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Article

Investigating Real Estate Investment Activity In Nkwelle Ezunaka, An Urbanising Space Contiguous With The Onitsha-Obosi-Nkpor Agglomeration

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Abstract

Land and the improvements of land constitute real estate, both of them economic goods of high investment attraction. Because land is an essential input to real estate production, the emergence of land markets has the potential to generate real estate markets, depending on local factors since land is a fixed resource. Real estate investment activity can be wide-ranging, extending from the sale and purchase of land to all that we may do on land; with land; and to land. These activities create outputs for real estate markets. However, functional real estate markets will emerge where demand exists both for land and for development. Therefore, given the history of sustained land trading since the 1990s in Nkwelle Ezunaka, a community adjoining the Onitsha-Obosi-Nkpor economic cluster, this paper examines the impact of the activity, particularly if it has spawned a real estate market. Primary data was gathered by the authors' field surveys of local agents, who connect buyers and sellers; and representatives of land-owning communities and families (the major suppliers of land in the market). The findings are that the land market continues to thrive. In addition, the market is driven by proximity to the Onitsha-Obosi-Nkpor agglomeration. Furthermore, land development activity has come to the location, modernising the landscape, increasing the population and spatially expanding the settlement. Again, owner-occupied accommodation is the principal investment motive; the commercial and residential letting sector is growing; but the investment sector (the sale and purchase of buildings) is yet to emerge. Additionally, development land continues to be available from the land market at apparently affordable prices. The conclusion is that sustained land trading has impacted the local economy, stimulating and accelerating real estate production. Therefore, a real estate market is developing, but it is not fully formed or functional.

Keywords: Functional real estate markets; Land markets; Nigeria; Nkwelle Ezunaka; Real estate

1. Introduction

Land and improvements of land constitute real estate. As economic goods, they possess a high investment attraction. This makes them commodities of trade in markets, the fora for interaction between buyers and sellers; between those who possess goods and services to sell and those who need to purchase the items. Land is one such item of need which some people possess and may wish to exchange for money. Therefore, like the market for other goods and services, land markets will develop wherever conditions permit the exchange of land for money, goods or services (Mahoney, Dale & McLaren, 2007:p4). These conditions particularly relate to the land tenure and economic system of a country because land may not always be available for sale everywhere. The world has a history of systems in which land was either communally or state-owned, meaning that private rights in land did not exist, and therefore, the existence of land markets was an impossibility. An example was pre-colonial Africa where communal land ownerhip held sway as *"there was no tradition of alienating land"* (Mabogunje (2009: p.4). Another instance was the collectivist or communist system where the State held all land in the name of the people of the country. On the other hand, the availability of private property rights under the market economy creates a demand for land. The demand derives from the demand for the calculated benefits anticipated from the economic activity proposed for the property. The demand for land comes from individuals, households and firms, all of them participants in the economy who need land for their activities. The essentiality of land as an input to all economic activity, and also, the core element in the real estate production, stimulates the supply of property (both land and buildings).

As a consequence, markets for real estate have come into existence. Real estate markets have many connections with land markets. For one, both are driven by derived demand. In expatiation of this earlier mentioned point, derived demand arises from the demand for the outputs of the productive, economic or beneficial activities for which land and real estate are used. Again, land and real estate are goods: the former, a commodity of natural origin, and the latter, a human-manufactured product. It is, however, granted that land is a simple commodity whereas real estate is a complex one. Furthermore, land is the core element in every piece and parcel of real estate. This means that real estate consists of land and the improvements of land. Because land is indestructible and real estate durable, investment in both commodities can be long-term in nature. Yet again, physical immobility, a characteristic shared by land and real estate, makes local factors the principal influence in both markets. Therefore, local factors determine the emergence and sustenance of these associated markets. Real estate investment activity can be wide-ranging in nature. It extends from the sale and purchase of land to all that *"we may do on land; with land; and to land"* (Onwuanyi, 2025). The demand for, and business profitability of, real estate development for either lease or outright sale has made possible the evolution of real estate markets. This makes the exchangeability of land fundamental to the development and sustenance of real estate markets. However, the exchangeability of land alone does not sufficiently justify the existence of land markets. There are additional underlying justifications in the desirability, usefulness and scarcity of land. In elucidation of these factors, Onwuanyi (2025) posits that: *"The usefulness of land for many purposes makes it desirable for possession. Also, the scarce supply of land makes access competitive. This then necessitates its exchange at a price (or for a value) which reflects these qualities"* (Onwuanyi, 2025:p.53).

As observed by Mahoney et al., 2007, *"Where private rights in land are recognised, they may be exchanged for a consideration, usually money"* (Mahoney et al., 2007:p.4).These rights are the raison d'etre of land markets. This point is further elucidated by the statement of Williamson and Wallace (2015), that *"property rights are the engine of a land market"… "while land rights can exist without a market, land markets cannot exist without land rights"* (Williamson and

Wallace (2015: p.9 -11)That is to say that those rights are the merchandise of land markets. Land rights are legally defined as rights relating to an ownership interest, claim or title. These include the right to own, sell, use or otherwise deal with land. The right (or title) of ownership is clear enough, but many other rights exist in land. These include terminable rights under a lease (and sub-lease); the rights in a building lease; ground lease; mortgage rights; licences; easements; way-leaves and rights of way (Onwuanyi, 2025: p.18).

Trading in land has implications for the socio-economy. Principally, the land market performs an allocation function. This is achieved through the price mechanism which guides seller and buyer decisions, making price a guide to, and the determinant of, the exchange value of land. Buyers will pay for land if the price meets their individual estimates of beneficial value for a specific purpose. Similarly, sellers will accept payment for land only if the price meets their minimum expectations of value. The price mechanism ensures that land goes to the most desired uses, and that land in the best locations are more highly priced than those in less desired locations. Moreover, the land price mechanism also ensures that land is efficiently used through the application of the highest and best use concept in pursuit of the maximal investment returns. Furthermore, the fact that land markets offer an investment outlet to the generality of people, with the opportunity to gain access to property and lift people out of poverty, makes them crucial to raising productivity and well-being in modern society (IFAD, 2015).

