155 | 0.037 | 0.0013 | 0.036 |
| 2003 | 20000 | 18000000 | 0.232 | 0.114 | 0.012 | 0.110 |
| 2004 | 40000 | 21000000 | 0.168 | 0.05 | 0.0025 | 0.050 |
| 2005 | 60000 | 24000000 | 0.145 | 0.027 | 0.00072 | 0.026 |
| 2006 | 80000 | 28000000 | 0.17 | 0.052 | 0.0027 | 0.052 |
| 2007 | 100000 | 30000000 | 0.075 | -0.043 | 0.0018 | 0.042 |
| 2008 | 120000 | 33000000 | 0.104 | -0.014 | 0.00019 | 0.014 |
| 2009 | 140000 | 36000000 | 0.09 | -0.028 | 0.00078 | 0.028 |
| 2010 | 160000 | 39000000 | 0.08 | -0.038 | 0.0014 | 0.037 |
| 2011 | 180000 | 41000000 | 0.05 | -0.068 | 0.0046 | 0.068 |
| 2012 | 200000 | 44000000 | 0.07 | -0.048 | 0.0023 | 0.048 |
| 2013 | 220000 | 47000000 | 0.07 | -0.048 | 0.0023 | 0.048 |
| 2014 | 240000 | 50000000 | 0.06 | -0.058 | 0.0033 | 0.057 |
| | | | 1.652 | | | 0.681 |

HPR= 0.110 =11.0%

Standard deviation (risk) =4.54%

Table 33: Analysis of the return and risk of investments on 3 bedroom office complex at D

Line

| Year | Average rent/annum | Average Capital value | Rt | Rt-Rt | (Rt-Rt) ² | $\sqrt{(Rt-Rt)^2}$ |
|------|-----------------------|--------------------------|------|-------|----------------------|--------------------|
| 2000 | 550000 | 10000000 | - | - | - | - |
| 2001 | 600000 | 15000000 | 0.56 | 0.39 | 0.152 | 0.390 |
| 2002 | 650000 | 20000000 | 0.37 | 0.2 | 0.04 | 0.200 |
| 2003 | 680000 | 25000000 | 0.28 | 0.11 | 0.012 | 0.110 |
| 2004 | 720000 | 30000000 | 0.22 | 0.05 | 0.0025 | 0.050 |
| 2005 | 750000 | 35000000 | 0.19 | 0.02 | 0.0004 | 0.020 |
| 2006 | 800000 | 40000000 | 0.16 | -0.01 | 0.0001 | 0.010 |
| 2007 | 830000 | 45000000 | 0.14 | -0.03 | 0.0009 | 0.030 |
| 2008 | 880000 | 50000000 | 0.13 | -0.04 | 0.0016 | 0.040 |
| 2009 | 930000 | 55000000 | 0.11 | -0.06 | 0.0036 | 0.060 |
| 2010 | 980000 | 60000000 | 0.10 | -0.07 | 0.0049 | 0.070 |
| 2011 | 1000000 | 65000000 | 0.10 | -0.07 | 0.0049 | 0.070 |
| 2012 | 1200000 | 70000000 | 0.09 | -0.08 | 0.0064 | 0.080 |
| 2013 | 1400000 | 75000000 | 0.09 | -0.08 | 0.0064 | 0.080 |
| 2014 | 1600000 | 80000000 | 0.08 | -0.09 | 0.0081 | 0.090 |
| | | | 2.62 | | | 1.300 |

HPR= 0.174 =17.4%

Standard deviation (risk) = 8.67%

The table below summarised the return and risk in the Port Harcourt commercial and residential properties from 2000- 2014.

Table 34: Summary of the average return and average risk in the Port Harcourt residential and commercial properties from 2000-2014

| Location/Type | Average Return (%) | Average SD (%) |
|--|--------------------|----------------|
| Peter Odili & Trans-amadi, 2 Bedroom flat On 3 floors | 23.1 | 10.73 |
| Peter Odili & Trans-amadi, 3 bedroom flat on 3 floors | 16 | 6.43 |
| Rumuogba/ Oginigba 3 bedroom flat on 3 Floors | 8.1 | 2.10 |
| Rumuomasi/ Elekahalia, Duplexes 2/3 rooms with BQ | 8.0 | 2.11 |
| GRA 1,2&3 Duplexes 2/3 rooms with BQ | 9.3 | 2.31 |
| Diobu, 1 room tenement | 13.4 | 6.52 |
| Stadium road, 1 room shop | 11.0 | 4.54 |
| D Line, 3 bedroom office complex | 17.4 | 8.67 |

Table 35: Benchmark of expected returns from Chin’s findings

| Mature | developing | emerging |
|----------------|------------------|-------------------|
| IRR: 12% - 15% | IRR: 13%- 22% | IRR: 20% - 35% |
| Yields: 4% -7% | Yields: 8% - 11% | Yields: 12% - 16% |

Source: Koh(1995) as cited in Chin(2002)

The result above revealed the returns and risks of different kinds of residential and commercial investments in the Port Harcourt property submarkets and the benchmark of expected returns in mature, developing and emerging markets in Chin 2002 findings. It was found out that in the study period (2000 – 2014), high income residential 2 bedroom flat on 3 floors at Peter Odili/ Trans-amadi submarket from the table has a holding period return of 23.1%, and 10.73% risk. In the same submarket, 3 bedroom flat on 3 floors (residential) has a holding period return of 16%, and 6.43% risk. The same high residential 3 bedroom flat on 3 floors in another submarket Rumuogba/ Oginigba has a holding period return of 8.1%, and risk of 2.10%. At Rumuomasi/ Elekahalia submarket, duplexes 2/3 rooms with boys quarter has a holding return of 8.0%, and risk of 2.11%. The same class of property at GRA 1,2 &3 has a holding period return of 9.3%, and risk of 2.31% . Low income residential property (a room tenement) at Diobu submarket has a holding period return of 13.4%, and risk of 6.52% . The same class of low income residential property at Stadium road has a holding period return of 11.0%, and risk of 4.54%. On the other hand, high income commercial property (3 bedroom office complex) at D line has a holding period return of 17.4%, and risk of 8.67%. This showed that there were variations in the trends in return and risk levels on these classes of properties in the study area within the period of study. Now, looking at the benchmarks in Chin findings, it could be seen that most of the returns were below that of a mature market. It is therefore inferred that the Port Harcourt market is not mature

within the period of study using the findings in Chin(2002). This could perhaps be attributed to location, the peculiarity of the market and other factors the maturity of the market.

