Investment Performance of Local Government Shop Properties in Oke-Ogun Area, Oyo State, Nigeria: Implication for Sustainable Development

Johnson Adebayo Okunlola[1]*, Joseph Bamidele Oyedele[2], Ayodeji Fisayo Afolayan[3]

[1]Department of Property, Planning and Surveying, Abiola Ajimobi Technical University, Ibadan, Nigeria,
[2]Department of Estate Management, Obafemi Awolowo University, Ile-Ife Nigeria
[3]Institute for Sustainable Development, Abiola Ajimobi Technical University Ibadan, Nigeria

*Corresponding author's email: johnson.okunlola@tech-u.edu.ng

Abstract

Local Government property seems to be among the least utilized and optimized resources, this is because the properties owned by the local government are perceived to be free items. The study examined the performance and the drivers of the performance of Local Government (LG) shop properties in Oke-Ogun, Oyo State, Nigeria, to provide information that could enhance the performance of public property for achieving Sustainable Development Goals (SDG 8 - sustainable economic growth & SDG 11 - sustainable cities and communities). Primary data was used for the study which was collected from two groups of respondents (227 property occupiers and 16 property managers who are local government employees). The study adopted a multistage sampling procedure, and the data obtained were analysed using descriptive and inferential statistics. The study covers ten (10) years (2013-2022), encompassing both before and after the recession. The study revealed that the Local Government properties performed with a positive total rate of return of 0.64%, which could be better. It further found that the average rental value for the LG shop properties is N2,714 while the leading drivers of performance are income, occupiers' satisfaction and service delivery. The study therefore recommends improved management of public properties due to low average rental value and low return on investment. This will affect the LG's attempt to contribute her quota financially to reach UN SDGs 8 & 11. It also recommends that the Department of Estate and Valuation of each local government should employ professionally registered Estate Surveyors and Valuers for improved management of public properties and better performance for achieving Sustainable Development Goals.

Keywords: Drivers, Local Government, Performance, Investment, Shop Properties

■**1.0 INTRODUCTION**

In Nigeria, the Local Government (LG) is the third tier of the federal system of government and is saddled with the responsibility of overseeing the affairs of citizens at the grassroots level which is the closest to the governed (Oikhala, 2021). In a democratic setting, it could be referred to as a government with executive roles of administration in matters concerning the residents of a particular area and they are vested with powers to make byelaws for their governance. According to Adeyemi (2013), Bukoye and Abdulrahman (2023), LG provides a wide range of services to communities (including health services, community care, education, housing, criminal justice and management of local government properties), which constitute the bulk of LG property/assets. Nevertheless, Life Cycle Cost (LCC) had been introduced in Malaysian construction industry and practiced by Public Works Department (PWD). The department was urged to guide practitioners to implement LCC in asset of infrastructure buildings especially in new construction projects in Malaysia. In 2012, PWD published a guideline to introduce the methods and cost elements associated in the application of LCC namely "Garis Panduan Kos Kitaran Hayat" (KKH). Following the objective of Malaysian Plans to improve public assets, LCC should be applied in critical infrastructures such as the water industry. However, previous papers in the field of LCC stated that the main barrier in implementing LCC is the lack of reliable and consistent data on the elements of LCC (Goh and Yang, 2010). Thus, it led to a lack of acceptable LCC standards.

Shop properties are commercial properties with the capacity to generate revenue. Oyedokun et al. (2014) and Sanderson and Read (2020) opine that commercial property plays an important role in the sustainability of economic activities which serve as a venue for trading, marketing and service delivery. In addition, Bello and Oyedokun (2010) and Ifeanacho and Egbenta (2023) posit that the commercial property market has been identified as a dominant market in Nigeria after residential, comprising shops and office space with income-generating potential. The main aim of investing in commercial properties is for sustainable pecuniary return, which has made effective management the focus of the property owners as investors and property managers as agents on the other hand (Oyedokun, et al.,

2014; Adi and Njo, 2024). In property management, the property is expected to generate income for the owner, this is the main aim of the investment.

