

**PROBLEM AND PROSPECTS OF CONVERSION OF
RESIDENTIAL BUILDINGS TO COMMERCIAL
USES**

A CASE STUDY OF OPOMALU ILORIN, KWARA STATE.

BY

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SYNOPSIS

There has been a gradual but steady change of land use pattern from residential to commercial use in Opomalu Area of Ilorin Kwara State in the recent time.

The aim of this study is to determine the likely cause of this change and what are the problem usually associated with this type of changes. Is it as a result of demand and supply vis-à-vis the present economic and investment climate in Nigeria today? The study will also examine the prospects and causes of changes in use of the property so as to be able to use this project to predict the future of the study in terms doing thorough analysis and field oriented results on property use and values.

Lastly, recommendation/conclusion will be preferred for the identified problems.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Land resources are fixed in location and in supply. Virtually all human activities require land. From the large scale industrial complex the supra metro-line, the traditional market to the roadside Cobbler's shop all require land in varying dimensions (Agboola, 2014). On the surface of the land, beneath it and hanging above it are all traces of human activities which go a long way to say that land is perhaps the single most important element in development and mankind's most basic natural resources.

Because of the diverse needs of different human activities with respect to location and area coverage and the temporal dynamism of the location attributes and need of these human activities, there is often the intense competition for land. However, land is practically limited in supply and the awareness of land as an irreplaceable finite resource has made its care.

Development in mainly cities starts from the centre as the benefits of inner city locations attract several land uses towards the city centre. This has significantly influenced land use on urban centres. There is a traumatic change in land use caused by several human activities competing for scarce land in urban centres. The person who is prepared to pay the highest sum for a site is likely to eventually occupy it. Such individual will be able to successful edge out other potential users. By this operation, sites in an urban area will tend to be used for that purpose for which the user makes the highest net gain from alternative uses of that site. This would result in the highest and best use for that land. This scenario has made changes in land use, as part of urban growth inevitable. Land and buildings will continue to witness conversion of use from a lower order to a higher one in order to attain optimal use. The concern of this project is to

investigate the level of conversion of land use and their implications in Nigerian cities with a focus on Opomalu area Ilorin, Kwara state (Agboola 2014).

1.2 STATEMENT OF PROBLEM

The land use changes coupled with higher demand for commercial uses led to the continuous increase in rent in the study area. The returns realized from the properties used for commercial purpose is greater than that of properties used for residential purpose. Due to these greater returns most residential property owners prefer their property to be used for commercial.

Another is indiscriminate dumping of refuse along roads (thus causing road encroachment) and also on storm drainage systems and designated open space causing blockage, air and water pollution.

1.3 AIM AND OBJECTIVES

The aim of this project is to examine the problem and prospects of conversion of residential building to commercial building taking Opomalu area Ilorin, Kwara state as a study area.

In order to achieve the set goals of this study, the following objectives are to: - identify the residential properties converted to commercial properties in the study area.

- I. examine the values of residential and commercial properties for the past 10 years.
- II. know the problems and prospects of conversion of residential buildings to commercial uses.
- III. study the trend in rental values in the study area.

1.4 JUSTIFICATION OF THE STUDY

The conversion of residential buildings into commercial uses has become an increasingly prevalent trend in urban areas, especially within developing cities like Ilorin, located in

Kwara State, Nigeria. One notable example is Opomalu, a rapidly urbanizing neighborhood in Ilorin that has experienced a marked shift from predominantly residential use to mixed-use or fully commercial developments. This transformation is largely driven by factors such as rapid population growth, urban sprawl, increasing demand for commercial real estate, and the rising value of land in strategically located urban zones (Ajibola et al., 2021).

This ongoing trend reflects broader patterns of urban change in Nigerian cities, where economic pressures and urban expansion often lead to the reconfiguration of land use. In the case of Opomalu, the conversion of residential properties to commercial purposes is reshaping the built environment, opening up opportunities for economic activities, job creation, and more intensive land utilization. However, this transition is not without challenges. The lack of proper regulation has led to a range of negative externalities, including traffic congestion, insufficient parking, overstretched infrastructure, increased noise levels, and a general decline in the quality of life for long-term residents (Olaleye et al., 2019).

The implications of these changes for urban planning and development are profound. There is a growing need to understand the specific dynamics driving land-use changes in areas like Opomalu. This includes identifying the socio-economic factors behind the conversions, assessing their impacts on both the physical environment and community wellbeing, and evaluating how existing policies either mitigate or exacerbate these trends.