4.7 TESTING OF HYPOTHESES

¹Ho states there is no significant difference between the responses of the five groups of respondents. In resolving the fourth objective, the responses of the five different groups of respondents to the eight maturity checklists were depicted in the descriptive statistics below. This was further tested with one-way ANOVA to know whether to accept or reject the null hypothesis. The eight sets of variables or objects ranked include: INVESTO, MAFLEX, PROFNET, RESEARCH, MAOPEN, STAMRAP, DEVSTAB and FINANCES (see definitions at the preambles on the list of acronyms). Data for the analysis were obtained from 205 respondents comprising 161 Estate Surveyors and Valuers in practice, 9 Estate and Valuers in academics, 9 Estate surveyors and Valuers in Rivers State Housing and Property Development Authority, 6 Planners from Rivers State Ministry of Urban Planning and Physical Development and 20 staff from commercial and mortgage banks (real estate financiers). Table 36-40 below showed the descriptive statistics of the five different groups of respondents.

Table 36: Descriptive Statistics from ESVP

| Maturity indicators | N | Minimum | Maximum | Mean | Std. Deviation |
|---------------------|-----|---------|---------|--------|----------------|
| Investo | 161 | 1.00 | 5.00 | 3.3230 | 1.15435 |
| Maflex | 161 | 1.00 | 4.00 | 1.9193 | 0.85860 |
| Profnet | 161 | 1.00 | 5.00 | 2.9814 | 1.25734 |
| Research | 161 | 1.00 | 5.00 | 2.3727 | 1.10011 |
| Maopen | 161 | 1.00 | 4.00 | 1.7702 | 0.76033 |
| Stamrap | 161 | 1.00 | 5.00 | 2.1615 | 1.01797 |
| Devstab | 161 | 1.00 | 5.00 | 2.8509 | 1.15764 |
| Finaces | 161 | 1.00 | 4.00 | 1.7578 | 0.72264 |
| Valid N (listwise) | 161 | | | | |

Where ESVP = Estate Surveyors and Valuers in practice

In the table 35-40, weighted mean was used to know whether the indicators were positive or negative.

The mean was calculated as follows:

$$\frac{1+2+3+4+5}{5} = \frac{15}{5} = 3.00$$

Where 1 – strongly disagree; 2 – disagree; 3 – uncertain; 4 – agree; and 5 – strongly agree.

The implication of the value 3.00 is that in any of the groups, any indicator whose mean response is 3.00 or above, that indicator is positive, but if not, that indicator is negative.

Following on, in the table 35, only investo is positive (3.3230). The other seven checklists are negative.

Table 37: Descriptive Statistics from ESVA

| Maturity indicators | N | Minimum | Maximum | Sum | Mean | Std. Deviation |
|---------------------|---|---------|---------|-------|--------|----------------|
| Investo | 9 | 1.00 | 4.00 | 51.00 | 3.0000 | 1.17260 |
| Marflex | 9 | 1.00 | 3.00 | 39.00 | 2.2941 | 0.58787 |
| Profnet | 9 | 1.00 | 4.00 | 58.00 | 3.4118 | 0.93934 |
| Research | 9 | 1.00 | 4.00 | 47.00 | 2.7647 | 0.90342 |
| Maopen | 9 | 1.00 | 4.00 | 44.00 | 2.5882 | 0.71229 |
| Stamrap | 9 | 2.00 | 3.00 | 42.00 | 2.4706 | 0.51450 |
| Devstab | 9 | 2.00 | 4.00 | 56.00 | 3.2941 | 0.68599 |
| Finaces | 9 | 1.00 | 3.00 | 35.00 | 2.0588 | 0.65865 |
| Valid N (listwise) | 9 | | | | | |

Where ESVA= Estate Surveyors and Valuers in academics

The table 36 showed that in this group, the checklists; investo, profnet and devstab are positive.

The remaining five are negative.

Table 38: Descriptive Statistics from RSHPDA

| Maturity indicators | N | Minimum | Maximum | Mean | Std. Deviation |
|---------------------|---|---------|---------|--------|----------------|
| Investo | 9 | 1.00 | 4.00 | 2.8333 | 1.40346 |
| Maflex | 9 | 1.00 | 3.00 | 2.1667 | 0.7974 |
| Profnet | 9 | 1.00 | 4.00 | 3.1667 | 1.19342 |
| Research | 9 | 1.00 | 4.00 | 2.9167 | 1.24011 |
| Maopen | 9 | 1.00 | 4.00 | 2.9167 | 1.37895 |
| Stamrap | 9 | 1.00 | 4.00 | 2.2500 | 0.86603 |
| Devstab | 9 | 1.00 | 4.00 | 2.1667 | 0.83485 |
| Finaces | 9 | 1.00 | 2.00 | 1.5000 | 0.52223 |
| Valid N (listwise) | 9 | | | | |

Where RSHPDA = Rivers State Housing and Property Development Authority

In this group, only profnet is positive.

Table 39: Descriptive Statistics from RSMUPPD

| Maturity indicators | N | Minimum | Maximum | Mean | Std. Deviation |
|---------------------|---|---------|---------|--------|----------------|
| Investo | 6 | 1.00 | 5.00 | 3.5833 | 1.08362 |
| Maflex | 6 | 1.00 | 3.00 | 2.0833 | 0.66856 |
| Profnet | 6 | 1.00 | 5.00 | 3.2500 | 1.28806 |
| Research | 6 | 3.00 | 5.00 | 3.6667 | 0.65134 |
| Maopen | 6 | 1.00 | 4.00 | 1.8333 | 0.93744 |
| Stamrap | 6 | 1.00 | 4.00 | 2.5000 | 1.00000 |
| Devstab | 6 | 1.00 | 4.00 | 2.4167 | 0.90034 |
| Finaces | 6 | 1.00 | 3.00 | 1.7500 | 0.62158 |
| Valid N (listwise) | 6 | | | | |

Where RSMUPPD = Rivers State Ministry of Urban Planning and Physical Development

Table 39 showed that in this group the checklists investo, profnet and research are positive, others are negative.

Table 40: Descriptive Statistics from Real Estate Financiers

| Maturity indicators | N | Minimum | Maximum | Mean | Std. Deviation |
|---------------------|----|---------|---------|--------|----------------|
| Investo | 20 | 1.00 | 4.00 | 3.1000 | 1.02084 |
| Maflex | 20 | 1.00 | 4.00 | 2.1500 | 0.93330 |
| Profnet | 20 | 1.00 | 5.00 | 2.4500 | 1.46808 |
| Research | 20 | 1.00 | 4.00 | 2.6000 | 1.09545 |
| Maopen | 20 | 1.00 | 3.00 | 1.8500 | 0.74516 |
| Stamrap | 20 | 1.00 | 4.00 | 2.7500 | 0.96655 |
| Devstab | 20 | 1.00 | 4.00 | 2.8000 | 1.10501 |
| Finaces | 20 | 1.00 | 3.00 | 1.7500 | 0.63867 |
| Valid N (listwise) | 20 | | | | |

Investo is the only positive checklist in this group.

