

Relationships and Potentials of Proximate Property Markets: The Case of Aba and Port Harcourt in Nigeria

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Abstract

Unavoidably, the geographical proximity of urban spaces creates relationships which impact their development. One such relationship is economic in nature and this is reflected by production, investment and market activities. Since these activities have implications for development in the property sector, this paper examines the relationships between the proximate property markets of Aba and Port Harcourt. For the purpose of contextualising the influence of proximity on these markets, a survey of property practitioners within the study location was carried out. A 5-point Likert-scale questionnaire was deployed for the data collection. The analysis was done using the weighted mean score statistical approach. The results reveal Port Harcourt is a larger and more resilient property market; also a larger economy which supplies input to Aba whilst receiving the latter's output. But Aba's manufacturing economy surprisingly demonstrates a per capita GDP parity with Port Harcourt's oil-driven economy. Lastly, proximity of the two cities' would have impacted the environs to a greater extent had the seaport been in productive use over the years. The study recommends the strengthening of these property markets and economies by optimisation of the advantages of proximity.

Keywords: Aba; Geographical proximity; Nigeria; Port Harcourt; Property markets; Real estate

1. Introduction

The urban property market is one of many types of market which may exist in an urban economy. Unlike markets for merchandise, it is a specialised market whose role extends beyond mere exchange. Its difference is because it is a basic input to production (Jin *et al.*, 2018). This makes the property market integral to the urban economy, with the potential to impact development in the entire system. The connection of property markets with economic activity suggests that thriving property markets would be associated with flourishing economies and *vice versa*.

A difference should be drawn between the property industry and the property market. The latter is a part of the former, a much larger entity. The property industry produces capital goods in heterogeneous units, also known as property. The industry is stimulated by, and responds to, the general business environment. Ordinarily, this means that the general level of business profitability and the expectations which they raise, determine the level of activity in the property industry: more industry production would take place, the better the prospects for businesses. The employment opportunities provided by the industry boost productivity, which stimulates property demand, through improvements in business potential and expectations. The industry's output usually ends up in the property markets where the production impact of the property industry is mostly felt.

Since markets perform an allocation function (Dowall, 1993), the price mechanism is the basis of decisions made by producers and suppliers on the one hand, and buyers and suppliers, on the other. The need for further production activity is rationalised in the market. This occurs after determination of the value of what has been produced, and therefore, the profitability of entrepreneurship. The production decision is profit-driven, and where profit cannot be achieved, further production would be difficult to justify. A decline in property production due to falling demand or lower profit would be associated with a decline in the expansion rate of businesses as expectations fall. The same situation of decline would occur if businesses start experiencing a fall in customer demand for their products and services. This shows that there is an interdependence between the property market (industry) and the economy. Thus, property markets constitute a strong stimulus to growth and development in cities.

For certain reasons, the property industry and property markets are essentially urban in character. A profit-driven property industry would logically be strong where demand is high. This tends to be in urban areas where economic activity and incomes are higher relative to rural areas. The property market is also a strong urban phenomenon because it follows the industry and would be resilient where the industry is most active. Because property is a fixed resource, its usefulness is limited by location. Thus, the desire to own property, the need to use property, and the motivation to exchange rights in property, will tend to be locally driven.

Markets necessarily characterise urban economies because a city "*takes the form of an agglomeration of producers and consumers who are mutually dependent for goods and services*" Lean & Goodall (1983:119). Basically, by means of the avenue of exchange, the wants within an urban system are satisfied by interactions between its producers and consumers. The inter-reliance between a city's markets and its economy means that a study of the former would substantially involve the latter. This is because the economy, as a system, produces goods and services, the bulk of which must necessarily be exchanged for the sustenance of the system. Of

the range of produced goods and services available in a system, property stands out as a capital good and a supplied service which constitutes an input in subsequent production and supplies of services by all categories of producers and suppliers. Therefore, the state of the urban economy is essentially reflected by its markets, particularly its property market.

Although cities may either be closely or distantly positioned from each other, they do not exist in isolation. Since cities are usually not self-sufficient, engaging in exchange is a necessity. This applies particularly to cities which exist in close proximity. Geographical proximity or neighbouring distance can intensify inter-city economic exchanges because cost advantages arise from distance and time. By neighbouring distance is meant a travel distance which is easy to accomplish because it is reasonably short, not time-consuming and economical in terms of cost. Proximity is an economic advantage if it is accompanied by easy accessibility for the movement of goods and people, thereby heightening the level of exchange. Economic exchanges between proximate cities may involve mobile factors of production such as labour, capital, technology, and managerial capacity (Henderson, 2010). Where accessibility makes it possible for additional customers to come into a city for goods and services, producers may be encouraged to specialise and thereby achieve the advantage of production efficiency by delivering improved products to a larger market (Lean & Goodall, 1983).

Cities are agglomerations of producers and consumers. Within the regional space, they have the potential to stimulate, nurture and sustain spatial development. Avis (2019, p.3) defines an urban agglomeration as *“The population of a built-up or densely populated area containing the city proper, suburbs and continuously settled commuter areas or adjoining territory inhabited at urban levels of residential density. Large agglomerations often include several distinct but functionally linked cities”*.