This study, therefore, aims to address critical gaps in the literature by providing an empirical analysis of land-use conversion in Opomalu. The objectives include identifying the causes behind residential-to-commercial transformations, evaluating their impacts on urban infrastructure and planning, understanding the experiences of residents and business operators, and proposing sustainable strategies to manage the interplay between residential and commercial land uses.

Ultimately, the findings from this research will serve as a valuable resource for urban planners, policymakers, local authorities, developers, and academics. By offering data-driven insights and policy recommendations, the study hopes to support more balanced and sustainable urban development strategies in Ilorin and similar urban settings.

1.5 SCOPE OF THE STUDY

The scope of this study covers the conversion of residential buildings to commercial uses in Opomalu area Ilorin, Kwara state.

The research study is restricted only to the problems and prospects of conversion of residential building to commercial building with particular reference of Opomalu area Ilorin, Kwara state. The time period considered here is between 2015 and 2025 and the type of properties are mainly detached houses.

1.6 LIMITATION OF STUDY

This study is limited to conversion of residential building to commercial uses.

Collecting information regarding transaction in property and land use conversion in the study area is a difficult task. In few instances where information on property transactions was available, proper recording classification and analysis were not always provided. There was also reluctance by most people to give away needed information on flats and duplexes and this detached house.

1.7 THE STUDY AREA

Ilorin is one of the largest cities in Nigeria and is the capital of kwara state. As of 2006 census it had a population of 847, 582.

The political economy of kwara state can be traced to 1967 when it was created. Since then the state has undergone various developmental efforts. Mostly initiated by the federal government given by Nigeria state, a centralized federal system where all

development policies and programmes originated from the centre. Then it was made up of former kabba and Ilorin province of the northern region of Nigeria. The state was named after the local name River Niger "Kwara" Between 1976 and 1991, the state has reduced considerably in size geography. This was because part of the state was carried out and merged with part of Benue and Plateau states to form Benue state in 1976. In 1991 five local government areas oyiyagba, Okene, Okehi and Kogiwere also existing to form part of Kogi date while the six Borgu local government area was merged with Niger state.

The state has a good network of roads, rail and air transportation facilities linking it with Nigerians and other industrial and commercial centres. Despite these favourable conditions ilorin has only one or two viable industries notably global soap and Detergent Industries, Nigeria limited, international Tobacco Company, Tuyil Pharmaceutical Company, Tower Roofing street Industries and uniform company.

The climatic condition of ilorin in kwara state is between the range of 37° and 40° while the raining period falls within April and October. Ilorin is located on latitude $8^{\circ}3'0''$ North and longituted $4^{\circ} 33' 0''$ east. The extent of its built-up area was at 9.37 square metros kilometer but twenty years later, this has speedily increased by 85 percent.

The topography is generally undulating and well drained by two rivers -ALUKO and ASA. They later runs through the entire length and divide it into two parts there is also an isolated hill towards the Northern parts of the city. The elevation is slightly below 394m above sea level "sobi hill" as it is named, is not only of regions interest but also attracts educational excursions and tourists.

The present relief of the city is mainly dictated by the shape of the unevenly eroded surface of the crystalline rock which underlines the shallow, overburden most of the area. Ilorin has a tropical wet and dry climate which support tall grass vegetation and interspersed with short scattered trees (guinea savannah). The main rainfall is about 1,

318mm, rainfall is mainly concentrated between April and October. Mean monthly temperatures varies from 20.0° to 28. 90c (77f of 84f) in march. The dry season which is generally noted is between November to February and temperature range from 330c to 340c (91. 40f to 93.20f).

1.8 DEFINITION OF TERMS

- i. **Residential Property** – This is a property that provides permanent housing for individuals, families and household. It is basically used for accommodation. It includes cottages, tenements blocks of flats, bungalow, duplexes and mansions (Lawal 2017).
- ii. **Commercial Property** – This is a property that is for commercial purpose. A commercial understanding is one conducted with a view to the realization of profits, not merely for the fun of it. (Okunola et al, 2014)
- iii. **Rental value** – The rental value of a property is the annual rent with may reasonably be expected to be obtained in the open market. For example, if the tenant undertook to pay rent for a particular property, it is known as rack rental value (Deane et al 2022).
- iv. **Value** – This means the worth of something in terms of money or other goods for which it can be exchanged. It is also the power a commodity has to command other commodity in exchange for itself.
- v. **Property** – In a wide legal sense, property means anything that is the subject matter of ownership (Olajide S. and Ismail B. 2023)
- vi. **Rent** – A periodical payment, usually in money, although it may be in kind or services made by a tenant to a landlord for the use of land, house etc. (Ogunba 2025)

- vii. **Industrial Properties** – In this category area every class of properties primarily used for the production of goods e.g. factories and warehouses, location in relation to transport system, availability of labour, market and raw materials are important factors (Ojo S.A 2021).
- viii. **Recreational Properties** – These include amusement part, relaxation and open space, tourist centre, hostel, game, reserve, club and museum etc (Rushmore , S. 2018).

