JCARM
Journal of Contemporary Academic Research and Methodologies

An Online Peer Reviewed / Refereed Journal
Volume 1 | Issue 6 | July 2026
ISSN: 3139-7247 (Online)
Website: www.journal.jcarm.in

Original Research Article

Trend Analysis of Residential Properties Rental Values in Informal Settlements of Ibadan Metropolis

AROWOLO, Babatunde Emmanuel[1*], OGUNTOKUN, Babajide Femi[2], AYODELE, Oluwatobi Omoyemi[3]

[1] Department of Estate Management and Valuation, Faculty of Environmental Studies, The Polytechnic, Ibadan, Ibadan, Oyo State, Nigeria.
[2] Department of Estate Management, Faculty of Environmental Design and Management, Lead City University, Ibadan, Oyo State, Nigeria.
[3] Department of Estate Management, Lead City University, Ibadan, Oyo State, Nigeria.

ORCID: **OBF** 0009-0006-8243-1622[2]

Correspondence should be addressed to AROWOLO, Babatunde Emmanuel: arowolobabs@gmail.com

Article No: 041 | **Accepted**: 02 August 2026 | **Published**:10 August 2026

Abstract: The real estate market is vital for economic growth, with the residential rental sector meeting critical urban housing needs. In Nigeria, rapid urbanization, poverty, and inadequate formal housing have fueled the expansion of informal settlements. This study analyzes trends in residential rental values in Ibadan Metropolis's informal settlements from 2014 to 2024. Using a descriptive and inferential design, data were collected from 360 residents and 34 estate surveyors across five Local Government Areas (LGAs) with high informal housing prevalence. A structured questionnaire (Cronbach Alpha = 0.83) ensured reliable data for Time Series Analysis and ANOVA. Findings show significant rental increases across all LGAs. In Ibadan North East, a room self-contained rose by 130.8% from ₦65,000 to ₦150,000, while bungalow rents grew by 200% from ₦250,000 to ₦750,000. Ibadan North showed moderate growth: room tenements increased from ₦25,000 to ₦55,000, and three-bedroom flats from ₦100,000 to ₦150,000. In Ibadan South East, South West, and North West, two-bedroom flats doubled from ₦100,000 to ₦200,000, and three-bedroom flats rose from ₦100,000 to ₦250,000. ANOVA confirmed these changes are statistically significant ($p < 0.05$). Poverty (mean scores: 4.34–5.45) and rapid urbanization (4.26–5.42) were key drivers, alongside weak housing policies, informal land markets, and poor infrastructure. The study concludes that without targeted policy interventions and improved infrastructure, informal settlements will continue to expand alongside rising rental values and worsening affordability challenges for low-income urban residents. It recommends that urban policymakers prioritize inclusive housing policies, strengthen infrastructure provision, regulate informal land transactions, and implement

https://doi.org/10.5281/zenodo.21927096

community-focused socio-economic programs to improve residents' livelihoods and housing conditions sustainably.

Keywords: Informal Settlements, Rental Value Trends, Urbanization, Infrastructural Development.

1. Introduction

The real estate market is a vital part of any economy, encompassing diverse property types and influenced by various factors such as economic conditions, population dynamics, and infrastructural development. For instance, rising urbanization often leads to increased housing demand, while economic downturns can depress property values and limit affordability. A significant segment of this market is the residential rental sector, which addresses diverse housing needs. Rental properties include single-family homes, apartments, duplexes, and townhouses, each designed to meet tenant needs based on amenities, location, and affordability. The rental values of these properties are shaped by factors such as location, proximity to public amenities, environmental quality, reliable utilities, and prevailing market conditions.

Globally, one of the key challenges urban areas face is the emergence and growth of informal settlements, also known as slums, squatter communities, or shantytowns. These areas typically arise due to rapid urbanization, poor urban planning, socioeconomic inequality, and inadequate access to affordable housing. Informal settlements are often characterized by unregulated housing structures, insecure land tenure, poor infrastructure, and limited access to essential services such as clean water, sanitation, electricity, and waste disposal systems. Despite their precarious nature, these settlements serve as home to a substantial urban population, especially in developing countries (Aboulnaga et al., 2021).

In Sub-Saharan Africa, including Nigeria, informal settlements are a prominent feature of urban growth (Zerbo et al., 2021). In Nigeria's urban centers, especially Ibadan, the largest city by landmass and one of the most populous in the country, informal settlements have proliferated in response to rural-urban migration, population pressure, poverty, and limited access to formal housing markets. These settlements are commonly located at the urban fringes and are marked by makeshift buildings, uncoordinated layouts, and heavy dependence on informal economic activities (Jelili et al., 2023).

One critical area of interest within the study of informal settlements is the variation and behavior of rental values (Baqai & Ward, 2020). Factors such as infrastructure quality, environmental conditions, security of tenure (even if informal), and proximity to central business districts or employment hubs influence the rental prices of properties in these areas. Areas with improved infrastructure, even within informal settings, tend to command higher rental prices due to increased demand for convenience and access. Conversely, settlements prone to environmental risks such as flooding or pollution may see suppressed rental values unless mitigative infrastructure is provided.

While Baqai and Ward (2020), Nzau and Trillo (2020), Scheba, and Turok (2020) have explored the general characteristics and challenges of informal settlements, limited attention has been given to how rental values in these areas evolve over time, particularly in the context of broader urban and economic changes. Understanding these trends is essential for urban planners, policymakers, investors, and housing advocates as it provides insights into the changing dynamics of informal housing markets and the socio-economic conditions of urban residents.