It could be observed that investo is positive in all the groups except one. Also, it was found out that the group that has the highest number of positive checklist has three out of eight.

On the other hand, the system of classification of the weighted mean scores drawn from both Dugeri (2011) and the JLL, (2012 and 2014) to derive a wider 5- point classification of maturity levels is summarized in Table 41

Table 41: Composite Scores

| Levels | Composite scores | Maturity status |
|--------|------------------|-----------------|
| 1 | 1 - 1.70 | Very immature |
| 2 | 1.71- 2.60 | Immature |
| 3 | 2.61-3.76 | Emerging |
| 4 | 3.77- 4.20 | Mature |
| 5 | 4.21 - 5.00 | Very mature |

Looking at this table and applying same to what is obtainable here, it could be seen that most of the indicators fell into the second level with 1.71-2.60 composite scores. This brings the studied market to the immaturity status group.

In order to test the first hypothesis (¹Ho) and to confirm what has been established in the descriptive statistics, one-way ANOVA was used. Table 42 showed the ANOVA.

Table 42: ANOVA

| Data | | | | | |
|----------------|----------------|----|-------------|-------|------|
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 8.5027 | 7 | 1.215 | 9.343 | .000 |
| Within Groups | 4.160 | 32 | .130 | | |
| Total | 12.662 | 39 | | | |

Looking at the above table, we see that the p – value is 0.000, less than 0.05. Since the p value is less than the table value, we reject the null hypothesis (¹Ho) and accept the alternative hypothesis that there is a significant difference between the responses of the five groups of respondents. This means that the responses of the different groups on the maturity checklists in the market are not the same. Now that it has been established that the responses of the respondents on the maturity checklists are not the same, the next is to find out whether the market is mature or not.

²Ho states that the Port Harcourt property market is immature. This hypothesis was tested with one sample t-test. Tables 43 and 44 showed the result.

T-Test

Table 43: One-Sample Statistics

| | N | Mean | Std. Deviation | Std. Error Mean |
|------|----|----------------|----------------|--------------------|
| Data | 40 | 2.536730 E0 | .5698015 | .0900935 |

Table 44: One-Sample Test for the significance of the maturity checklists

| | Test Value = 0 | | | | | |
|------|----------------|----|-----------------|--------------------|--|----------|
| | t | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Data | 28.157 | 39 | .000 | 2.5367300 | 2.354499 | 2.718961 |

Since the calculated p-value 0.000 is less than the table value 0.05, the null hypothesis was accepted. The above result shows that the maturity checklists significantly differ from each other, that is, the checklists are not significantly the same. The implication of this is that the Port Harcourt property market is immature.

This is also in agreement with the results of the descriptive statistics which showed that in all the five groups of the respondents, at most three checklists are positive.

Table 45: Objectives of the study and findings

| Objectives | Findings |
|--|--|
| <p>To determine the different property types And market players in the study area</p> | <p>Bungalow, detached and semi-detached duplex, tenement buildings, office complex and other types of residential and commercial properties. The market players include estate surveyors and valuers, investors, real estate development companies, town planners, industrial properties, agricultural properties, and so on.</p> |
| <p>To determine the characteristics of the studied property market</p> | <p>Market is local in nature, transactions are local in nature, confidentiality of market information, commodities are not standardised, market is unorganised and lacks central control, poor adjustment of market to supply and demand, imperfect knowledge of buyers and sellers and uniqueness of site and building. When these features were ranked, uniqueness of site came topmost while market is unorganised and lacks central control came last.</p> |
| <p>To determine the factors militating against the growth of Port Harcourt property market</p> | <p>These include state of the state's economy, corruption amongst the market participants, environmental factors, activities of the quacks, governmental actions, politics in the state and security factor. These were equally ranked with the state of the economy being topmost and the politics in the state least.</p> |
| <p>To apply the maturity indicators in Keogh & D'Arcy (1994) and others to the Port Harcourt property market</p> | <p>Nine maturity checklists which include DEVSTAB, FINACES, INVESTO, MAFLEX, MAOPEN, PROFNET, RESEARCH, STAMRAP and analysis of return and risks were applied to the market. The result of the analysis led to the conclusion that the Port Harcourt property market is immature.</p> |

CHAPTER FIVE

SUMMARY OF FINDINGS AND CONCLUSION

5.1 Summary of findings

Based on rental and capital values collected on the different classes of real property investments in the study area within the period of study (2000-2014), it was found out that;

1. High income residential 2 bedroom flat on 3 floors at Peter Odili submarket has a return of 23.1%, and 10.73% risk.
2. High income residential 3 bedroom flat on 3 floors in the same Peter Odili submarket has a return of 16%, and 6.43% risk.
3. Also, the same high income residential 3 bedroom flat on 3 floors at Rumuogba/ Oginigba submarket has a return of 8.1%, and 2.10% risk.
4. Duplexes 2/3 rooms with an outhouse at Rumuomasi/ Elekahalia submarket within the period of study have a return of 8.0% and 2.11% risk. The same class of property at GRA 1, 2, and 3 has a return of 9.3%, and 2.31 % risk.
5. On the other hand, low income residential(a room tenement) at Diobu submarket, has a return of 14.4%, 6.52% risk while a shop at Stadium road has a return of 11.0%, and 4.54% risk.
6. Furthermore, high income 3 bedroom flat on 3 floors office complex at D Line has a return of 9.4%, and 8.67% risk.
7. The trends in returns and risks levels in different classes of properties were inconsistent with the findings in Chin (2002). This led to the inference that the Port Harcourt property market is immature using return and risk as a maturity indicator.
8. Descriptive statistics was used in the study as a preliminary test to assess the responses of the different groups of respondents to the maturity checklists. It was found out that in the

five groups, at most three out of eight checklists were positive. Investo was positive in all the groups except one.

9. The test of the first hypothesis with one- way ANOVA, led to the rejection of the null hypothesis that there is no significant difference between the responses of the five groups of respondents.
10. The result of the testing of the second hypothesis with one sample t-test led to the acceptance of the null hypothesis that Port Harcourt property market is immature. This was confirmed by the result of the descriptive statistics where in all the groups at most three out of eight respondents are positive.