CHAPTER TWO

2.0 CONCEPTUAL/LITERATURE REVIEW

2.1 CONCEPT OF PROPERTY

The word “property” in this content is referring to land, the building erected on it and the fixtures that is fixed to the land and building. It may otherwise be referred to as “Real property” or real estate.

Real property has significant only as it satisfies man’s needs and desires. It is the man’s collective desire for real property value is a function of its degree of utility and scarcity relative to comparative utilities.

TYPES OF PROPERTY

There are various classification and groups of property various authors give different types of property. They are: -

- i. Residential property
- ii. Commercial property
- iii. Industrial property
- iv. Agricultural
- v. Institutional property

For the purpose of this project, the following type of property will be considered.

- i. Residential property
- ii. Commercial property

Residential Property

Residential properties are used as dwelling accommodation which is otherwise known as houses. It could be rural, urban, sub-urban houses. It also varies in design e.g. a manssionette, flats, duplex, tenement etc which are used wholly substantially to provide living accommodation, within the study area (Lawal 1997).

- i. **Mansionettes:** This is a type of residential property which officers self contained and complete residence on two floors, the ground floor usually consist of the housing dining, kitchen, toilets and sometimes a study room. Constantly, a quest room may be on the ground floor with a bathroom and toilet (usually ensuite). The bedrooms are normally on the first floor with the necessary convenience.

A mansionette like a bungalow can be detached where two are joined together to form a single building.

- ii. **Bungalow** – A bungalow as pronounced offers similar accommodation as that of flat, but it provided self – contained and complete residence on one floor with all the essential convenience like bathroom, toilets, kitchen and possibly a store. It is however different from a block of flats in that it is usually a single story building or flow occupation density than that of blocks of flats.

Bungalow comes in different varieties, a bungalow which is designed to provide accommodation for on family size or unit is known or called a selected

bungalow and when the design is such that it provide two units of accommodation (i.e. suitable for two family unit) it is called semi-detached bungalow where a bungalow comprises of several units of accommodations, it is called a terraced bungalow.

- iii. **Flats** – A flat is suite of rooms on one floor forming a complete residence. It is usually self – contained with a separate kitchens, toilets and bathroom. It also comprises of a sitting room and a number of bedrooms together with the separate convenience mentioned above.

The flat is usually described by the number of rooms in it, single building may contain a number of flats forming a block of flats, but each unit is on a wing of the one floor, with each occupant having almost complete privacy.

- iv. **Tenement building** – These are building usually designed such that each consist of a double – row of room separated by a corridor or passage. The building can be of mild, sandcrete block – work walls.

It is popularly known as “Face – me I – face – you” among people. Each room usually measures on average of about 12ft x 10ft (3.66m x 3.05) and the larger room is regarded as parlour. They are usually let on a room by room and or room and parlour basis and the occupants share common entracen to house as well a other area i.e. passage kitchen, bathrooms and toilets etc (RalieghBerlow, 1978).

Commercial Property

This relates to properties that are basically used for trading (buying and selling). It is broadly divided into two;

- (a) **Shops** – Such as chain stores, mobile shops, supermarket, departmental stores and local shops. Generally, the value of any given shop depends on location, position, physical characteristic etc. (Okunola et al 2004)
- (b) **Office – Premises** – It may be mixed with shops or purpose built office accommodations.

2.2 FACTORS INFLUENCING CHANGES IN THE LAND USE PATTERN

Basically, the changes in the pattern of land uses in the study area are a reflection of competition for site between residential and commercial uses operating through the forces of demand and supply. The factors that affect this demand and supply are the interplay of social, economic, physical political forces which are continually changing. Invariably, these factors also affect value since value is a function of demand and supply.

The factors are highlighted below:

Accessibility

Accessibility refers to the overall economic cost of moving people and goods from one place to another (Richmind, 2005). The Opomalu area in Ilorin, Kwara State, enjoys significant accessibility to the central parts of the city, including major markets and administrative centers. It is well connected to key roads that lead to popular commercial zones such as the Post Office area and Unity Road. Opomalu is also easily reachable from Government Reserved Areas (GRA) and other high-income residential neighborhoods. Its proximity to major transportation routes and urban centers has encouraged the growth of commercial activities in the area.