The justifications for this study are five-fold. First, Aba and Port Harcourt are amongst Nigeria’s most productive urban economies whilst the Aba-Port Harcourt region is an important part of the petroleum extraction industry, Nigeria’s economic mainstay for the past half-century. By status, they are important for investment and economic development. They were also economic growth centres of the old Eastern Region, first generation townships, first generation rail and road transportation nodes; and a commercial history dating to the early 20th century. Second, despite the cities’ economic importance, there is limited information about their property markets, particularly Aba, whose high manufacturing and business productivity should suggest a resilient property market. The information dearth on the two markets accentuates the existent information dearth on Nigeria’s property market which has been remarked by Jones Lang LaSalle, (2016; 2018; 2020) amongst others. It is important to find out whether or not the productivity of these two economies is reflected by their property sectors. Thirdly, property research in Nigeria has tended to be mainly intra-market, rather than inter-market, meaning that there is limited research which compares city with city. As a result, the Nigerian property market has been described as being inadequately researched and in need of more comparative studies (Onwuanyi & Oyetunji, 2021). Thus, this study contributes to filling the gap in comparative inter-urban research. Fourthly, urban economies have a potential not only to impact each other, but also, the regional and national spaces. Policies which are designed to impact the Aba-Port Harcourt region would have better chances of success if there was more knowledge of the relationships and potentials of

these clusters. Research by Lawal & Kalu (2018) reveals that “*economic activity across the country is significantly dominated by a handful of major urban agglomerations*” making it important for policy makers to understand the need for “*evidence-based economic and regional development policies*” (Lawal & Kalu, 2018:p.22).The economic prominence and geographical positioning of Aba and Port Harcourt suggests a strong potential to impact regional development. It is important to find out if this potential exists and the extent to which it has been so far realised.

Following from the issues highlighted in the introduction, the objectives of the study are to:

- (1) Ascertain the comparative statuses of these neighbouring property markets;
- (2) Appraise the relationship between the two neighbouring economies and neighbouring property markets; and
- (3) Assess the relationship between these proximate agglomerations and the surrounding areas.

After this introduction, the scope of study is defined. This is followed by a literature survey. Thereafter, the methodology of the study is explained and the study area described. The field survey results are then presented and these form the basis of the discussion. The practical implications are identified, the conclusion drawn and recommendations made.

2. Scope of the Study

This study is about the relationships, potentials, reciprocal and spatial impact of the Aba and Port Harcourt property markets in Nigeria’s south. Aba and Port Harcourt are described as proximate cities because of their location within a distance of barely sixty kilometres of each other. They are described as regional economic clusters because they are amongst the most economically established cities of Nigeria’s south. Aba and Port Harcourt are seen as constituting a region, which is henceforth described the Aba-Port Harcourt region. This reading is rationalised by the fact that economic activity in the area recognises no physical barrier. Additionally, the division of the region into different state jurisdictions is at best an artificial barrier which does not prevent these agglomerations from impacting the region and being impacted by the region in return. This tallies with Lean & Goodall’s (1983) view that “*cities grow...in order to discharge functions for the surrounding countryside*”.

Being essentially a study of property markets, the investigation surveys estate surveyors and valuers who practise in the study areas. A premise of the study is that the tempo of general business activity drives the tempo of property market activities,so neighbouring property markets should have business linkages and a relationship with surrounding areas.

3. Literature Review

Every urban unit, town or city, is the outcome of the urbanisation process. Like many other countries, Nigeria is becoming increasingly urbanised as the number of people who reside in cities continues to grow. This development has implications for urban economies and markets, particularly property markets. With urbanisation comes larger markets, a greater demand for goods and services, rising production levels, higher incomes, specialisation and economic expansion. The property industry is usually a major factor in bringing about, and sustaining, these changes. It is a strong impetus to the growth and development which make cities great

contributors to regional and national development. This comes through decisions which are taken in cities as centres of production, distribution and exchange.

Bloch *et al.*(2015, p.4) distinguish urbanisation from urban growth by defining the former as referring to “*an increase in the proportion of a country or region’s population residing in urban settlements, while ‘urban growth’ refers to an increase in the absolute size of a country or region’s urban population*”. This means that urban growth is the outcome of sustained urbanisation. Henderson (2010) believes that urbanisation and economic development are interconnected, but whilst urbanisation does not necessarily lead to economic development, economic development is not possible without sustained urbanisation.

Real estate can drive not only urban transformation, but also, economic transformation. As centres for economic decision-making, cities are the harbingers of transformation. In Gillespie’s (2020) study, there is an exploration of the positive role of real estate in the urban transformation of Accra as has been the case in the Lagos metropolis. Significant urban transformation is facilitated by a transformed urban economy as is evidenced by the case of early 21st century Lagos. According to Filani(2012), revenues for the transformation came from taxes raised from a city whose economy had grown to that level of contributing not less than a quarter of Nigeria’s GDP (Akabueze, 2016).