Land trading is motivated by the search for value. This will be achieved if the motive of the investor is attained, principally by the security and appreciation of the invested capital. This is usually possible in a stable market, implying that holding land is tantamount to holding money in another form (Millington, 1982). However, the search for value in land investment usually does not end with the mere exchange of the commodity for money. Ultimately, land trading should lead to the improvement of land value through its development to a higher and better use which takes into consideration the factors of physical possibility, legal permissibility, financial feasibility and investment profitability (Appraisal Institute of Canada).

Whether large or small, real estate markets need to be functional. The minimal requirement for functionality is for participants to be able to obtain value for money, whether selling, buying or leasing property. More developed markets offer a range of sophisticated property products or opportunities, particularly those involving indirect real estate investment. This enables a broader level of market participation in this important sector of the economy. Furthermore, the more developed markets possess a level of organisation which simplifies transaction processes and engenders confidence amongst investors, both locally and internationally. Again, they offer competitive returns in terms of income and capital gain and excellent prospects for inflation-hedging and long-term growth. In addition, they provide the opportunity for real estate investment to generate economic capital across various industries (Nevin, 2018). Lastly, investors have a great confidence that the system which sustains these markets can offer adequate protection from avoidable disturbances dangerous to investment activity and the value of investment assets. Such a market would be more likely than others to offer a range of options to its customers and *"accommodate a full range of use and investment objectives"*, one of the features of a mature market (Keogh & D'Arcy, 1994). Such markets more easily provide customers the opportunity of attaining wider investment objectives. Functional real estate markets will usually have the features listed in Table 1 which is a typology of real estate investment, the various activities and the inherent rights.

Table 1: Real Estate Investment Typologies, Activities and Inherent Rights

S/N	Category	Rights in Land	Rights in Buildings
1	Direct Investment Activity (Tangible)	• Buy • Sell • Lease • Develop • Repurpose	• Buy • Sell • Lease • Redevelop(renovate/refurbish) • Repurpose
2	Indirect Investment Activity (Intangible)	• Creation & participation in small and large investment opportunities which do not require involvement in day-to-day management responsibilities, e.g., REITS (Real Estate Investment Trusts).	
3	Direct & Indirect Investment Activity	• A continuous search for the best options to maximise returns (income plus capital gain through real estate investment portfolio diversification practices) in accordance with the long-term nature of real estate investment activity.	

Source: Authors' Compilation, 2026

Real estate investment comes in three broad categories the direct; the indirect; and a combination of the direct and indirect. Table 1 indicates that investment can be in both land and buildings; and can be tangible and intangible. investment in land takes the form of legal rights; involves actions such as buying, selling, leasing, developing and re-purposing; and for investment in buildings there is buying, selling, leasing, redevelopment, refurbishment, renovation and repurposing. Coming to the second category, indirect activity, intangibles are involved. These also are property rights, but with the difference of being created as legal claims on a corporate body which trades in property for profits and dividends in which investors participate. The third category is a combination of the first two with the common objective of seeking the best options for the maximisation of long-term returns in accordance with the long-term nature of real estate investment.

This investigation of real estate investment activity in an urbanising environment where land trading has subsisted for years also is an examination of the relationship between land markets and real estate markets. This is because land is an essential input to real estate production. Real estate markets will emerge where land is available and can be profitably developed as an economic activity whereas land markets will develop where land can be traded for money due to its capacity to serve a range of productive purposes, benefitting the investor and the State. There is, therefore, a connection between land markets, real estate markets and the economy.

This topic of research is important for the following reasons. First, as mentioned in the introduction to this work, real estate investment activity means putting land into use by doing something with it, on it; and to it. The status of land as one of humankind's most valuable resources, its finite nature and its mobility amongst uses will always have implications for its productivity and value. If the *local* land market effectively leads to land being deployed to areas of the greatest *local* need, this would suggest an efficient use of land; thereby supporting local economic development. This would also mean the best land going to the most efficient user, thereby maximising value for the investor, and society, more broadly.

Secondly, the buying and selling of land alone cannot create local prosperity since there is no value added. Such land will remain in a passive state until action is taken to put it into productive use. Through development, value will be created and this produces economic change.

Thus, if land trading successfully facilitates land development, results in a real estate industry and real estate market, both the value of land and productivity of the economy will be enhanced.

Thirdly, land investment can precipitate land use changes by impacting the natural environment. Although profit speculation is one of the motives for land investment, most people will buy land for the purpose of putting it into economic use. In the process, the locality may be impacted economically, socially and environmentally. For these reasons, official monitoring of land market development is necessary and important. The study area lies within Nigeria's rain forest belt where the vegetation is primary in nature, meaning that most, if not all, the market supply of land will come from forest or agricultural use. A depletion in these land uses, particularly in areas which surround large urban agglomerations, will impact urban food supply as well as environmental sustainability. This will particularly be the case if there emerges a land use pattern which does not reflect all the land needs of human settlements, but rather the narrow preferences (usually residential and commercial) of private land owners (Aluko, 2011). Ikejiofor (2009) describes this *laissez-faire* approach to land subdivision as being indicative of *"the absence of the state"* which, in the case of Enugu City, has led to *"... overwhelming dominance of the urban landscape by informal (unauthorised) development"*. The authorities, therefore, should be interested in a perpetuation of this kind of situation which does not promote sustainable land use and a sustainable environment.

