A COMPARATIVE ANALYSIS OF RENTAL VARIATIONS IN ABEOKUTA COMMERCIAL PROPERTY MARKET

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Abstract

In this paper, we examine the comparative analysis of rental variation in commercial property from 2010 – 2019 using shop property type in Abeokuta as a case study.The study population comprised of renters of Shops in Kuto and Lanfenwa markets. A systematic random sampling technique was deployed to sampled 78 nos. shop properties, distributed as 47 and 31 shops in Kuto and Lanfenwa respectively. Data were collected via questionnaire administration and analysed by descriptive statistical tools such as simple frequency distribution (SFD), percentage (%) and mean score (MS) and trend analysis. We found evidence of rental variation with upward trend in both markets, with greater rental changes locked-up shops for the year under review. The rental variation is attributed to difference in the condition of shop properties such as facility, electricity supply and fire safety measure. The prominent contributory factors to rental variation in both markets were attributed to location, accessibility, demand and supply forces, and neighbouhood characteristics. Also more than half (50%) of the shop renters were fairly satisfied with the upwards variation in rental values in both markets, with higher level of satisfaction (31.9%) recorded in Kuto market compared with Lanfenwa market (25.8%). Conclusively, the comparative analysis showed evidence of rental variations in upwards trend over the year under review, signals positive expected property return, the study suggests the need for investors to take caution and critical considered local market specific-factors that exhibited strongly influence on their investment property rental value for optimal property performance.

Keywords: *Rent, Variation, Commercial, Property, Market*

Introduction

The study of rental variation of real estate investment, whether residential or commercial, is very important at this time when emphasis is on investment performance analysis in many parts of the world. This is even more important in developing countries like Nigeria where the level of changes property value is becoming a natural phenomenon due to unstable economic conditions(Chin, 2003; Ojetunde *et al.*, 2013).Moreover the impact of the ongoing changes in the global and local economy on the performance of real estate investment necessitate the need for careful consideration of real estate market value dynamic for informed investment decision making especial for income-generation properties such as commercial property type.

Meanwhile Ozyurt (2014) posited that commercial property markets show significant interaction with macroeconomic activity and the stability of the financial markets. However, a critical adjustment in the commercial property markets can exert a noticeable impact on commercial property rental performance and pricing, because most financial institutions depend on commercial property assets for their operations. Kuryj-Wysocka *et al.* (2014) argued that the dynamics of the property market should be understood as a change of property values under the influence of market and non-market factors. This also involves rental changes. Radzewicz *et al.* (2011) observed that even the smallest of such changes may result in a random change in other elements of the real estate market system, thereby altering the relations and dependences occurring in the market. Thus, the property market is under constant change, depending on the behavior and activities of market participants, as well as the influence of the surrounding elements (Radzewicz, 2013).

Whereas changes in rent invariably affect every type of real estate although in varying degrees. It appears that these changes are more evident in commercial properties. This perhaps is due to the fact that these properties are majorly built for business transactions and as the name implies could easily be prone to varying economic condition (Anderson and West, 2006). Previous studies have shown that rental growth determinants vary from locality to locality (Udoekanem, et al. 2014; Boon and Higgins 2007). This also implies that a commercial property rental model

developed for one locality may be inappropriate for the assessment of commercial property rental performance in another due to variation in key rental determinants.

The illustration of variations in rental prices of commercial property was noted in Harvey and Jowsey (2003). The authors explained that in urban areas where the central business district has retained its attractiveness, economic strength and viability, the central business district is almost always found near the hub of the city's traffic and transportation system and at sites both accessible and convenient to large numbers of people. This creates a potential for high volumes of retail and other commercial activities, which in turn justifies intensive land use practices, high rents and high land values. In other words, sites closer to the central business district often offer greatest opportunities from profitable use and these sites have the highest site values and command the highest rents. Thus, due to the business opportunities available to users of commercial properties at the central business district, there is considerable bidding and counter-bidding between users and operators for the choice of locations. This process often results in commercial land use patterns in which office and retail spaces are allocated in accordance with the rent-paying capacities of the various operators. This pattern is seldom stable as new adjustments are always taking place, including rental variations or rental growth. While changes in property market value is continuous, attributed influencing factors, the need to re-appraise property market situation to reflect current market conditions and the underlying factors that could provide useful explanation to dynamic real estate market is pertinent for informed decision marketing for investors thinking of investing in property market. The determinants of this rental variation in commercial property market in Kuto and Lafenwa central business districts of Abeokuta constitute the principal focus of this study.