Urban areas are associated with economic development, particularly as they tend to have better facilities and their inhabitants better incomes and a higher standard of living than rural areas. Since cities are contained within the regional space, it is obviously the case that urban economic development is associated with regional economic development. Urban economic development does not occur in isolation basically because cities are not self-sufficient. The necessity of inter-urban developmental co-operation is advocated by Birch *et al.*s. (2012) stated that there is an urgency for cities to engage “*in information transfer amongst themselves rather than rely solely on top-down, state-driven development, but act as entrepreneurs, reaching out to one another to share the best practices and knowledge necessary to foster positive innovation, competition and development*” (Birch *et al.*,2012:p.7-8). The authors further state that there is a developmental advantage to cities sharing knowledge because there is “*a close relationship between the successes and failures of urban areas, and social and economic development outcomes at the nation and state level*” (Birch *et al.* 2012, p.8). This is an important point for policy makers who are responsible for regional and national development. The import here is that cities are agents of growth and development, for as they grow they specialise, and as they specialise they engage in exchange to a greater degree. This creates efficiency, expands incomes, creates the opportunity for more investment which produces economic growth and development. In macroeconomic terms, economic development is a transformational process which affects the quality of life by improving incomes and livelihoods. Associated with this state is increased productivity and a higher standard of living. Such development comes about through macroeconomic policies designed to achieve specific government objectives as well as influence microeconomic decisions which mainly take place in cities as centres of production and exchange.

According to Country Studies (1981), aside from cities being independent centers of concentrated human population and activity; they also exert a strong influence on the surrounding rural landscape. But cities also have a capacity to impact each other. This may come

as opportunities to supply to each other input such as raw materials, skilled and unskilled labour; technology and capital. The capacity of cities to impact each other as well as the regional space should be potentially greater where they are located within a neighbouring distance. This potential should exist in the case of Aba and Port Harcourt between which there is a travelling distance of 54 kilometres. Where cities are closely located, there will be the additional advantages of association such as goods produced in one location being sold in the other; and greater employment and career opportunities for residents of both cities. This aligns with Tobler's (1979) first law of geography which postulates that everything is related to everything else, but that adjacent things are more related than distant things. In support of Tobler's postulation, research by Amidi & Majidi (2020) confirms that "*a country's economic growth is actually affected by the performance of its neighbours and trade partners*" because "*interactions among regions with close spatial positions are quite relevant*" (Amidi & Majidi 2020, p.49). This observation logically applies also to neighbouring urban centres which also are constituents of the regional and national spaces. Furthermore, taking a region as a locality, and given the interconnection between property markets and the economy, a regional property market would not only reflect the region's economic status, but also could impact its economic development. Thus, the connection between property markets and the economy can be said to exist in urban, regional and national dimensions.

Although the concept of clustering also refers to habitation arrangements within the urban space, the concern here is with the positioning of urban entities within the regional space. In research by Lawal and Kalu(2018) where GDP was used to measure the geographic distribution of economic activity across Nigeria, the authors state that: "*an understanding of the centre of economic activity across an area could help in decisions on siting growth or economic hubs(as the case may be) which could further support economic development in the country*" (Lawal & Kalu,2018,p.3).The authors believe that this would provide evidence to support policy capable of stimulating socio-economic development in a most effective manner.

In sum, the following points are revealed by the literature review.

First, the interconnection between urban property markets and the urban economy effectively creates a relationship between economic prosperity and property market resilience. Thus, property markets essentially reflect the status of the economies which sustain them. Second, it is normal and mutually beneficial for cities located within a neighbouring distance to have close economic interactions because cities are not usually self-sufficient. Third, cities as centres of economic decision-making have the potential to impact, and be impacted by, surrounding areas. As such, urban economic development, the outcome of a sustained urbanisation, has the potential to impact regional and even national economic development. Fourth, in the case of Nigeria where research indicates that the pattern of economic activity is influenced by a few economic agglomerations (Lawal & Kalu, 2018), the geographical positioning of economic agglomerations within a region is important to the successful execution of regional policy. This factor should not be ignored in policy formulation.

4. Methodology

The research approach of the study involved the ascertainment of perceptions of the two property markets. This was done by means of a survey in which a questionnaire was administered to

repondents. Given the nexus between property markets and economy, twenty-four questions were generated with a view to ascertaining whether these relationships feature in the study areas. The questionnaire consists of three sections: the first compares the two markets; the second, the two economies; and the third, the surrounding areas. Being a property market study, the target group consisted of practising property practitioners, estate surveyors and valuers in the study areas. The respondents were drawn from a published list of members of the Nigerian Institution of Estate Surveyors and Valuers who are based in Aba and Port Harcourt. The questionnaire was administered to individual estate surveyors and valuers in the two locations, rather than firms, because perceptions are essentially obtained from personal experience and, are therefore, individually held. The target group was chosen for three reasons. First, the group has a knowledge of these neighbouring property markets, their economies and the region. Secondly, their function as property investment and development advisers makes them conversant with the link between the economy, business profitability and property markets resilience. Thirdly, their business presence in, and experience of, the Aba-Port Harcourt region gives them the capacity to assess the regional economic relevance of these two property markets. Other data was sourced from studies, articles, the media and the archives. Table 1 displays the basis of administration of the questionnaires and the subsequent analyses.

Table 1: Administered and Retrieved Questionnaires

Study Area	Sample Population: Estate Surveyors*	Questionnaire		
		Administered	Retrieved	Valid for analysis
Aba	30	30(100.00 %)	25(83.34%)	20(80.00 %)
Port Harcourt	110	110	90	85
Total	140	140	115	105

* Nigerian Institution of Estate Surveyors and Valuers, 2020)

Source: Author's Fieldwork, 2021

The number of questionnaires retrieved averaged above 80% of the number administered whilst those found to be valid were also above 80% of the number retrieved. This was thought to be a good indication that the results is a valid representation, and therefore, relevant to achievement of the aim of the study.