Neighbourhood Factor

The appraisal terminology and handbook says that neighbourhood is a urban or sub – urban residential or commercial area exhibiting a fairly high degree of homogeneity as to housing, tenancy, income and population characteristics. Commercial uses of land in a residential neighbourhood usually start in the form of corner shops or kiosks which serve the residents.

Where the residents are high income earners as found in the study area, departmental stores, supermarkets and high class restaurants which will serve them better are bound to follow. Mr. Biggs and Flavour restaurants on Bode Thomas Street are clear example. This was how the gradual changes in the land use pattern of the study area began and continued until 1986 when the government introduced the Second-tier Foreign Exchange Market (SFEM) policy. This policy liberalized the licensing of more banks, finance companies and bureau – de change by the government. The banking sector boomed during this period and banks sprang up almost everywhere. The study area felt the impact on its land use pattern because these banks saw it as the neighbourhood for the rich in the society. The financial institutions chosen to locate there in order to be close to the target customers who will place funds with them.

Amenity Factor

The availability of telecommunication services, electricity, good road, network and parking facilities in the study area made the location more attractive for commercial activities. For efficient commercial activities in any location in the world, the above listed amenities are normally considered. Since the study area have these facilities, it then made development of commercial activities to complete effectively.

The commercial uses of the study areas had its negative impact in the area because it led to the over – consumption of these facilities for instance, the electricity and water supply is no longer constant as it used to be before the influx of commercial activities in the study area. Most properties in the study area now have their stand by generating set to supplement the electricity supply while boreholes with treatments plants are used to supplement public water supply. Meanwhile the attraction now is the efficient digital telephone services and the parking facilities.

2.3 FACTORS INFLUENCING CHANGES IN THE LAND VALUES.

Value is created, maintained, modified or destroy by the interplay of social, economic, physical and political or governmental forces which are continually changing often in cycle patterns. Obviously these are the factors that influence demand and supply invariably; these factors also influence value since value is a function of demand and supply.

Although the value of real property may seem relatively stable over time when juxtaposed with the values of securities and from the presence and influence created by the interplay of these great forces. These are

i. Physical Factor

The value of an estate is primarily dependent upon the forces of demand. The demand for a particular location is dependent upon the relative advantages which the location can offer to a prospective occupier. The greater the advantages offered by a particular location, the more it will be demanded and consequently the higher the value it will commend relative to other locations. The most prominent of the physical factors affecting land values in the study area is accessibility. Accessibility encompasses the availability of transport and

communication facilities. This is achieved in the study area because of its proximity to the Central Business District (CBD), which is the Lagos Island.

The neighbourhood of the study area and its proximity to various commercial activities in the CBD have positive effect on the commercial activities that took place in the study area. This greatly affected the economic returns on properties in the study area.

This is because the higher the returns from a business the more it can afford to pay as rent.

ii. **Prestige**

The caliber of the people that reside in the neighbourhood affected the land values as earlier mentioned. The caliber of people seen as the cream of the society live in the neighbourhood of the study areas and thereby called for high taste stores and commercial activities to meet their standards. This results in high rents, as various commercial activities compete to locate within the study area because of the high purchasing power of the residents.

The prestige attached to the study area both locally and abroad had its impact on the rentals of the properties within the location. Most companies located in the study area because they heard about this location as being ideal even before they left their home country for Nigeria. So, the competition to locate within the stud area influenced increased in the rentals and thereby the land and properties value.

iii. **Changes in land use**

The change in the use of particular parcel of land not only occurs as buildings are constructed, remodeled or razed but as the type of human activities at the location changes in response to shifting social and economic relationship.

The land use in the study area has been facing a gradual but steady change in use from residential to commercial uses. The activities in the study area have been having its way in the competition to locate in the neighbourhood because of the affordability to pay higher rents. The steady competition among various commercial activities to locate in the neighbourhood caused the steady increase in rents in the study area.

2.4 SOCIAL ECONOMIC IMPLICATION OF THE CHANGES IN USE OF THE PROPERTIES

Opomalu Area in Ilorin, Kwara State, has become an important commercial zone due to its strategic location within the city. Just as Central Lagos gained prominence from its accessibility by water and early European influence, Opomalu has grown due to its closeness to key parts of Ilorin and its increasing connectivity.

