

## **Assessment of The Trend of Rental Returns on Private Hostel Investment in Neighbourhoods of Public Tertiary Institutions in Anambra State (2011-2022)**

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**ABSTRACT:** *The increasing number of students in public tertiary institutions in Anambra state has prompted serious accommodation problems and on-campus hostels can no longer cope with the attendant demand. The high rate of demand for housing by students led to the development of private accommodation known as hostels or lodges around these institutions of higher learning. Establishment of private hostels requires huge capital outlay; hence, investors need to have a fair idea of returns from such investment before committing their resources. This research aims to assess the trend of rental returns from private hostels investment in selected neighbourhoods of public tertiary institutions in Anambra state from 2011 – 2022. The study adopts stratified sampling technique that represents the entire population. Data for the study were elicited Estate Surveyors and Valuers practicing in Anambra state through the use of structured questionnaire, and analyzed using tables, graphs and trend analysis. The study indicated that the trend of rental returns of private hostels shows a steady increase in all locations over the study period. The study recommends that intending investors should consult real estate professionals for investment advice before delving into hostel property development, and they should also consider public private partnership (PPP) contractual arrangements such as Design Build Operate and Transfer (DBOT) in hostel development.*

**KEYWORDS:** Trend, rental returns, private hostel, investment, Anambra state.

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### **INTRODUCTION**

The proliferation of institutions of higher learning in Nigeria has brought about tremendous changes and rapid growth of hostel development within and around her tertiary institutions. In the world today, higher education remains a vital qualification in the attainment of desired jobs and provision of high level manpower needed for socio-economic development of any country. Access to white collar jobs remains non-feasible without higher educational qualifications. In a bid to

acquire higher education from tertiary institutions and subsequent qualifications for good paying jobs, there has recently been a significant increase in enrollment of students into tertiary institutions in the country. The increase in enrollment led to spill-over of students in excess of what the tertiary institution's hostel accommodation could contain.

Education is a tool for social-economic development. However, provision of quality tertiary education cannot be fully achieved without the establishment of standard residential facilities for students. It is observed that the increasing growth in student population over the years without corresponding increase in residential facilities in tertiary institutions has resulted to majority of the students living off-campus because of the insufficiency of the hostel accommodation within campus. With the increasing intake of students, the public tertiary institutions in Anambra state are finding it tough to accommodate all the students in their existing housing facilities which resulted to pushing some students to opt for alternate student housing options in the open housing market. This has led to growing reliance or over-dependent on private hostels which are mostly off-campus (within and around the neighborhood of the higher institutions). The inadequacy of students' residential facilities in higher institutions of learning have led to an overflow of student into the neighborhoods of tertiary institutions in search for housing accommodation.

Investments in private hostel around the neighbourhoods of tertiary institutions in Nigeria continue to thrive because of the inability of tertiary institutions to properly fulfill the housing needs of students. This is because the growing students' population in tertiary institutions is not commensurate with the available students housing. Only a small percentage of students are able to get accommodation in most tertiary institution's residential facilities. As the number of students enrolled annually exceeds the available hostel facilities.

Tertiary educational institutions are established for the training and development of students. Therefore, for tertiary institutions to function optimally and achieve its objectives it must address the needs of students which are pivot upon its establishment. Alaka, Pat-Mbano and Ewulum (2012) asserts that in Nigeria Universities generally, the on-campus students' accommodation has remained grossly inadequate, leading to the readjustment of the previous bed space arrangements into bunk spaces, and previous room spaces into bed spaces without actually reducing the rent charged per space readjusted. This affects satisfaction derived by students and thus their intention to seek other accommodation facilities. In Nnamdi Azikiwe University, Awka hostel for instance, a fresher (100 level student) is charged Eighty-Nine Thousand Naira (₦89,000) for a bunk space in an overcrowded room of eight persons with kitchen and sanitary facilities shared among close to 50 persons. This makes the institutional residential facilities un-conducive, congested, over-populated, unhygienic and unsatisfactory for human habitation. The students resort to seeking off-campus accommodation where they can choose to live alone or have a roommate, enjoy privacy and conducive environment.