Fourthly, not only are Nigeria's land markets informal, so also, are its various urban real estate markets. Informal markets, being characterised by the absence of government, tend to have rules which may not be transparent and do not measure up to international standards. The Nigerian market's widespread informality (Butler, 2012) and the governance challenges identified by Jones Lang La Salle's (2018) make Nigeria globally uncompetitive (Jones Lang LaSalle, 2018). It is important for the authorities not only to possess awareness of, but also give attention to, the emergence of real estate investment activity in new areas.

Fifthly, there is a tendency for thriving urban places to exert a strong influence on surrounding rural districts (Country Studies, 1981). Contiguous rural areas supply not only raw materials and labour to nearby urban areas, but also, land space for expansion. These issues require that the authorities pay attention to urban peripheral areas and surrounding countryside locations lying proximate to regional agglomerations. The benefits would lie in the orderly management of urban expansions into the countryside and the minimisation of consequent environmental impacts.

Following this introduction, the study scope is defined. Thereafter, a literature review follows. The methodology is then explained and the study area defined. After this come the results and discussion. Thereafter are stated the limitations of the study, the practical implications and the conclusion.

2. The Study Scope

The study covers the period from the early 1990s to 2025. It is principally about the origination, growth and impact of land trading in the study area over the study period. The investigation concentrates upon the perceptions of the suppliers of land and the agents who connect buyers with sellers. Given that both suppliers and the main agents are local residents, these parties are uniquely placed to offer insights as to the growth of land trading and its economic impact on the local environment.

3. Literature Review

In the introduction, the main activities which constitute investment in real estate were mentioned. In all of these, land is an unavoidable element. Since land is a fixed, immobile resource restricted to a *locale*, all real estate markets are local in nature. According to Millington (1982), the property market *"does not consist of one large market, but of a series of smaller markets, each of which is local in nature"*. This makes a country's real estate market a conglomeration of local markets. The import and impact of locale are that property markets tend to be vulnerable to local recessions, but also, susceptible to local upswings (Onwuanyi, 2025).

In accordance with the nature of property markets, Nigeria's property market is an amalgam of the various property markets within its territorial space. Prominent amongst these are the Lagos, Abuja and Port Harcourt markets. These major markets typically are driven first and foremost by local factors. In the case of Lagos, the leading market, it is advantaged by its status as the country's most economically important city. It has the highest per capita income and it is the greatest contributor to the national GDP. Also, its population is the highest, providing a large market for its economic output. the most populated settlement in Nigeria hosting over 50% of the country's commercial activities, comprising businesses, manufacturing industries, financial institutions as well as small and medium enterprises. In general, Lagos *"is sustained by the existence of linkages, the creation of agglomeration economies and the multiplier effects of private sector investment and industry"* (Onwuanyi, 2018:p.122).Thus, the prosperity of Lagos comes from the value created by its local businesses. It needs be mentioned also that Lagos enjoys cumulative economic advantages from its two seaports, international airport and proximity to Nigeria's western border which makes it a veritable international gateway. Lagos' current status as a metroplex came about as a consequence of expansion over the years from its original island location to link up previously separated and distinct centres of population such as Mushin, Oshodi, Ojo and Ikeja. With his expansion came a rising population which created economic opportunities, attracting businesses from home and abroad. The advantages which led to the rapid growth and the current economic status of Lagos are captured by Emordi and Osiki (2008) in the following words: *"There is no comparable city in Nigeria, which has been so advantageously positioned as Lagos in being the joint termini of major land and sea as well as air routes. Such a position of Lagos attracted other modern urban functions and a growing and relatively affluent population which formed the main consumer market when the processes of industrial development began"*.

Regarding Abuja, the advantages come from its administrative role in the country's affairs. This has resulted in the concentrated presence of different levels of government in the city. They include the federal government (the presidency, the legislature and the judiciary); the federal ministries, departments and agencies, the ministry of the federal capital territory; and the Abuja municipal and area councils. Since government expenditure is a significant factor in the level of aggregate demand, the Abuja economy is directly driven by financial flows from this source. Unlike Lagos, therefore, Abuja's *"buoyancy has been more the result of aggregated public expenditure than of installed, productive activity"* (Onwuanyi, 2018). In the case of Port Harcourt, the driving force is the oil industry which has attracted public investment in a refinery and petrochemical complex and a large oil services sector. The presence of an international airport and a seaport are also added advantages. These have led to the development of commercial and industrial capacity which helps to sustain the city's economy and the demand for real estate. The factor of locale means that the buoyancy of the real estate sectors of these cities primarily depends on how their economies are affected by the local factors.

As mentioned, the term *real estate* comprises land and improvements of land. Whilst acknowledging land as its core input, real estate in this study refers to durable improvements of land made on a permanent basis with the purpose of advancing its usefulness, and thereby, the value. The value created by the siting of a building upon land is ascribable both to the land and the building as the building has, by the process of development, become inhered in the land and both become one unit for all purposes: selling, buying or letting. Even though more than one investment interest (legal property right) may exist in the building, they originate from the same unit. The value of the investment unit will rise or fall according to the demand for the use for which it was built and based, of course, on local factors.

In both land markets and real estate markets, rights of ownership and use are the articles of trade. Land becomes a commodity if conditions make possible the exchange of rights. This is why Mahoney *et al*. (2007) assert that land markets will develop only: *"Where property rights in land are recognised"* (Mahoney *et al*. (2007, p: 2). The existence of these rights is dependent upon the land tenure and economic systems of a country. Property rights may be private rights or communal rights; the former allow for exchange whereas the latter do not. Similarly, market economies allow the trading of property rights whereas non-market economies do not. Considering that land is the core element on each and every parcel of real estate (Onwuanyi, 2025), the exchange of rights in land is a prerequisite for the development of a market in real estate which has been defined as comprising land and improvements of a permanent nature created upon land. Therefore, land is the foundation of real estate markets.