The respondents were required to indicate the extent of their agreement or disagreement with the questions. Since this method seeks respondents' perceptions, it was thought best that allowing each respondent to weight his answer would enhance the chances of achieving results from which realistic inferences can be made. The analysis was done using the Weighted Mean Scores(WMS).This method allows the respondents to weight their responses on a five-point scale according to the extent of their agreement with each statement..

The formula for the Weighted Mean Score (WMS) calculations is as follows:

$$WMS = \frac{5n_5 + 4n_4 + 3n_3 + 2n_2 + n_1}{n_5 + n_4 + n_3 + n_2 + n_1}$$

This equation states that the Weighted Mean Score is obtained by multiplying the number of responses for each statement with its ascribed weighting on the scale before dividing by the total number of respondents in the survey. In this survey which uses a 5-point Likert-style scale, the weighting system is as follows: the highest weight for agreement is 5 for (*Strongly Agree*); followed by 4 for (*Agree*); then 3 for (*Undecided*); (2) for *Disagree* and, finally, (1) for *Strongly Disagree*. Thus, the highest possible weighted mean score (WMS) response would be 5. This would occur where respondents, without any exception, strongly agree on an issue. Where responses vary, the weighted mean will always be less than 5. The lowest possible weighted mean would be 1 (which is indicative of the highest possible level of disagreement). The weighted mean of each statement in the table lies between these two extremes of 5 and 1.

Classification of the scores is a very important aspect of this study. To provide for a more meaningful interpretation of the results, this study adopts and adapts the classifications explained in Table 2. The classification is patterned after the grading system used in Nigerian universities.

Table 2: Measurement Criteria for Weighted Mean Scores

Mean Score Range	Categorisation
4.50 - 5.00	Highly Significant
3.50 - 4.49	Significant
2.40 - 3.49	Moderately Significant
1.50 - 2.39	Somewhat Significant
1.00 - 1.49	Less Significant
0.00 - 0.99	Not Significant

Source: Authors' Analysis, 2021

4.1 The Study Areas

In common with many Nigerian urban centres, Aba and Port Harcourt developed into towns under colonialism because they fitted into the British trade and resource extraction policies. This explains their early status as railway towns and administrative centres.

4.2.1 Aba

Aba is located along the west bank of the Aba River. It was a rural market settlement which, in 1901, also became a British military post from which it grew into a township, an administrative division and a location for prominent colonial era merchants. Aba has been noted more for the absence than the presence of governance (Onwuanyi & Chima, 2020). The city's situation which has persisted since the end of the civil war has also been remarked by Offoaro (2012); Nwogu (2016) and Olawoyin (2020). Offoaro (2012) reports about impassable roads, heaps of filth and blocked drainages and interviews of residents who generally confirm that there is little evidence of government presence in the city. The highest representation of governance in Aba is in its status as a local government headquarters.

4.2.2 Port Harcourt

Port Harcourt City is located on the Bonny River. It was created as a settlement by the British colonialists in 1912. The port was built for the purpose of exporting coal from the Enugu which is 203 kilometres from Aba and 257 kilometres from Port Harcourt. With the discovery of petroleum deposits at Oloibiri in 1956, the economy of Port Harcourt changed from commerce to oil and has so remained. Abundant evidence of government presence in Port Harcourt include its status as a state capital, seat of the oil industry, the seaport, international airport, ministries, the University of Port Harcourt, roads and buildings, the petroleum refinery and the petrochemical complex. One of the city's two local governments, Obio-Akpor, is the highest-revenue earner in the entire country, mainly due to the presence of oil industry activities in its jurisdiction.

The study areas belong to different sub-national units (Aba is in Abia State whilst Port Harcourt is in Rivers State; and different geo-political units (Abia is South-East whilst Rivers is South-South. For three reasons, this study only acknowledges, but does not emphasise, these differences. Firstly, this study is about economic activity upon which these differences do not impose direct limits. As such, there are no boundaries to investment activities and economic interactions within the regional space. Secondly, both cities originally belonged to the pre-1967 Eastern Region under Nigeria's old administrative structure. Thirdly, since proximity is an issue, the concern here is more about the city region than the individual cities. Besides, Bloch *et al.* (2015:12) drive home an important connection between Aba and Port Harcourt by stating that: "The colonial powers encouraged the urbanisation of Eastern Nigeria, through the creation of four major cities for the processing and export of raw materials: Port Harcourt, Aba, Enugu and Owerri". There is little reason to doubt that these cities, particularly Aba and Port Harcourt which are geographically proximate, are no longer of consequence to the development of the region.

5. Results

In Table 2 is shown the perceptions of property practitioners in both cities. These perceptions were elicited from the respondents which were based on the weighting system explained earlier. The weighted responses were converted to the Relative Importance Index and ranked according to the extent of significance according to the scale of significance adopted in the study.