This study, therefore, seeks to analyze the trends in residential property rental values of informal settlements in Ibadan Metropolis between the years 2014 and 2024. This ten-year period captures critical shifts in urban policy, demographic growth, economic fluctuations, and infrastructural developments that may have influenced the rental landscape of informal housing. By examining these trends, the study aims to uncover patterns, fluctuations, and the underlying drivers affecting rental prices in informal communities, contributing to a more nuanced understanding of urban housing dynamics in Nigerian cities.

Literature Review

Theoretical Underpinning

Development Theory

The basis of development theory was born in the 1950s from a study by the Economic Commission of ECLAC for Latin America and the Caribbean. One of the most representative writers was Paul Prebisch. The main points of Prebisch's model are that in order to create conditions for domestic development, it is necessary to develop more effective coverage of social services by the government (Ferrer, 2010). This theory includes four principles: modernisation, dependence, world system and globalisation. The importance of dependency theory for research is that it combines elements of a neo-Marxist perspective with Keynesian economic theory, liberal economic ideas that emerged in the United States and Europe in response to the 30-year depression of the 1920s.

Dependency argues that before the era of modern economic growth (about 500 years ago), large areas of the world were not closely connected (although vast trade networks existed) (Gereffi, 1993). With the spread of capitalism began the relentless pursuit of profit through the generation of agrarian items in colonies or other nations and the capacity of Western Europe to create unequal offers. This in a general sense changed the social boundaries of the Third World. Destitution within the Third World is not one or the other "conventional" nor coincidental. It may be a fundamental companion to the riches of created countries. This hypothesis was connected in investigate to evaluate whether the industrialisation and improvement of Nigeria committed itself to its country population or whether the created world profited and developed at the cost of the destitute (Brautigam, 1997). This is often why we have casual settlements and the way individuals treat their environment has prevented cutting edge financial growth31. The lodging circumstance has been considered an advancement issue since it is specifically influenced by advancement.

Recent evolutionary theory has proposed that evolution is a collection of apparently logical sentences that aim to explain how evolution happened in the past and/or how it should happen in the future. Binder (1986) emphasizes that theories of development can be either normative in the sense that they can generalise about the situation that usually prevailed in an ideal world, or positive in the sense that they deal with what was usually the case in the past. Development has also been seen as a process that expands the real freedoms of people and requires the primary "elimination of poverty and tyranny, poor economic opportunity, social deprivation, neglect of public space and intolerance or excess-oppressive states". Advancement hypotheses incorporate modernisation and development, fundamental needs and redistribution, basic alteration, maintainable advancement and comprehensive improvement. Within the setting of this consider, it is vital to look at this hypothesis since the perpetual challenge of creating casual settlements is due to improvement issues and the stagnation of improvement, which leads to the residents themselves being received and settled informally.

Empirical Review

Existing literature revealed that a common trend among the studies is the affordability of rents in informal settlements compared to formal neighborhoods. For instance, studies have noted that rents in Enugu's informal settlements ranged from ₦12,000 (≈US$31.3) to ₦42,000 (≈US$109.7) annually, starkly lower than the ₦120,000–₦250,000 (≈US$313–US$653) in formal areas (Anierobi et al., 2023). This aligns with findings from other regions like Jimma Town, where high formal rental prices drive residents to informal housing (Akirso, 2021). Similarly, Afinowi (2018) conducted researchin Ikeja which observed that property conversions in formal neighborhoods impacted rental trends, with converted properties yielding higher rents and better investment returns, emphasizing a demand-driven shift in urban property dynamics.

The economic characteristics of residents in informal settlements profoundly influence rental trends. The research highlighted that the majority of residents in Enugu were involved in low-income occupations such as petty trading (50%) and informal transport (31%) (Okeke et al., 2021). Similar trends were observed in Abeokuta, where it was found that 82% of residents earned between ₦50,000 and ₦150,000 annually. These constrained incomes limit access to better housing options, sustaining demand for informal rental housing (Mottelson, 2023). The study further expands this narrative, noting that even middle-income groups in Jimma Town opt for informal settlements due to speculative land acquisition and government inefficiencies (Jimmy, 2024).

Studies uniformly highlight the infrastructural deficits in informal settlements with limited access to potable water, good roads, and healthcare in Enugu, and with electricity access as low as 28.25%73. In Abeokuta, research observed that poor infrastructural planning influenced residents' choice of informal housing, with 59.9% citing affordable land acquisition as a key factor. These deficits contribute to the lower rental values but also underline the persistent deprivation faced by residents (Andersen, 2002).

Rapid urbanization and population growth also worsen the proliferation of informal settlements. Studies in Yangon and Kibera underscore the inadequacy of formal housing policies to match urban population growth (Wide, 2024; Naing, 2022). Inclusionary housing models leveraging land value capture was proposed to address affordability while preventing displacement a critical innovation addressing long-term sustainability (Nzau, & Trillo, 2019).

Government interventions vary in effectiveness across regions. Study on spontaneous settlement highlighted Ethiopia's dual approach of formalizing pre-2012 settlements and demolishing post-2012 illegal structures, often leading to resistance (Ekandem et al., 2014). Conversely, Kibera model emphasized collaboration with local communities to achieve sustainable slum upgrading without gentrification (Agayi, & SAĞ, 2020). Similarly, study findings in Ikeja stress the importance of managing property use conversions to balance demographic pressures and rental value trends effectively (Ankeli, 2023). Statistical analyses across studies reinforce the complex interplay of socioeconomic, infrastructural, and policy factors. In Ikeja, Structural Equation Modeling revealed that property use conversions explain 67% of urban rental activities, significantly influencing rental trends (Ankeli, 2023). A recent study utilized descriptive statistics to show correlations between affordability and infrastructural inadequacies (Leslie et al., 2017). Meanwhile, study on factor analysis demonstrated that education, employment, and income levels are significant predictors of informal housing development (Opoko et al., 2016).