Land is a commodity of trade. It is the norm for people who need a commodity to go in search of it. They do so because they are able and willing to pay for the commodity. According to Keene (1989), property markets in 10th century English towns *"came into existence as soon as there was a concentrated demand for land and buildings"* (Keene, 1989: p. 201). Demand for land and buildings came from the interaction of people in search of business, dwelling and industrial space with "those who control land and buildings, or the income from them"… whose motivation was "to seek to maximise their profit in response to demand" (Keene, 1989: p.201). There is here a correlation with Mahoney *et al*'s (2007) assertion that: *"A land market can be said to exist when the number of these transactions passes a critical threshold"* (Mahoney *et al*, 2007:p.2).

The number of transactions necessary to establish the existence of a landed property market need not be scientifically established; rather it is a matter which can be perceived by the people who live and work in the environment. The market can be ascertained from the point at which it becomes obvious that transactions are no longer few and far between, but have become a norm. This situation will be reflected in a growing number of buyers and sellers, takers and makers, who seek out each other through formal and informal communication channels. Also, it will be indicated by the regularity of transactions. Furthermore, the existence of a property market in an area will be confirmed by the observable fact of the emergence of a fledgling value exchange platform, hitherto non-existent. This means that prospective buyers know where to go if they need to buy land whilst prospective sellers correspondingly know where to go if they need to dispose of land. This is why the property market (which shares characteristics with the land market) has been defined as a network of people from near and far who are linked by information (Onwuanyi, 2019). The importance of land as a finite resource confers upon land markets an important role in the economy. These markets bring buyers and sellers together to facilitate transactions whereby prices are determined for land; prices set to meet demand and supply; land is allocated amongst competing uses; land is redistributed to more desired uses according to buyer preferences; the level of improvement of land determined; and the efficient use of land encouraged (Dowall, 1993).

Just like land markets, real estate markets will develop where there is demand for real estate. According to Onwuanyi & Oyetunji (2022), the real estate *market* tends to be an urban phenomenon because they thrive in areas of concentrated economic activity and population. These happen to be urban areas .The market follows the industry, the latter producing goods for the former. The real estate good has a strong positive income elasticity of demand. This means that demand will expand and people will spend more money on real estate where incomes are high and rising. Such expenditure may involve people buying more property, people leasing property for the first time or leasing a larger property, individuals purchasing or developing land.

It is necessary and important to point out that there is a real estate industry as well as a real estate market. Every functional real estate market is served by a real estate industry. The industry ensures the supply of the real estate product to the real estate market. An industry produces goods whilst a market provides an exchange platform for the output. As observed by Onwuanyi (2024), *"An industry may be described as activity of an Theeconomic nature which creates products or solutions for the satisfaction of human needs… state of the market is reflected by the output of the industry whilst the industry's level of activity reflects the state of the market"* (Onwuanyi, 2024:p.31). Property developers, the entrepreneurs who undertake development, supervise the process and bear all the risks, are a part of the property industry, not the property market. Those who buy, sell and lease property operate within the property market. Property developers or the property industry rely upon the expertise of another industry, the construction industry, to produce output for sale in the property market (Onwuanyi, 2024). The highest and most attractive real estate value exists in land which has undergone improvements for the purpose of advancing its usefulness (Fraser, 1993). Usefulness is achieved usually through the processes of development involving *"the creation of new buildings, either as a result of undeveloped land being built on for the first time(new development),or as a result of the replacement of existing buildings by new structures(redevelopment),or even through substantial conversion, alteration or modernisation of existing buildings"*(Fraser, 1993: p.237). Most purchasers of land will have the motive of undertaking development. This is because:

"Without development, land use would remain at its most basic level. This would make land useful for only primary purposes which deliver limited investment value. Development brings land into non-primary uses through which its productivity for a range of purposes can be optimised. Again, without land development, the stock of real estate cannot increase, neither can obsolescent property and sites be brought again into profitable use" (Onwuanyi, 2025).Thus, since development depends on land availability through land trading, land markets will necessarily precede the development of full-fledged real estate markets.

The literature review reveals as follows.
First, real estate markets are local in nature, their origination, growth and sustenance being dependent on local economic factors and local productivity. Rather than being one large market, the national real estate market is comprised of many smaller markets.

Second, real estate comprises land and the permanent improvements created upon land for the purpose of advancing its usefulness, use capacity and value. These drive the demand for exchange of the rights created and held in land and buildings.

Third, land is the core element in every piece and parcel of real estate. Land has to be available before buildings can be created after which the land and building become one unit for practical purposes. Therefore, land markets precede, as well as sustain, the growth of real estate markets.

Fourth, there is a real estate industry as well as a real estate market, the former producing goods for the latter. The industry responds to signals from the market.

Fifth, for real estate markets to attain a state of functionality, land markets must be effective. They will be if they make land readily available; allow the determination of land prices; the setting of prices to meet demand and supply; the allocation of land amongst competing uses; the redistribution of land to more desired uses according to buyer (developer) preferences; determining the size of outlay on, or the magnitude of improvement of land; and the efficient use of land by ensuring that it goes to the most efficient users who also can achieve the most profitable outcomes.

Sixth, land markets (and by extension real estate markets) develop where the land tenure laws and economic systems provide respectively for private rights in property, and also, a competitive market.

Seventh, real estate markets originate and grow where there is an effective demand for land and buildings, both for purchase and occupation. This tends to be greater in urban areas where incomes are higher because property is a good on which people spend more money as their income increases. This means that the market is driven by demand which is the main determinant of prices, given the short and medium term constraints of supply.

Eighth, functional and fully formed real estate markets are characterised by three sectors: letting, investment and development as well as the capacity to accommodate all transition motives (use and investment objectives) of buyers and sellers (Keogh & D'Arcy, 1994).