Traditionally, Opomalu was known as a quiet, residential area suitable for peaceful living. However, in recent times, the rising population of Ilorin and the need to boost economic activities have significantly transformed the area. What used to be predominantly residential developments are now being replaced with commercial structures. Existing houses are being demolished or converted into shops, office spaces, and business centres to meet the growing demand for commercial properties.

Despite these changes, the supply of accommodation still falls short of demand, leading to a shift in development patterns from extensive (low-density) to intensive (high-density) use. The proximity of Opomalu to Ilorin's main commercial centres has further accelerated this transformation, making it a key area for real estate and commercial growth in Kwara State.

The social and economic implication of changes in use of the property is:

1. The conversion of residential to commercial building in Bode Thomas bring about changes in the original zoning plan and usually eliminate the privacy of residents as well as increase the security risks in the neighbourhood.
2. Another implication is that, the over concentration of development (i.e. conversion to commercial housing) in the area had led to the sharp increase in land value and its price which has also increased the activities of land speculators in that area.
3. The environmental condition/situation in that study area is at risk because there is problems of traffic and transportation, water, electricity, social infrastructure, health, education etc. the ugly situation may not be in random with the expectation of the state government.
4. Money supply; the sharp rise in rental value in 2010 as opposed to the period before 1985 was as a result of a significant rise in money supply in 1986. The rise in prices at this time and the continues devaluation of the Nigeria prompted the unprecedented inflow of Foreign Exchange Market (SFEM) policy of the government at the time brought business opportunities to the banking sector because they were the key operator of the SFEM policy.

The increase in money supply to the economy meant that purchasing power of people will to increase; therefore, people will have to work extra hard so that they could afford to pay higher rents. This is a problem most people are facing.

5. **Inflation trend** – Inflation can be described as a condition of aggregate excess demand in which price increase may be open or repressed or condition of rising price without excess demand. With the general rise in the price of goods and services including building materials, labour and other factors of production, property values in the study area too rose along the same line. Thus, the higher the cost of construction, the higher the market value of the property. Also, the higher the maintenance cost of a property the higher the rent.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

Research can be defined as careful study or investigation especially in order to discover new fact or information. It could be scientific research historical research etc.

According to Peil et al 2022 Pg 1, “research is usually designed to handle a problem, something which needs describing, explaining or improving and or about which more information is needed so that future occurrences can be predicted and policy decided”. In this regard, research is a science of knowledge investigation concerned or problem.

Methodology: This word is derive from the word method, methodology means the philosophy of the research process and this includes the assumption and values that serve as a rational for research and the standard criteria the researcher use for interpreting data and reaching conclusion.

3.1 THE RESEARCH DESIGN

The success, reliability and validity of any research work is highly determined by the collection, collation, interpretation and analysis of data though there are many method used in collecting data, the method to be used in research depend on the purpose and nature of the study.

The aim and objective of this chapter is to present the procedure followed in achieving the goals of the research. It entails the location and description of research area using the case study as reference. The method of data collection which is questionnaire, observation and personal interview.

3.2 DATA TYPES AND SOURCES

The data used in this study include the existing and proposed land use pattern, the population and attitudinal survey of the residents in the study area.

The sources of data for this study are basically from the analysis of the reports of the field survey conducted and from official record in some private offices and occupiers of the properties within study area. Useful information were also extracted from textbooks, journals etc.

3.3 INSTRUMENTATION FOR DATA COLLECTION QUESTIONNAIRES

This method involves preparation of question which are asked through printed pages. Data were collected on both the household and individual level.

OBSERVATION

This involve sight and seeing, taking close familiarity with the study area, observation really help the research work to score the various neighbourhood having considered their soundness of property density, provision of amenities and infrastructural facilities.

INTERVIEW

Interview were conducted for some selected people and they include landlords and tenants, the major need for this interview was to ascertain some facts about the trends of rental value and to know about the study area.

3.4 SAMPLE SIZE, SAMPLE FRAME AND SAMPLING PROCEDURE

SAMPLE SIZE

The study population of this project will be limited to estate surveyors and Valuers and occupiers of the property in the study area. The target estate surveyors and Valuers in the study area were 15 while the occupiers of the properties is 275 which covers the number of buildings with change in land use within the study area.

SAMPLE FRAME

Out of the total population size in the study area which includes practicing estate surveyors and values and the occupier of the building. Fifteen (15) estate surveyors and Valuers and 20% of the number of building with change in land use which is fifty five (55) of the total population size representing, seventy (70) is hereby chosen as the population size.