5.2 Factors militating against the market

Based on the data collected from the respondents on the factors militating against the market, it was found out that different factors affect the market in different ways and in varying degrees.

11. The first identified and most ranked factor by the respondents that militate against the Port Harcourt property market is the state of the economy of the state. It was found out from the respondents that the standard of living in the states very high. Investment in property can only be embarked on by the rich. An average Nigeria will find it difficult to invest in property development because of the capital involvement. It takes a lot of time, energy and deprivation for an average Nigerian to save money and invest in property. They opined that it is not easy to for one to erect a family building not to talk of investing in real property investment. The high interest rate attached to loans from banks for property investments is not also helping matters.
12. The second identified and ranked factor by the respondents is corruption amongst the market participants. Corruption is in every sector and so is also noticed amongst the

market participants. In attempt to survive as a fall out of the state of the state of the nation, people sometimes entangle themselves in some form of sharp practices in their jobs to make ends meet. Some of these sharp practices amongst the market participants include; involvement in dubious transactions, watering down the standard of practices of the institution, insincerity to other professionals and so on. These factors affect the growth of the property market.

13. The third identified and ranked factor that affects the market by the respondents is environmental factors. It was stressed by some respondents that some parts of the state are prone to flood menace. This affects property development and investment in the affected areas. People rather than investing in property in these areas are relocating to other areas where they feel their lives and properties are secured. They also lamented that if this is not checked, it may have to spread to the unaffected neighbourhoods.
16. The next factor is the activities of the quacks. It is not that easy to eradicate the activities of quacks in a property market. In fact, some professionals depend on information from them in some areas to make progress. Most times they are the ones that are always in the field and that are conversant with the happenings in the market. According to the respondents, if the activities of these quacks should be checked, it may be better for them and the property market at large.
18. The next factor identified by the respondents is Governmental factors. In this, they identified the land use act of 1978 and other development control measures that have been put in place by the government. The primary purpose of the land use act which is to make land easily accessible to all Nigerians has not been achieved. Rather, access to land for development by an average Nigerian is a very expensive and an uphill task. It is only

the rich and wealthy that can bribe their ways through the rigours to get involved in the process of land acquisition. As long as nothing is done about this, the maturity of the market will be hampered.

19. The next factor in line is security factors in the state. The security of lives and properties has been paramount in states and countries in the world. It was found out that years back the activities of the Niger Delta militants in the state affected property development and investment in the state. Also the activities of the Boko Haram sect in the nation have to some extent affected the Port Harcourt property market. The office of the president of the nation has taken some measures to correct this anomaly.
20. The last factor identified and ranked by the respondents is politics in the state. Politics as they say is a game of interest. Sometimes it has some adverse effect on the populace and the state at large. Sometimes an aggrieved party can destroy lives and properties to pay back for the loss they have sustained. This has adversely affected the property market of the state.

5.3 Implications of the findings

1. The different classes of real estate investments in the study areas depicted different levels in return and risk over the period of study and it is different from the findings of Chin(2002).The market was inferred immature using the findings in Chin(2002) as a benchmark.
2. The market could also be adjudged mature using investo (ability of the market to accommodate different objectives of the investors and users. This implies that out of the total of nine maturity checklists used in the study, only one appeared positive.

5.4

CONCLUSION

Since property market maturity is a very important factor that must be considered for a country to be admitted into the global market and equally a must-know factor for investors especially foreign ones before investing in a market, the study assessed the maturity of Port Harcourt property market. It looked at the nature of Port Harcourt property market, the trends in the return and risk levels in different classes of real properties in the study area within the study period, the assessment of the rankings of the different maturity checklists by the respondents and the factors that affect or constrain the property market.

It was found out that there is a significant difference between the responses of the five groups of respondents. Based on the test of the third hypothesis and the analysis of return and risk on different classes of real estate investments, it was concluded that the Port Harcourt property market is immature. Furthermore, the factors that were highly identified and ranked by the respondents as militating against the property market include; the state of the economy of the nation, environmental factors, corruption amongst the market participants and others. Some recommendations that may help to reduce or correct these anomalies were made.

5.5

RECOMMENDATIONS

Based on the findings on the factors militating against the maturity of the market, it was recommended that;

- (1) The state and Nigeria should diversify into the areas of industrialization, agriculture and real estate to curb the effect of the state of the economy of the state on the maturity of the Port Harcourt property market. Young school leavers when employed into some cottage industries that will be built by the government will reduce the rate of unemployment in the state, empower them to invest, improve the standard of living of people and the state of the economy of the state at large. This will equally result in the enhancement of maturity of the market.
- (2) The effect of Land Use Act (1978) also known as CAP 202 Laws of the federation of Nigeria 1990 on the maturity of the market could be addressed by the professional body of Estate Surveyors and valuers. In 2009, this body made some recommendations on the amendment of this Act to the Federal government though it was not implemented. More of this effort should be made until the government sees the need to correct the anomaly of this Act and its effects on the maturity of the market.
- (3) The activities of the quacks in the profession of Estate Management that pose problems on the maturity of the market may not be completely erased but could be reduced by the professional bodies of Estate management and practice. Some measures should be taken to ensure that the boundary that they are exceeding that is having negative effect on the profession and the maturity of the market is addressed and implemented. It could be allowing them to have their own association with definite methods of operation that will

not affect the professional body of Estate management and ensuring that they do not deviate from them.

(4) The professional bodies in the built environment can occasionally come up with programmes and seminars targeted on public enlightenment on issues that affect our properties and the environment at large.

(5) Moreover, some control measures that had been employed and are working in some states of the nation for example rent control in Lagos state can be emulated and enforced in others for positive impact on their property market.

A mature market according to Keogh & D'Arcy (1994), Lee (1999), Chin (2002) and others is a market that has the following features;

- Offers a sophisticated and sound financial structure
- Accommodates a full range of use and investment objectives
- Provides the extensive property information and property intermediaries with high level of property professionals.
- .Offers a wide range of investment opportunities
- Provides a liberalised financial market environment
- Updated and well-developed public infrastructure
- Low risk and high return
- Provides high quality property products
- Provide the accurate financial and market information
- Standardisation of property rights and market practice
- Flexible market in both the short and long run
- Stable economic environment

- Stable development environment
- Large pool of skilled workers-user and investor opportunity

5.6 Contributions to Knowledge

(1) The maturity indicators used in checking the maturity of a market, defines market maturity differently.