The aim of this research is to examine the trend of rental returns of private hostels investment in selected neighborhoods of public tertiary institutions in Anambra State with a view to providing graphical models for investment advice. In order to achieve the aim of the study, the following objectives would be considered:

1. Identify the type of private hostels properties within the selected locations in Anambra State
2. Determine the trend of rental returns from private hostel investment within the selected location of study for the study period

In order to achieve the objectives outlined, the researcher sampled the different types of private hostels within the selected areas of study, and also took account of their average rental returns per annum for the study period.

## **LITERATURE REVIEW**

### **Concept of Property**

Property is classified into two broad terms namely realty and chattels. Things like cars, jewellery, household apparels etc have been classified as chattels; while land, building and appurtenances have been classified as realty or property. The Nigeria Valuation Standards (2019) defines real property interest as stated in the International Valuation Standards (IVS 400 in paragraph 202) as a right of ownership, control, use or occupation of land and buildings, and defined real estate as a property to comprise land and all things that are natural part of the land; for example; trees, minerals and things that have been attached to the land like buildings and site improvements, and all permanent building attachments like mechanical and electrical plants providing services to the building, that are both below and above the ground. Babatunde (2003) describes property as a bundle of rights exercisable on land or any improvement on land. These rights are referred to as proprietary rights and they include: possession; right to let; right to use; right to sell among others. It is the interest one holds on land that determines the powers that can be exercised on land.

### **Concept of Student Hostel as Residential Property**

Lexico.com (2021) defines students' hostel as an establishment which provides inexpensive food and lodging for a specific group of people such as students, workers or travelers. It can also be defined as a supervised residential property with shared sanitary facilities. According to Field 2011, cited by Kazeem, Abayomi and Emmanuel (2019) Student housing or hostel is a particular type of residential accommodation constructed for the specific use of students while pursuing their education with the objective of creating an environment that supports living and learning. Therefore, based on the differing definitions, a student hostel can be aptly described as a residential property which can be inside the institution (on-campus) or outside the institution (off-campus);

providing temporary accommodation for students, which offers sanitary facilities and managed or supervised by a hostel manager.

Hostel accommodation in Nigeria is similar to the varying definition given but differs in terms of the provider. Some student hostels are provided by the tertiary institutions, some are facilitated by Public, Private Partnership (PPP). This means that the land for development is provided by the institution and private Investor provide funds for development of the hostel property; and can be in the form of Design Build Operate and Transfer (DBOT), or Build, Operate and Transfer (BOT). While others are by independent hostel Investors who in most cases locate theirs off the campus environment but close to the institution, such that students can have easy access and proximity to school. However, in order to align with the objective of this work, this research will concentrate on off-campus private student hostels.

### **Students' Hostel Practice in Nigeria**

Housing is an important aspect of human life. The crux of this research is on students' hostel or housing which is also a form of housing. Students' housing is a vital component of educational institutions in every culture and clime. Although, it is not a direct action element in the learning environment of the education sector but it is seen as an indirect or teaching support facility used to increase instructional effectiveness, improve the cleanliness, orderliness and safety; as well as increase the efficiency and effectiveness of the students in the learning environment (Alaka 2012, cited in Adebisi, Oletubo, Alade and Aghogho, 2017). Students' hostel is a support facility for efficiency of students because they need to be in a good state of mind and comfortable environment to be able to study and excel in their academic pursuit. Reading and learning requires a serene environment to be productive and this can be achieved by good housing system.

In the early years of the Nigerian education system, provision of student housing facilities usually form one of the major responsibilities of the tertiary institutions. The hostels exist traditionally and almost exclusively on-campus. The institution houses almost all its students with the exception of a few that live outside the school. As the students' population began to increase beyond the housing capacity of the T.Is, the available on-campus accommodation became inadequate for the teeming population; coupled with its level of dilapidation and over-crowded rooms. Students in their quest to get a conducive environment that supports living and learning turned to vacant accommodation within the neighbourhood of the T.Is as an alternative which is called off-campus hostels.