Methodology

This study adopted a descriptive and inferential research design based on a quantitative analytical approach. The descriptive aspect enabled the researcher to examine and present the socio-economic characteristics of residents and the rental value patterns of properties in informal settlements across selected areas in Ibadan metropolis. On the other hand, the inferential aspect, particularly Analysis of Variance (ANOVA), was used to test the relationship between informal settlements and changes in rental values, thereby allowing the researcher to draw valid conclusions on how informal settlements affect property values over time.

The target population comprised household heads and knowledgeable adults residing in informal settlements located within five key urban Local Government Areas (LGAs) in Ibadan. These LGAs, Ibadan North, Ibadan North East, Ibadan North West, Ibadan South East, and Ibadan South West, were purposively selected due to the prevalence of informal housing developments. The study also included 34 principal partners of registered estate surveying and valuation firms operating within the metropolis. These professionals were included to provide expert insights on historical rental values and the impact of informal settlements on property markets.

A sample size of 400 respondents was determined using Taro Yamane's formula with a 5% margin of error. Of the distributed questionnaires, 360 valid responses were returned and analyzed. All 34 estate surveyors also participated in the study. A multi-stage sampling technique was adopted. Initially, five urban LGAs with a high incidence of informal housing were selected. Wards exhibiting characteristics of informal settlements were then identified within these LGAs. Subsequently, housing units were systematically selected using odd-numbered intervals, and proportionate sampling was employed to ensure balanced representation. Selection was based on informal settlement features such as unauthorized structures, poor service provision, insecure land tenure, and the presence of vulnerable groups in unplanned environments.

Both primary and secondary data were utilized. Primary data was collected through structured questionnaires administered to residents and estate surveyors. Secondary data sources included government records, past research, and real estate firm databases, particularly for retrieving historical information on rental trends between 2014 and 2024.

The main research instrument was a structured questionnaire, which was divided into five key sections. The first section captured demographic data such as gender, age, educational level, and years of residence. The second section focused on the socio-economic characteristics of residents in informal settlements. The third section examined the trends in residential property rental values between 2014 and 2024. The fourth section identified the factors responsible for the development of informal settlements, while the fifth explored the effect of informal settlements on rental values. Responses were measured using a 5-point Likert scale, ranging from Strongly Disagree (5) to Strongly Agree (1).

To ensure that the research instrument was appropriate for the study objectives, it underwent content validation by the researcher's academic supervisor, who assessed its consistency and alignment with the research objectives. This validation process ensured that the instrument measured the intended variables accurately. The reliability of the questionnaire was tested using the Cronbach Alpha coefficient, which yielded a reliability score of 0.83. This value indicates a high level of internal consistency, as it exceeds the commonly accepted threshold of 0.5 for reliability in social science research.

Data collection involved both primary and secondary data were gathered. Residents provided information on current and past rental values through the questionnaire, while estate firms provided documented records of rental prices and housing characteristics. The data collected was analyzed using Time Series Analysis to evaluate rental trends and ANOVA to assess the statistical significance of changes in rental values across different informal settlement conditions.

Results and Discussion of Findings

Socio-economic Characteristics of Respondents

Table 1: Demographic Table for Respondents

Demographic Characteristic							
Gender of Respondents	IB\N	IB/NE	IB/NW	IB/SE	IB/SW	Value	Percentage
Male	52	63	21	51	66	253	61.9

Female	29	23	17	22	16	107	38.1
Total	**81**	**86**	**38**	**73**	**82**	**360**	**100.0**
Marital Status							
Single	53	59	21	42	47	222	61.7
Married	23	21	10	25	31	110	30.6
Divorced	4	3	3	5	4	19	5.3
Widow	1	2	4	1	0	9	2.5
Total	**81**	**86**	**38**	**73**	**82**	**360**	**100.0**
Age of Respondents							
Less than 18 years	41	44	21	37	43	186	44.7
19-30 years	23	19	9	22	20	93	20.3
31-45 years	11	13	5	10	14	53	22.5
46 years and above	6	10	3	4	5	28	12.5
Total	**81**	**86**	**38**	**73**	**82**	**360**	**100**
Occupation of Respondents							
Trading	36	38	23	23	21	141	39.2
Artisan	43	28	10	37	47	165	45.8
Technician	2	14	3	10	10	39	10.8
Civil servant		6	2	3	4	15	4.2
Total	**81**	**86**	**38**	**73**	**82**	**360**	**100**
Education Level							
B.Sc/HND	3	2	1	4	4	14	3.9
First School Leaving Cert	25	23	13	20	21	102	28.3
WASC/GCE/NECO	35	31	19	38	43	166	46.1
NCE/OND	18	30	5	11	14	78	21.7
Total	**81**	**86**	**38**	**73**	**82**	**360**	**100**
Income Level							
Below N15,000	25	20	13	22	21	101	28.1
N16,000-N40,000	51	63	20	48	57	239	66.4
N41,000-N100,000	5	3	5	3	4	20	5.5
N100,000 and above						-	-
Total	**81**	**86**	**38**	**73**	**82**	**360**	**100**
Ownership Status							
Freehold interest	15	12	13	9	17	66	18.3

Leasehold Interest	66	74	25	64	65	294	81.7
Total	**81**	**86**	**38**	**73**	**82**	**360**	**100.0**

Source: Author's Field Survey, 2024

Findings from the table above revealed that males were 253 (61.9%), while females were 107 (38.1%). This male predominance may be attributed to the socio-economic dynamics within Ibadan Metropolis, where men are often more engaged in activities such as property transactions, trading, and informal settlement development. In societies like Nigeria, men typically assume decision-making roles regarding housing and land, which could explain their higher representation in this study. In terms of marital status, 222 (61.7%) of respondents were married, followed by 110 (30.6%) who were single. A smaller percentage comprised divorced respondents, 19 (5.3%), and widowed respondents, 9 (2.5%). The high proportion of married individuals reflects the nature of informal settlements, where families seek affordable housing options. Single individuals, though significant, are fewer, likely due to their preference for more flexible and often less permanent living arrangements.