Table 3: Perceptions of Property Practitioners

S/N	<i>The Two Property Markets</i>	<i>Individual Mean Scores</i>		<i>Combined Average</i>	<i>Overall Ranking</i>
		<i>Aba</i>	<i>Port Harcourt</i>		
01.	Aba's property market is negatively affected by its poor environment and infrastructure	4.75	4.27	4.51	Highly Significant
02.	PH's better environment & infrastructure positively affects its property prices	4.90	4.48	4.69	Highly Significant
03.	Property prices are generally higher in Aba than PH	1.15	1.21	1.18	Less Significant
04.	The lower numbers of estate surveyors &	4.55	3.00	3.76	Significant

	valuers in Aba relative to PH is attributable to its less buoyant property market				
05.	The Aba property market is larger than that of PH	1.00	1.61	1.31	Less Significant
06.	Business property demand in Aba is influenced by PH's demand for Aba's manufactured goods	1.30	1.89	1.60	Somewhat Significant
07.	Aba's property market yields better returns than PH's	1.35	1.79	1.57	Somewhat Significant
08.	PH-based property investors usually do not see Aba as a viable location	3.95	3.96	3.96	Significant

<i>The Two Urban Economies</i>		<i>Individual Mean Scores</i>		<i>Combined Average</i>	<i>Overall Ranking</i>
		<i>Aba</i>	<i>Port Harcourt</i>		
09.	Aba survives almost entirely without government attention	4.90	4.09	4.46	Significant
10.	PH's prominence is due mainly to government investment and institutions	4.60	3.35	3.96	Significant
11.	Aba is more industrially productive than PH	4.00	3.82	3.91	Significant
12.	Business relationships exist between Aba & PH	4.80	4.03	4.42	Significant
13.	Aba industries obtain raw materials from PH	4.10	3.23	3.67	Significant
14.	Aba needs PH's market for sale of its production output	4.55	3.96	4.26	Significant
15.	PH is better for business than Aba	3.70	2.74	3.22	Moderately Significant
16.	Aba-based investors see PH as a viable location	3.45	3.89	3.67	Significant

<i>The Surrounding Areas</i>		<i>Individual Mean Scores</i>		<i>Combined Average</i>	<i>Overall Ranking</i>
		<i>Aba</i>	<i>Port Harcourt</i>		
17.	The proximity of Aba and PH constitutes a regional economic advantage	3.80	3.14	3.47	Moderately Significant
18.	Inter-city and inter-state co-operation policies can vastly prosper Aba & PH	4.30	3.82	4.06	Significant
19.	Aba products are sold more in PH than PH's are sold in Aba	4.35	3.85	4.1	Significant
20.	Re-opening of PH's closed port will boost the PH and Aba economies	4.40	4.21	4.31	Significant
21.	Aba can survive without Port Harcourt	3.20	2.78	2.99	Moderately

					Significant
22.	Port Harcourt and Aba have aided the growth of surrounding areas	4.30	4.14	4.22	Significant
23.	The surrounding areas have contributed to the growth of Aba and PH	4.50	4.07	4.26	Significant
24.	PH can survive without Aba	4.00	3.21	3.61	Significant

Source: Authors' Fieldwork, 2021

In Table 3, the questions are stated, then the weighted mean scores (WMS) for each location. This is followed by the combined average WMS for both locations and their categorisation using the scale in Table 2. There is no single issue on which there is a total agreement by respondents, hence all the mean scores are less than 5. A summary of the findings is as follows.

- (1) Environment and infrastructure impact Port Harcourt's property market positively, but not Aba's.
- (2) There are interactions between the two urban economies, but Aba's is primarily *laissez faire* whilst Port Harcourt's benefits from government activities and investment in infrastructure and services.
- (3) The two cities impact the surrounding region and each other, but this is greater for Port Harcourt.

6. Discussion of Findings

6.1 The two property markets

Port Harcourt's property market is of a higher status than Aba's, due to its larger size, higher prices and better environment and infrastructure which respondents perceive to be positive influences on property prices. The Aba property market is smaller and with comparatively lower property prices and returns. Port Harcourt's resilience is suggested by the presence of more estate surveyors and valuers in comparison with Aba whose environmental challenges respondents, believe, make it a less viable location for investors.

Aba's less accessible roads have implications for its property sector which should function to produce new buildings and see to the sale and lease of new and existing buildings. The city's famed productivity is not reflected by its property industry and market. According to Millington (1982), accessibility is an important influence on property values. Easy accessibility by road or rail makes property more highly valued. This is especially "*vital for commercial properties, particularly industrial and warehouse units, and it is common to see the proximity to a motorway access point stressed as the most important feature*" because "*in a competitive society any advantage of accessibility may enable a businessman either to undercut his rivals or to make a higher profit by the lower costs he incurs*" (Millington, 1982, p.27). The desirability of such property with the advantage of accessibility is reflected in a willingness to pay a higher rent or purchase price. But Aba's accessibility challenge hinders interactions of its firms' with other city-based firms and external customers.

