



An Assessment of Property Development Problems in Gombe Metropolis, Nigeria

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Abstract: This study investigates on the problems of Property Development in Gombe Metropolis. The aim of the study is to assess the problems and the severity of the problems affecting property development in Gombe metropolis with a view to increase the level of awareness among professionals and the end-users. The study adopted a quantitative research Approach, descriptive and exploratory research design was used, a questionnaire was designed and distributed to professionals (Architects, Builders, quantity surveyors, estate surveyors) both public and private practice and registered with their respective regulatory body (NIA; NIOB; NIQS, NIESV, and others). Statistical package for social sciences (SPSS) was used to analyze the data obtained. The findings revealed that, the problems associated with property development includes; Low consumer purchasing power, high cost of building materials, Inefficiencies in customs and port administration, Unpredictable and weak policy framework, Poor management practices and low entrepreneurial skills. The problems with severe effect on the property development are Poor/low quality products, Limited access to finance, High import dependency of the nation's economy, Complexities in the legal framework, Unpredictable and weak policy framework and High cost of equipment and working capital. The research also recommended that: Government should sustain collaboration with operators of private sector investors and organizations by providing adequate incentive and the needed enabling environment to stimulate and foster the economic growth.

Keywords: Property Development, Problems, Solutions, Severity

INTRODUCTION

The rapid pace of urbanization in the third world countries and the Nigerian cities in particular has brought about the transformation of values which are already in existence and more so physical problems which are difficult to manage and one of such consequences of this trend is the physical expansion of cities manifesting both within and outside its administrative jurisdiction (Olayinka, 2012). This has further brought about a new beginning to transformation, change and new development processes in the built-up urban environment; which as a result it can be seen in most cases that a piece of land serves as many purposes at the same time ranging from residential to commercial or industrial which makes it difficult to define clearly the use to which a particular land is put. Hence, one can find a land being used as residential and also commercial such as a shop or office; likewise, the setbacks, roadsides and streets have not been left out but have been converted to commercial centres, thereby falling short of their intended purposes.

According to Osemeke (2011), public and private sector plays an important role in property development. Public connotes what pertain to the people as a whole and is clearly the direct opposite of private. In the

technical phraseology of management, the word public has acquired a specialized meaning. According to Tonwe (1998), the word public is equated to "Government". This equation is justified on the ground that in modern society, government is the only organization to which everyone belongs without exception either actively or passively. It takes a concrete and organized form when equated to government (Weihrich and Koontz, 2005). Public sector consists of three separate levels of government whose status, powers and relationships are defined and guaranteed by the constitution. They are the federal, state and local governments. The federal government and state governments conduct their activities through two major forms of organization: Ministries and Public enterprises. Under the heading of public enterprises, include all corporations, authorities, boards, councils and Limited companies in which government has full or majority interest (Imaga, 2003).

Nevertheless, the Development Assistance Committee of the OECD (DAC, 1994) defines the private sector as "a basic organizing principle for economic activity where private ownership is an important factor, where markets and competition drive production and where private initiative and risk-taking set activities in motion" In Nigeria, the private sector is said to include any self-employed person or any employer of labour who does not belong to the government or public sector (Oyeranti, 2004). Put differently anyone who is an employer or self-employed and who does not belong to the government or public sector is believed to be operating in the private sector (Olayiwola and Busari, 2001). The private sector also refers to all economic institutions, business firms, foundations, and cooperatives etc. that are not owned by the government. The private sector enterprises are often described by other names such as capitalism, free enterprises system, the voluntary exchange economy, the market system, and the profit system (Imaga, 2003).

Property change in use is the use of land or buildings thereon for a purpose different from that which the land or building was originally zoned and intended for. Thus, change in use is occasioned by number of factors. Such factors are mostly, economic in nature. At the advance level however, change of use is synonymous with increase in the intensity of use, triggered by increase in demand. It is acknowledged that private land developers are key actors in urban growth processes (Dankani, 2010), and this is largely attributed to the fact that, they make initial decisions to acquire land for development either for sale, letting, or as owner - occupier (Mamman, 1996).