Trend in Rental Value Variation and Driven forces in Commercial Properties

Early studies such as Mueller (1999) described trend in real estate any consistent pattern or change in the general direction of the real estate industry, which must be based on fact and, over the course of time, causing a statistically noticeable pattern of change. This phenomenon can be a result of the economy, a change in mortgage rates, consumer speculations, or other fundamental and non-fundamental reasons. A trend can be downward or upward, horizontal or vertical depending on the series of related changes that is identified and projected into a plausible future. When such trends are based on rental values then the observation will be confined to any evident changes in rent patterns.

Rents passing on properties are bound to be influence variedly due to the heterogeneity of real estate. These factors range from intrinsic to extrinsic characteristics such as the class, age, building material quality and finishing material type, number of storey, size and shape among others may influence the rental value of such property (Appraisal Institute, 2001; Shapiro *et al*. 2009).For instance, the age of all properties including retail property types is relatively linked to both functional and technical obsolescence, which affect rental value. Rental variation could be explained by high quality building materials especially quality finish material types command high prices, which are also compensated by higher rental values. Also, number of storey influences rental value of commercial properties through the storey number, where rental value decreases from ground floor-up, and the size of retail and office property, which normally represents the usable floor area increases with rental values

Office or retail property space size as a normal market commodity increases with quantity. In addition, the shape of office and retail property has some impact on their respective rental values. For instance, Enever and Isaac (2002) explained that, the productivity of the commercial property in question that matters. They hold a simply proposition that the more per square meter which a commercial property can earn for its occupier, the more he will be prepared to pay' in rental values. General market conditions for retail commercial properties such as aggregate disposable income, and aggregate household wealth for instance can influence rental values. An economy with relatively low aggregate disposable income will have low household wealth that can affect retail activities negatively compared to an economy with a higher aggregate disposable income with a relative high household wealth (Shapiro *et al.,* 2009). Favourable or anticipated boom market conditions normally yield higher rental values whereas, unfavourable or anticipated erratic market conditions can affect rental values badly of both retail and office properties.

In addition government policy can affect rental values. An office occupation employment oriented government policy can increase rental values for office properties. They explain that an increase in employment in office occupations such as finance, insurance, real estate (FIRE), business and professional services, legal services do increase demand for office space in relation to its supply, hence, increase in office rental values. Enever and Isaac, (2002) emphasized that, changes in the economic structure and the business organizations for instance the long-term trend from offices to rent vis-a-vis factories called for rental value to increase. The author added that the recent move toward home working or working from the home could reduce demand for offices hence rental value reduction. The requisite factors have to be continually evident for properties to keep commanding attractive rents that will generate an

impressive trend/pattern from the stance of investors over a given period of time. Rising rents have been described as an attraction for rental real estate development as prospect of rental growth is also an important viability consideration. In addition rental growth rates combined with occupancy levels are being regarded as major long run determinants of property income.

Nwuba (2008) evaluated office rental movements in the Central Area of Abuja, Nigeria, between year 2000 and year 2007, with a view to measuring the rental growth rates. The basic questions determined were whether the rental growth rates were significant, and whether significant difference exists between the rental growth rates and CPI inflation rates. The results showed that office rents maintained upward trend during the study period but the growth rates were lower than general inflation rates. Rental growth rates were statistically significant, but no significant difference existed between the growth rates and inflation rates. There was a strong positive linear relationship between time and office rents movement, which could be an indication that office rents grow significantly over time. Chin (2003) investigated the relationship between office rental movements in five Asian cities of Singapore, Hong Kong, Taipei, Kuala Lumpur, and Bangkok over the period 1988 - 2001.The study tested office rental value against some indicators of economic activity. The study also assessed the influence of six-demand-side variables, namely real gross domestic product (GDP), interest rates, prime lending rates, consumer price index, service sector output and unemployment rates, as well as one supply-side variable (changes in office floor space). The study revealed that changes in floor space and prime lending rates were the key determinants of office property rental values in the selected cities. McCartney (2012) estimated a rent determination model for the office market in Dublin based on a two-stage error correction mechanism which involved estimation of a long-run equilibrium rent equation and a short-run rent adjustment process. The result of the long-run analysis indicated that office demand is relatively inelastic in Dublin while the short-run model indicated a relatively slow rate of rent adjustment in the Dublin office market. The author concluded that different locality is subject to different rental growth factors.

Factors Influencing Rental Variation in Commercial Properties

In simple microeconomic terms, the determinationof property rent rates is about demandand supply. On one hand demand relates towants and is only limited by peoples' abilityand willingness, whilst supply is limited by theresources and technology available (Sloman,2006). On the other hand, rental values arethe market price (per annum) of occupyingproperty. Thus, as market price is determinedby interaction of demand and supply, so is rentalvalue. For example, Office space as commercial property isa factor of production. Meanwhile demand for land as a factor ofproduction is derived demand. Office buildingsare usually occupied by professional, banking,financing, and other administrative and managementusers. These users require space tohelp in the provision of services required byother economic entities. So the demand foradditional space depends on the demand forgoods and services produced when combinedwith other factors of production. Also a shift inthe stage of market and/or industry developmentcould have impact on associated spacerequirements and rental values.