Aba's challenge extends beyond its precincts. It involves the city's main road link with Port Harcourt. As mentioned, the distance between the cities is some 54 kilometres, a distance which

should ordinarily be travelled in less than one hour. However, the poor state of the A3 expressway lengthens the travel time to nearly two hours. Thus, no real advantage comes to Aba's from its proximity to the expressway which leads to Port Harcourt. The barely liveable Aba environment tends to deter property investment from Port Harcourt, despite the attraction suggested by the former's productivity. Rather Aba investors tend to see better prospects in Port Harcourt's better infrastructure and built environment. Thus, Aba's property market fails to reflect the productivity of its economy. In Ndiomewese's (2018) interviews of Aba residents on the city's infrastructural collapse, it is revealed that the absence of roads is a major problem. Since good roads are indispensable to a functional built environment, poor roads create accessibility challenges which diminish quality and function. Inaccessible roads are akin to an environmental blight which reduces the desirability of property, thus placing a cap on rental and capital values. Logically, low expectations as to rents and sale prices will tend to slow down ambitious new development. The resulting reduction in supply should normally raise rents, but the subsisting environmental challenge of accessibility remains a barrier to growth. This handicap has the effect of preventing customers from having access to producers and as well as preventing producers from exporting their goods in a convenient and efficient manner. Thus, the famed productivity of the city fails to produce the expected impact on its property market. By the same token, the property market is unable to respond in good measure by stimulating demand beyond the ordinary. The inability of rental growth and property values to reflect economic productivity implies weak linkages with the Port Harcourt property market and economy.

6.2 The two urban economies

There are business interactions between the two urban economies, but Aba's economy is primarily *laissez faire* whilst Port Harcourt's benefits from government activities and investment. The following interactions take place between the two economies. Port Harcourt is an outlet for Aba's production output and some of its input. The larger Port Harcourt market is an incentive to Aba producers. Overall, the Port Harcourt economy is more buoyant than Aba's and therefore it is a better business location, whilst Aba is seen as an industrial city.

6.2.1 Economic Characteristics of Aba and Port Harcourt

Given the connection between property markets and the economy, the economic characteristics of the cities are compared in this sub-section. The economic base of Aba is in manufacturing and trading whilst Port Harcourt's is founded in the petroleum extraction and allied industries and services. Details of Aba and Port Harcourt are displayed in Table 4.

Table 4: Economic Background of the Study Areas

	<i>Abia State</i>	<i>Rivers State</i>
Geo-political Location	South-East	South-South
State GDP(2019) (a)	\$11.95 billion*	\$21.07 billion**
State Population (2020)** (b)	3 million	5.2 million
State GDP per capita (2019)**	\$3,000 (91%)	\$3,966 (100%)
State GDP per capita (c) =(a/b)	\$3,983 (98%)	\$4,038 (100%)
	Aba City	Port Harcourt City
City Population Estimate (2020)***(d)	1,081,000	3,020,000
City GDP (e) =(a/b) × City population	\$4.3 billion	\$12.2billion

City GDP per Capita (f)= (d×e) ****	\$3,977.80	\$4039.73
Urban Size	72km ²	369km ²
Economic Base of City	Manufacturing: footwear & leather products, textiles & garments, pharmaceuticals & cosmetics, various cottage industries & largest country concentration of micro and medium scale enterprises(MSMEs)	Petroleum extraction & associated services; petroleum refining(the refinery & petrochemical complex are moribund);sundry industries, commerce & services
Urban Status	9 th largest city by population; local government headquarters	5 th largest city by population; metropolis & state capital

*Nextzon (2018); **Statista (2019); ***UN (2020) **** \$4,039.73-3,977.80(1.533% difference)

From a consideration of the economic characteristics of the two cities, the following observations arise:

First, it is illuminating to observe that while the GDP per capita of Abia State is 33% lower than Rivers State's, the GDP per capita of Port Harcourt and Aba cities are virtually at par. This observation elicits some inferences. One is that Aba and Port Harcourt are mat equally matched in terms of productivity. It is all the more remarkable because Aba's income is mainly from manufacturing clusters which exist at the Micro, Small and Medium Scale Enterprises (MSME) levels. Aba has the highest concentration of MSMEs in Nigeria and West Africa (Afulike *et al*, 2018). On the other hand, Port Harcourt's oil-based economy is technology-driven, State-supported by incentives and modern infrastructure. Also, its profit potential is higher than Aba's which, post-civil war, has been a *laissez faire* economy where government presence has rarely been felt. Its productivity is the result of the cumulative efforts of entrepreneurs who braved the odds by operating in the absence of basic infrastructure and facilities such as motorable roads, dependable electricity, water supply, sanitation, effective storm water drainage and flood control measures. On the other hand, Port Harcourt has, since its creation in 1912, been favoured by federal government investment. A further inference is that Aba is more industrial than residential. This means that it is populated mainly by economically active people. On the other hand, Port Harcourt appears to be more residential in character. This seems to explain why Port Harcourt's thrice higher population does not yield a substantially higher per capita GDP than Aba. This may mean that a sizeable portion of Port Harcourt residents are either not economically active or far less so than Aba's residents.

Second, Port Harcourt has since 1967 been a sub-national capital and a centre of decision-making. This comes with an obvious advantage in terms of access to developmental resources. On the contrary, Aba is a local government headquarters within Abia State whose capital and decision-making centre is located only sixty kilometres from Aba. But this relatively short distance has proven to be rather lengthy for Aba to get needed official attention.

Third, Port Harcourt has gained from federal *presence* whilst Aba has lost from federal *absence*. In the case of the latter, this is mainly in regard to the poorly motorable federal road link to Port Harcourt. Whilst this has some effect on Port Harcourt residents who may want to travel to Aba, however, the impact is felt more by Aba because Port Harcourt is accessible by road from other parts of Nigeria and via its international airport. Aba has no airport and its link by rail to Port Harcourt has been of a limited value because the country's rail service system is still under revitalisation after years of neglect and poor management.

