

WARRI ETHNIC CRISIS AND PROPERTY MARKET OPERATION IN DELTA STATE, NIGERIA.

Ireri, Samuel¹ and Akujuru, Victor A.²

Department of Estate Management, Rivers State University, Port Harcourt. ^{1,2}

irorisamuel@yahoo.com¹ akujuru.victor@ust.edu.ng²

Abstract: *The operation of the property market in Warri has great potential like similar markets in several emerging economies. Warri in Delta State has been embroiled with ethnic crisis between the Urhobos, Ijaws and Itsekiris tribes in time past over certain fundamental issues affecting their areas, noticeable even till date. This study assessed the impact of property market operation after the ethnic crisis in Warri, Delta State, Nigeria. The study adopted cross-sectional survey research design and questionnaire was the main tool for data collection which was administered on respondents of nine (9) selected electoral wards in Warri North, Warri South and Warri South West Local Government Areas through simple random sampling. The data collected was analyzed using descriptive statistics and multiple regression analysis. The findings revealed that the operation of the property market were at moderate level after the occurrence of ethnic crises and the twelve features of property market operation provided an opportunity for developers to make maximum returns on their investment to sustained developmental growth in Warri. The study concluded by recommending that government should intensify efforts on: security matters, public enlightenment campaign on crises, proper boundary demarcations, employment and poverty reduction including fairness in sharing resources as to avert crises and further increase the property market operation in the area.*

Keywords: Property, Market Operation, Impact, Ethnic Crisis, Warri, Delta State

1.0 Introduction

Real estate assets play a critical role in investor's wealth, especially homeowners. The attractiveness and profitability of any investment depends on the size and shape of the market which in-turn affects the value and the investment opportunities. The Nigerian property market has great potential like other similar markets in several emerging economies in Africa, which has not benefitted from internationalize property investment (Babawale, 2008). This implies that the property market operation is a major receptacle of foreign direct investments and the extent of its development determines the extent to which it can contribute and buoy the economy.

With surging rents in a conducive atmosphere, significant housing shortage and over-regulation seem to have affected the property operations of its opportunities with unique challenges, which only an optimistic investor would be able to successfully convert it into viable, long-term profitable ventures (Aluko and Amidu, 2005). However, it seems that Warri in Delta State as a oil city has being one of Nigeria's larger economy with its large population, is bound to top the list of major cities in Nigeria as an expensive location for various types of property development.

It should not be surprise that there is growing interest in the lucrative prospects in real estate development (JLL, 2010), which Warri is not left out after the ethnic crises.

In time past, Warri in Delta State has been embroiled in ethnic crisis between the Urhobos, Ijaws and Itsekiris tribes over certain fundamental issues affecting their areas, noticeable even till date. Protracted agitation for resource management, inequality in the distribution of national wealth, aggressive and unreasonable belief by ethnic groups, economic and political deprivations, tribalism and favoritism are factors been identified as the immediate causes of crises (Chikaire, Orusha, Irebuizi, Amanze and Asonye, 2016). Added to these factors are the fear of domination and marginalization of the minority by the dominant ethnic groups (Ikure- Kong, Udo and Esin, 2012). This has evolved in the shadow of urban chaos that disrupted physical or property development as resultant effect of ethnic crises which occupied the center stage of Warri. The prevalence of ethnic crisis in Warri is attested to by the sheer dramatic rise in the incidences of crime as well as the reduction in development and economic activities in the area.

Unfortunately, ethnic crises in these communities have affected property market operation: commercial, residential, agricultural, institutional, industrial, recreational, mining, etc. types of property development. This ethnic crisis has aggravated into war torn destruction of lives and properties developed that accompanied palpable tension and animosity generated among landowners and the property developers. All these aforementioned scenarios have affected property market operation due to ethnic crises discouraging property development within the area has given rise to ascertain the causes and consequences of ethnic crisis on property development prior to and after the crisis in the operations of the property market. Complications like these have made the property market operation process to be more destructive and expensive than to necessitate the values of properties. The revise has been the case as peace returns to the oil city; property market has attractive rents for landlords and similar investors. The operation of property market in Warri has also provided attractive returns on investment that cannot be ignored by investors seeking to develop or purchase property where an investment in real estate can bring returns. The high-end property market operation illustrates the potential for profitable investment with properties on high demand (JLL, 2010). There are, however, ways of improving the operation of the property market as the actions of notable property developers in Nigeria utilizes cost-saving methods such as building on demand (Aluko and Amidu, 2005).

The property market operation after crises in Warri in spite of its size and robustness appears not to have elicited commensurate attention by investors. It has only recently managed to receive no more than a glimpse of reviews and perhaps a handful of academic research which practices is even rarely sustained. It would appear that it may have considered a lot of challenges prior to ethnic crises, yet no empirical study has been conducted to date on operation of the property market in Warri after crises to reveals its state as has been done for similar property market elsewhere. Consequently, investor's perception about the operation of the property market will be hinged on myths rather than empirical evidence (Lim, McGreal and Webb, 2006).

1.1 Aim and Objective of the Study

This paper focused on the operation of the property market in order to analyze the prospects after ethnic crises in Warri, Delta State.