SAMPLING PROCEDURE

Systematic random sampling was adopted which means that one in every twenty buildings will be administered for the study.

3.5 METHOD OF DATA COLLECTION

There are broad numbers of method that can be used. The method of data collection for this research work include observation, interview and administration of questionnaire in order to arrive at a conclusive findings.

3.6 METHOD OF DATA ANALYSIS

To ensure a meaningful presentation and analysis of data collected all data collated and organized, also relevant questionnaire will be used in supplement and it will be presented and analyzed in a tabular form.

CHAPTER FOUR

4.1 DATA PRESENTATION AND ANALYSIS

This chapter basically deal with the presentation and analysis of raw data collected during field survey carried out in the cause of gathering vital and useful information for this project work.

It is a well established fact that Opomalu area Ilorin, Kwara state is one of the major Central Business District (CBD) in Ilorin. Due to this fact properties in the study area are experiencing high rate of conversion.

**TABLE 4.1.1 SHOWING VARIOUS TYPES OF PROPERTIES IN
OPOMALU AREA ILORIN, KWARA STATE**

TYPES OF PROPERTY	NUMBER AVAILABLE	PERCENTAGE
Commercial properties	51	75
Residential properties	11	14
Specialized properties	8	11
Total	70	100

Source: Field Survey, 2025

The table above indicate that commercial properties has the largest percentage of the property in the area which carry 75% followed by residential property with 14% while specialized property has the lowest percentage which 11% of the total properties in the area.

TABLE 4.1.2 SHOWING VARIOUS FACTORS INFLUENCING THE CHANGE IN THE USE OF PROPERTY

FACTORS	NUMBER AVAILABLE	PERCENTAGE
Higher return	43	54.21
Location	12	25.30
Competitive demand	8	12.05
Prompt rent payment	7	8.43
Total	70	100

Source: Field Survey, 2025

It can be seen from the table above 54.21% of the respondents of the questionnaire administered indicate that higher return is the major cause of change in the use of the property. Another 25.30% of the respondents indicate that the major factors influencing the change as a result of location of the property. While 12.05% of the respondents believe that the change in use of the property is as a result of competitive demand in the area. Lastly, only (7) respondent out of the seventy (70) questionnaire administered which is 8.43% agreed that the factor influencing the change is prompt rent payment by tenant in the area. This shows that commercial property is the major type of property in the study area.

TABLE 4.1.3 ILLUSTRATES THE PROPERTY THAT HAS THE HIGHEST USES AND BEST RETURN

PROPERTY TYPES	NUMBER AVAILABLE	PERCENTAGE
Specialized property	9	12.04
Commercial property	43	62.65
Residential property	11	15.66
Industrial and Agricultural ppty	7	9.63
total	70	100

Source: Field Survey, 2025

The table above shows that forty-three (43) of the respondents which is 62.65% indicate that commercial property has the highest uses and best return. Residential property followed with eleven (11) respondents which is 15.66% while specialized property with nine (9) respondents has 12.04% of the total percentage while Agricultural/Industrial property has the lowest respondents with seven (7) respondents which is 9.63%. This shows that commercial property has the highest and best return.

TABLE 4.1.4 ILLUSTRATE THE TREND IN RENTAL VALUE OF DETACHED HOUSES IN OPOMALU AREA ILORIN, KWARA STATEFOR THE PAST TEN YEARS.

YEARS	RENT PASSING	% CHANGES IN ANNUAL RENT (USING GROWTH MODEL)
2015	490,000 P.a	
2016	550,000 P.a	53.45
2017	580,000 P.a	28.45
2018	650,000 P.a	86.66
2019	750,000 P.a	72.28
2020	830,000 P.a	64,55
2021	900,000 P.a	91.61
2022	1,002,000 P.a	86.26
2023	1,100.00 P.a	132.00
2024	1,250,000 P.a	208.33
2025	1,250,000 P.a	

Source: Field Survey, 2025

The table above shows that the trend in rental value of detached houses in 2003 for instance was ₦490,000 and the percentage change in rent was not so high until 2004 when it increased to 53.45% as against the 2005 figures. The significant increase in rent may be the result of the influx of financial institution within that period and other factor as discussed earlier. Since then the rent kept on going up. The percentage change in rent was at it peak in 2006 because of various government policies and expenditure which brought a lot of money into circulation.

4.2 NATURE OF THE USE CONVERSION

The study area was originally earmarked for residential uses with various categories of flats and detached houses ranging from the 3 bedroom to 5 bedroom types. For the purpose of this work, however, all these categories of houses were aggregate and seen as a type.