The backdrop reveals that land markets are connected with real estate markets through the common factor of land. Both are driven by derived demand. Therefore, sustained land trading activity has the potential to lead to the development of a real estate market. However, this will depend on whether or not local circumstances make land development a profitable economic activity through the operation of derived demand. Therefore, this paper investigates real estate investment activity, principally the growth and impact of sustained land trading activity in Nkwelle Ezunaka between the years 1990 and 2025. This is done with the aim of ascertaining if this activity and local conditions have enabled the emergence of a viable real estate market. To achieve this aim, the objectives of the paper will be to:

(i) Ascertain the nature of real estate investment activities in the study area;
(ii) Establish the growth history of real estate activities in the study area; and
(iii) Determine if a functional real estate market now exists in the study area.

4. Methodology

The nature of this study recommended primary research methods for the gathering of empirical evidence. The emergent status of land trading in the area was reflected by informal processes and the absence of professional firms. This advised seeking out the people most involved in land selling activity. These constituted the target populations of enquiry. They comprised the land-owning families and communities (who sold directly to some buyers) and the individuals who acted as agents in many cases. The local land agents act on behalf of land-owning individuals as well as land-owning communities who wished to dispose of large parcels of land, in some cases as many as 200 plots. Large volume sales were mainly handled by community/family executives and a few established, local-based non-professional agents. Eight

(8) families/communities were mainly involved whilst ten (10) were identified as being the most active agents who connected buyers with sellers, making a total of 18 respondents. The informality of the market meant that the most active agents had no offices (they operated from their residences in the study area), and made no advertisements. They were known by reputation and were contacted by references given by other residents. Their lack of formal training in land agency necessitated the adoption of interviews for the purpose of eliciting information. A five-point Likert scale was used to gather information. The method allows for the weighting of responses according to the extent of respondents' agreement or disagreement on each issue or with each statement. This would enable the making of rational inferences which will help to achieve the aim of this research. Identical questions were asked of these two groups. A list of twenty (22) questions pertinent to the research issues was prepared and used for this purpose. The questionnaire was broken into three parts for the orderly elicitation of information on the three objectives of the study which, as mentioned, were:
(i) The nature of real estate investment activities;
(ii) The growth history of real estate activities in the study area; and
(iii) Determination of functionality of real estate market in the study area.

There were six (6) questions on the *origins* of the land market, six (6) on its *growth* and ten (10) on its *impact*. There were more questions on impact because that is the focus of the investigation. The responses were recorded on the spot.

The analysis of the responses was done using the Relative Importance Index (RII) method to ascertain the degree of importance attached to each statement by the respondents. The method allows the respondent to weight their responses according to the extent of their agreement with each statement or issue. This method was adopted because the issues in the questionnaire are all potential explanatory factors in the study. It was decided that having each factor weighted by each respondent should give a guide as to their relative importance, thereby enabling inferences to be drawn. The formula for the RII is as follows:

Where:

$$\textbf{RelativeImportanceIndex} = \frac{\Sigma w}{AN} = \frac{5n_5 + 4n_4 + 3n_3 + 2n_2 + 1n_1}{5N}$$

The above equation states that w is the weighting given to each factor by the respondent, ranging from 1 to 5. For example, n_1= number of respondents for Strongly Disagree, n_2= number of respondents for Disagree, n_3= number of respondents for Undecided, n_4= number of respondents for Agree and n_5=number of respondents for Strongly Agree. The highest weight in the study is A (i.e. 5) while N is the total number of respondents. The RII ranges from 0 to 1 (Le & Tam, 2006). It is, in effect, a mean score for an item and it is scaled to produce a value between 1/A and 1; where A is the number of response categories in the survey. Indices were computed and ranked for all the twenty-two factors in the survey and a selection of the most relevant made. In Table 1, this can be found displayed in two categories: those with the highest indices (i.e. the strongest points of agreement by respondents) and those with the lowest indices (i.e. the strongest points of disagreement) by respondents. The RII sorts out the factors from the *"most"* to the *"least"*. Each of the two categories has eleven factors. To the left of the table are the *"most"* and to its right are the *"least"*. Strong agreements will be close to 1(the strongest having a value of 1) whilst the strongest disagreements will have a far smaller value. Strong disagreements have as much an explanatory effect as strong agreements, depending on how the question is expressed. Therefore, the wording is important to making meaning out of the RII for strongest disagreements.

The Study Area

The study area is Nkwelle Ezunaka, historically a rural community located near Onitsha and the contiguous urban centres of Nkpor, Nsugbe and Ogbunike. Geographically, it lies between longitude 6.210333 North and 6.824335 East and latitude 6.212912 North and 6.866056 East. Also, it is bounded by the following five urban settlements: Nsugbe, to the north; Nkpor and Ogbunike, to the south; Umunya, to the east; and Onitsha, to the south-west. Onitsha is the largest urban settlement in the entire area. It is a commercial city, a manufacturing hub for industrial and general goods. The many large open markets in Onitsha and environs, particularly the Main and Ochanja markets are causal and sustaining factors in attracting population and resources which have enabled the emergence of the city as a commercial and industrial hub. The commercial success of Onitsha has, as far back as the 1970s, spread to the neighbouring settlements of Obosi and Nkpor thereby creating an economic cluster of activity for business, manufacturing and services. This rationalises the reference to the Onitsha-Obosi-Nkpor agglomeration.