Also, location for every business is an importantdecision. A business searches for a propertythat best serves their needs. The ability to serviceemployees and customers in an efficientmanner means that businesses will develop incertain locations to take advantage of certainfactors. The classical economists (Ricardian)explanation of land rent assumed land is homogeneous,and the market in equilibrium doesnot change with supply conditions in the longrun (Evans et al. 2004). Contrary to Ricardian belief decisions of office location are affected by certain location attributes such as transportation and interactions costs, quality of the environment and agglomeration economies. Moreover, as postulated in Von Thunen's model, rent values fluctuate with distance from a main commercial centre, which means the office location could be determined by a "trade off" between transportation cost and distance to the Central Business District (CBD). Alonso in 1964 also emphasised a negative rent gradient with distance from the urban centre. But Jones and Dunse and Jones (2002) have shown that rents could increase away from the CBD on approach to major highways and motorways. This is a factor of accessibility and relates more to location of industrial warehouses.

Similarly, there is no substitute for land and property in general. For example, an commercial property is not a substitute for a shop; offices without air-conditioning are not regarded as an adequate substitute for air-conditioned premises by most firms in the financial services sector. The capacity to substitute one property for another is confined by the need to match individual characteristics to individual tenant requirements, for example, in terms of size, design and layout, age and technology and amenities. Besides location, office occupiers are sensitive to certain building attributes that they may be willing to pay higher rent for. So property that meets, among others, these requirements would be in high demand and could lead to higher rental values.Researchers like including Johnson, Davies and Shapiro (2005) observed that good neighborhood infrastructure affects property values, Ajibola *et al.* (2013) revealed that infrastructure such as water and roads ranked most important factors that affects rental property values in Unity

estate Lagos. Anyanwu and Erhijakpor (2010) in their study posited that road infrastructure helps reduce poverty in Africa by reducing the cost of transportation and improving rental values in those areas where the roads are good. The security of an area influences the rental or capital values of the property situated in such areas.

This assertion is confirmed by studies conducted by Ajibola, *et al* (2014) concerning the effects of militant's activities on rental values in Port Harcourt. The study revealed that militant's activities impacted negatively on rental values in the areas where these activities occurred. Orekan (2014) used Kano as a case study and discovered that the activities of the Islamic militant group Boko Haram caused a decline in rental values. These assertions were supported by the earlier studies carried out by Bello (2011); Ceccato and Wilhelmsson (2011) that crime negatively impacted on property values. This implies that residents are concerned about their safety so would prefer to pay higher for property in a safe neighborhood than in a location known for criminal activities.

Methodology

The study population comprises the Units of Shop types in the Kuto and Lanfenwa market of Abeokuta, Ogun State. Shop properties were selected being a predominant property type in the study area. The study is quantitative and questionnaire survey was adopted. The study deployed systematic random sampling methods to pick 5th shop on a role, and the occupant of the selected shop property was administered with a closed-end questionnaire for data collection with the aid of two research assistants. A total of 78 shops participated in the filed survey distrusted as 47 valid responses gotten at Kuto market and 31 valid responses were obtained from Lanfenwa market. The difference in the response gotten is attributed to relatively larger size and organized shop properties in Kuto market than shops in Lanfenwa. Also, the number of properly filled and valid questionnaire differs, as more valid questionnaire was obtained in Kuto market than in the Lanfenwa. The study employed descriptive statistical tool such as simple frequency distribution (SFD), percentage (%) and weighted mean score (WMS) and trend analysis to analyze the trend in rental values of the selected shop property in the study area.

For WMS statistics, the opinions of the respondents were subjected to a 5-point Likert scale ranging from the least weighted option to the highest i.e. *Strongly Disagreed (SD), Disagreed (D), Unsure (U), Agreed (A), Strongly Agreed (SA)* with respective corresponding weight value 1, 2, 3, 4, and 5. Mathematically, WMS can be expressed mathematically in Eqs. (1) & (2):

$$\boldsymbol{WMS = \frac{1}{n}\sum_{i=1}^{n} WF}$$

…….Eqs.(1)

Where WMS – weighted mean score; n- sample size or total observations of the sample and WF – Weighted frequency of variable of interest. The Mathematical function in Eq. 1 can be re-written as thus in Eqs. (2)

$$WMS = \frac{Wn_5 + Wn_4 + Wn_3 + Wn_2 + Wn_1}{N}$$ …….Eqs. (2)

Where WMS is the weighted mean score
W – Assigned weight to the scale (1-lowest to 5-Highest)
N- Total number of sample

For Trend Analysis, the mathematical expression is given in Eqs. (3)

$$\boldsymbol{y = mX + b}$$ .....Eq. (3)

Where
y denotes the average rental value
X is the period under review (2010 - 2019),
m is the slope of the trend line which measures the pattern and direction (±) of changes in the b represents the intercept (b= Y - mX) of the trend.