Fourth, there is the economic impact of poor access roads within Aba. The intractable flooding problem is exacerbated by inadequate and blocked drainage channels. Increased surface run-off, erosion and siltation intensify the challenge in the absence of governance. Parts of the city are usually inaccessible especially during the rains which last approximately six months annually. As economic activities are negatively affected, the property market is negatively impacted.

6.3 The urban economies and the surrounding areas

Respondents believe that these cities impact themselves as well as surrounding areas, and therefore, constitute an advantage to the region. They also believe that Port Harcourt's economy impacts Aba more than Aba does Port Harcourt. The advantage they see in the proximity of both cities and their regional relevance is perhaps revealed by their close responses to the two questions as to which of the two cities can survive without the other. The closeness is acknowledgement that the two cities impact each other. This tallies with their view that the cities constitute an advantage to the region, and so, re-opening of Port Harcourt's closed port will enhance the cities' economies. If these are combined with their support for inter-city and inter-state economic co-operation policies, capacity would be enhanced for a greater impact regional impact.

The proximity of the two cities in the regional space is the reason why they have been able to impact themselves and the surrounding areas. According to the UN (2018), cities should not be treated as spaces which are unconnected to their surrounding areas or regions. This is because *"the functioning of urban settlements depends on land in the surrounding rural areas for food and water supply, waste disposal, recreational value and settlements growth"*(UN,2018, p.1). In connection with this view, Oyeniya (2013) identifies four types of migration in Nigeria: rural-rural, rural-urban, urban-rural and urban-urban. These produce consequences for cities and regions. First, *"population tends to move from areas of relatively low living standards and less economic opportunity to areas of relatively higher living standards and more economic opportunity"* (Lean and Goodall, 1983, p.115). Second, the proximity creates the opportunity for human and social development through access to education and healthcare. Third, the availability of employment opportunities in these cities gives the rural population of mostly farmers and fishermen, alternative employment, and subsequently, a reduction in the unemployment rate. Fourth, the surrounding areas are suppliers of raw materials, skilled and unskilled labour and farm produce which sustain the cities' industries and human populations. Also, home remittances of these workers buoy the local economy. Transactions between the surrounding areas and the cities improve incomes and the quality of life. Fifth, the consequence of improved incomes and opportunities in these surrounding areas is an increase in population as people in search of opportunities move in from less advantaged rural communities and other parts of the country.

These may constitute people who are either unwilling or unable to migrate to Port Harcourt or Aba for one reason or the other. The effect has been the upliftment of many of these previously rural outposts to semi-urban and urban statuses. For Port Harcourt, examples are Obigbo, Ahoada, Elele and Umuechem, Onne, Okirika, Ahoda, Ikwerre, Igwuruta, Emohua, Ndele and Oyigbo.

In the case of Aba, they include Eberi, Ogwo, Akwete, Ogwe, Owom, Owerinta and Ikot Ekpene, the last two of which are in the neighbouring political jurisdictions of Imo and Akwa Ibom states. These issues come up in a study by Chete *et al.* (2016) on rural-urban interactions between Aba and peri-urban settlements located within 100 kilometres such as Akwete, Owerinta, Ndi-Ebe, and Uzuakoli. The study reveals that there is now an interdependency between the surrounding rural areas and urban Aba. The former have become more dependent upon urban goods and services as well as remittances whilst the latter is dependent on rurally-sourced primary produce for consumption or further processing. Additionally, greater rural interactions have produced in urban areas negative effects such as “congestion leading to urban squalor, housing shortages, invasion of urban open spaces and green belts with low quality housing, as well as the rapid accumulation of urban waste and a breakdown in urban infrastructure” (Chete *et al.* 2016, p.56).

Furthermore, there have been environmental impacts on both the rural and urban environments. In the former, deforestation has been accentuated by rising demand for house-building timber and fuelwood by urban residents. In the latter, waste disposal and sanitation have become challenges due to the rapidity of population growth. These jointly constitute one aspect of the spatial developmental impact of the cities. The second aspect is the spatial expansion of Aba and Port Harcourt over the years. Aba grown from a rural market settlement in the early 20th century to 76 km² in recent years. In the case of Port Harcourt, the growth has been from some 15.54 km² in 1914 to about 369 km² by the end of the 20th century.

6.4 A Regional View of the two Agglomerations

According to Lean & Goodall (1983, p.118), cities evolve “in order to discharge functions for the surrounding countryside, or for regional, national or even world markets”. Given the mentioned British colonial plan to urbanise Eastern Nigeria, Aba and Port Harcourt, to some extent, are discharging functions of this nature. But there are reasons to believe that these urban economies are functioning sub-optimally. For one, Port Harcourt is handicapped as a port city with a non-functioning seaport. Additionally, Aba is disadvantaged as a manufacturing and business economy which is perennially beleaguered by poor infrastructure and a lack of access to its regional port.