Investment is an important part of sustainable development and the examination of various investment avenues like shop properties is a critical effort of any investor most especially in a developing nation like Nigeria. Local Government authority as an investor needs to carry out such exercises periodically to ensure their role in facilitating economic growth as well as ensuring community well-being. Also, the not-too-distant recession experienced in Nigeria resulted in a reduction in the revenue base accrued to the federal government as it also affected the economic activities across the country (Afimia, 2017). This recession further reduced the allocation given to the local governments and this resulted in a reduction of service delivery by local governments. For the local governments to meet their responsibilities, there is an alternative to income generation which is through effective management of the shop properties within LG areas.

For optimal revenue generation from LG shop properties, the impact of effective management cannot be overemphasised. In other words, property management is important if the property is expected to have a durable life span. Across the countries in the world, property management is the main pre-occupation of property professionals. Oyedokun, et al., (2014) and Sanderson and Read (2020) also note that property management entails establishing optimized income from the property, maximizing the property capital value and proper tenant mix. In the same vein, the income and capital value of a property are germane. Property management also ensures an efficient security system, maintains records of income and expenditure prepares periodic financial statements, policies and enforces tenancy and lease covenants (Oakley, 2023) these attributes in turn indicates the performance of shop properties.

Local government investors need to appraise periodically the performance of their property investment in order to know if there is improvement in their property investment so as to meet the SDGs. The specific objective of this study is to examine the investment performance of local government shop properties in Oke-Ogun area of Oyo state.

In Nigeria, Local Government property seems to be among the least utilized and optimized resources, this is because the properties owned by the local government are perceived to be free items. This is worsened by the carefree attitude of the local government workers, and it has greatly eaten deep into the Nigerian system and has manifested in the management of public property because its management solely lies on the government. In addition, local government properties are undervalued for rental purposes (Mukori, 2013, Osuigwe, 2023) and this could be a result of ineffective management of local government properties. Furthermore, due to poor management of property by the local government, gives rise to difficulties in managing local government property (Andersson and Soderberg, 2011; Kaganova et al., 2006).

Several studies have been carried out concerning local government property management worldwide, however, there is a paucity of information in the area of local government shop properties. Local government shop properties being the source of revenue must be properly managed by the property managers. As such, for the shop properties to generate high income, they must possess some characteristics that will attract the occupiers; characteristics such as property size, age, ownership, design, location, condition, and type of physical look among others (Chau, et al., 2010; Ho and Luisman, 2016; Adi and Njo, 2024). These characteristics could influence the occupancy rate within the location of the shop properties. However, property managers rarely pay attention to and evaluate these characteristics, especially on local government shop properties. Several studies have examined the characteristics of local government property in different dimensions but not many have specifically focused on local government shop properties (Sapeciay, et al., 2013; Alhazmi, 2017; Oshikoya and Olayiwola, 2023).

■2.0 LITERATURE REVIEW

2.1 Shop Properties

Ekpo and Jeremiah (2022) assess the return of investment in shop and warehouses in Abak with a view to develop models for property investment. Based on the research findings, although shops seemed to have had the highest returns, it was recommended and concluded that further research be carried out to ascertain the risk of both investments so as to draw proper conclusion on which of the two investments performed better.

Thus, Kumar and Kashyap (2018) examine what motivates utilitarian shopping, especially in online shopping and authenticate some factors through confirmatory factor analysis (CFA) in the Indian context. The study finds out that online shopping motivation factors are accessibility, availability of information, availability of products, searchability and convenience.

2.2 Performance of Local Government Property

In general terms, property performance measurement is concerned with the effectiveness and efficiency of a property, in terms of both the product and quality. Lebas and Euske (2007) and Ghalem et. al. (2016) define performance as "doing today what will lead to an outcome of measured value tomorrow". It further states that performance is a dynamic process that produces potential outcomes. An organization (private or public) needs to measure its performance to improve (Ho and Luisman, 2016). Neely et al., (1995) opine that performance measurement for asset management systems can be defined as applying a set of performance metrics such as capital rate of return, rental rate of return and total rate of return, to quantify both the effectiveness and efficiency of asset management systems (Ekpo and Jeremiah, 2022).