Respondents aged 19–30 years were 186 (44.7%), followed by those aged 31–45 years at 53 (22.5%). Younger respondents dominated the informal settlements, which may have resulted from the affordability of such areas and the mobility of this demographic. Older age groups, particularly those above 46 years, 28 (12.5%), were fewer, possibly due to their preference for more stable and organized environments. In terms of occupation, the majority were artisans who made up 165 (45.8%), followed by traders at 141 (39.2%). Technicians accounted for 39 (10.8%), while civil servants constituted the smallest group at 15 (4.2%). The predominance of artisans and traders reflected the informal economy's role in driving settlement patterns, as these professions typically required proximity to markets and clients rather than formal housing.

Most respondents held secondary education qualifications (WASC/GCE/NECO), accounting for 166 (46.1%), while 102 (28.3%) had only primary education. Those with tertiary qualifications, such as NCE/OND (78, 21.7%) or B.Sc/HND (14, 3.9%), were fewer. This suggests that the informal settlement population is characterized by limited formal education, which aligns with their engagement in low-income occupations. The majority of respondents earned between N16,000 and N40,000 monthly, representing 239 (66.4%), while those earning below N15,000 accounted for 101 (28.1%). Only 20 (5.5%) earned more than N41,000. The prevalence of low-income earners highlighted the economic constraints driving individuals to reside in informal settlements where rental values were more affordable. Leasehold interests dominated the ownership status, with 294 (81.7%), compared to 66 (18.3%) who held freehold interests. This indicated that most residents did not own the land they occupied, reflecting the transient and insecure nature of informal settlements.

Table 2: Demographic Table for Estate Surveyors and Valuers

Demographic Characteristics		**Value**	**Percentage**
Gender of Respondents	Male	21	61.9
	Female	13	38.1
	Total	**34**	**100.0**
Marital Status	Single	7	30.6
	Married	27	61.7
	Total	**34**	**100.0**
Age of Respondents	31-45 years	26	63.3
	46 years and above	8	35.7
	Total	**34**	**100**
Education Level	B.Sc	14	33.9
	HND	17	48.3
	OND	3	17.8
	Total	**34**	**100**
Professional Experience (Years)	1-5 years	17	50.0
	6-10 years	8	23.5
	11-15 years	3	8.8
	16-20 years	4	11.8
	21 years and above	2	5.9
	Total	**34**	**100.0**
Professional Qualification	ANIVS	22	64.7
	FNIVS	12	35.3
	Total	**34**	**100.0**

Source: Author's Field Survey, 2024

Findings from the table above revealed that among the estate surveyors and valuers, males constituted 21 (61.9%), while females represented 13 (38.1%). This gender disparity mirrors broader trends in Nigeria's professional workforce, where male dominance is more pronounced in technical and field-based professions. The majority of respondents, 27 (61.7%), were married, while single professionals were 7 (30.6%). The dominance of married individuals suggested that estate surveyors and valuers tend to establish families, which aligns with their more stable and structured career paths.

Most professionals, 26 (63.3%) fell within the 31–45 age range, while those aged 46 years and above accounted for 8 (35.7%). The high representation of younger professionals reflected the growth of the field and the active engagement of mid-career individuals in the profession. Most professionals, 17 (48.3%) possessed an HND qualification, while 14 (33.9%) were B.Sc holders and 3 (17.8%) held OND qualifications. This educational profile aligned with the entry requirements for professional practice in estate management in Nigeria. Half of the respondents, 17 (50%), had 1–5 years of experience, while 8 (23.5%) had 6–10 years. Only a small fraction, 2 (5.9%), had more than 20 years of experience. This distribution indicated a relatively youthful profession, with many practitioners at early career stages.

A majority, 22 (64.7%), held the Associate Membership of the Nigerian Institution of Estate Surveyors and Valuers (ANIVS), while 12 (35.3%) were fellows (FNIVS). The higher proportion of ANIVS members reflected the inclusion of newer entrants and mid-career professionals in the survey.

Trends in residential property rental value of informal settlements between 2014 - 2024

Table 3: Trend in Residential Property Rental Values in Ibadan North East

Types of Building	**2014 #**	**2015 #**	**2016 #**	**2017 #**	**2018 #**	**2019 #**	**2020 #**	**2021 #**	**2022 #**	**2023 #**	**2024 #**
A room self-contained	65,000	68,000	75,000	80,000	85,000	87,000	95,000	98,000	110,000	130,000	150,000
A room and parlour tenement	80,000	85,000	90,000	95,000	98,000	110,000	120,000	130,000	140,000	160,000	180,000
2-bedroom flat	100,000	105,000	110,000	115,000	120,000	125,000	140,000	150,000	170,000	185,000	210,000
3-bedroom flat	110,000	120,000	130,000	135,000	160,000	180,000	200,000	220,000	250,000	270,000	300,000
4-bedroom flat	180,000	220,000	250,000	280,000	320,000	340,000	360,000	380,000	420,000	450,000	480,000
Bungalow	250,000	300,000	350,000	400,000	450,000	500,000	550,000	600,000	650,000	700,000	750,000

Source: Author's computation from Estate Surveyors and Valuers' Firms within Ibadan Metropolis.