Secondly, these cities can support Nigeria’s desire to diversify its economy away from over-reliance on petroleum and gas extraction. The cities have to be equipped to perform functions for the regional, national and world markets by identifying their areas of comparative advantage. Aba’s appears to be leatherworks and textiles, *inter alia*. Port Harcourt’s specialisation is not evident, but its main industries, the petroleum refinery and petrochemical complex, are federal government investments which have not been productive in years. The city’s Trans-Amadi Industrial Layout was established by Rivers state in the 1980s to promote private sector

investment in light and heavy industry, but this ambition has remained unrealised due to poor planning (Talabi, 2020).

Thirdly, Port Harcourt as a port city, can be useful to Aba in the procurement of raw materials and export of finished products to a wider market. It can also process semi-finished raw materials for Aba as a step towards its own specialisation. Revitalisation of the petrochemical complex in Port Harcourt would also benefit Aba in terms of industrial production input.

The developmental connection between the urban, regional and national spaces means that actions which may not have been conceived for urban purposes tend to produce serious consequences for cities and regions. An example is Nigeria's federal government's closure of its seaports in Port Harcourt, Warri, Calabar, and Koko and the resort to exclusive use of Lagos' ports (Apapa and Tin Can Island). The consequences were seen in the economy and property markets of Lagos and its surrounding areas. Lagos' monopoly of maritime traffic produced a boom in economic activity, population growth, a high property demand and economic development, which stimulated an outward - northward expansion of the city. This led to the Lagos City's territorial connection with previously separated and distinct population centres such as Agege, Ikeja and Otta creating a conurbation which extends to four local government areas of neighbouring Ogun state (namely Adodo-Otta, Ifo, Obafemi Owode and Sagamu). These developments paved Lagos' way to attaining the status of a megacity in 2010. The metropolis now accommodates over 65% of commercial activities comprising businesses, manufacturers, financial institutions contributes a quarter of the National Gross Domestic Product ((Akabueze, 2014). This level of economic activity and expansion in productivity would not have been possible without a concurrent growth in the Lagos property market which has become Nigeria's most resilient. On the other hand, it is not purely conjecture that the same ports policy has been disadvantageous to the Aba-Port Harcourt region where the tempo of activity inevitably slowed down. This would have arisen from the loss of opportunity for unskilled and skilled labourers, customs officers, ship agents, ship brokers, chandlers, repairers, surveyors, stevedores, auditors, and marine officers. Related to this is a reduced volume of trade and commerce and a loss of opportunities for various service providers.

The issues raised on the Aba-Port Harcourt region demonstrate the necessity for a new "bottom-up" urban-regional developmental approach which would be built substantially on city and city co-operation. As stated by the World Bank (1999, p.125), "*When urban governments have the power and ability to enact a development agenda, they can help the citizens of their cities hook up with the global economy*". This statement acknowledges that cities perform functions which effectively determine the fate of regions, and ultimately, the pace and extent of national economic development. Therefore, regional and national development policies should never lose sight of the primacy of cities as centres of decision-making which makes city markets the harbingers of economic development.

7. Conclusion

This paper comparatively examined the under-reported property markets of Aba and Port Harcourt, specifically the relationships and potentials which arise from their proximity. The property markets were comparatively assessed; property market and economic linkages identified; and mutual and regional impact assessed. The conclusion suggests that there are

relationships between the property markets and economies of Aba and Port Harcourt; and in how the cities have impacted each other and their surrounding areas Furthermore, these relationships, as well as the growth and developmental potential which the cities hold, are founded on their geographical proximity and positioning in the regional space.

The findings reveal that the Port Harcourt property market is larger, more profitable and resilient with a greater presence of estate surveyors and valuers. Its larger population is an outlet for Aba's manufacturing output. Furthermore, Aba's infrastructural handicaps negatively impacts its property market and lowers its potential to attract property investment from Port Harcourt. However, strong economic linkages are evinced by Port Harcourt's roles as a raw materials source and an outlet for Aba's manufacturing output. The per capita equivalence of Aba's non-oil economy with Port Harcourt's oil-driven economy indicates a potential to produce a bigger urban, regional and national impact. Lastly, the cities positive impact on the surrounding areas would have been greater were the port in operation as well as policies for inter-city economic co-operation.

The findings mean that there is a strong relationship between these proximate economies, but this is not the case with their property markets. Furthermore, the expectation of a relationship between the property market and economy of each city in terms of relative buoyancy is found to exist in the case of Port Harcourt. However, for Aba, this is not the case due to supervening environmental and infrastructural factors. This is because built property is land in an improved state, the same as roads. Property development and road development complement each other as constituent developmental components of the built environment. Both are necessary and important to creating a desirable built environment. The accessibility which roads provide, by enhancing the utility of buildings, is an important component of property value. Therefore, a lack of accessibility severely limits property value by curtailing utility. Finally, the findings suggest that the two urban economies clusters are important to regional economic development because of their neighbouring distance.

The study recommends a better appreciation by policymakers of the relationship between urban property markets and the urban economy; urban infrastructure and property values; the urban and regional space; and the developmental implications of the spatial relationship of the study areas.

Suggestions for Future Research

As mentioned, Nigeria's property markets are under-researched. More investigations are necessary on aspects of the Aba and Port Harcourt markets as well as other urban areas. This is a worthwhile undertaking necessary to generate concurrent knowledge and reduce the extant information dearth. The fact that property markets are local in nature suggests that the characteristics of these markets vary and so the findings should be illuminating and helpful to stakeholders.

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