### **Concept of Rental Value**

Land rent is a specialized concept. In economics, rent refers to the remuneration for land as a factor of production. However, in estate management and property market, rent may be defined as the periodic payment made by a tenant to the landlord in consideration for use and occupation of his land or land and building. It is done to acknowledge that the interest of the landlord (lessor) in the

subject property is superior to that of the tenant (lessee).

The Appraisal Institute (2001) regards rent as the income to investment properties. This perspective looks at rent as the periodic income that accrues to investment; either monthly or annually or on an agreed basis between a landlord and tenant. According to land market model, location, accessibility and ease of transportation to a site are factors that significantly impact on the land rent and thus on its use. Within each city, there are different activities competing for land; and each one wants to occupy land and is willing to pay a specific price to acquire it.

### **Determinants of Rental Value of Private Hostel Investment**

There are factors that can affect rental value of private hostels:

a) **Location:** the location of a property has a great influence on the rent a property can fetch. The early land economists based their theories of land values on accessibility or nearness to residence. Hurd (1903) in his book Principles of City Land Values states that since land values depend on economic rent, and rent on location, and location on convenience, and convenience on nearness. Thus, eliminating the intermediate, we can say value depend on nearness. Students take up these accommodations for the sole aim of their academic pursuit. Hence, properties that are closer to the institution and in a secured environment will attract high patronage from students.

b) **Maintenance and Management Cost:** maintenance cost could have an impact on the value of hostel investment. The condition of a hostel property affects the value. Properties are expected to be routinely maintained with durable building materials so as to remain in a tenable condition and continually attract high rents. Highly dilapidated property will have its value badly affected as a prospective tenant will have to budget for repairs. Intensity of use or reckless usage of facilities in a property could lead to high level of dilapidation which will lead to high maintenance cost; thereby reducing the income. Quality of management will have a significant impact on the rental value.

c) **Scarcity of Accommodation:** property investment requires huge capital outlay, and this impedes supply of accommodation as only few investors can invest in this medium. Hence, long run and short run supplies hardly equate demand. Sometimes, a type of property which is not in demand may be available in the property market, as when family units/dwellings are available for letting while self-contained apartments for students are in high demand. This eventually leads to conversion of such type of properties to self-contained property to suit the demand for student accommodation. Scarcity therefore affects rental value as the bid for the available accommodation is forced up.

d) **Socio-political:** incidences of thefts, rapes, riots, criminal hide-outs, and violence of all sorts could create a bad image for particular hostel(s) which could lead to low preference to the subject hostel and low occupancy rate, thereby diminishing its expected returns. Also, a long period of strike action constitutes anomalies on letting periods. These cause investors to lose huge returns to void, especially where tenancy agreement is in line with school academic calendar year.

e) **Government Laws:** government laws with respect to residential properties are far stronger and can override anything that may have been written in the tenancy agreement. These protections are put in place so that tenants and purchasers of residential properties are not exploited.

f) **Climatic Factors:** such as heavy rainfall and clogged drainage channels which lead to flood prone areas. These flooded areas suffer re-locationary tendencies, increase in vacancies and loss of income to owners. This result to a decrease in demand of hostels in such locality and subsequently reduced rent in line with the law of demand and supply.

## RESEARCH METHODOLOGY

The study adopted survey research design for data collection. This process involves collecting, analyzing and interpreting of data from a percentage of the population (sample) considered representative of the entire group. Data on rental returns were obtained from the different types of private hostel properties in the selected areas from registered firms of Estate Surveyors and Valuers in Anambra state from 2011 – 2022. The instruments of data collection such as questionnaires, direct oral interview and observation of documented records were adopted in retrieving relevant data from the firms, which were presented using tables and analyzed using Trend analysis; being a method that captures the average path which data follows over time in a Time series graph, displaying the general trend of rental movement despite seasonal or cyclical variation over a length of time (Omosho, 2002).