Results

This deals with the relevant information relating to the characteristics of the respondents such as location of shop, gender, age, years of usage and nature of business. Table 1 presents the characteristics of respondents in Kuto market.

It revealed the gender of the respondents where 25.5% were male and 74.5% were female. This implies that the markets are well dominated with female to male users. This situation is almost common in other market in the study area and elsewhere.This however shows that there is a possibility of getting accurate result from this research work because there is tendency of females providing accurate information than males. Further to the above, it revealed the age of respondents, 14.9% were between 21 – 30 years, 40.4% were between 31 - 40 years, 21.3% were between 41 – 50 years while 23.4% were 61 years and above. This implies that the information sourced from the respondents would be accurate and valid since all the respondents are matured. Years of usage revealed that 10.6% of the respondents had been occupying the property for less than 5 years, 21.3% had been occupying the property between 5 – 10 years, 31.9% had been occupying the property between 11 – 15 years while 36.2% had been occupying the property for 16 years and above. This shows that most of the firms shop users had been in operation for a long period of time. It however makes this observed population the required one because they already have the experience required in rental variation in shop property. The nature of business carried out on the property shows that 27.7% of the respondents used the shop property for production of consumable goods while 72.3% of the remaining respondents used the shop property for production of services.

Table 1: Characteristics of Respondents in Kuto Market

Characteristics	Parameter	Frequency	Percentage (%)
Gender	Male	12	25.5
	Female	35	74.5
	Total	***47***	***100***
Age	21 – 30 years	7	14.9
	31 – 40 years	19	40.4
	41 – 50 years	10	21.3
	61 years and above	11	23.4
	Total	***47***	***100***
Years of Usage	Less than 5 years	5	10.6
	5 – 10 years	10	21.3
	11 – 15 years	15	31.9
	16 years and above	17	36.2
	Total	***47***	***100***
Nature of Business	Production of consumable goods	13	27.7
	Production of services	34	72.3
	Total	**47**	**100**

Table 2 below presents the characteristics of respondents in Lafenwa market. It revealed the gender of the respondents where 25.8% were male and 74.2% were female. This implies that the markets are well dominated with female to male users. This situation is almost common in other market in the study area and elsewhere.This however shows that there is a possibility of getting accurate result from this research work because there is tendency of females providing accurate information than males. Further to the above, it revealed the age of respondents, 19.4% were between 21 – 30 years, 41.8% were between 31 - 40 years, 32.3% were between 41 – 50 years while 6.5% were 61 years and above. This implies that the information sourced from the respondents would be accurate and valid since all the respondents are matured. Years of usage revealed that 9.7% of the respondents had been occupying the property for less than 5 years, 22.6% had been occupying the property between 5 – 10 years, 38.7% had been occupying the property between 11 – 15 years while 29.0% had been occupying the property for 16 years and above. This shows that most of the firms shop users had been in operation for a long period of time. It however makes this observed population the required one because they already have the experience required in rental variation in shop property. The nature of business carried out on the property shows that 35.5% of the respondents used the shop property for production of consumable goods while 64.5% of the remaining respondents used the shop property for production of services.

Table 2: Characteristics of Respondents in Lafenwa Market

Characteristics	Parameter	Frequency	Percentage (%)
Gender	Male	8	25.8
	Female	23	74.2
	Total	***31***	***100***
Age	21 – 30 years	6	19.4
	31 – 40 years	13	41.8
	41 – 50 years	10	32.3
	61 years and above	2	6.5
	Total	***31***	***100***
Years of Usage	Less than 5 years	3	9.7
	5 – 10 years	7	22.6
	11 – 15 years	12	38.7
	16 years and above	9	29.0
	Total	***31***	***100***
Nature of Business	Production of consumable goods	11	35.5
	Production of services	20	64.5
	Total	***31***	***100***

Table 3 below presents categories of shop in Kuto and Lafenwa respectively. It revealed that 48.9% and 51.6% of the shop property were chain shops, 12.8% and 16.1% of the shop property were supermarkets while the remaining 38.3% and 32.3% were local shops. This implies that majority of shop property in the study area are mainly chain shop which seems to be newly built and trending shop property and would command more rent compare to local shop.