(2) State of the economy of a place, corruption amongst the market participants, environmental factors, activities of the quacks, security factor, and politics in the state affect the maturity of a property market.

(3)INVESTO, a maturity indicator that stands for the ability of the market to accommodate the objectives of the investors and users was highly ranked and positive in four out of the five groups of respondents.

5.7 Areas for further research

1. The cause(s) of variation in the maturity checklists.
2. Impact of the economy of a place and politics of a state on the maturity of a market.
3. Assessment of the property market maturity in other major cities in Nigeria.
4. Comparative analysis of the Nigerian property market and other property markets.

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QUESTIONNAIRE

Department of Estate Management

Nnamdi Azikiwe University

Awka

27th July 2014

Dear respondent,

ASSESSMENT OF PROPERTY MARKET MATURITY IN PORT HARCOURT, NIGERIA.

The researcher is a post graduate student in the department of Estate Management, Nnamdi Azikiwe University Awka and is carrying out a research on 'the assessment of the maturity of Port Harcourt property market'. The information needed from you is purely for academic purpose and will go a long way in helping the researcher to achieve the objectives of this research. Your prompt response to this questionnaire would be highly appreciated.

Thank you.

Yours faithfully,

Chicheta Francis Nissi (Mrs)

APPENDIX 1

NNAMDI AZIKIWE UNIVERSITY, AWKA
SCHOOL OF ENVIRONMENTAL SCIENCE
DEPARTMENT OF ESTATE MANAGEMENT

ASSESSMENT OF PROPERTY MARKET MATURITY IN PORT HARCOURT, NIGERIA
QUESTIONNAIRE 1- ESTATE SURVEYORS AND VALUERS IN PRACTICE
ESTATE SURVEYING AND VALUATION FIRMS

Kindly fill or tick as appropriate the options in the questions below

SECTION ONE: GENERAL INFORMATION

1.1 Name of firm-----

1.2 Location-----

- 1.3 Status of respondent
- (1) Principal partner
 - (2) Branch Manager
 - (3) Head of Department
 - (4) Senior Estate Surveyor and Valuer
 - (5) Others specify

- 1.4 Qualification of Respondent
- (1) HND only
 - (2) B.Sc/ B.Tech only
 - (3) HND/B.SC with ANIVS/RSV
 - (4) M.SC with Fellow
 - (5) Others specify

- 1.5 Years of Firm's Establishment
- (1) Between 1 and 5 Years
 - (2) Between 6 and 10 Years
 - (3) Between 11 and 15 Years
 - (4) Between 16 and 20 years
 - (5) Between 21 Years above

- 1.6 Firm's Staff Strength
- (1) Between 1 and 5
 - (2) Between 6 and 10
 - (3) Between 11 and 15
 - (4) Between 16 and 20

(5) Between 21 and above

SECTION TWO: PROPERTY MARKET INFORMATION

1.7 Please tick the different residential property types in Port Harcourt

- (1) Tenement buildings ()
- (2) Flats/Luxury Flats ()
- (3) Semi-detached/Duplex ()
- (4) Terraced building ()
- (5) Maisonette ()
- (6) Bungalow ()
- (7) Detached house ()
- (8) Boy's Quarter/Outhouse ()
- (9) Any other specify-----

1.8 Please tick the different commercial property types in Port Harcourt

- (1) Tenement shops
- (2) Chain stores
- (3) Supermarkets
- (4) Departmental shops
- (5) Purpose built office
- (6) Office with shop
- (7) Any other specify

1.9 Please tick the market players/ participants in the Port Harcourt property market

- (1) Estate Surveyors and Valuers
- (2) Lawyers
- (3) Real estate investors
- (4) Estate Agents
- (5) Banks
- (6) Co-operative societies
- (7) Pension scheme
- (8) Primary mortgage Institutions
- (9) Federal Mortgage Banks
- (10) Any other specify-----

2.0 Please identify the nature of the Port Harcourt Property Market. Circle the best option.

Where 1= strongly felt, 2= somewhat felt, 3= not felt, 4= uncertain

S/N

- 1 Market is local in nature 1, 2, 3, 4
- 2 Transactions are local in nature 1, 2, 3, 4
- 3 Confidentiality of market information 1, 2, 3, 4
- 4 Commodities are not standardized 1, 2, 3, 4
- 5 Market is unorganized & lacks central control 1, 2, 3, 4
- 6 Poor adjustment of market to supply& demand 1, 2, 3, 4
- 7 Imperfect knowledge of buyers and sellers 1, 2, 3, 4
- 8 Uniqueness of each site & building 1, 2, 3, 4
- 9 Any other specify-----

2.1 Please tick your level of agreement or disagreement with the factors that militate against the Port Harcourt property market

Where 1 = strongly disagree, 2 = disagree, 3 = uncertain, 4 = agree and 5 = strongly agree

FACTORS

1 2 3 4 5

- (1) The operation of the Land Use Act of 1978()
- (2) The rental structure()
- (3) The lease structure()
- (4) The institutional structure()
- (5) Politics in the state()
- (6) Security factor()
- (7) Any other specify-----

(2.2) Please indicate the level of occurrence of the following maturity factors in the Port Harcourt property market; where 1 indicates strongly disagree, 2 disagree, 3 uncertain, 4 agree, 5 strongly agree

Maturity factors

1 2 3 4 5

1. The ability of the market to accommodate different objectives of the investors and users ()
- 2; Market flexibility in both long and short run ()
- 3; Existence of a sophisticated property profession with its associated networks ()
- 4; Extensive information flow and research activities ()
- 5; Market openness ()
- 6; Standard market rights and practices ()
- 7; Development stability ()
- 8; Finance accessibility ()

TABLE 1: TRENDS IN CAPITAL VALUES ON A BLOCK OF 3 BEDROOM OFFICE BUILDING IN DIFFERENT LOCATIONS IN PORT HARCOURT FROM (2000- 2014)

| LOC | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1 | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | |

WHERE: 1= Rumuogba/Ogbonda, 2= Rumuomasi/ Elekahalia/Oginigba, 3= Stadium road/ Mopol barracks/ Presidential estate 1, 4=Trans- Amadi 1& Trans- Amadi 2, 5=Odili road, 6= GRA 1 & 2, 7=D Line, 8= Amadi Flat/ Old GRA.

LOC=Location

TABLE 1: TRENDS IN CAPITAL VALUES ON A BLOCK OF 3 BEDROOM FLAT IN DIFFERENT LOCATIONS IN PORT HARCOURT FROM (2000- 2014)

| LOC | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1 | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | |

WHERE: 1= Rumuogba/Ogbonda, 2= Rumuomasi/ Elekahalia/Oginigba, 3= Stadium road/ Mopol barracks/ Presidential estate 1, 4=Trans- Amadi 1& Trans- Amadi 2, 5=Odili road, 6= GRA 1 & 2, 7=D Line, 8= Amadi Flat/ Old GRA.