The thrust of this research work is on selected neighbourhoods of the main campuses of public tertiary institutions in Anambra state; because these are the areas mainly occupied by students. The institutions under study are located in different local governments of the state, viz.

1. Nnamdi Azikiwe University, Awka is located in Awka South Local Government Area.
2. Federal Polytechnic Oko is located in Orumba North Local Government Area
3. Chukwuemeka Odumegwu Ojukwu, Uli has its main campus in Igbariam which is situated in Anambra East Local Government Area
4. Nwafor Orizu College of Education Nsugbe is located in Anambra East Local Government Area
5. Anambra State Polytechnic Mgbakwu is situated in Awka North Local Government Area
6. Federal College of Education Technical, Umuze is in Orumba South Local Government Area

## MATERIALS AND DISCUSSION

The study seeks to examine the trend of rental returns of private hostels investment in selected neighborhoods of public tertiary institutions in Anambra State. Thus responses/data obtained through research instruments employed are presented and analyzed as follows:

**Table 1: Types of Private Hostel Property Managed by Estate Firms**

Institutions		Type of Student Accommodation			Total
		Self Contain	Shared Flat	Single Room	
NAU,Awka	Count	20	7	5	32
	Percent	62.50%	21.87%	15.63%	100%
COOU,Igbariam	Count	12	3	4	19
	Percent	63.16%	15.79%	21.05%	100%
FCET,Umunze	Count	7	-	4	11
	Percent	63.64%	-	36.36%	100%
FP,Oko	Count	10	3	6	19
	Percent	52.63%	15.79%	31.58%	100%
NOCE,Nsugbe	Count	7	-	3	10
	Percent	0.70%	-	0.30%	100%
<b>Total</b>	<b>Count</b>	<b>56</b>	<b>13</b>	<b>22</b>	<b>91</b>
	<b>Percent</b>	<b>61.53%</b>	<b>14.29%</b>	<b>24.18%</b>	<b>100%</b>

The information in the table indicates that professionals have been involved in the management of the different types of private hostel accommodation in the selected institutions of study at varying percentages, with the exception of Anambra State Polytechnic, Mgbakwu. For self contain properties; NAU, Awka has the highest count of 20 representing 62.5% of its total response, while FCET, Umunze has the highest representation of 63.64% of its responses though having the same least count of 7 with NOCE, Nsugbe representing 0.70% of its total response.

For shared flat hostel properties; FP, Oko and COOU, Igbariam has the same lowest count of 3 representing 15.79% of their respective responses, while NAU, Awka has the highest representation of 21.87% of its response with a count of 7. FCET, Umunze and NOCE, Nsugbe institutions have no count showing absence of shared-flat hostel properties in the locations. For single room hostel properties; FCET Umunze has the highest representation of 36.36% of its response though having the same count of 4 with COOU, Igbariam, while FP Oko has the highest count of 6 representing 31.58% of its total responses. NOCE Nsugbe has the lowest count of 3 representing 0.30% of its total response.

In total, self-contain hostel polled the highest count of 56 representing 61.53% of the total responses, while shared flat has the least count of 13 representing 14.29% of the total responses due to the absence of shared flat hostel properties in the neighbourhoods of some institutions under study.

This therefore indicates that shared flat hostels are least managed by professionals, while self-contain hostel properties are mostly managed by professionals (firms of Estate Surveyors and Valuers) in the study area.