Nnamdi et al. (2018) examine the performance of commercial and residential property investments in Onitsha metropolis, Anambra state, Nigeria. The comparative analysis of the performance of commercial and residential property investments within the period of nine (9) years (i.e. 2007-2016) was conducted focusing on the annual returns, risk profile and return profile. Rental and capital values of commercial and residential property investments were used for the study. The data was sourced from the Estate Surveying and Valuation firms practising in the study area. The data was analysed using Arithmetic Mean Rate of Return (AMRR), Geometric Mean Rate of Return

(GMRR), Standard deviation and Coefficient of Variation. To arrive at the annual returns: the average rental and capital values of both property investments were assessed. Also, the risk inherent (standard deviation) and the risk of return profile (coefficient of variation) of both property investments were equally ascertained and determined. The results showed that commercial property investment performed better than residential property investment within the studied period with an annual return of 19% as against 17% for residential property investment. Dissimilarly, residential property investment performed better in terms of risk-returns profiles within the period under study with 11.34% risk and 0.67 risk-returns as against 15.88% risk and 0.84% risk-return for commercial property investment. the study concluded that a risk-avert investor will prefer to invest in residential properties rather than commercial properties whereas an investor who is a risk-taker will choose to invest in commercial properties rather than residential properties not minding the higher risk involved as shown in the study.

Dabara et al., (2014) examined the risk-returns characteristics of office and shop property investment in Osogbo, Nigeria. The data obtained include both rental and capital values through the administration of questionnaires on all the estate surveying and valuation firms. The data collected was used to calculate the income, capital and total returns on investments in commercial properties in Osogbo. The study used weighted means, percentages and standard deviation to analyse the data. The result showed that investments in commercial properties in the study area provided a continuous positive rate of returns ranging between 3.12% and 34.35% (lowest and highest return respectively) while the corresponding risk ranged between 1.50% and 10.11% (lowest and highest risk respectively).

Chika and Izuchukwu (2018) assessed the performance of commercial real estate development as an investment option in Nnewi, Anambra state, Nigeria, using shops, offices and warehouses. The study determines the performance of the selected commercial uses in the selected areas from 2006-2010 and 2011-2015. Data were collected through questionnaires administered to the landlords of commercial properties, Estate Surveyors and Valuer and Property developers in the study area. The data obtained were the rent passing on the commercial properties while the rate of return on investment was determined by comparing the average annual value of each type of commercial property with the capital sum invested or the estimated value of the property. The study showed a significant difference in the performance of shops, offices and warehouses in Nnewi. The study concluded that the rate of return on shops and offices outshined the rate of return on warehouses. The study therefore recommends that investors should concentrate more on the development of shops and offices as these would ensure better returns on their investment.

Oyewole (2013) examined the performance of real estate investments in Ilorin, Nigeria. The study conducted a comparative analysis of the performance of residential and retail commercial property investment between the years 2000 and 2011. The study used average return, risk-adjusted return, income growth and capital appreciation were used to determine the performance of real estate investment. The result showed that retail commercial property investments with a mean annual return of 14.2% as against 11.8%. Also, commercial property investments performed better in terms of risk-adjusted return with a sharp index of 1.11 as against 0.55 for residential property investment. The performance of commercial property investments was also higher in terms of income and capital growth during the holding periods. The study concluded that despite residential and commercial property investments performing well with positive mean returns and risk-adjusted returns, the performance of commercial property supersedes the performance of residential property investments.

Reddy (2016) compared the performance of the AU $431 billion industry superannuation funds strategically balanced portfolio against ten different passive and active investment strategies. The study used 20 years (1995-2015) of quarterly data covering seven benchmark asset classes such as Australian fixed income, International fixed income, property, and cash among others. The Sharpe ratio was used as the key risk-adjusted return performance measure. The result shows that there is scope to increase the property allocation level. The study concluded that the high allocation is backed by improved risk-adjusted return performance.