The analysis of rental trends in Ibadan North East from 2014 to 2024 revealed a consistent increase across all property types. For instance, the rental value of a self-contained room rose from ₦65,000 in 2012 to ₦150,000 in 2024, representing a 130.8% increase over the decade. Similarly, the rent for a two-bedroom flat increased from ₦100,000 in 2014 to ₦210,000 in 2024, while a three-bedroom flat saw a rise from ₦110,000 to ₦300,000 during the same period. Bungalows experienced the most significant growth, with rental values climbing from ₦250,000 in 2014 to ₦750,000 in 2024, a 200% increase. This upward trend underscores the growing demand for residential properties and the increasing cost of living in the area.

Table 4: Trend in Residential Property Rental Values in the Ibadan North

Types of Building	2014 #	2015 #	2016 #	2017 #	2018 #	2019 #	2020 #	2021 #	2022 #	2023 #	2024 #
A room tenement	25,000	30,000	35,000	40,000	45,000	45,000	50,000	50,000	55,000	55,000	55,000
A room and parlour tenement	50,000	50,000	55,000	55,000	60,000	60,000	60,000	65,000	65,000	65,000	70,000
2-bedroom flat	80,000	80,000	80,000	90,000	90,000	95,000	95,000	100,000	100,000	110,000	110,000
3-bedroom flat	100,000	110,000	110,000	110,000	110,000	120,000	120,000	130,000	130,000	140,000	150,000

Source: Author's computation from Estate Surveyors and valuers' Firms within Ibadan Metropolis.

In Ibadan North, the trend in residential property rental values exhibited a more gradual increase compared to Ibadan North East. The rent for a room tenement increased from ₦25,000 in 2014 to ₦55,000 in 2024, while a room and parlour tenement rose from ₦50,000 to ₦70,000 over the same period. A two-bedroom flat experienced a moderate rise from ₦80,000 in 2014 to ₦110,000 in 2024, and a three-bedroom flat saw an increase from ₦100,000 to ₦150,000. The relatively slower growth rates suggest that Ibadan North remains more affordable compared to its eastern counterpart, likely due to differences in location attractiveness and socio-economic factors.

Table 5: Trend in Residential Property Rental Value in Ibadan South East

Types of Building	2014 #	2015 #	2016 #	2017 #	2018 #	2019 #	2020 #	2021 #	2022 #	2023 #	2024 #
A room tenement	30,000	30,000	35,000	35,000	45,000	45,000	55,000	55,000	60,000	60,000	65,000
A room and parlour tenement	50,000	55,000	55,000	55,000	65,000	65,000	70,000	70,000	75,000	75,000	80,000
2-bedroom flat	100,000	100,000	110,000	110,000	130,000	130,000	150,000	150,000	170,000	170,000	200,000

3-bedroom flat	100,000	110,000	110,000	120,000	130,000	150, 000	150,000	170,000	180,000	200,000	250,000

Source: Author's computation from Estate Surveyors and valuers' Firms within Ibadan Metropolis

In Ibadan South East, residential property rental values followed a steady upward trajectory between 2014 and 2024. The rental value for a room tenement increased from ₦30,000 in 2014 to ₦65,000 in 2024, while a room and parlour tenement rose from ₦50,000 to ₦80,000 during the same period. The rent for a two-bedroom flat grew significantly, rising from ₦100,000 in 2014 to ₦200,000 in 2024. Similarly, the rental value of a three-bedroom flat saw a substantial increase, doubling from ₦100,000 to ₦250,000. These increments indicate rising demand and economic adjustments influencing property rents in the area, which likely reflect a growing population and urban development pressures.

Table 6: Trend in Residential Property Rental Values in Ibadan South West

Types of Building	**2014** #	**2015** #	**2016** #	**2017** #	**2018** #	**2019** #	**2020** #	**2021** #	**2022** #	**2023** #	**2024** #
A room tenement	30,000	30,000	35,000	35,000	45,000	45,000	55,000	55,000	60,000	60,000	65,000
A room and parlour tenement	50,000	55,000	55,000	55,000	65,000	65,000	70,000	70,000	75,000	75,000	80,000
2-bedroom flat	100,000	100,000	110,000	110,000	130,000	130,000	150,000	150,000	170,000	170,000	200,000
3-bedroom flat	100,000	110,000	110,000	120,000	130,000	150,000	150,000	170,000	180,000	200,000	250,000

Source: Author's computation from Estate Surveyors and valuers' Firms within Ibadan Metropolis

Ibadan South West also experienced a steady rise in rental values across property types from 2014 to 2024. A room tenement increased from ₦30,000 to ₦65,000, while a room and parlour tenement rose from ₦50,000 to ₦80,000 over the same period. The rent for a two-bedroom flat doubled from ₦100,000 in 2014 to ₦200,000 in 2024, and a three-bedroom flat rose from ₦100,000 to ₦250,000. The consistent rise across all property types highlights the growing desirability of the area and aligns with broader trends in the Ibadan metropolis regarding urban expansion and population influx.