Table 3: Categories of Shop in Kuto and Lafenwa Markets

Category	Kuto Market		Lafenwa Market	
	Frequency	**Percentage**	**Frequency**	**Percentage**
Mobile Shop	-	-	-	-
Locked-up Shop	23	48.9	16	51.6
Supermarket	6	12.8	5	16.1
Local Shop	18	38.3	10	32.3
Total	***47***	***100***	***31***	***100***

Table 4 presents condition of shop in Kuto and Lafenwa respectively. Finding from Kuto market revealed that doors and windows ranked first with a mean of (4.47), layout and design ranked second with a mean of (4.17), water proofing ranked third with a mean of (4.13), space ranked fourth with a mean of (3.83), finishes, fittings and furniture ranked fifth with a mean of (3.74), size ranked sixth with a mean of (3.36), parking space ranked seventh with a mean of (3.21), facility ranked eighth with a mean of (3.06), security ranked ninth with a mean of (2.91), electricity ranked tenth with a mean of (2.72) while fire safety ranked eleventh with a mean of (2.13). It can be deduced from the finding that the condition of shop in Kuto market such as doors and windows, layout and design, water proofing, space, finishes, fittings and furniture were seen to be good.

Finding from Lafenwa market revealed that water proofing ranked first with a mean of (4.64), doors and windows ranked second with a mean (4.48), layout and design ranked third with a mean of (4.45), size ranked fourth with a mean of (3.65), space ranked fifth with a mean of (3.45), finishes, fittings and furniture ranked sixth with a mean of (3.35), parking space ranked seventh with a mean of (2.93), electricity ranked eighth with a mean of (2.81), facility ranked ninth with a mean of (2.35), security ranked tenth with a mean of (2.03) while fire safety ranked eleventh with a mean of (1.26).It can be deduced from the finding that the condition of shop properties in Lafenwa market such as water proofing, doors and windows, layout and design and size were seen to be good. The comparison from the two markets indicates that shop properties in Kuto market are spacious for displaying goods while shop properties in Lafenwa market have enough size to accommodate goods by the users.

Table 4: Condition of Shop in Kuto and Lafenwa Markets

Condition	Kuto Market			Lafenwa Market		
	ΣWF	**Mean**	**Ranking**	**ΣWF**	**Mean**	**Ranking**
Doors and Windows	210	4.47	1st	139	4.48	2nd
Layout and Design	196	4.17	2nd	138	4.45	3rd
Rroofing	194	4.13	3rd	144	4.64	1st
Space	180	3.83	4th	107	3.45	5th
Finishes, Fittings and Furniture	176	3.74	5th	104	3.35	6th
Size	158	3.36	6th	113	3.65	4th
Parking Space	151	3.21	7th	91	2.93	7th
Facility	144	3.06	8th	73	2.35	9th
Security	137	2.91	9th	63	2.03	10th
Electricity supply	128	2.72	10th	87	2.81	8th
Fire Safety measure	100	2.13	11th	39	1.26	11th

Note: Likert Scale: 5= Excellent 4= Good 3= Fair 2= Bad 1= Good

Table 5 below presents trend in rental value of shop in Kuto market. It can be seen from the graph that between the years 2010 and 2014 there is steepness to the slope showing a drastic rise in rental values shop properties in Kuto and this rental values continue to increase till the year 2019. This can be attributed to the various benefits associated with the location, accessibility, transportation and neighbourhood characteristics assuming all other factors that affect rental values remains constant (see Fig. 1).

Table 5: Trend in Rental Value of Shop in Kuto Market (₦ per/month)

Year	Chain Store		Supermarket		Local Shop		Mean
	Rent	**% Change**	**Rent**	**% Change**	**Rent**	**% Change**	
2010	2,000	-	4,500	-	1,200	-	2,567
2011	2,500	25	4,500	-	1,200	-	2733
2012	2,500	-	5,000	11	1,500	25	3,000
2013	3,000	20	5,400	8	1,750	17	3,383
2014	3,800	26	5,800	7	1,750	-	3,783
2015	4,300	13	5,800	-	1,800	3	3,966
2016	4,700	9	6,000	3	2,000	11	4,233
2017	4,700	-	6,000	-	2,500	25	4,400
2018	5,000	6	6,500	8	2,500	-	4,667
2019	5,000	-	6,500	-	2,500	-	4,667