Income and expenditure can be used to measure local government shop performance because the yardstick for measurements is determinable. Attwater et al., (2014) examined the measurement of the performance of asset management systems. The study notes three (3) perspectives of asset management activities which include financial, performance and risk. The study further highlights the financial metrics which include the return on investment, various costs, value produced and asset depreciation. The study concluded that performance measurement of asset management systems remains a poorly understood area both in terms of industrial practice as well as academic research. Aside from the financial performance measure, there are other aspects which can be used to measure performance which include occupiers' satisfaction, and service delivery (Baird et al., 2012). Risk perspectives are the safety, reliability, availability and sustainability.

Furthermore, Ionașcu et al., (2020) assessed the involvement of Real Estate Companies in Sustainable Development – An Analysis from SDGs Reporting Perspective examined EU real estate companies' commitment to sustainable development goals (SDGs) and their integration into their business models. It found a significant gap between their intentions and actual actions, with most lacking the strategy, culture, and tools to turn these commitments into concrete actions. The entities primarily present their sustainability aspirations qualitatively, with few quantitative KPIs to measure the achievement of priority SDGs like sustainable cities, climate action, and decent work and economic growth.

Ho and Luisman (2016) measured the performance of property management companies in high-rise flats through the use of the logic model framework. The study found that building age, development scale and rehabilitation of the buildings were the factors that affect property management companies' performance. Hence, the age of the building could affect the performance of local government shop properties.

Backer and Yusoff (2014) examined the practice and performance of Malaysian public asset management with a specific focus on local authorities' asset management. The study concludes that adequate and efficient asset management will promote production and effective service delivery. Neely et al., (2007) opine that the earliest measurement emphasized financial performance with financial figures and ratios used to measure organizational performance. Hence, financial figures could reveal the performance of shop properties.

■3.0 METHODOLOGY

Primary data were obtained through the administration of a questionnaire to the members of staff at the Department of Estate and Valuation of the local governments in Oke-Ogun and the occupiers of the local government properties in the study area. The study focuses

on ten (10) years (2013 and 2022). The study area was stratified into three areas in within Oke-Ogun (Table 1). The members of staff in the selected local government were all sampled which is 21, while 10% of the total occupiers which is 2665 were sampled, this represents 267. The total number of respondents for this study is 288. Descriptive statistics that include frequency distribution and percentages, mean rating and inferential statistics like the holding period return analysis were employed for the study. The holding period return is defined as follows:

$$IR_t = \frac{NI}{CV_{t-1}} \quad \text{..} \quad 1$$

$$CR_t = \frac{CV_t - CV_{t-1}}{CV_{t-1}} \quad \text{..} \quad 2$$

$$TR = IR + CR \quad \text{..} \quad 3$$

Where:

IR_t = Income Return for period t
NI_t = Net Income for period t
CR_t = Capita Return for period t
CV_t = Capital Value at the start of measurement period t
CV_{t-1} = Capital Value at the beginning of period t

Table 1 List of Selected Local Governments in Oke Ogun

S/N	Local Governments	Location	Types of property	Number of shops	Selected Property
1	ATISBO	Tede	Lock up shops	34	3
			Open Stalls	64	6
		Ago-Are	Lock up shops	80	8
		Ofiki	Lock up shops	10	1
		Agunrege	Lock up shops	5	1
		Baasi	Lock up shops	5	1
		Sabe	Lock up shops	5	1
		Owotoro	Lock up shops	5	1
2	Saki West	Adabo market	Lock up shops	49	5
		Ajegunle market	Lock up shops	130	13
		Owode market	Lock up shops	80	8
		Sango market	Lock up shops	264	26
			Open stalls	220	22
3	Olorunsogo	New market	Lock up shops	184	18
		Kraal	Lock up shops	60	6
			Open stalls	40	4
		Gaari market	Lock up shops	18	2
4	Irepo	Central market	Lock up	260	26
			Open stall	260	26
			Prototype	24	2
5	Iseyin	Adabo market	Lock up	90	9
		Araromi market	Lock up	125	13
		Bola Ige market	Lock up	50	5
		Ebedi market	Lock up	250	25
		Oluwole shopping	Lock up	50	5
6	Iwajowa	Iwere-Ile	Lock up	75	7
		Itasa	Lock up	12	1
		Ilaji-Ile	Lock up	12	1
		Ayetoro-Ile	Lock up	12	1
		Ijio	Lock up	28	3
		Idiko-Ile	Lock up	6	1
		Idiko-Ago	Lock up	12	1
		Oja Oba Iganna	Lock up	30	3
		Oke-Aafin Iganna	Lock up	46	5
		Shopping Complex Oke-Aafin, Iganna	Lock up	18	2
		Ayede	Lock up	30	3
		Olorunda	Lock up	12	1
		Eleko kan	Lock up	10	1