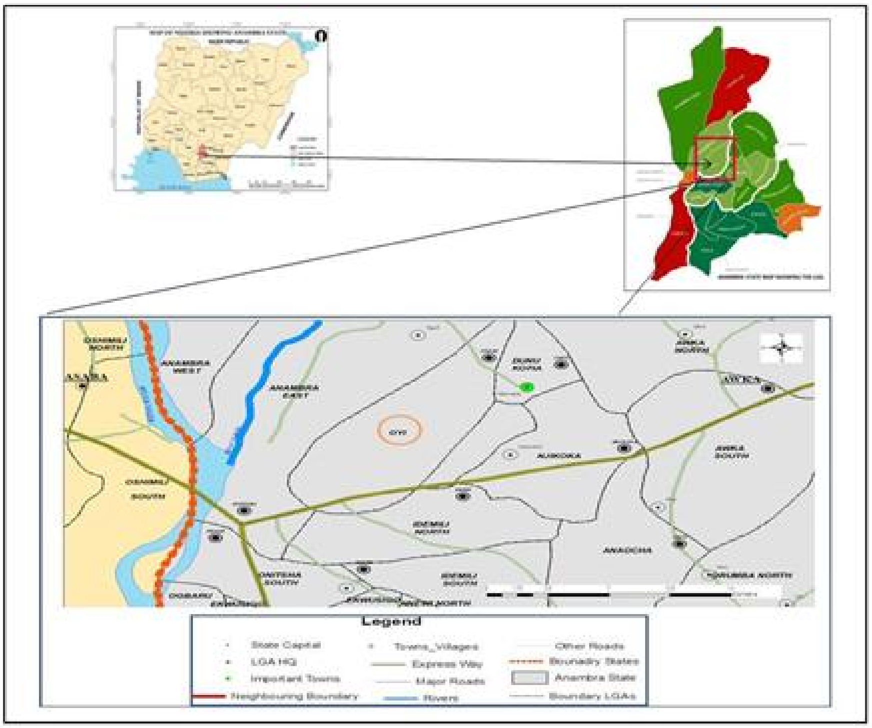

Figure 1: Geographical Location of Nkwelle Ezunaka

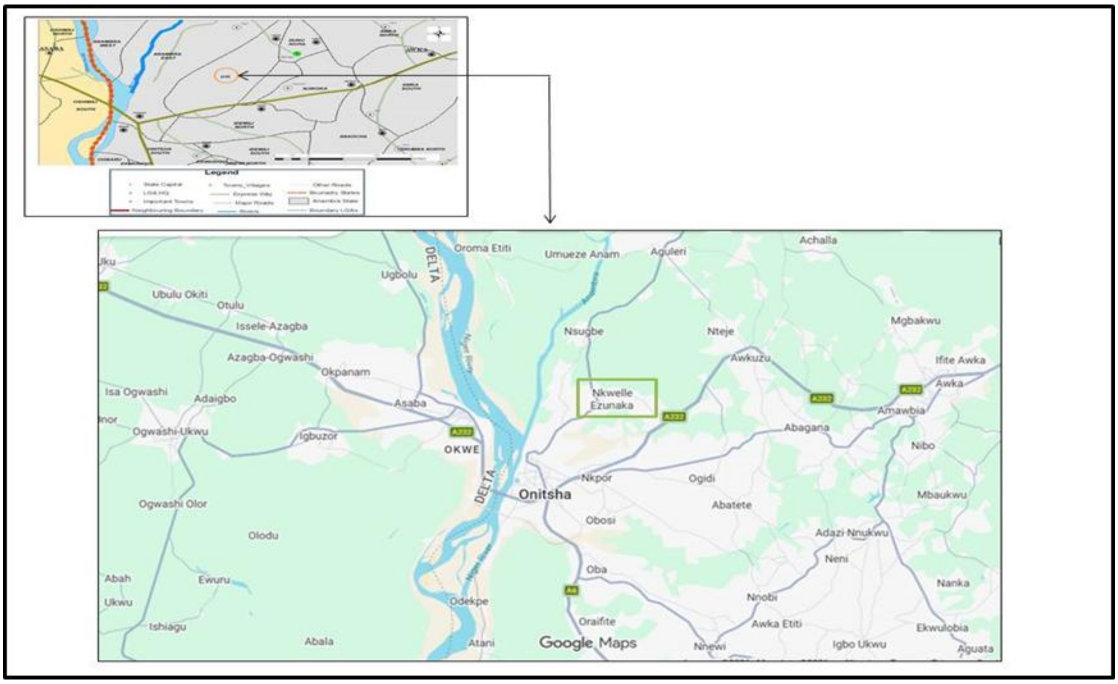

Figure 2: Nkwelle Ezunaka and the Onitsha-Obosi-Nkpor Cluster

5. Results

Table 2: Relative Importance of Investigated Issues in the Field Survey

S/N	Strongest Agreements (Highest rankings)	RII	Strongest Disagreements (Lowest rankings)	RII
1	Nkwelle had no history of selling land before the 1980s	1.00	Land trading has ceased in Nkwelle Ezunaka	0.20
2	Selling of land was instigated by people from outside Nkwelle	1.00	Land trading has not brought economic gains to Nkwelle Ezunaka	0.20
3	Land trading has introduced new businesses like private schools, banks & petrol stations in Nkwelle	1.00	The physical environment of Nkwelle Ezunaka has changed little since land trading began 2000	0.20
4	Property tenancy has been established now a common source of income to Nkwelle families/property owners	1.00	Nkwelle Ezunaka has not improved in the quality & numbers of buildings since land trading began	020
5	House rents in Nkwelle have increased more than four-fold their 1990s size	1.00	Most people build houses and flats for sale	0.21
6	Land investment has led to a high population increase in Nkwelle	1.00	Land trading was instigated by Nkwelle people	0.22
7	Most developers build for owner-occupation	0.97	Most buyers build for letting	0.24
8	The 4km undeveloped zone between Nkwelle & Onitsha has been	0.90	Land trading has not brought too many positive economic changes	024

	overtaken by development		to Nkwelle	
9	The pre-2000 4 km undeveloped zone between Nkwelle central & the Onitsha-Enugu Expressway has been overtaken by development	0.96	Most people buy for business use	024
10	Land trading started in areas of Nkwelle lying closest to Onitsha	0.93	Most people buy for speculative reasons (buy to resell)	0.29
11	Land selling in Nkwelle peaked between 2000 & 2020	0.9	Most people buy for agricultural use	0.31

Source: Authors' Fieldwork, 2025

Given the population sample and methodology, the strongest agreements produce a value of 1 whilst the strongest disagreements produce a value of 0.20. These extremes have much the same effect depending on how the question is couched.