### 3.2 Responses on Professional's Questionnaire (Average Rental Values)

**Table 2: The average rental values per annum of self-contain hostels among Institutions from 2011 – 2022**

Institution	2011 – 2013 (₦)	2014 – 2016 (₦)	2017 - 2019(₦)	2020 - 2022(₦)
NAU. Awka	100,465	116,444	132,128	160,000
COOU. Igbariam	87,592	98,438	111,250	124,464
FCET. Umunze	64,615	77,308	87,308	100,000
FP., Oko	79,230	94,310	106,500	120,000
NOCE. Nsugbe	76,250	84,000	94,500	104,750
ASP., Mgbakwu	Nil	Nil	Nil	Nil

The table shows a gradual but steady growth of rental values of self contain hostel properties across the institutions of study. The rental value in all the periods was at its highest in NAU Awka at ₦100,465, ₦116,444, ₦132,128, and ₦160,000, followed by COOU Igbariam with the following amount of ₦87,592, ₦98,438, ₦111,250, and ₦124,464, while FCET Umunze has the lowest rental values of ₦64,615, ₦77,308, ₦87,308 and ₦100,000. ASP Mgbakwu recorded nil as there were no self contain hostel properties managed by firms of Estate surveyors and Valuers.

**Table 3: The average rental values per annum of shared flat hostels among Institutions from 2011 – 2022.**

Institutions	2011 – 2013 (₦)	2014 – 2016 (₦)	2017 - 2019(₦)	2020 - 2022(₦)
NAU. Awka	85,000	106,111	126,140	155,641
COOU. Igbariam	83,333	100,000	113,333	145,833
FCET. Umunze	Nil	Nil	Nil	Nil
FP., Oko	66,667	85,000	96,667	116,667
NOCE. Nsugbe	Nil	Nil	Nil	Nil
ASP., Mgbakwu	Nil	Nil	Nil	Nil

It is observed that NAU Awka has the highest averages of ₦85,000 in 2011 to 2013, ₦106,111 in 2014 to 2016, ₦126,140 in 2017 to 2019 and ₦155,641 in 2020 to 2022; this was followed closely by COOU Igbariam with ₦83,333 in 2011 to 2013, ₦100,000 in 2014 to 2016, ₦113,333 in 2017 to 2019 and ₦145,833 in 2020 to 2022; FP Oko has the lowest averages of ₦66,667 in 2011 to 2013, ₦85,000 in 2014 to 2016, ₦96,667 in 2016 to 2019 and ₦116,667 in 2020 to 2022.



**Table 4: The average rental values per annum of single room hostels among Institutions from the period of 2011 – 2022**

Institutions	2011 – 2013 (₦)	2014 – 2016 (₦)	2017 - 2019(₦)	2020 - 2022(₦)
NAU. Awka	33,333	42,500	49,167	61,667
COOU. Igbariam	25,833	31,667	38,333	46,667
FCET. Umunze	31,000	40,000	51,667	66,667
FP., Oko	27,500	35,500	43,333	51,667
NOCE. Nsugbe	26,667	32,833	39,833	46,167
ASP., Mgbakwu	Nil	Nil	Nil	Nil

The rental values for single rooms witnessed a significant increase in all the locations with the exception of ASP Mgbakwu which recorded nil indicating the absence of single room hostels in the institution's neighbourhood. NAU Awka has the highest rental values of ₦33,333 in 2011 to 2013, ₦42,500 in 2014 to 2016, ₦49,167 in 2017 to 2019, and ₦61,667 in 2020 to 2022; COOU Igbariam has the lowest rental values of ₦25,833 in 2011 to 2013, ₦31,667 in 2014 to 2016, ₦38,333 in 2017 to 2019 periods, while NOCE Nsugbe has the least value of ₦46,167 in 2020 to 2022.