The following are the objectives of this study:

1. To examine the prospects for the property market operation after crisis.
2. To investigate the perceived impact of the property market operation after crisis.

1.2 Hypothesis of the Study

The hypothesis is stated below.

H₀: There is no significant impact of property market operation after ethnic crisis occurrence in Warri.

H₁: There is significant impact of property market operation after ethnic crisis occurrence in Warri.

1.3 Scope of the Study

The scope of this study is limited to the property market operation in the three (3) core Local Government Areas of Warri in Delta State being bedeviled with ethnic crisis. After the ethnic crises, there were prospects for the operation of the market. It should have been ideal that the study covers all Local Government Areas in Delta State, but opted to restrict the scope to Warri, specifically the 59 electoral wards in the three (3) Local Government Areas: Warri North, Warri South and Warri South West.

2.0 Literature Review

2.1 Property Development Situation in Nigeria

The quality of human existence is the function of their ability to develop and improve their housing condition (Alagbe, Aderonmu, Opoko and Oluwatayo, 2014). According to EF in A and Fin Mark Trust (2010), currently the housing deficit in Nigeria is estimated at 14 million units which will cost N49 trillion (\$326 billion) to bridge the gap, assuming the cost of N3.5 million per unit. The right to adequate housing has been consistently reaffirmed as a distinct human right by various international bodies in the United Nations system with numerous national constitutions and legislation and civil society organization across the world propagating for better housing (Kothari, 2001). Consequently, Article 11 of the international convention on economic, social and social rights and other international instruments has recognized the right to adequate housing (UN-Habitat, 2005). Despite this welcome acknowledgement, the right to adequate housing remains unrealistic for vast majority of poor and vulnerable people and communities coupled with ethnic crises.

2.2 Influence of Ethnic Crisis on Property Development

Abegunde (2011) opine that the nature of land and types of its components dictate what existed on it, to an extent that land for development has influences climate and also dictates the lifestyles of the settlers on it cut across the globe. The sovereignty of a kingdom is the function of the area of land it's occupied because all communities are located on developed land and their territories are defined by it. This is an indication that territorial defense is with the purpose of securing or retaining certain piece of land (Abegunde, 2011).

Ethnic crisis over developmental land is often combined with strong economic, spatial and emotional values showing that land is central to the continuity of life, indispensable in property development and complex in social relations of the production housing in the economic world (Abegunde, 2011). From the socio cultural dimension land, there are indications that man's complex socio-economic, cultural and physical attachments to land have place land in a sensitive and unique position (Abegunde, 2010). Land has given birth to untold ethnic crisis with conflict interests among communities to secure territories, conserve socio-economic resources and carryout property development activities with practice of their customs and traditions (Abegunde, 2010).

Conflict of interest on land resulting to ethnic crisis have affected millions of people with the consequences in lost opportunities in terms of social disorder, economic depression and destruction

of housing and basic infrastructure from the property development activities of communities (Gizewski and Homer-Dixon, 1995; Justino, 2004). All types of crisis on land towards property development entails significant private and social costs in human environment (Abegunde, 2011). Ethnic crisis has its impact on the residents and their environment in both direct and indirect ways and sometimes of advantage to a group or affected parties (Angaye, 2003). However, in African Nations, experiences have shown that the negative effect of crisis far outweighs their merits (Colletta, Kostner and Wiederhofer, 1996; Brinwanger, Klans and Gersho, 1996, Shah, 2003, Salim, 2004).

Schock (1996); Addison (2001); Abegunde (2010) observed that direct losses on land due to crisis can be reflected in loss of improvement on land; farmland, waste of land based mineral resources, urban land degradation during and after the crisis, inability to conserve landed properties with cultural or historical values, inaccessibility to urban land for meaningful socio-economic or property development programmes, etc. of significance hence, it is important to note that crisis militated by tussle over land often resulted in further losses on land and its related resources (Abegunde, 2011).

Globally and in recent times, the concept of ethnic crisis and property development is becoming more relevant in conflict studies because the increasing occurrences of crises have led to extensive loss of life, damage to property and the environment generally and in turn clock on property development (Abegunde, 2011). Gakunzi (2005) stated that the major impediments to growth in many African nations are ethnic crisis which their effects on residents are reflected on destruction of community's infrastructure, trade, social interaction and property development. Hettne (2002) pointed out that crises create a state of turbulence in the environments and in particular, in the mind of the people which often leads to a destruction of physical and social infrastructure including roads, electricity, schools and hospitals.

3.0 Research Methodology

This study adopted a cross-sectional survey/ descriptive. The study area is Greater Warri that consists of three (3) Local Government Areas: Warri North, Warri South and Warri South West of Delta State. The population of the study on appraising the influence of property market operation after ethnic crisis in Warri comprised of landowners and developers in nine (9) electoral wards purposively selected out of 59 electoral wards: Warri north (Tsekeleou, Koko and Abigborode),

Warri south (Odeitsekiri, Warri and Omadino) and Warri south west (Ogbe-Ijoh, Gbaramatu and Isaba). A sample size of 108 respondents using Taro Yamane formula drawn out of a population of 612,071 in the three (3) Warri Local Government Areas and questionnaires were administered on them. Primary data was collected with aid of questionnaires administered on residents of the study area. The simple random sampling technique was adopted in selection of the sample size of 108 residents representing 0.02% of the subset in the target population having equal chances of selecting 12 respondents from each 9 electoral wards. Descriptive statistics using frequency tables and percentage distribution were used in analyzing data, while the multiple regression analysis was use to test the formulated hypothesis. The 9 electoral wards studied and questionnaires distributed are shown in Table 1.