In interpreting the variables, regard should be given to the nature of the question asked. The highest scoring variables are not less important than the lowest scoring. The couching of the question explains the respective RIIs. For instance Q1 (strongest agreements) and Q6 (strongest disagreements) are the same, so the agreement and disagreement RIIs are virtually opposite values. They all serve to explain the situation in the study area. The highest scoring variables indicate areas of absolute agreement and absolute disagreements as follows.

(a) Absolute & highest agreements are that:

i. There was no history of selling land before the 1980s.
ii. Selling of land was instigated by people from outside Nkwelle Ezunaka.
iii. Land trading has introduced new businesses like private schools, banks & petrol stations in Nkwelle.
iv. Property tenancy has been established now as a common source of income to Nkwelle families/property owners.
v. House rents in Nkwelle have increased more than four-fold the 1990s value.
vi. Land investment has led to a high population increase in Nkwelle.

(b) Absolute & highest disagreements (These also are agreements to the contrary, but which carry a lower weighting and have lower RIIs, the lowest being the highest ranked).They deny that:

i. Land trading has ceased in Nkwelle Ezunaka.
ii. Land trading has not brought economic gains to Nkwelle Ezunaka.
iii. The physical environment of Nkwelle Ezunaka has changed little since land trading began 2000.
iv. Nkwelle Ezunaka has not improved in the quality & numbers of buildings since land trading began.

6. Discussion

In accordance with the objectives of the study, the discussion is structured to address what the results say about:

(i) The types of real estate investment activity in Nkwelle Ezunaka;
(ii) The growth history and drivers of this activity; and
(ii) Whether or not a functional real estate market has consequently evolved in Nkwelle

Ezunaka.

These areas of absolute agreement and disagreement are crucial to explaining the situation in the study area.

Taking the first research objective, the types of real estate investment activities in the location are the buying and selling of land and the development of land into residential and commercial uses. These include private schools, banks and petrol stations. Respondents accord this the strongest level of agreement with an RII of 1.0). Land trading still goes on as indicated by an RII of 0.20 by which respondents expressed total disagreement with the suggestion that land trading has ceased. This means that the land market is still supplying land for development. Investment in land is mainly for residential development as expressed by an RII of 0.97(strong agreement). Agricultural use is not a common investment motive, with respondents disagreeing strongly with the suggestion that it is. Considering that the supply of land to the land and development markets comes from agricultural and forest uses, there is the risk of a depletion of agricultural land supply with implications for food security. The finding that agricultural use is not a priority suggests that development was the overriding objective of most buyers. This accounts for the rapid land development experienced in Nkwelle Ezunaka between 2000 and 2020 such that the built-up area is more than thrice what it was pre-2000, increasing the human population and the volume of vehicular traffic.

The second objective is the growth history of real estate investment activity in the location. Real estate activity started at its most basic level of land trading when outsiders approached the community of Nkwelle Ezunaka for the purchase of land. The motivations of the buyers as revealed by their subsequent actions were mainly residential and business use. Respondents express the strongest level of agreement (RII1.0) that land trading was instigated by people outside from Nkwelle and they corroborate this with the strong level of disagreement (0.22) with the suggestion that Nkwelle initiated land trading. This is buttressed by the strongest possible level of agreement (RII 1.0) that Nkwelle never had a history of land trading before the 1980s. Therefore, the driver of the land market was external in nature. This is the reason why land trading started in areas closest to Onitsha as respondents strongly agree with an RII of 0.93. The respondents' strong disagreement that land trading was initiated by Nkwelle Ezunaka, as indicated by a perfect RII of 1.00, accords with Keane's 1989 study of the property markets of 10th century English town, where the conclusion was that the markets developed when people in need of property approached those who control property. This also was the case when the colonialists needed land for their activities. They had to approach land-owning families and communities from whom they learned there was at the time no tradition of alienating land (Mabogunje, 2009). Therefore, it is usually the party in need of land who approaches the owner or controller of land. This external effect is also revealed by the fact that the 3-4 kilometre buffer zone of undeveloped land between Nkwelle and Onitsha has totally disappeared. Respondents strongly agree to this with an RII of 0.96. What now exists is a ribbon of continuous development from the Nkisi River (old Onitsha Government Reservation Area) to Nkwelle Ezunaka. Respondents also strongly agree with an RII of 0.9 that land trading peaked between 2000 and 2020. Similarly, the role of external forces also the massive development which has taken place on the 2-kilometre pre-2000 stretch of undeveloped land between the built-up area of Nkwelle Ezunaka and the Enugu-Onitsha expressway, creating continuous development on a large scale. The primary driver of real estate investment activity in the area is the proximity of Nkwelle Ezunaka to the Onitsha-Obosi-Nkpor agglomeration. It was from these areas that the demand for land arose. This aligns with the observation of Country Studies (1981) that even though cities are independent centers of concentrated human population and activity, they also exert a strong influence on the surrounding rural landscape. Cities may take as well as give to these areas. For example, they may take production materials and labour whilst they may give access to their market for the produce originating from these areas. Thus, thriving urban places necessarily impact surrounding rural spaces. As land became scarcer in these thriving urban centres which make up the economic cluster, existing businesses started to seek space for expansion. Similarly, new businesses could no longer be set up and their promoters had to seek other locations in close proximity to the agglomeration's large markets. New and expanding businesses also needed residential space for their workers and promoters. They had no choice but to look towards the surrounding areas where land was available. The increase in vehicular traffic has created opportunities for related businesses and services such as automobile repair workshops and motor parts sales. Of course, the operators of these businesses need accommodation which is provided by real estate investment activity in the areas.