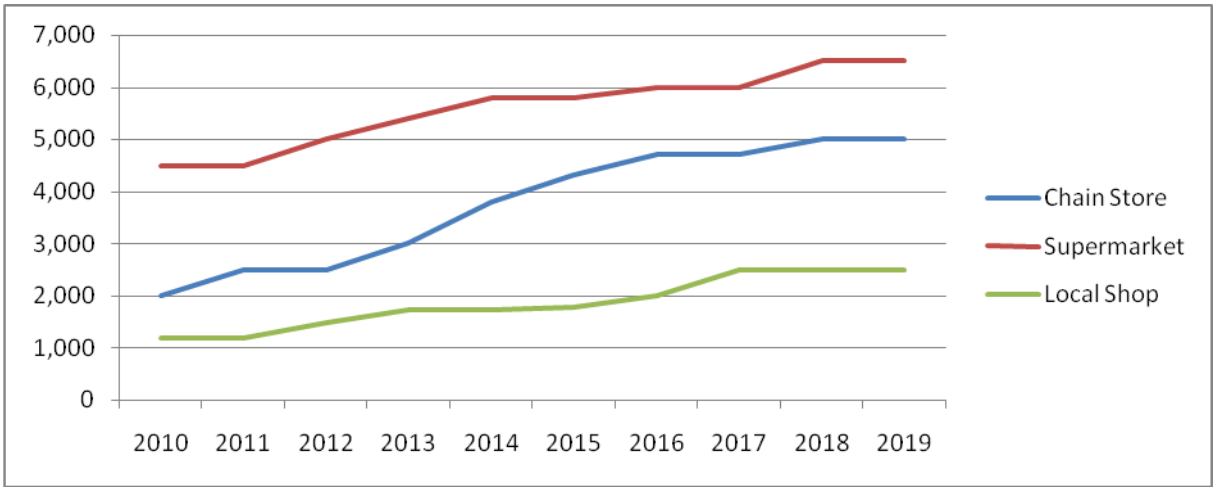


Figure 1: Graph showing trend in rental value of shop in Kuto market

Table 6 below presents trend in rental value of shop in Lafenwa market. It can be seen from the graph that between the years 2010 and 2012 there is steepness to the slope showing a drastic rise in rental values shop properties. From 2013 to 2015, the rental value maintained a constant rate in the study area and this rental values continue to increase till the year 2019. This can be attributed to the various benefits associated with the location, accessibility, transportation and neighbourhood characteristics assuming all other factors that affect rental values remains constant *(see Fig. 2*).

Table 6: Trend in Rental Value of Shop in Lafenwa Market (₦ per month)

Year	Chain Store		Supermarket		Local Shop		Mean
	Rent	**% Change**	**Rent**	**% Change**	**Rent**	**% Change**	
2010	2,400	-	4,000	-	1,000	-	2,467
2011	2,500	4	4,500	13	1,200	20	2,733
2012	2,500	-	4,500	-	1,200	-	2,733
2013	2,800	12	4,800	7	1,400	17	3,000
2014	3,000	7	5,000	4	1,500	7	3,167
2015	3,000	-	5,000	-	1,500	-	3,167
2016	3,500	17	5,500	10	2,000	33	3,667
2017	4,000	14	5,500	-	2,000	-	3,833
2018	5,000	25	6,800	24	2,500	25	4,767
2019	5,000	-	6,800	-	2,500	-	4,767