LOC=Location

TABLE 3: TRENDS IN CAPITAL VALUES ON A BLOCK OF 12 NO ROOMY TENEMENT
IN DIFFERENT LOCATIONS IN PORT HARCOURT FROM (2000- 2014)

| LOC | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1 | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | |

WHERE: 1= Rumuogba/Ogbonda, 2= Rumuomasi/ Elekahalia/Oginigba, 3= Stadium road/
Mopol barracks/ Presidential estate 1, 4=Trans- Amadi 1& Trans- Amadi 2, 5=Odili road, 6=
GRA 1 & 2, 7=D Line, 8= Amadi Flat/ Old GRA.

LOC=Location

TABLE 4: TRENDS IN CAPITAL VALUES ON A BLOCK OF 12 NO SHOPS IN DIFFERENT LOCATIONS IN PORT HARCOURT FROM (2000- 2014)

| LOC | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1 | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | |

WHERE: 1= Rumuogba/Ogbonda, 2= Rumuomasi/ Elekahalia/Oginigba, 3= Stadium road/ Mopol barracks/ Presidential estate 1, 4=Trans- Amadi 1& Trans- Amadi 2, 5=Odili road, 6= GRA 1 & 2, 7=D Line, 8= Amadi Flat/ Old GRA.

LOC=Location

TABLE 5: TRENDS IN CAPITAL VALUES ON DUPLEXES 2/3 WITH BQ IN DIFFERENT LOCATIONS IN PORT HARCOURT FROM (2000- 2014)

| LOC | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1 | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | |

WHERE: 1= Rumuogba/Ogbonda, 2= Rumuomasi/ Elekahalia/Oginigba, 3= Stadium road/ Mopol barracks/ Presidential estate 1, 4=Trans- Amadi 1& Trans- Amadi 2, 5=Odili road, 6= GRA 1 & 2, 7=D Line, 8= Amadi Flat/ Old GRA.

LOC=Location

APPENDIX 2

NNAMDI AZIKIWE UNIVERSITY, AWKA
SCHOOL OF ENVIRONMENTAL SCIENCE
DEPARTMENT OF ESTATE MANAGEMENT

ASSESSMENT OF PROPERTY MARKET MATURITY IN PORT HARCOURT, NIGERIA
QUESTIONNAIRE 2- ESTATE SURVEYORRS AND VALUERS IN ACADEMICS

Kindly fill or tick as appropriate the options in the questions below

SECTION ONE: GENERAL INFORMATION

1.1 Name of respondent(optional)-----

1.2 Name of institution-----

1.3 Age: 20-40(), 40-60(), 70 and above ()

1.4 Designation: Graduate assistant(), Assistant lecturer(), Lecturer 11 (), Lecturer 1 (), Senior Lecturer(), Associate Professor (),Professor ()

1.5 Academic Qualification: B.Sc (),M.Sc (),Ph.D ()

1.6 Professional Qualification: Probationer (),ANIVS (),ANIVS& RSV (),
FELLOW& RSV ()

SECTION TWO: PROPERTY MARKET INFORMATION

1.6 Please tick the different residential property in PH Property market

(1) Tenement building()

(2) Flats/Luxury Flats ()

(3)Semi-detached/Duplex()

- (4) Terraced building ()
- (5) Maisonette ()
- (6) Bungalow ()
- (7) Detached house ()
- (8) Boy's Quarter/Outhouse ()
- (9) Any other specify-----

1.7 Please tick the different commercial property types in Port Harcourt

- (1) Tenement shops
- (2) Chain stores
- (3) Supermarkets
- (4) Departmental shops
- (5) Purpose built office
- (6) Office with shop
- (7) Any other specify-----

1.8 Please tick the market players/ participants in the Port Harcourt property market

- (1) Estate Surveyors and Valuers
- (2) Lawyers
- (3) Real estate investors
- (4) Estate Agents
- (5) Banks
- (6) Co-operative societies
- (7) Pension schemes
- (8) Primary mortgage Institutions
- (9) Federal Mortgage Banks
- (10) Any other specify-----

1.9 Please identify the nature of the Port Harcourt Property Market. Circle the best option.

Where 1= strongly felt, 2= somewhat felt, 3= not felt, 4= uncertain

S/N

- 1 Market is local in nature 1, 2, 3, 4
- 2 Transactions are local in nature 1, 2, 3, 4
- 3 Confidentiality of market information 1, 2, 3, 4

- 4 Commodities are not standardized 1, 2, 3, 4
- 5 Market is unorganized & lacks central control 1, 2, 3, 4
- 6 Poor adjustment of market to supply& demand 1, 2, 3, 4
- 7 Imperfect knowledge of buyers and sellers 1, 2, 3, 4
- 8 Uniqueness of each site & building 1, 2, 3, 4
- 9 Any other specify-----

2.0 Please tick your level of agreement or disagreement with the factors that militate against the Port Harcourt property market

Where 1 = strongly disagree, 2 = disagree, 3 = uncertain, 4 = agree and 5 = strongly agree

FACTORS

1 2 3 4 5

- 1 The operation of the Land Use Act of 1978()
- 2 The rental structure()
- 3 The lease structure()
- 4 The institutional structure()
- 5 Politics in the state()
- 6 Security factor()
- 7 Any other specify-----

(2.1) Please indicate the level of occurrence of the following maturity factors in the Port Harcourt property market; where 1 indicates strongly disagree, 2 disagree, 3 uncertain, 4 agree, 5 strongly agree

Maturity factors

1 2 3 4 5

- 2. The ability of the market to accommodate different objectives of the investors and users ()
- 2; Market flexibility in both long and short run ()
- 3; Existence of a sophisticated property profession with its associated networks ()
- 4; Extensive information flow and research activities ()
- 5; Market openness ()
- 6; Standard market rights and practices ()

7; Development stability ()

8; Finance accessibility ()

APPENDIX 3

NNAMDI AZIKIWE UNIVERSITY, AWKA
SCHOOL OF ENVIRONMENTAL SCIENCE
DEPARTMENT OF ESTATE MANAGEMENT

ASSESSMENT OF PROPERTY MARKET MATURITY IN PORT HARCOURT, NIGERIA

QUESTIONNAIRE 3: REAL ESTATE DEVELOPMENT COMPANIES

Kindly fill or tick as appropriate the options in the questions below

SECTION ONE: GENERAL INFORMATION

- a. Name of respondent(optional)-----

- b. Name of establishment-----

- c. Age: 20-40(), 40-60(), 70 and above()
- d. Designation: Senior staff()Junior staff (), any other please specify-----