Table 7: Trend in Residential Property Rental Value in Ibadan North West

Types of Building	2014 #	2015 #	2016 #	2017 #	2018 #	2019 #	2020 #	2021 #	2022 #	2023 #	2024 #
A room tenement	30,000	30,000	35,000	35,000	45,000	45,000	55,000	50,000	55,000	60,000	65,000
A room and parlour tenement	50,000	55,000	55,000	55,000	65,000	65,000	70,000	70,000	75,000	75,000	80,000
2-bedroom flat	100,000	100,000	110,000	110,000	130,000	130,000	150,000	150,000	170,000	170,000	200,000
3-bedroom flat	100,000	110,000	110,000	120,000	130,000	150,000	150,000	170,000	180,000	200,000	250,000

Source: Author's computation from Estate Surveyors and valuers' firms within Ibadan Metropolis.

The rental values for residential properties in Ibadan North West displayed a similar growth pattern to those in Ibadan South East and South West. The rent for a room tenement increased from ₦30,000 in 2014 to ₦65,000 in 2024, while a room and parlour tenement grew from ₦50,000 to ₦80,000 during the same period. A two-bedroom flat saw its rental value double from ₦100,000 to ₦200,000, and a three-bedroom flat experienced a rise from ₦100,000 in 2014 to ₦250,000 in 2024. These figures reflect the gradual appreciation of rental values over the decade, likely driven by increasing urbanization and demand for affordable housing options in the area.

Discussion of Findings

The trends observed in this study regarding residential property rental values from 2014 to 2024 highlighted consistent and varying patterns across different geographical locations. A common theme that emerged was the affordability crisis and the socio-economic dynamics shaping rental values in informal settlements. The rental values in Ibadan North East, North, South East, and South West exhibited significant upward trends across different building types, indicating increasing affordability challenges. For instance, in the Ibadan North East region, rental values for a room self-contained increased from ₦65,000 in 2014 to ₦150,000 in 2024. Similarly, a 3-bedroom flat rose from ₦110,000 to ₦300,000, illustrating the steep upward trend in rental values. In comparison, recent study noted similar trends in Ikeja, Lagos, where property conversions and growing demand in informal areas drove rental values up (Ankeli, 2023). The study's findings aligned with findings that reported higher rental values in Enugu's informal settlements, ranging from ₦12,000 to ₦42,000 annually, which contrasted sharply with formal areas where rents ranged between ₦120,000 to ₦250,000. This suggested a widening gap between formal and informal housing markets1. The economic characteristics of residents in informal settlements appeared to drive rental value trends significantly. In Ibadan North East, the majority of respondents (73%) earned less than ₦100,000 per month. This aligned with findings in Enugu, where the majority of residents were involved in low-income activities such as petty trading and informal transport (Okeke et al., 2021).

Similarly, observations in Jimma Town, Ethiopia, revealed that even middle-income groups opted for informal settlements due to high rental prices in formal housing markets, driven by speculative land acquisition and government inefficiencies(Jimmy, 2024). This pattern reflected a broader narrative of limited economic opportunities pushing lower-income households into informal housing markets, leading to increased competition for substandard housing options. Infrastructural deficits also contributed to the observed rental trends. The Ibadan North East region, for instance, exhibited low levels of access to essential amenities such as potable water, healthcare, and electricity, aligning with observations of low electricity access (28.25%) in Enugu informal settlements1. Poor infrastructure planning in Abeokuta also influenced informal housing, with 59.9% of residents citing affordable land acquisition as a primary reason for residing in informal settlements (Nchor, 2022). These infrastructural challenges, such as poor road networks and inadequate access to electricity, were likely key contributors to the relatively lower rental values in informal settlements when compared to more formal housing markets. Rapid urbanization and population growth have further exacerbated the expansion of informal settlements. Studies in Yangon and Nairobi highlighted the inadequacy of formal housing policies in meeting the demand from growing urban populations (Agayi & Karakayacı, 2020; Naing, 2021). In Kibera, inclusionary housing models that leveraged land value capture were proposed to address affordability, prevent displacement, and promote long-term sustainability, a model largely absent in Nigeria (Wide, 2024). This study supported these findings, showing the continuing prevalence of informal settlements due to insufficient formal housing interventions. Furthermore, varying government approaches to informal settlements had different outcomes on rental trends. A study in Ethiopia documented resistance to government interventions like settlement formalization and demolition, which contrasted with findings in Kibera emphasizing collaboration with local communities to achieve sustainable slum upgrading (Alemayehu, 2008; Tesfay, 2016). The latter approach supported gradual integration of informal settlements into formal urban frameworks without significant dislocation, unlike the more rigid approaches seen in Ethiopia. Statistical analyses reinforced these findings, demonstrating a clear link between socioeconomic factors, infrastructural challenges, and policy interventions. In Ikeja, Structural Equation Modeling revealed that property use conversions explained 67% of urban rental activities (Ankeli, 2022). Descriptive statistics highlighted the correlation between affordability and infrastructural deficits, while factor analysis showed that education, employment, and income levels were significant predictors of informal housing development. These analytical approaches underlined the complex interplay of various factors contributing to rental value trends in informal settlements.

The findings suggested that poverty was the most significant factor across all the LGAs, with a mean score of 4.34, 5.45, 2.98, 2.98, and 3.45, respectively. These findings aligned with those that emphasized that low-income households are a primary population in informal settlements due to limited access to formal housing markets (Mottelson, 2023). In Enugu, it was found that 91% of the respondents were migrants from rural areas, with 82.5% relying on informal employment such as petty trading (Ezeaku et al., 2023). Similarly, it was observed that informal settlements attracted economically active adults with limited financial resources (Richards et al., 2007). This shared perspective highlighted the role of socioeconomic status in perpetuating informal settlements. The second most influential factor identified in this study was rapid urbanization and the influx of people into Ibadan metropolis, which had mean scores of 4.26, 5.42, 2.98, 2.98, and 3.42, respectively. These findings were consistent with studies attributing the rise of informal settlements in Ethiopia and Myanmar to urban population growth and migration pressures (Forbes, 2019). In these contexts, institutional weaknesses and ineffective land administration exacerbated the challenges of accessing formal housing. For instance, it was highlighted that the lack of effective urban planning and outdated legal frameworks forced people into informal settlements due to inadequate formal housing options.