Literature Review

Rapid growth has in recent years constituted a major problem facing many cities of the world (Mabogunje, 1968). This growth has resulted into competition between the limited resources such as land, with the ever-increasing uses to which it is used. Also, unplanned change of use has implications on the housing situation. This is as a result of the fact that very limited spaces are now left for residential uses as succession by other uses have set in thereby worsening the housing shortage problem. This succession by other uses has brought about shortage in housing facilities for residential purposes; and inhabitants of the residential houses are not left with any other option than to move out in search of other houses. The increasing level of traffic associated with change of use has resulted to problems which the government must use scarce resources to solve.

Monday (2011) carried out a research on the challenges and prospects of private sector organizations as the main engines of economic growth and development in Nigeria where the researcher focused on the current business environment and discussed ways of encouraging the private sector organizations in Nigeria to act as a catalyst of economic growth and development; and the research concluded that there is growth in the financial performance of private sector organizations and its sustained prospects and success hinged on all those series of initiatives and policies of the government to advances private sector led growth and transform the country into an economy that is robust, stable, dynamic, export-led and competitive.

A similar study was carried out on the problems and prospects of residential properties management in Nigeria; a case study of Kaduna North Local Government Area; that focused that the problem of poor management of residential properties is a global phenomenon and the severity of the problem differs from one

nation to another. Smersh, Smith and Schwartz (2003) in their research factors affecting property development patterns, they focused on the pattern of residential development within the context of metropolitan growth and development that has been the subject of an extensive literature. The study suggests that factors that are important in locating a residential development include: Physical suitability for development: slopes, soils, hydrology, land availability, Legal restrictions, government regulations (zoning and other land use controls), Existing land use patterns and location of other residential development, Access, including proximity to interstate highways, Distance to employment sources, Distance to shopping, Availability of amenities (water, restaurants and shopping, golf, parks), and, Neighborhood factors i.e. age of surrounding housing stock, schools, crime.

A research by Wiley (2015) on the impact of commercial development on Surrounding residential property values. The study established that residential transaction prices in the neighborhood immediately surrounding a new commercial development are evaluated using a matched sample methodology and hedonic pricing models. Based on the earlier researches outlined above, it appears that none of them seems to have been conducted in Gombe, it is in view of this that the research will be conducted in Gombe metropolis focusing on the problems and prospects of both residential and commercial properties development. Development was also defined as 'carrying out of building, rebuilding, engineering, mining, or other operations in land or the making of any substantial change in its existing use (Agbola and Adegoke, 2007). From the above definitions, one thing is clear. And that is the definition of development as a measure of "progressive or a significant change in the level, situation, or status condition of land at a point in time". It considers basically, a physical change in the state of land at a particular time. It is necessary to consider what constitute development on land at any time. Development upon land can mean any things but includes: perimeter fencing and gating of a bare land, erection of dwarf perimeter fence, part or complete construction of the foundation, and other temporary installations that provides some form of utility to the owner or user of the land, etc.

Property is anything that is capable of being owned, leased, possessed or over which some form of controls can be exercised, and from a general perspective, it could be realty (immovable things such as land and buildings) or chattels (personal movable things like clothes, bags or products of reasoning). Property development (relative to realty), however, can be defined as the process of combining finance with land and material resources and involving human coordination for the achievement of a building operation or other development objectives, which could be for some economic or social gains.

From the above definition, it can be inferred that property development does not only cause a significant change in the level, status or condition of land, but also seeks to achieve some certain objectives, which could either be economic or social benefits. Property development is broad based and is purely an investment proposal. This investment could seek some economic returns or at least social returns, which could be in form of comfort, status booster, or some level of fulfillments for the developer. It involves a chain of activities called the development process. This process is subdivided into three broad categories, namely: pre-construction phase, the construction phase involves a lot of paper works and planning, the construction phase Centres on project management, that is, the achievement of the project within time, budget and the required quality. After which the post construction phase that is, the property management phase comes in to further aid the actualization of the development objectives. Property development has no end, but property development process terminates, when the development gets to the end users. Property development is a complex exercise not only because it is time and money consuming but also because it is a continual reconfiguration of the built environment to meet the society's needs. Government, therefore, impose a lot of legislation on property development in order to check the activities of private developers, who at most times are profit conscious without considering, slightly the concern of the other members of the public. Property development at whatever level is what the government has lauded for improving mass housing and reducing the large number of overcrowding and congestion of the available property developments.