### Trend Analysis and Model of Rental Value of Private Hostels among Institutions of Study

**Model:  $Y = a + bt$**

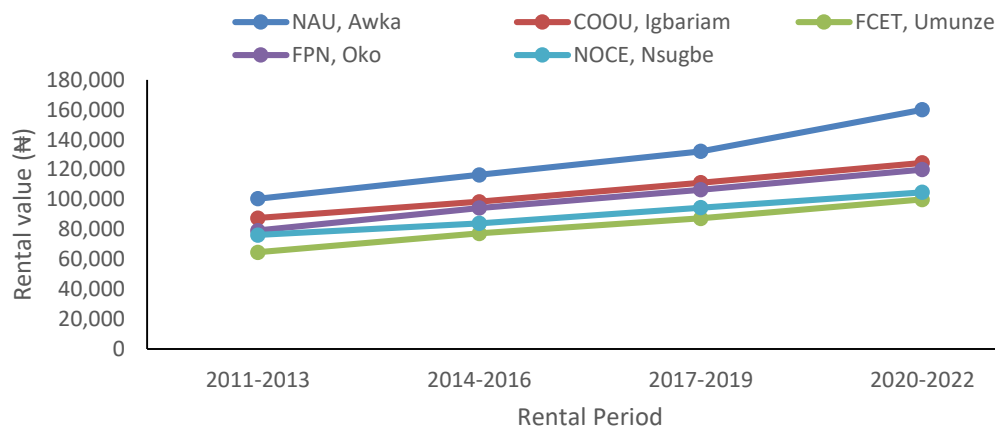
**Where:** Y = the Dependent variable (Rental value to be projected)

a = the intercept (the value of Y- Rental value when t = 0, that is period 2011)

b = the slope of the line (of Rental value)

t = the explanatory variable (Period to be projected)

**Self Contain**



**Fig. 1: Trend of rental values of self-contain hostels in the selected institutions of study**

**Model for NAU, Awka:**  $Y = ₦78,687 + ₦19,429t$

P value = 0.011, therefore significant as  $P < 0.05$

**Model for COOU, Igbariam:**  $Y = ₦74,579 + ₦12,343t$

P value = 0.001, therefore significant as  $P < 0.05$

**Model for FCET, Umunze:**  $Y = ₦53,269 + ₦11,616t$

P value = 0.001, therefore significant as  $P < 0.05$

**Model for FPN, Oke:**  $Y = ₦66,385 + ₦13,450t$

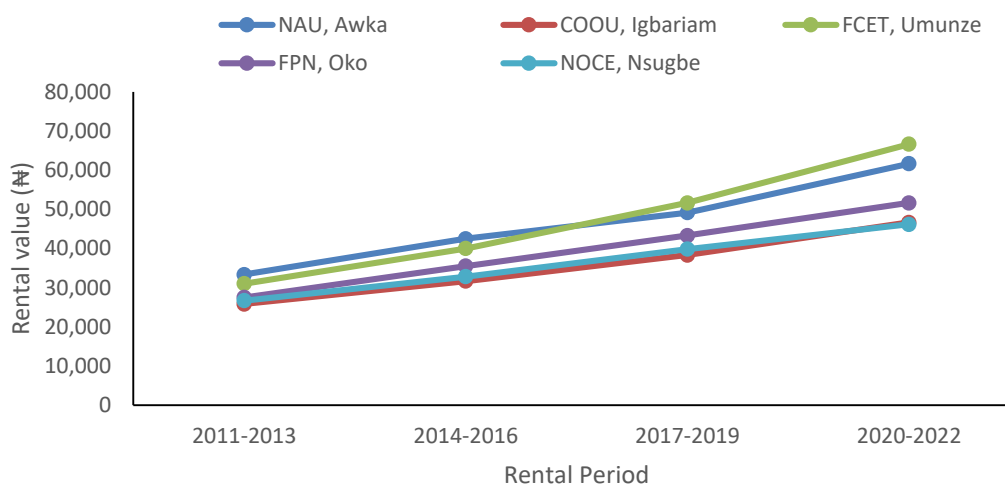
P value = 0.001, therefore significant as  $P < 0.05$

**Model for NOCE, Nsugbe:**  $Y = ₦65,875 + ₦9,600t$

P value = 0.002, therefore significant as  $P < 0.05$

From the trend graph, it can be observed that NAU Awka has the highest rental value at the base year and highest rental value slope line growth, while FCET Umunze has the lowest rental value at the base year and NOCE Nsugbe has the lowest rental value slope line growth. This is also reflected in the respective Trend models for self contain private hostels among the different institutions, the highest rental value intercept of ₦78,687 at base year (2011) is indicated in NAU Awka with highest rental value slope line of ₦19,429 in NAU Awka, while the lowest rental intercept of ₦53,269 is indicated in FCET Umunze with lowest rental value slope line of ₦9,600 in NOCE Nsugbe. The model and trend graph above is for five institutions where responses were obtained from professionals on management of private hostel properties, with the exception of ASP Mgbakwu where there are only few private hostels.