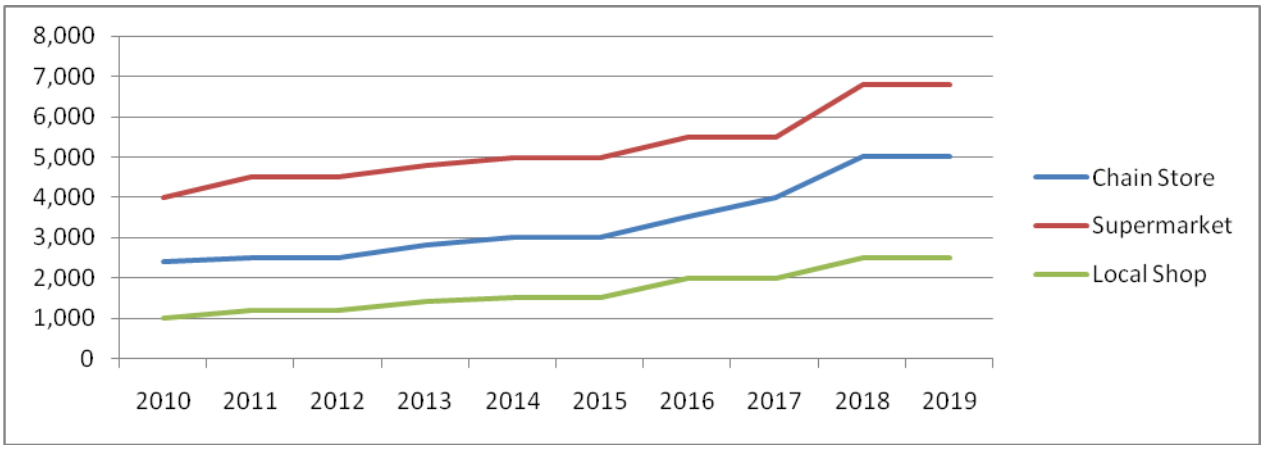


Figure 2: Graph showing trend in rental value of shop in Lafenwa market

Table 7 presents factors influencing rental variation in shop in Kuto and Lafenwa respectively. Finding from Kuto market revealed that location ranked first with a mean of (4.68), demand and supply ranked second with a mean of (4.60), accessibility ranked third with a mean of (4.57), number of floor ranked fourth with a mean of (4.53), facilities/amenities ranked fifth with a mean of (4.45), neighbourhood characteristics ranked sixth with a mean of (4.30), transportation ranked seventh with a mean of (4.17), building attributes ranked eighth with a mean of (3.74), taxation and inflation ranked ninth with a mean of (3.68), management services ranked tenth with a mean of (3.34) while contractual and policy factor ranked eleventh with a mean of (3.09). It can be deduced from the finding that the major factors influencing rental variation in shop properties in the study area are location, demand and supply, accessibility, number of floor, facilities/amenities, neighbourhood characteristics, transportation, building attributes, taxation and inflation and management services.

Finding from Lafenwa market revealed that location ranked first with a mean of (5.00), accessibility ranked second with a mean of (4.87), neighbourhood characteristics ranked third with a mean of (4.81), transportation ranked fourth with a mean of (4.74), number of floor ranked fifth with a mean of (4.65), building attributes ranked sixth with a mean of (4.48), demand and supply ranked seventh with a mean of (4.51), contractual and policy factor ranked eighth with a mean of (4.42), taxation and inflation ranked ninth with a mean of (4.26), facilities/amenities ranked tenth with a mean of (4.06) while management services ranked eleventh with a mean of (3.65). It can be deduced from the finding that the major factors influencing rental variation in shop properties in the study area are location, accessibility, neighbourhood characteristics, transportation, number of floor, building attributes, demand and supply, contractual and policy factor, taxation and inflation, facilities/amenities and management services.

Table 7: Factors Influencing Rental Variation in Shop in Kuto and Lafenwa Markets

Factors	Kuto Market			Lafenwa Market		
	ΣWF	**Mean**	**Ranking**	**ΣWF**	**Mean**	**Ranking**
Location	220	4.68	1st	153	4.94	1st
Demand and Supply	216	4.60	2nd	140	4.51	7th
Accessibility	215	4.57	3rd	151	4.87	2nd
Number of Floor	213	4.53	4th	144	4.65	5th
Facilities/Amenities	209	4.45	5th	126	4.06	10th
Neighbourhood Characteristics	202	4.30	6th	149	4.81	3rd
Transportation	196	4.17	7th	147	4.74	4th
Building Attributes e.g. Age	176	3.74	8th	142	4.58	6th
Taxation and Inflation	173	3.68	9th	132	4.26	9th
Management Services	157	3.34	10th	113	3.65	11th
Contractual and Policy factor	145	3.09	11th	137	4.42	8th

Note: Likert Scale: 5= Very High 4= High 3= Unsure 2= Low 1= Very Low

In Table 8, the study probes the level of satisfaction of the shop's occupant on the rent passing in the study area (Kuto and Lanfenwa). The study found that the shot renters expressed 'fair' level of satisfaction in both Kuto (59.6%) and Lanfenwa (54.8%) markets. The fair rating of satisfactory levels in both markets cannot be disconnected from the fact the markets are popular, big in size, witnessed higher rate of patronage and remain part of the major actively trading

markets in Abeokuta and also in the state. But the shops layout patterns and landscaping designs have been distorted and disrupted due to overwhelming trading activities in uncoordinated manner experiencing in the market. The overcrowded and influx of trading activities put pressure on the available facilities/amenities in the markets, while the poor maintenance culture of the market result to total breakdown of some facilities while some are in poor/bad condition. The urgly situation in the markets especially the breakdown on some basic facilities/amenities may not commensurate expected benefits for the rent paying on the shop properties. The few occupants that were stratified with the rent paid which is relatively higher in the Kuto market (31.9%) than in the Lanfenwa market (25.8%) could be linked to level of patronage, price differentiation and social-economic facilities available (parking space, waste management/sanitation system etc.), which are vary from one market to another (McCartney, 2012). However, while a few expressed 'very' satisfied level, none of the occupants exhibited a dissatisfaction on the rent paying in both markets. This signals the willingness of the shop renters to pay higher rents provided that basic facilities will be put in good shape to enhance the trading activities in the markets.