Methodology

This study adopted a quantitative research approach, the research design for the is descriptive and exploratory design. A survey research design according to Osuala (2001) centers on individual and their opinion, belief, motivation and behavior. The design was considered suitable since the study will solicit information from professionals both public and private firms. The population for the study comprises a composition of respondents which includes Architects, Builders, Estate Surveyors and valuers and Quantity Surveyors respectively within Gombe Metropolis registered with their respective professional regulatory bodies. A well designed questionnaire was distributed to the composition of professional respondents (Architects, Builders, Estate Surveyors and Valuers, Quantity Surveyors and Town Planners). A sample frame of 100 respondents was obtained from the respective professional bodies in the study area. Hence, the sample size for the study was determined using krajcee and morgan table (1964) Therefore, 80 respondents were used for the study which 16 questionnaires was distributed to each set of professionals. The questionnaire is divided into sections which includes profile of the respondents and problems of property development, a five (5) point likert scale was used to assess the severity of the problems of property development in Gombe Metropolis. The data collected from the questionnaire was analyzed using descriptive statistics method of data analyses, this includes: Simple frequency and percentages, mean scores and standard deviation with ranking index were also used. The analyses were computed based with the use of the Statistical Package for Social Science (SPSS 20 version).

Results

Table 1: Demographic Information of the respondents

S/No	Variable	Options	Percentage (%)	Total
1	Gender	Male	93.0	100
		Female	7.0	
2	Profession/ Specialization	Architects	23.3	100
		Builders	23.3	
		Surveyor & Valuers	23.3	
		Quantity Surveyors	23.3	
		Town Planners	7.0	
3	Educational Qualification	ND		100
		B.Sc/HND	48.8	
		PGD	27.9	
		Master	23.3	
		Ph.D		
4	Professional Qualification	NIA	23.3	100
		NIOB	23.3	
		NIESV	23.3	
		NIQS	23.3	
		Others	7.0	
5	Years of Experience	Less than 5 years	25.6	
		6 – 10yrs	14.0	
		11 – 15yrs	18.6	

		16 – 20yrs	34.9	
		Over 20yrs	7.0	100

Table 1 highlights the demographic information of the respondent, gender has recorded 93% male and 7% female, under the professional specialization variable almost all the professionals are represented by 23% with the exception of town planners represented by only 7%. The educational qualification of the respondents has recorded the highest qualification as BSc/HND with 48.8%, PGD with 27.9% and masters represented by 23.3% respectively

Table 2: Problems of property Development

Problems	Mean	Std. Dev.	Rank
Low consumer purchasing power	3.6512	1.11021	1 st
High cost of building materials and working capital	3.5216	1.13211	2 nd
Inefficiencies in customs and port administration	3.2326	1.21179	3 rd
Unpredictable and weak policy framework	3.1628	1.06749	4 th
Poor management practices and low entrepreneurial skills	3.1395	0.88859	5 th
Multiple Levies and taxes	2.9535	1.34436	6 th
Limited access to funds in money and capital markets	2.9302	1.05549	7 th
Poor/low quality products	2.8372	1.85074	8 th
High import dependency of the nation's economy	2.7674	1.42824	9 th
Inadequate and deteriorating infrastructures support	2.7442	1.29271	10 th
Dumping of cheap products in the Nigerian market	2.6977	1.01266	11 th
Complexities in the legal framework	2.6744	1.24825	12 th

Table 2 depict the problems associated with property development in the study area. The table revealed that: Low consumer purchasing power with mean score of 3.6512 was ranked 1st; High cost of building materials and working capital is ranked 2nd with a mean of 3.5216; Inefficiencies in customs and port administration with a mean score of 3.2326 was ranked 3nd; Unpredictable and weak policy framework with a mean score of 3.1628 was ranked 4rd; while at the bottom, dumping of cheap products on the Nigerian market with a mean score of 2.6977 was ranked 10th; Complexities in the legal framework with a mean score of 2.6744 was ranked 11th; and, High cost of equipment and working capital with a mean score of 2.4884 was ranked 12th respectively.