In the case if the third objective, respondents indicate that real estate investment activity has produced changes to the environment of Nkwelle Ezunaka. These changes are in the forms of a significant expansion of the built-up area with many new building developments in the area. The quality and sizes of buildings have also changed for the better respectively in terms of construction materials used and the modernity of design. Storied and multi-storied buildings are now common sights in the area. Two very important changes have occurred since the disappearance of the pre-2000 undeveloped 3-kilometre buffer zone extending from the Nkisi River (Nkwelle Ezunaka's boundary with Onitsha) to the old built-up area of Nkwelle. Respondents' acknowledgement of this already mentioned conurbation linkage by an RII of 1.0 implies that Nkwelle Ezunaka and Onitsha now are now developmentally linked up, effectively making it a component of the economic cluster constituted by Onitsha, Obosi and Nkpor. Another corollary which indicates the extent of new development is that the mentioned disappearance of the buffer zone of undeveloped land between Nkwelle Ezunaka and the Onitsha-Enugu Expressway, overtaken by continuous commercial and residential development. Respondents agree that real estate investment activities have led to property letting even of old family houses as migrants seek accommodation. The growing demand for accommodation has led to a more than four-fold increase in rent between 2000 and 2020. Most people do not build for sale, rather for let. This is why there are flats and shops for let and hardly any for sale. Letting generally excludes detached and semi-detached residential buildings since they usually are owner-occupied.

7. Limitations Of The Study

Nigeria's data-challenged status is a clear limitation to this study. Data on the population of Nkwelle Ezunaka over the study period could not be accessed at the local government level. So also, realistic, disaggregated and comprehensive data on land development approvals. Most importantly, an official map of the study area was not available.

8. Practical Implications

The unavailability of archival data on the study area is indicative of absence, indifference or ineffectiveness of the authorities (local and State) in a critical area of responsibility. This failure suggests the absence of official developmental guidance with the potential of creating challenges for the attainment of a sustainable environment. The same observation applies to the absence of State guidance in the land subdivision decisions of private land owners which tend not to consider the necessity for a balanced land use pattern by accommodating every land need required in an urbanising and modernising environment.

9. Conclusion

This paper set out to investigate real estate investment activity, principally the growth and impact of sustained land trading in Nkwelle Ezunaka between the years 1990 and 2025. Given the connection between land markets and real estate markets, the study was undertaken with the aim of ascertaining if sustained land trading activity has enabled the emergence of a viable real estate market in the area. The study sought the perceptions of representatives of communities/families who constitute the main suppliers/sellers of land. Also, consulted were the major local land agents who act for land purchasers.

The summary is that land trading, as an economic activity, has stimulated migration into the area and increased land development and other economic activities in response to a growing demand for accommodation. Consequently, additional land value has been created to meet rising local demand for accommodation and lend support to local economic development by further attracting businesses and people. The conclusion is that sustained land trading, having made land available for development on a substantial scale for residential and commercial use; for owner-occupation, for let and for sale; a real estate market is developing, but it is not fully formed. This is because an investment sector is yet to emerge, meaning that the market currently is unable to *"accommodate a full range of use and investment objectives"* (Keogh and D'Arcy, 1994) as expected of a functional real estate market.

The findings are that the emergence of an Nkwelle Ezunaka land market in the 1990s was mainly due to the demand for space for business and residential purposes. Business demand came from new start-ups attracted to the Onitsha area, businesses seeking expansion space whilst residential demand came from a shortage of space in Onitsha for new migrants. There was also demand from people with the speculative motive of buying and reselling land in order to profit from the shortage of expansion space in Onitsha. Second, proximity to the Onitsha-Nkpor-Obosi agglomeration is the main influence in the development. The Onitsha market, reputed as an established outlet for all categories of goods, was an attraction to manufacturers, producers and commercial activities. Third, land trading has been accompanied by rapid land development for owner-occupation and letting. Fourth, there is a growing commercial and residential letting sector, but the investment sector is scanty.

The meaning of the findings are as follows. First, land trading originated in the study area with potential buyers from outside seeking land-owners (and potential sellers) within Nkwelle Ezunaka. Second, real estate investment activity in Nkwelle Ezunaka is a classic instance of thriving urban places (Onitsha-Obosi-Nkpor) impacting surrounding rural spaces. Land trading continues to thrive in Nkwelle Ezunaka, principally driven by expansion pressure emanating from Onitsha and environs; also from rural-urban and urban-urban migration to the Onitsha-Nkpor-Obosi cluster. Third, the accompaniment of land trading by land development confirms that land markets precede real estate markets; that land has to be available and affordable before development can take place. Also, that the development of space for letting will take place if it is profitable. The fact that most of the developed properties are either in owner-occupation or for letting confirms these two as motives for investment in property. Also, the fact that some investors buy to resell confirms the speculative motive in real estate investment activity. Fourth, the near absence of an investment sector confirms that the real estate market is still in development. People will be willing to buy buildings when it becomes profitable for developers to build and sell, and also, if credit is available.

The study recommends as follows. Given that land is an economic asset and a part of our environment; what we do on it, to it, and with it, will have both economic and environmental implications. Also, given that land transactions trigger these impactful activities, it is important that land subdivision and supply be managed to deliver sustainable outcomes. As observed by Ikejiofor (2009) in regard to Enugu City, there tends to be an absence of the State in providing guidance to land-owning communities who are the main suppliers of development land. This omission does not support sustainable urbanisation which has become a topical issue as people increasingly take up urban residency. As observed by Onwuanyi & Adekanmi (2023), *"Sustainable and resilient urban environments are created by fitting environmental practices. One important area of practice is land development where the guidance of regulatory authorities and the compliance of developers together work to shape the built environment* (Onwuanyi & Adekanmi, 2022: p.36). Fitting regulatory guidance and environmental responsibility should start at the land subdivision stage to avoid land use patterns which are unsuitable and unsustainable.

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