Further corroborating these findings, the role of poor land use regulations and weak government control was noted in restricting middle-income groups' access to affordable housing (Yap, 2016). Ineffective housing policies were another key factor influencing rental values, with mean scores of 4.22, 4.07, 2.88, 2.88, and 3.07 across the LGAs. These findings aligned with studies emphasizing the role of weak governance structures and absent housing policies in Nairobi's informal settlements (Jimmy, 2024). Inadequate land administration and ineffective policy frameworks hindered affordable housing provision, forcing vulnerable populations to rely on informal settlements. Similarly, it was noted that housing conditions in Ibadan were exacerbated by the absence of effective housing policies, particularly in relation to land value capture and poor public sector management (Obakin et al., 2024). The informal land market also significantly influenced rental values, with mean scores of 4.19, 4.98, 2.69, 2.69, and 2.98. These findings reflected trends observed in Ikeja, Nigeria, where informal land markets contributed to the rise of informal settlements due to limited formal housing options (Ismail et al., 2024). In this study, middle-income groups engaged in property conversions for investment purposes, despite facing financial constraints. This revealed that informal land markets often created conditions that encouraged the growth of informal settlements. Discrimination and marginalization had mean scores of 4.19, 3.89, 2.58, 2.58, and 2.89, indicating that social exclusion further reinforced the persistence of informal settlements. These results aligned with findings that identified discrimination and marginalization as significant contributors to the persistence of informal settlements in Nairobi5. Inefficient public administration and environmental management, with mean scores of 4.19, 3.79, 2.56, 2.56, and 2.79, corroborated these findings, emphasizing poor governance in addressing environmental and administrative challenges. The high cost of building materials had mean scores of 4.18, 3.48, 2.40, 2.40, and 2.48, reflecting the financial constraints faced by residents in accessing formal housing. This aligned with studies noting that high building costs restricted access to formal housing, pushing many toward informal settlements (Mottelson, 2023). Conflict and natural disasters also featured prominently, with mean scores of 4.18, 3.18, 2.23, 2.23, and 2.18, further demonstrating how environmental factors exacerbated the challenges of informal housing. The findings of rapid industrialization, with mean scores of 4.03, 3.03, 2.12, 2.12, and 2.03, were comparable to those highlighting the environmental degradation caused by industrial activities in Nairobi's informal settlements. Lastly, the lack of good financing schemes for housing projects had mean scores of 4.01, 3.01, 2.10, 2.10, and 2.01, confirming that inadequate financial mechanisms hindered efforts to address informal settlements, as noted in studies.

Conclusion and Recommendations

The trends in residential property rental values in informal settlements in Ibadan reflect significant increases over the past decade, particularly for properties such as self-contained rooms, two-bedroom flats, and bungalows. The highest rate of increase was observed in Ibadan North East, where rental values for properties like two-bedroom flats increased from N100,000 in 2014 to N210,000 in 2024. This upward trend in property rental prices reflects both increased demand and the effects of urbanization on the property market.

The following recommendations are made for this study:

1. The government should implement and enforce effective housing policies aimed at addressing the housing deficit in Ibadan metropolis. This includes providing incentives for formal housing development, regulating informal land markets, and ensuring affordable housing schemes for low-income earners.
2. Local government authorities should prioritize the provision of essential infrastructure, including water supply, sewage systems, electricity, and waste management, in informal settlements to improve the quality of life and reduce overcrowding.
3. Community-based programs should be developed to enhance the income levels of informal settlement residents through skills acquisition, financial literacy programs, and micro-finance schemes. This will enable residents to invest in improving their living conditions.

References

1. Aboulnaga, M. M., Badran, M. F., Barakat, M. M., Aboulnaga, M. M., Badran, M. F., & Barakat, M. M. (2021). Global informal settlements and urban slums in cities and the coverage. *Resilience of informal areas in megacities–magnitude, challenges, and policies: Strategic environmental assessment and upgrading guidelines to attain sustainable development goals*, 1-51.

2. Afinowi, T. A. (2018). *Sustainable Housing Through Urban Renewal in Contemporary Lagos* (Doctoral dissertation, University of the Witwatersrand, Faculty of Engineering and the Built Environment, School of Architecture and Planning).

3. Agayi, C. O., & Karakayacı, Ö. (2020). Challenges to urban housing policies implementation efforts: The case of Nairobi, Kenya.

4. Agayi, C. O., & SAĞ, N. S. (2020). An evaluation of urban regeneration efforts in Kibera, Kenya through slum upgrading. *IDA: International Design and Art Journal*, *2*(2), 176-192.

5. Akirso, N. A. (2021). Exploring causes and consequences of squatter settlement in Jimma Town, Oromia Regional State, Ethiopia. *International Journal of Sociology and Anthropology*, *13*(2), 58-63.

6. Alemayehu, E. Y. (2008). *Revisiting "Slums", Revealing Responses: Urban upgrading in tenant-dominated inner-city settlements, in Addis Ababa, Ethiopia*.

7. Andersen, H. S. (2002). Excluded places: the interaction between segregation, urban decay and deprived neighbourhoods. *Housing, Theory and Society*, *19*(3-4), 153-169.