- e. Academic Qualification: OND(), HND(),B.Sc (), M.Sc (), Ph.D ()
- f. Professional Qualification: Probationer (), ANIVS (), ANIVS& RSV (), FELLOW& RSV ()

SECTION TWO: PROPERTY MARKET INFORMATION

1.6 Please tick the different residential property types in Port Harcourt

- (1) Tenement buildings ()
- (2) Flats/Luxury Flats ()
- (3) Semi-detached/Duplex()
- (4) Terraced building ()
- (5) Maisonette ()
- (6) Bungalow ()
- (7) Detached house ()
- (8) Boy's Quarter/Outhouse()
- (9) Any other specify-----

1.7 Please tick the different commercial property types in Port Harcourt

- (1) Tenement shops
- (2) Chain stores
- (3) Supermarkets
- (4) Departmental shops
- (5) Purpose built office
- (6) Office with shop
- (7) Any other specify-----

1.8 Please tick the market players/ participants in the Port Harcourt property market

- (1) Estate Surveyors and Valuers
- (2) Lawyers
- (3) Real estate investors
- (4) Estate Agents
- (5) Banks
- (6) Co-operative societies
- (7) Pension scheme
- (8) Primary mortgage Institutions
- (9) Federal Mortgage Banks
- (10) Any other specify-----

1.9 Please identify the nature of the Port Harcourt Property Market. Circle the best option.

Where 1= strongly felt, 2= somewhat felt, 3= not felt, 4= uncertain

S/N

- 1 Market is local in nature 1, 2, 3, 4
- 2 Transactions are local in nature 1, 2, 3, 4
- 3 Confidentiality of market information 1, 2, 3, 4
- 4 Commodities are not standardized 1, 2, 3, 4
- 5 Market is unorganized & lacks central control 1, 2, 3, 4
- 6 Poor adjustment of market to supply& demand 1, 2, 3, 4
- 7 Imperfect knowledge of buyers and sellers 1, 2, 3, 4
- 8 Uniqueness of each site & building 1, 2, 3, 4
- 9 Any other specify-----

2.0 Please tick your level of agreement or disagreement with the factors that militate against the Port Harcourt property market

Where 1 = strongly disagree, 2 = disagree, 3 = uncertain, 4 = agree and 5 = strongly agree

FACTORS

1 2 3 4 5

- 1 The operation of the Land Use Act of 1978()
- 2 The rental structure()
- 3 The lease structure()
- 4 The institutional structure()
- 5 Politics in the state()
- 6 Security factor()
- 7 Any other specify-----

(2.1) Please indicate the level of occurrence of the following maturity factors in the Port Harcourt property market; where 1 indicates strongly disagree, 2 disagree, 3 uncertain, 4 agree, 5 strongly agree

Maturity factors

1 2 3 4 5

3. The ability of the market to accommodate different objectives of the investors and users ()
- 2; Market flexibility in both long and short run ()
- 3; Existence of a sophisticated property profession with its associated networks ()
- 4; Extensive information flow and research activities ()
- 5; Market openness ()
- 6; Standard market rights and practices ()
- 7; Development stability ()
- 8; Finance accessibility ()

APPENDIX 4

NNAMDI AZIKIWE UNIVERSITY, AWKA
SCHOOL OF ENVIRONMENTAL SCIENCES
DEPARTMENT OF ESTATE MANAGEMENT

ASSESSMENT OF PROPERTY MARKET MATURITY IN PORT HARCOURT, NIGERIA
QUESTIONNAIRE 4: REAL ESTATE FINANCIERS

Kindly fill or tick as appropriate the options in the questions below

SECTION ONE: GENERAL INFORMATION

1.0 Name of respondent(optional)-----

1.1 Name of establishment-----

1.2 Year of establishment-----

• Location of establishment-----

1.3 Age: 20-40(), 40-60(), 70 and above()

1.4 Designation: Senior staff()Junior staff (), any other please specify-----

1.5 Academic Qualification: OND(), HND(), B.Sc (), M.Sc (), Ph.D ()

1.6 Professional Qualification: Probationer (),ANIVS (),ANIVS& RSV (),
FELLOW& RSV ()
Any other please specify-----

SECTION TWO: PROPERTY MARKET INFORMATION

1.6 Please tick the different residential property types in Port Harcourt

- (1) Tenement buildings ()
- (2) Flats/Luxury Flats ()
- (3) Semi-detached/Duplex ()
- (4) Terraced building ()
- (5) Maisonette ()
- (6) Bungalow ()
- (7) Detached house ()
- (8) Boy's Quarter/Outhouse()
- (9) Any other specify-----

1.7 Please tick the different commercial property types in Port Harcourt

- (1) Tenement shops
- (2) Chain stores
- (3) Supermarkets
- (4) Departmental shops
- (5) Purpose built office
- (6) Office with shop
- (7) Any other specify-----

1.8 Please tick the market players/ participants in the Port Harcourt property market

- (1) Estate Surveyors and Valuers
- (2) Lawyers
- (3) Real estate investors
- (4) Estate Agents
- (5) Banks
- (6) Co-operative societies
- (7) Pension scheme
- (8) Primary mortgage Institutions
- (9) Federal Mortgage Banks
- (10) Any other specify-----

1.9 Please identify the nature of the Port Harcourt Property Market

| S/N | Strongly felt (1) | Somewhat felt(2) | Not felt (3) | Uncertain(4) |
|-----|--|------------------|--------------|--------------|
| | 1 | 2 | 3 | 4 |
| 1 | Market is local in nature () | | | |
| 2 | Transactions are local in nature() | | | |
| 3 | Confidentiality of market information() | | | |
| 4 | Commodities are not standardized() | | | |
| 5 | Market is unorganized & lacks central control() | | | |
| 6 | Poor adjustment of market to supply& demand() | | | |
| 7 | Imperfect knowledge of buyers and sellers() | | | |
| 8 | Uniqueness of each site & building() | | | |
| 9 | Any other specify----- ----- | | | |

2.0 Please tick your level of agreement or disagreement with the factors that militate against the Port Harcourt property market