(Source: Author's field survey 2023)

■4.0 RESULTS AND FINDINGS

As previously discussed, twenty-one (21) questionnaires were distributed to the property managers in the study area and two hundred and sixty-seven (267) questionnaires were distributed to the shop occupiers. However, out of twenty-one (21) questionnaires administered to the property managers, a total number of sixteen (16) questionnaires (76.2% response rate) were retrieved and found useful. Also, out of 267 questionnaires distributed to the shop occupiers, a total of two hundred and twenty-seven (227) questionnaires (85% response rate) were retrieved and found useful (Table 2). This outcome showed that the respondents were ready to provide the needed information on the property occupied and managed for effective research pursuit.

Table 2 Questionnaire distributions and response rate

Population	Number of Questionnaires distributed	The number of questionnaires retrieved	Percentage
Property Manager	21	16	76.2
Property Occupier	267	227	85
Total	288	243	84.3

(Source: Field survey, 2023)

4.1 Performance of the LG shop properties in the study area

4.1.1 Average Annual Rental Value of the LG shop in the study area

This section captures the average annual rental values of the LG shops on a unit basis. This was calculated by aggregating the rental values for all the studied local governments. Open stalls report an average of ₦2,667.7 per annum (Table 3). It grew in value at an average of 7.73% within the study period (year 2013-2022), while the locked-up shop grew at an average of 6.72% per annum within the study period with an average rental value of ₦3,696.4. In the same vein, proto-types shop grew at a rate of 8.50% within the study period with an average value of ₦1,777.4. The rental value of proto-types reports a higher growth rate compared to other types of properties, and lock shops report the lowest rental growth rate, this could be a result of increasing demand for proto-type shops and open stalls in the area. Another important factor that could be attributed to this is the rental cost to the occupants. Proto-type shops are affordable and within the reach of low-income earners compared to the lock-up shops. More so, open stalls tend to be affordable and largely situated in highly concentrated areas with high demand potential. Open stalls rental value grew from ₦1,789 in 2013 to ₦3,448 in 2023 at a rate of 7.73%, while lock-up shop rental value grew from ₦2,612 in 2013 to ₦4,639 in 2023 at a rate of 6.72%. However, within this period proto-type shops grew at a rate of 8.50% from ₦1,196 in 2013 to ₦2,445 in 2023. Open stalls reported their highest growth rate in 2017, from ₦2,448 in 2016 to ₦2,874 in 2017. Also, the lock-up shop reports its highest growth rate from 2017 to 2018 with a growth rate of 16.1%. Similarly, the rental value of proto-type shops grew from ₦1,611 in 2017 to ₦1,993 in 2018 at a rate of 23.7%. This implies that shop properties have resistance against economic recession. It could also be deduced that with the rental growth, the LG shop properties are performing in terms of total revenue. This corroborated the works of Brackertz (2006) and Oyegoke and Abdulrahman (2023) which states that property performance is primarily financial based in terms of total revenue, total expenditure, capital expenditure and cost of repairs.