8. Anierobi, C. M., Nwalusi, D. M., Efobi, K. O., Nwosu, K. I., Nwokolo, N. C., & Ibem, E. O. (2023). Urban Housing Inequality and the Nature of Relationship Between Formal and Informal Settlements in Enugu Metropolis, Nigeria. *Sage Open*, *13*(3), 21582440231192390.

9. Ankeli, A. I. (2022). Influencing factors of property use conversion and residential properties rental value trend in Ikeja, Nigeria. *International Journal of Real Estate Studies*, *16*(2), 118-128.

10. Ankeli, I. A. (2023). *Influence of land use conversions on property rental values in South West, Nigeria* (Doctoral dissertation).

11. Baqai, A. N., & Ward, P. M. (2020). Renting and sharing in low-income informal settlements: lacunae in research and policy challenges. *Current Urban Studies*, *8*(3), 456-483.

12. Binder, L. (1986). The natural history of development theory. *Comparative studies in society and history*, *28*(1), 3-33.

13. Brautigam, D. (1997). Substituting for the state: Institutions and industrial development in Eastern Nigeria. *World development*, *25*(7), 1063-1080.

14. Ekandem, E. S., Daudu, P. I., Lamidi, R. B., Ayegba, M. O., & Adekunle, A. (2014). Spontaneous Settlements: Roles and Challenges to Urban Planning. *Journal of Sustainable Development Studies*, *6*(2).

15. Ezeaku, O. D., Obi-Ani, N. A., & Ikem, O. A. (2023). Streets Sides: Encounters with Migrant Women Beggars in Enugu City, Southeast Nigeria. *Nsukka Journal of the Humanities*, *31*(2), 61-77.

16. Nchor, J. U. (2022). *Housing problems and vulnerability in Nigeria's informal settlements* (Doctoral dissertation, Newcastle University).

17. Forbes, E. (2019). Migration, informal settlement, and government response: The cases of four townships in Yangon, Myanmar. *Moussons. Recherche en sciences humaines sur l'Asie du Sud-Est*, (33), 95-117.

18. Gereffi, G. (1993). *The international economy and economic development*. Duke University Program in Political Economy.

19. Ismail, N. A., Adu-Ampong, E. A., & Aceska, A. (2024). The making of urban informal settlements: Critical junctures and path dependency in governing Abuja, Nigeria. *Cities*, *147*, 104789.

20. Jelili, M. O., Ajibade, A. A., & Alabi, A. T. (2023). Informal urban migrant settlements in Nigeria: environmental and socioeconomic dynamics of Sabo, Ibadan. *GeoJournal*, *88*(2), 2045-2062.

21. Jimmy, E. N. (2024). *Reconsidering informality: Informal housing practices, illegal actors, and planning response strategies within middle-income neighbourhoods in Nairobi city Kenya*.

22. Leslie, H. H., Sun, Z., & Kruk, M. E. (2017). Association between infrastructure and observed quality of care in 4 healthcare services: a cross-sectional study of 4,300 facilities in 8 countries. *PLoS medicine*, *14*(12), e1002464.

23. Mottelson, J. (2023). On informal housing supply restrictions and livelihood in informal settlements: Implications for sustainable development. *Sustainable Development*, *31*(5), 3566-3578.

24. Naing, M. (2021). Influencing factors for the growth of informal rental housing in Yangon, Myanmar. *Current Urban Studies*, *9*(1), 40-65.

25. Naing, Y. M. (2022). *Study on Community-led Approach in Social Housing Development for Low-income People in Yangon City, Myanmar*.

26. Nchor, J. U. (2022). *Housing problems and vulnerability in Nigeria's informal settlements* (Doctoral dissertation, Newcastle University).

27. Nzau, B., & Trillo, C. (2019). Harnessing the real estate market for equitable affordable housing provision through land value capture: Insights from San Francisco city, California. *Sustainability*, *11*(13), 3649.

28. Nzau, B., & Trillo, C. (2020). Affordable housing provision in informal settlements through land value capture and inclusionary housing. *Sustainability*, *12*(15), 5975.

29. Obakin, O. A., Afolami, S. K., & Akande, O. K. (2024). Causative factors of Abandoned Urban Housing Projects and Strategies for Revitalization in Ibadan, Nigeria. *Journal of Contemporary Urban Affairs*, *8*(2), 582-602.

30. Okeke, F., Echendu, I., & Rosemary, N. O. (2021). Determinants of intra-urban travel in southeast Nigeria, evidence from the city of Enugu. *Transport Problems*, *16*(4), 185-198.

31. Opoko, A. P., Oluwatayo, A. A., Ezema, I. C., & Opoko, C. A. (2016). Residents' perception of housing quality in an informal settlement. *International Journal of Applied Engineering Research*, *11*(4), 2525-2534.

32. Richards, R., O'Leary, B., & Mutsonziwa, K. (2007). Measuring quality of life in informal settlements in South Africa. *Social indicators research*, *81*, 375-388.

33. Scheba, A., & Turok, I. (2020). Informal rental housing in the South: dynamic but neglected. *Environment and Urbanization*, *32*(1), 109-132.

34. Tesfay, M. W. (2016). *The challenges of current urban upgrading projects in Addis Ababa, Ethiopia* (Master's thesis, NTNU).

35. Wide, C. (2024). *Housing finance models for households within Kenya's Urban informal settlements: A case study of Kibera in Nairobi*.

36. Yap, K. S. (2016). The enabling strategy and its discontent: Low-income housing policies and practices in Asia. *Habitat International*, *54*, 166-172.

37. Zerbo, A., Delgado, R. C., & González, P. A. (2020). Vulnerability and everyday health risks of urban informal settlements in Sub-Saharan Africa. *Global Health Journal*, *4*(2), 46-50.