Where 1 = strongly disagree, 2 = disagree, 3 = uncertain, 4 = agree and 5 = strongly agree

| FACTORS | 1 | 2 | 3 | 4 | 5 |
|---------|--|---|---|---|---|
| 1 | The operation of the Land Use Act of 1978() | | | | |
| 2 | The rental structure() | | | | |
| 3 | The lease structure() | | | | |
| 4 | The institutional structure() | | | | |
| 5 | Politics in the state() | | | | |
| 6 | Security factor() | | | | |
| 7 | Any other specify----- ----- | | | | |

(2.1) Please indicate the level of occurrence of the following maturity factors in the Port Harcourt property market; where 1 indicates strongly disagree, 2 disagree, 3 uncertain, 4 agree, 5 strongly agree

Maturity factors

1 2 3 4 5

4. The ability of the market to accommodate different objectives of the investors and users ()
- 2; Market flexibility in both long and short run ()
- 3; Existence of a sophisticated property profession with its associated networks ()
- 4; Extensive information flow and research activities ()
- 5; Market openness ()
- 6; Standard market rights and practices ()
- 7; Development stability ()
- 8; Finance accessibility ()

APPENDIX 5

NNAMDI AZIKIWE UNIVERSITY, AWKA
SCHOOL OF ENVIRONMENTAL SCIENCES
DEPARTMENT OF ESTATE MANAGEMENT
ASSESSMENT OF PROPERTY MARKET MATURITY IN PORT HARCOURT, NIGERIA
QUESTIONNAIRE 5: RIVERS STATE MINISTRY OF PHYSICAL PLANNING AND
URBAN DEVELOPMENT

Kindly fill or tick as appropriate the options in the questions below

SECTION ONE: GENERAL INFORMATION

- 1 Name of respondent(optional)-----

- 2 Name of establishment-----

- 3 Year of establishment-----

- 4 Location of establishment-----

- 5 Age: 20-40(), 40-60(), 70 and above()

- 6 Designation: Senior staff()Junior staff (), any other please specify-----

- 7 Academic Qualification: OND(), HND(), B.Sc (), M.Sc (), Ph.D ()

- 8 Professional Qualification: -----

SECTION TWO: PROPERTY MARKET INFORMATION

1.6 Please tick the different residential property types in Port Harcourt

- (1) Tenement buildings ()
- (2) Flats/Luxury Flats ()
- (3) Semi-detached/Duplex ()
- (4) Terraced building ()
- (5) Maisonette ()
- (6) Bungalow ()
- (7) Detached house ()
- (8) Boy's Quarter/Outhouse ()
- (9) Any other specify-----

1.7 Please tick the different commercial property types in Port Harcourt

- (1) Tenement shops
- (2) Chain stores
- (3) Supermarkets
- (4) Departmental shops
- (5) Purpose built office
- (6) Office with shop
- (7) Any other specify-----

1.8 Please tick the market players/ participants in the Port Harcourt property market

- (1) Estate Surveyors and Valuer
- (2) Lawyers
- (3) Real estate investors
- (4) Estate Agents
- (5) Banks
- (6) Co-operative societies
- (7) Pension scheme
- (8) Primary mortgage institutions
- (9) Federal Mortgage Banks
- (10) Any other specify-----

1.9 Please identify the nature of the Port Harcourt Property Market

S/N strongly felt, Somewhat felt, Not felt,
Uncertain

- | | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| 1 Market is local in nature () | | | | |
| 2 Transactions are local in nature () | | | | |
| 3 Confidentiality of market information () | | | | |
| 4 Commodities are not standardized () | | | | |
| 5 Market is unorganized & lacks central control () | | | | |
| 6 Poor adjustment of market to supply& demand () | | | | |
| 7 Imperfect knowledge of buyers and sellers () | | | | |
| 8 Uniqueness of each site & building () | | | | |

Any other specify-----

2.0 Please tick your level of agreement or disagreement with the factors that militate against the Port Harcourt property market

Where 1 = strongly disagree, 2 = disagree, 3 = uncertain, 4 = agree and 5 = strongly agree

- | FACTORS | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| 1 The operation of the Land Use Act of 1978() | | | | | |
| 2 The rental structure() | | | | | |
| 3 The lease structure() | | | | | |
| 4 The institutional structure() | | | | | |
| 5 Politics in the state() | | | | | |
| 6 Security factor() | | | | | |
| 7 Any other specify----- ----- | | | | | |

(2.1) Please indicate the level of occurrence of the following maturity factors in the Port Harcourt property market; where 1 indicates strongly disagree, 2 disagree, 3 uncertain, 4 agree, 5 strongly agree

Maturity factors

1 2 3 4 5

- 5. The ability of the market to accommodate different objectives of the investors and users ()
- 2; Market flexibility in both long and short run ()
- 3; Existence of a sophisticated property profession with its associated networks ()
- 4; Extensive information flow and research activities ()
- 5; Market openness ()
- 6; Standard market rights and practices ()
- 7; Development stability ()
- 8; Finance accessibility ()

APPENDIX 6

NNAMDI AZIKIWE UNIVERSITY AWKA
 SCHOOL OF ENVIRONMENTAL SCIENCES
 DEPARTMENT OF ESTATE MANAGEMENT

ASSESSMENT OF PROERTY MARKET MATURITY IN PORT HARCOURT,
 NIGERIA

QUESTIONNAIRE ON RESIDENTIAL/COMMERCIAL PROPERTIES TREND IN PORT
 HARCOURT (2000-2014)

Tick the option available to you or fill in the appropriate information as may be necessary in the spaces provided.

- 1. Location / neighbourhood of the property occupied-----
- 2. Name of street-----
- 3. Indicate as provided below the type of property/ house occupied: (a) a room (b) a shop (c)2 bedroom flat (d) 3 bedroom flat (e) duplex (f) others
- 4: What use is your accommodation put to? (a) residential (b) commercial
- 5: What year did you first occupy the property
- 6: What are the rents paid per room or per flat?

| | |
|-------------------|-----------------|
| Year | Rent |
| Rent paid in 2000 | ----- per annum |

Rent was reviewed in ----- to -----per annum
 ‘> ‘> ‘> to -----per annum
 ‘> ‘> 2014 to -----per annum

6a: What were the reasons given by your landlord for the increases in the rent? (a)rise in cost of building materials (b) rise in inflation rate (c) impact of economic condition in Nigeria (d) increase in housing demand (e) all of the above

7. Who does repairs? (a) Landlord (b) tenant

8. If tenant, which of the repairs (a) all (b) external (c) internal

9. Is your accommodation serviced with pipe borne water (bore hole)? Yes/no

10. What type of toilet do you have in the property where you live (a) WC (b) pit

11. Is your kitchen (a) shared or (b) private