Table 3 Average Rental Value of the LG shop in the Study Area

Year	Open Stalls (₦)	Growth Rate %	Locked Up Shop (₦)	Growth Rate %	Prototype (₦)	Growth Rate %
2013	1789		2612		1196	
2014	1841	2.906651761	2643	1.186830015	1225	2.424749164
2015	2143	16.40412819	2891	9.38327658	1438	17.3877551
2016	2448	14.23238451	3318	14.76997579	1545	7.440890125
2017	2874	17.40196078	3590	8.197709464	1611	4.27184466
2018	2890	0.556715379	4169	16.1281337	1993	23.71198014
2019	2946	1.937716263	4308	3.334132886	2018	1.254390366
2020	3097	5.125594026	4381	1.69452182	2116	4.85629336
2021	3201	3.358088473	4413	0.730426843	2187	3.355387524
2022	3448	7.716338644	4639	5.121232721	2445	11.79698217
Mean	2667.7	7.737730892	3696.4	6.72735998	1777.4	8.50003029
STD	550.1025	6.193507088	745.4424	5.460543424	408.9678	7.222009573

| VAR | 302612.8 | 38.35953005 | 555684.4 | 29.81753448 | 167254.6 | 52.15742228 |

(Source: Field Survey, 2023)

4.1.2 Return Profile of the Shop Properties

The holding period return profile of shop property investment is calculated from rental and capital value in the study area and this is shown in Table 4. According to the Estate Surveyors and Valuers practising within the Oke-Ogun area, the capitalisation rates in the years 2013 and 2022 are 6% and 5% respectively. The rates were used based on the economic activities within the area. Also, these rates were applied before the economic recession (2013) and after the economic recession (2022). The year 2013 was used as the base year for both the rental and capital value respectively. In Saki-West, ATISBO and Iseyin LGs, the mean annual total rate of return for the shop properties are 0.84%, 0.51% and 0.52% respectively. Also, Iwajowa, Irepo and Olorunsogo LG shop properties have mean annual total rates of return of 0.80%, 0.67% and 0.51% respectively. On average the mean annual total rate of return for all the LGs is 0.64. This result implies that all the shop properties in all the LG performed in terms of return. The result showed a positive rate of return, and this conforms with the study carried out by Oyewole (2013), Dabara et al., (2014) and Nnamdi et al., (2018).

Table 4   Returns on Shop Property Investment (2013-2022)

S/No	Local Government	Rental Value (₦)		Capital Value (₦)			RRR %	CRR %	TRR %
		2013	2022	2012	2013	2022			
1	Saki-West	1,180,440	5,107,200	17,710,141	19,677,935	102,144,000	0.01155663	0.82662	0.83817
2	ATISBO	397,440	565,248	5,962,792.3	6,625,325	11,304,960	0.03515625	0.47255	0.50771
3	Iseyin	1,174,950	1,703,040	17,627,775	19,586,417	34,060,800	0.03449567	0.48246	0.51696
4	Iwajowa	652,320	2,327,040	9,786,757	10,874,174	46,540,800	0.01401609	0.78972	0.80373
5	Irepo	1,723,680	3,667,968	25,860,371	28,733,746	73,359,360	0.02349639	0.64748	0.67098
6	Olorunsogo	1,522,800	2,165,760	22,846,568	25,385,076	43,315,200	0.03515625	0.47255	0.50771
	Total						0.153877	3.6914	3.8453
	Average						0.025646	0.6152	0.6409

(Source: Field Survey, 2023)

RRR = Rental Rate of Return
CRR = Capital Rate of Return
TRR = Total Rate of Return
TRR = RRR + CRR

4.1.3 Drivers of Performance of the Shop Properties

The drivers of the performance of shop properties were measured using income, expenditure, building age, occupiers' satisfaction and service delivery. Others are government grants, available human resources, employee involvement, employee motivation and employee commitment. From Table 5, the shop properties performed better concerning income with a mean score of 4.19. It shows that the LG is reaping a robust return on investment. This corroborated with the works of Brackertz (2006) which states that the property performance is primarily financially based in terms of total revenue, total expenditure, capital expenditure and cost of repairs and Attwater et al., (2014) which opines that one of the asset management activities is financial perspectives which includes return on investment, various cost, value produced and depreciation. Another performance metric that reports a high level is the occupiers' satisfaction (4.00). This corroborated with the work of Deloria et al., (2019) which opines that customers' satisfaction (consumer requirement) is one of the requirements for the measurement of performance. Furthermore, personal needs are one of the most important factors that could be used to measure performance. Also, service delivery (4.00) corroborated the works of Backer and Yusoff (2014) who stated that adequate and efficient asset management will promote production and effective service delivery.