### Single Room



**Fig. 2: Trend of rental values of single room hostels in the selected institutions of study**

**Model for NAU, Awka:**  $Y = ₦23,750 + ₦9,167t$

P value = 0.007, therefore significant as  $P < 0.05$

**Model for COOU, Igbariam:**  $Y = ₦18,333 + ₦6,917t$

P value = 0.003, therefore significant as  $P < 0.05$

**Model for FCET, Umunze:**  $Y = ₦17,667 + ₦11,867t$

P value = 0.006, therefore significant as  $P < 0.05$

**Model for FP, Oko:**  $Y = ₦19,417 + ₦8,033t$

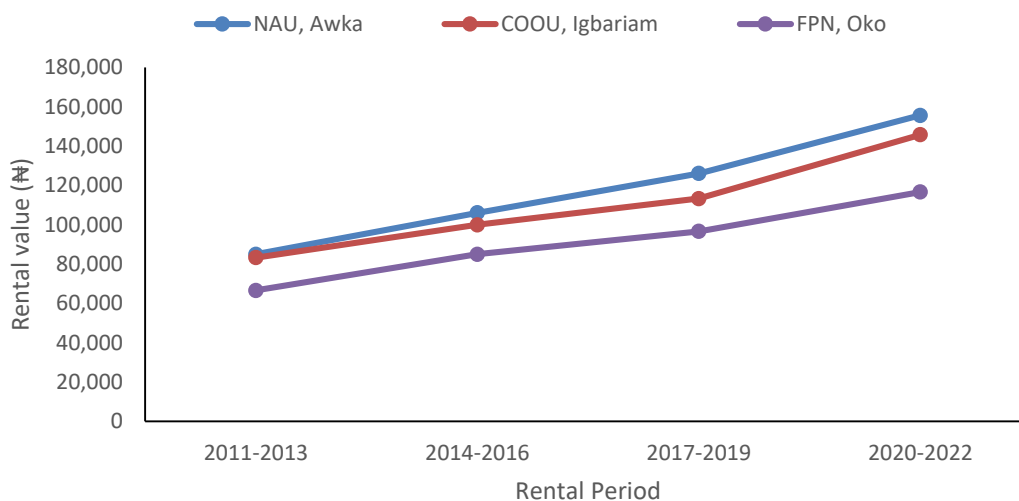
P value = 0.000, therefore significant as  $P < 0.05$

**Model for NOCE, Nsugbe:**  $Y = ₦20,000 + ₦6,550t$

P value = 0.000, therefore significant as  $P < 0.05$

The trend graph above shows that FCET Umunze has the lowest rental value at the base year and highest slope line growth; while NAU Awka has the highest rental value at the base year of 2011 and NOCE Nsugbe has the lowest rental value slope line growth. This is also reflected in the respective Trend models for single room private hostels among the different institutions, the highest rental value intercept of ₦23,750 at base year (2011) is indicated in NAU Awka with highest rental value slope line of ₦11,867 in FCET Umunze, while the lowest rental intercept of ₦17,667 is indicated in FCET Umunze with lowest rental value slope line of ₦6,550 in NOCE Nsugbe.