The interplay of the physical and social economic political and other discussed earlier brought about the gradual and steady change to commercial use of the study area.

Cumulative change in use was adopted to ascertain the total properties that have change in use and for calculating the annual percentage in land use. The growth model was employed for the calculation of the annual percentage change in land use changes.

4.3 FACTOR INFLUENCING THE CONVERSION OF RESIDENTIAL BUILDING TO COMMERCIAL BUILDING IN THE STUDY AREA

Practicing estate surveyors and Valuers were interviewed on this project. The consensus is that the available commercial properties in the Central Business District (CBD) are not adequate to meet the demand for them. This led to the conversion of properties in the neighbouring residential location to commercial uses in order to supplement the shortfall in the Central Business District (CBD). Opomalu area Ilorin, Kwara State became victims of this land use change because of its proximity, accessibility and other factors discussed earlier.

The changes land use coupled with higher demand for commercial uses led to the continuous increase in rent in the study area. The rent charged on the detached houses within the study area ranges and vary in amount depend on the modes of finishing services, facilities and most importantly the location and size of the property.

Factors that influence the conversion of residential properties to commercial in the study area are:

- i. **Higher returns** – The returns realized from the properties used for commercial purpose is greater than that of property used for residential purpose. Due to this greater returns most residential property owners prefer their property to be used for commercial.
- ii. **The location of the property;** It is also observe that where the property is situated normally influence the use to which it is put. The information got revealed that residential property situated in an area of higher rental value

on commercial property motivates the owner of the residential property to change its use to commercial.

- iii. **Default in payment of rent** – It was also noted from the findings that mot occupiers of these residential properties who use them for residential accommodation do not always pay their rent as and when due. These kinds of tenants are referred to as recalcitrant tenant, that is not paying rent according or not even to pay. This may frustrate the landlord and may result to changing their uses, especially commercial, where tenant will pay rent on time and even on annual or quarterly basis.
- iv. **Access to major roads:** As a result closeness and easy access to a major road, residential properties are often change into commercial e.g. offices and shops.
- v. **Economic situation** – The situation of the nation's economic which affects the standard of living of most owners of residential properties to change use to higher return realized from other uses. This situation also prompts some owner to now convert rooms that are adjacent to the main road to a shop.
- vi. **Management and Maintenance Cost** – The maintenance of residential properties attract higher rate of problem while that of commercial attract low rate and little problems. Because of this, the owners of residential properties prefer changing to commercial uses.
- vii. **Low income** – The level of income generated from residential property is generally low compared to commercial property. The landlord who aim at security higher returns then change it uses to commercial which usually

brings higher returns e.g. rent in flats used for office is higher than that of flats used for residential accommodation.

- viii. **Competition in demand** – Due to higher demand for commercial properties in an area, land owner or landlord then change the use of residential properties to commercial because of the increase in demand give rise to rent of such properties.
- ix. **Prompt payment of rent** – It is observed that various landlords have noticed that occupiers of commercial properties normally pay promptly and there is no default in rent payment. Hence, the landlord then changes to commercial use.

4.4 PROBLEMS/EFFECT OF CONVERSION OF RESIDENTIAL BUILDING TO COMMERCIAL BUILDING IN THE STUDY AREA.

The problems of conversion of residential building to commercial building in the study area could be comprehended under the following headings.

- i. The conversion of residential building to commercial uses of the study area had its negative impact in the area because it led to the over consumption of these facilities for instance, the electricity and water supply is no longer constant as it used to be before the influx of commercial activities in the study area. Most properties in the study area now have their stand by generating set to supplement the electivity supply while borehole with treatments plants are used to supplement public water supply.

- ii. Another is the inefficiency and occupation of policy maker charged with implementing the project.
- iii. Indiscriminate dumping of refuse along roads (thus causing road encroachment and also on storm drainage systems and designated open space causing blockage, air and water pollution.
- iv. Management problems – The managing authority responsible for the restoration of infrastructure have no adequate resources. The rates fixed for individual housing units based on development costs of the mid. 1970 are inadequate to run the town under the current condition of hyper – inflation.
- v. Traffic congestion is another problem of conversion of residential building to commercial uses. The influx of heavy trucks that transported goods to the study area made the road as congested as the road of that Central Business District (CBD) Area.

CHAPTER FIVE

5.0 SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

The main objective of the research is the problem and prospect of conversion of residential properties to commercial properties. From my research there is no specific area in Bode Thomas Street that is used for a particular purpose without being mixed with different use. Due to high demand for commercial properties (i.e. shops and offices) most residential building have been converted to commercial uses thereby causing shortage of residential buildings.