A government grant was the least performance indicator of the shop properties with a mean of 2.81. It indicates the fact that LG shop properties are not enjoying a good supply of funds from both the federal and state governments. It is expected owing to the poor financial position of the local government in Nigeria. LGs are not well funded. This could be a result of the economic recession that was experienced by the country recently. More so, employee motivation was weak, and this induced a lackadaisical attitude among the staff, which thereby affected their commitment to adequate property management. This could be a result of a lack of motivation in financial terms to the property managers especially the payment of imprest for the running of the Department of Estate and Valuation. Furthermore, building age was well pronounced as one of the weak points of shop properties performance in the sampled LGs with a mean of 3.25. Most of the sampled shops are aged and tend to exhibit dilapidation. This is a reflection of inadequate maintenance by the LG authority to maintain the revenue generation from the shop properties. Availability of human resources was another important factor in ensuring good performance of shop properties in LGs with a mean of 3.88. The poor maintenance could be attributed to the problem of inadequate human

resources and a low level of employee commitment with a mean of 3.75. In addition, expenditure outlay on the properties was below expectation with a mean of 3.78. It indicates the fact that the shops are not well maintained, this could be attributed to inconsistency policies by the LG authority. This corroborated the work of Alhazmi (2017) and Oshikoya and Olayiwola (2023) and which states that inconsistent policies across the sector are one of the characteristics of asset management practices. Even despite the generated revenue from the shop properties.

Table 5 Drivers of the Performance of Shop Properties

S/No	Performance of Shop properties	SA	A	U	D	SD	Mean	STD	Rank
1	Income	3	13				4.19	0.403	1st
2	Occupiers Satisfaction	2	12	2			4.00	0.516	2nd
3	Service Delivery	1	14	1			4.00	0.365	2nd
4	Employee Involvement	1	14		1		3.94	0.574	4th
5	Available human resources	3	10	1	2		3.88	0.885	5th
6	Expenditure	1	12	2	1		3.78	0.825	6th
7	Employee commitment	1	12	1	2		3.75	0.775	7th
8	Building age		9	2	5		3.25	0.931	8th
9	Employee Motivation		8	1	5	2	2.94	1.181	9th
10	Government grants		3	7	6		2.81	0.750	10th

(Source: Field survey, 2023)

STD = Standard Deviation

■5.0 CONLUSION

The study found that the rental value of the prototype shop reported a higher growth rate compared to locked-up shops and open stalls. This could be a result of increasing demand for prototype shops. However, all the types of shops in the study area reported increasing rental growth which indicates the performance of the shop properties financially. The study also found that Saki-West, ATISBO and Iseyin LG shop properties have the mean annual total rate of return of 1.45, 0.17 and 0.20 respectively. While Iwajowa, Irepo and Olorunsogo LGs shop properties have the mean annual total rate of return of 1.27, 0.77 and 0.17 respectively. However, on average the mean annual total rate of return has a positive value of 0.67.

The study further revealed that income was ranked most ranked driver of the performance of LG shop properties, and this shows that LG are reaping robust returns on investment. Also, drivers of performance that closely follow the income are occupiers' satisfaction and service delivery. Furthermore, government grant was the least driver of the performance of the shop properties, and this implies that the LG are not well funded, and this could be attributed to low internally generated revenue by the Federal Government.

To enhance the performance of Local Government shop properties in Oke-Ogun, Oyo state, the study therefore recommends that more qualified staff should be employed in the Department of Estate Surveying and Valuation would ease the operation of management as well as ensure maximum return on investment which would complement the fund allocation from the federal government. This would in turn ensure better performance of local government shop properties. Also, adequate maintenance would attract more prospective tenants to the shop properties, and this would lead to more demand for local government shop properties. This development will ensure proper management that helps the LG to satisfy the requirements of SDG Goal no 11 (Make cities and human settlements inclusive, safe, resilient and sustainable) and SDG Goal no 8 (sustainable economic growth).

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