Table 8: Level of Satisfaction with Rent Paid on Shop in Kuto and Lafenwa Markets

Level of Satisfaction	Kuto Market		Lafenwa Market	
	Frequency	**Percentage**	**Frequency**	**Percentage**
Very Satisfied	4	8.5	6	19.4
Satisfied	15	31.9	8	25.8
Fair	28	59.6	17	54.8
Dissatisfied	-	-	-	-
Very Dissatisfied	-	-	-	-
Total	***47***	***100***	***31***	***100***

Discussion

The prevalent of Locked-up shop properties in the markets is to majorbly on a single floor and in role pattern is done to increase the level of accessibility to the shop. A shop build on more than one floors, the level of accessibility may reduce as prospective shop renters will preferred to go for shops ground floors to upper floors due to level of accessibility. Therefore the rentage of shops at different floors level could cause variation in the rental value, as rent on shop located at the floor level tends to command higher rents than those located at the upper floors level (Shapiro *et al*. 2009). The condition of shop properties also vary in the study location. For instance, shop renters in both markets enjoy good condition of the shop attributes such as doors and windows, layout and design roofing, spacing, with are part of recent renovation work undergone in the market rencnetly by the local authories and from time to time by the shop occupers to ensure that the properties are well secured and protected amidst raising cases of theft in the market. Comparatively, some market features in Kuto such as electricity and fire safety measure were in poor shape, while facilities such as security were reported to be in a bad condition in Lanfenwa market. Some of the reasons attributed to low attention, negligence and poor maintenance culture of those market facilities. Also, the eronous belief that the provision and maintenance of electricity, fire equipment and security outfit of the market by local authorities strengthen the poor condition recorded in the study area. Meanwhile, authors including Ajibola *et al.* (2013) and Anyanwu and Erhijakpor (2010) have argued on the influence of the condition of commercial property features on dynamic rental value. The summary result of the mean score demonstrated the prominent influence of the factors on dynamic rental value of shop properties in both market but at varying degrees ($4.0 \geq WMS \geq 5.0$). The prominent influence of location-factor on dynamic shop rents in both market (Kuto and Lafenwa) aligns previous works including Evans *et al.* (2004) that stressed the critical role location-factor plays on rent determination. Meanwhile, In Kuto market, the influence of demand and supply is strongly felt than in a case of Lanfenwa market. This could be attributed to that fact that Kuto market is strategically located in the art of the city of Abeokuta, housed diverse types of produces range from clothing, perishables, foodstuff among etc., which meet-up with satisfying the different kinds of consumers/citizens want/needs. While in Lanfenwa market, the presence of rail transport system, proximity to border town (Oyo towns and villages) and closeness to rural areas within the states enhance its accessibility and predominantly patronized by wholesalers of foodstuff/distributors. Meanwhile, the difference in the level of satisfaction with more than 50% fairly satisfied with the rent paying in both market signifies the potential of commercial markets to generate higher return on property investment if local basic problems are appropriately addressed.

Conclusion

With a focus on two prominent markets namely Kuto and Lanfenwa, in Abeokuta, the study compared the rental variation on shop properties, aimed at analyzing trend in the rental value and examining the critical factors contributing to the rental variation in the study area. The study sample the occupants of shop properties in the selected markets via questionnaire exercise and descriptive statistical tools such as weighted means score (WMS) were deployed to analyse the data. The study found that both market were dominated by locked-up shop property types which are on a single floor and in role pattern, with some of thier facilities including electricity and fire safety measures in a poor condition. The study ascertained the rental variation over the period under reviewed (2010-2019) in an upwards trend pattern. The upward trend observed in the rental values of the shop properties in the study area is in tandem with the previous studies across property market (). Meanwhile factors responsible rental variation differs, the shop rentals share common views on the strongly influcne of location-factors on the dynamic rental behavior in both markets. For instance in Kuto market, demand-supply factors were highly rated, reasons attributed to divers nature of people patronizing the market from all walk of life and location advantages in the heart of the capital city. Shop rentals in the Lanfenwa market expressed the prominence of accessibility factor as a major determinant of rental variation, next to location-factor. Higher level of accessibility enjoy in Lanfenwa market cannot be disconnected from the presence rail transport system which is lacking in Kuto market. This rail transport however complements the road transport system especially for the movement of agricultural produces from neighboring towns and villages. The study discovered fewer number of shop rentals in Kuto (31.9%) and Lanfenwa (25.8%) indicated the satisfaction on the rent paying, more than 50% of them in both markets were fairly satisfied with the rent paid. This suggests the need to improve the shop conditions of the markets to meet-up with the modern market status equipped with basic modern facility that facilitate smooth and effective trading activities in the market. Conclusively, the comparative analysis of the two markets (Kuto and Lanfenwa) showed evidence of rental variations in upwards trend over the year under review but the influencing factors differs in dimension and level of prominence. The study recommends that while the upwards trend in property investment signals positive expected property return, investors should take caution and critical considered local market specific-factors that exhibited strongly influence on investment property rental value for optimal property performance.

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