Table 3: Severity of The Problems Encountered During the Property Development in Gombe Metropolis

Problems	Mean	S. I (%)	Rank	Decision
Limited access to finance	3.6744	73.50	1	Severe
Poor low quality products	3.6512	73.02	2	Severe
High dependency on importation of materials	3.3721	67.44	3	Severe
Complexities in the legal framework	3.1628	63.26	4	Severe
Unpredictable and weak policy framework	3.0698	61.40	5	Severe
High cost of building materials & working capital	3.0233	60.47	6	Severe

Dumping of cheap products in Nigerian market	2.9767	59.53	7	M. Severe
Inadequate and deteriorating infrastructures	2.9302	58.60	8	M. Severe
Low consumer purchasing power	2.8372	56.74	9	M. Severe
Multiple Levies and taxes	2.8140	56.28	10	M. Severe
Poor practices and low entrepreneurial skills	2.7674	55.35	11	M. Severe
Inefficiencies in import and port administration	2.3256	46.51	12	M. Severe

Table 3 depict the severity of the problems encountered during the property development and based on that, the study revealed several severities of the problems encountered to be; Limited access to funds in money and capital markets was determined to be more severe with severity index of 73.5% which was ranked 1st, Poor/low quality products was ranked 2nd with severity index of 73.02%; High import dependency of the nation's economy determined to be severe with severity index of 67.44% and was ranked 3rd, Multiple Levies and taxes was ranked 10th with a severity index of 56.28% determined to be Moderately Severe; Poor management practices and low entrepreneurial skills was ranked 11th with a severity index of 55.35% determined to be Moderately Severe; while Inefficiencies in customs and port administration was ranked 12th with a severity index of 46.51% determined to be Moderately Severe.

Table 4: Solutions to the Identified Problems of Property Development

Solutions of property development problems	Mean	Std. Dev	Rank
Establishment of macro-economic stability	3.1628	1.21362	1
Maintenance of sound macro-economic policies	2.9767	1.73875	2
Privatization	2.9767	.93830	3
Financial sector reforms	2.8372	.94944	4
Deregulation	2.7674	.86842	5
Good governance	2.5116	1.43713	6
Investments in human resources and infrastructure	2.4651	1.07679	7

Table 4 depict the possible solutions of property development in Gombe Metropolis. The table revealed that: Establishment of macro-economic stability with a mean score of 3.1628 and standard deviation of 1.21362 was ranked 1st; while, Maintenance of sound macro-economic policies with a mean score of 2.9767 and standard deviation of 1.73875 was ranked 2nd; Privatization with a mean score of 2.9767 and standard deviation of 0.93830 was ranked 3rd; Financial sector reforms with a mean score of 2.8372 and standard deviation of 0.94944 was ranked 4th; Deregulation, with emphasis on power, telecommunications, and downstream petroleum sectors with a mean score of 2.7674 and standard deviation of 0.86842 was ranked 5th; Good governance with a mean score of 2.5116 and standard deviation of 1.43713 was ranked 6th; and, Investments in human resources and physical infrastructure with a mean score of 2.4651 and standard deviation of 1.07679 was ranked 7th.

Conclusions

The study is aimed at investigating on the problems of property development in Gombe metropolis with a view to proffer solutions to the existing problems. The study concludes that: The problems associated with property development in Gombe Metropolis revealed to be: limited access to finance, Low consumer purchasing power; Inefficiencies in customs and port administration; Unpredictable and weak policy

framework; and, Poor management practices and low entrepreneurial skills. The problems found to be with severe effect on the property development in Gombe Metropolis are: Poor/low quality products; High cost of building materials; Limited access to funds in money and capital markets; High import dependency of the nation's economy; Complexities in the legal framework; Unpredictable and weak policy framework; and, High cost of equipment and working capital. The prospects of property development in Gombe Metropolis leads to the establishment of macro-economic stability which shows that the relationship of the problems to prospects is strong hence, the problems is significant in light of prospects.

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