The reason above has contributed immediately to the high rental and capital value of the properties in the study area, though some of the properties are old when converted or built their value increased.

Also, a knowledge of how land uses affect land values is a very important assets in the planning, developing and developments of all projects. Land use, in its widest dimension mean the nature of activities carried out on land while land value is the work of a particular land for the purpose it is intended to serve. The study area was originally earmarked for residential uses but within the past few years, they are gradually changing to commercial.

Therefore it can be summarized as follows:-

- 1 The changes in land use of the study area especially in the recent past.
- 2 The increase in rental and capital values of properties in the study area.
- 3 The social implication of conge in use.

- 4 The factors influencing the change in use.
- 5 What does the future hold for the study area in terms of land use and values.

5.2 CONCLUSION

It is paramount important that a research work of this nature should not only unfold findings but conclusion so that this can give guide to other people that may study the area in future. The significance of this cannot be over looked since it will of assistance to land speculator and developers in making investment decision.

No doubt, the principle of changes is fundamental in land value appraisals. Since the principle holds that nothing is static, land uses and values in Opomalu area Ilorin, Kwara State should not be an exception. Uses and value changes sometimes slowly, sometime rapidly as is the case in the study area. All these changes depends on the extent and direction of movement of the forces acting together to bring about such changes.

As earlier discussed, changed from residential to commercial uses in the study area had seen continuous increase in value during the period under review at-least as a result of forces acting together to bring such change discussed earlier.

Since there was apparently, no regulation body to check the issue of the landlord that changes the use of residential property who action is to secure higher returns.

Based on the fact the occurrence might seem not to stop but due to what has been recommended in this research, if adequately assessed and used, the occurrence should cases.

5.3 RECOMMENDATIONS

Since any investment today is absolutely made in view of future benefits, prediction of future land uses and property value trend have become indispensable to investors in arriving at their investment decisions with regards to these facts, the pertinent questions then is what does the future hold? In attaining recommendation into the future of land uses and value of the past and present in order to state the appropriate recommendation.

Since the future is uncertain, it will be wise to note that it is the land use and value determinant discussed earlier that serves as guide in making this recommendation.

The following recommendations are hereby suggested:

- The New Town Development Authority should try as much as they could to stop this increasing conversion to commercial uses so as not to allow the remaining residential properties to give way for commercial in the future.
- The legislative aim of Ilorin East Local Government should pass into law the punishment to be incurred by any landlord found wanting in the act of giving their properties away for commercial uses.
- The activities of Estate Agents or any other there into called “agents” must be checked by the government.
- The government should build many shopping complex for the masse to transact their business without going to any neighbouring street.

- There should be presence of rent control edict on various types of property especially commercial properties, to avoid the change in the use of residential properties.
- The landlords should also be considerate with the tenant and to be satisfied with whatever rent he get from his residential properties.

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QUESTIONNAIRE

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Dear Sir/Ma,

QUESTIONNAIRE

This dissertation attempt look at the “problem and prospects of conversion of residential building to commercial uses. It is entirely an academic exercise and any information supplied will be treated strictly confident.

Thank you for your cooperation and support.

Please tick appropriately as provided below or comment where necessary in gaps.

- i. What are the types of property in Opomalu area Ilorin, Kwara State?
(a) Specialized properties () (b) Commercialized property ()
(c) residential property () (d) industrial property
- ii. What is the nature of change in use in area?
(a) From commercial to residential () (b) from residential to commercial
() (c) competitive demand ()

- iii. What are the factors that influence changes in use of these properties? (a) Location () (b) high return () (c) competitive demand () (d) prompt ()
- iv. Does the conversion increase rental value of commercial property in the area? (a) Yes () (b) no ()
- v. Which property has the highest uses? (a) Residential property () (b) commercial property () (c) industrial property () (d) agricultural property () (e) specialized property
- vi. Does location/accessibility have any effect in the conversion of residential to commercial property?
- (a) Positive effect () (b) negative effect ()
- vii. Is the rent paid justifiable as a result of location when compared with other area? (a) Yes () (b) no ()
- viii. How can these be control?
-
-
-
- ix. What type of accommodation do you occupy?
- (a) Bungalow () (b) duplex () (c) detached () (d) flat () (e) tenement building
- xi. What is the present annual rent of your apartment?

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xii. How long have you been occupying the property?

(a) 3 years () (b) 5 years () (c) 7 years () (d) 10 years () (e) others ()