### Shared Flat



**Fig. 3: Trend of rental values of shared flat hostels in the selected institutions of study**

**Model for NAU, Awka:**  $Y = ₦60,235 + ₦23,195t$

P value = 0.004, therefore significant as  $P < 0.05$

**Model for COOU, Igbariam:**  $Y = \text{₦}60,417 + \text{₦}20,083t$

P value = 0.021, therefore significant as  $P < 0.05$

**Model for FP, Oko:**  $Y = \text{₦}50,834 + \text{₦}16,167t$

P value = 0.005, therefore significant as  $P < 0.05$

From the trend graph, it can be observed that COOU Igbariam has the highest rental value at the base year but highest rental value slope line growth shows NAU Awka, while FP Oko has the lowest rental value at the base year and lowest rental value slope line growth. This is also reflected in the respective Trend models for shared flat private hostels among the different institutions, the highest rental value intercept of ₦60,417 at base year (2011) is indicated in COOU Igbariam with highest rental value slope line of ₦23,195 in NAU Awka, while the lowest rental intercept and lowest rental value slope line of ₦50,834 and ₦16,167 respectively is indicated in FP Oko. The model and trend graph above is for three institutions where responses on rental values were obtained from professionals managing private hostel properties, with the exception of ASP Mgbakwu, FCET Nsugbe and NOCE Nsugbe where there are no shared flat hostel properties.

### Test of Hypothesis

**H<sub>01</sub>:** There is no statistically significant growth in rental returns from the different private hostel properties among the selected institutions in Anambra state from 2011 - 2022

The data in Figures 1 – 3 above display the time series rental returns projection from the different private hostel properties in the selected institutions in Anambra state at an interval of 3 years from 2011 to 2022. Trend analysis was used to generate the model and as well test the significance of growth of rental return in the selected locations of the study area.

The null hypothesis states that there is no significant growth in rental returns from the different private hostel properties among the selected institutions in Anambra state. From the trend model result shown above; we strongly reject the null hypothesis because the P-values calculated for self-contained properties in all locations are less than 0.05 respectively, we reject the null hypothesis because P-values calculated for single room in all locations are less than 0.05, P-values calculated for shared flat are all less than 0.05 respectively.

We generally reject the null hypothesis and accept the alternative which states that there is statistically significant growth in rental returns derivable from different hostel properties (self-contain, single room and shared flat respectively) in the selected institutions from 2011 to 2022.

## **FINDINGS, CONCLUSION AND RECOMMENDATIONS**

### **Findings**

The study revealed that there are different types of private hostels in the study area which comprises of self contain hostel, shared flat and single room hostel properties. In NAU Awka, COOU Igbariam, and FP Oko, the three hostel types are found there, only self-contain and single rooms are predominant in FCET Umunze and NOCE Nsugbe, while in ASP Mgbakwu, only self contain hostel property is available.

From the analysis in Table 1 which shows the type of private hostels managed by professionals in the study area. It revealed that self contain hostel is more prevalent in the study area, student's preferred choice of accommodation, and the hostel type mostly managed by professional (Estate Surveyors and Valuers) in the study location.

From the foregoing, it is observed that rental returns from the various hostel properties showed a steady increase over the study period. However, among the institutions, private hostels in NAU Awka happen to command highest rental returns, followed by COOU Igbariam ASP Mgbakwu has the least rental returns.

### **Conclusion**

The study has been able to do a critical analysis of the rental returns derivable from private hostels in selected neighborhoods within public tertiary institutions in Anambra State. It was able to determine the hostel type and tertiary institution with the highest rental returns. The study indicated that there is significant growth of rental returns across the study area; and that trend of rental returns is influenced by factors such as increase in students' population, inadequate on-campus hostels and high cost of building materials.

### **Recommendations**

The study recommends that Investors who intend to delve into hostel development within tertiary institutions in Anambra state should firstly consult a professional Estate Surveyor and Valuer about the returns derivable from the different types of hostel, and the most suitable location to invest before making decision.

Also, since investment in real estate requires huge capital outlay and acquisition of suitable land may pose challenges due to built up areas. Investors should form partnership with the tertiary institutions on public private partnership (PPP) contractual arrangement such as Design Build, Operate and Transfer (DBOT) or Build, Operate and Transfer (BOT). In such arrangement, the private investor provides fund for the development while the tertiary institution provides suitable land within a secured environment and easily accessible to classrooms and other facilities. This

will boost demand and generate high rental returns because hostel investment is population sensitive.

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