Table 1: Sampling Techniques of Respondents

L.G.A.s	Population	No. of Wards	No. Wards/	No. of Respondents
Warri North	311,970	20	Tsekeleouu, Koko, Abigborode	12 12 12
Warri South	183,420	19	Odeitsekiri, Warri, Omadino	12 12 12
Warri South West	116,681	20	Ogbe-Ijoh, Gbaramatu, Isaba	12 12 12

Source: Authors Field Survey, 2019.

4.0 Data Presentation and Analysis

4.1 Perceived Operation of the Property Market after Ethnic Crisis.

This section addressed the operation of the property market after ethnic crisis occurs as it influences property market operation in Warri. Data collected was analyzed using mean score to rate respondent’s feeling.

4.1 Ease of Developing and Purchasing Properties after Ethnic Crisis.

Figure1 revealed that 67.6% of the respondents agree that it was easier to develop and purchase properties after ethnic crisis, while 23.1% do not agree and 9.3% do not have any idea. It implies that it easier to develop and purchase property after crisis occurrence. This is the period of boom for property development that reduces social and economic burden in the study area.

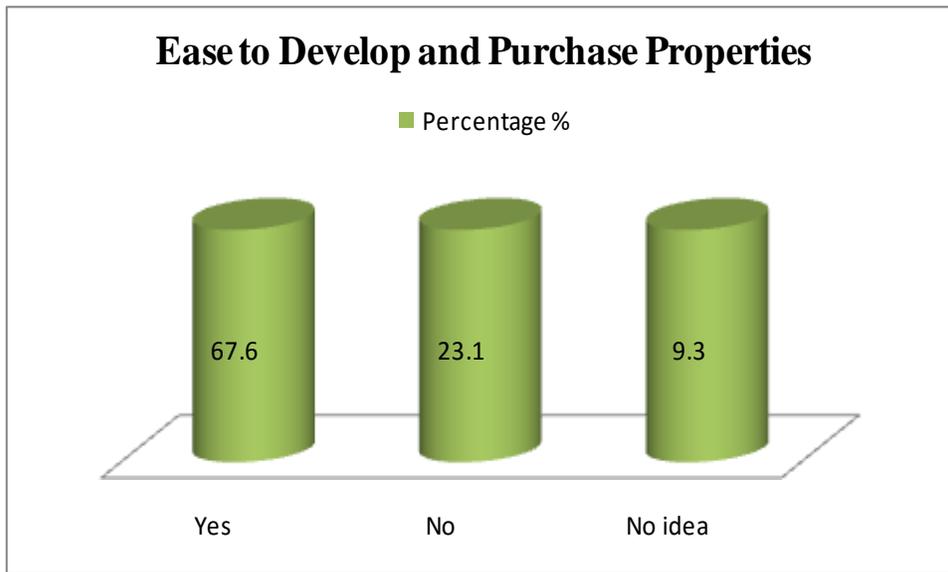


Figure 1: Ease to Develop and Purchase Properties
 Source: Author’s Field Survey, 2019.

4.2 Rate of Property Market Participation after Ethnic Crisis.

Table 2 indicated that 34.2% of the respondents agree that the current rate property market participation after ethnic crisis was high, 14% agree as being very high, 25.9% as being moderate, while 18.5% was low and 7.4% very low. It implies that property development and property market participation was high to align with notion that property development can thrive in a peaceful atmosphere.

Table 2: Property Market Participation after Ethnic Crisis

Property Market Participation	Frequency	Percentage
Very high	15	14.0
High	37	34.2
Moderate	28	25.9
Low	20	18.9
Very low	8	7.4
Total	108	100.0

Source: Author’s Survey, 2019.

4.3 Operation of the Property Market after Ethnic Crisis

Table 3 shows the operation of the property market after crisis in the study area. The table clearly indicated that more than half of the respondents agreed with the operation of the property market enhances renovation and rectification of destroyed property after crisis with a mean score of 3.5, increase durable and new housing stock (3.76), increase employment and reduces poverty (3.74), regular property income yield (3.53), capital appreciation in the property market (3.54). Table 2 further revealed that more than average (>3.00) of the respondents agreed with high demand for property, higher returns on investment, promote safe and secure market, high patronage in the market, encourages property development decision, and frequent and fast appreciation to property values as what occurs in the property market after crisis.

Table 3: Perception of Property Market Operation after Crisis.

Property Market Operation after Crisis	Weight (N= 108)					Sum	Mean	%	Remark
	5	4	3	2	1				
Enhance renovation/ratification of destroyed properties	30	30	25	13	10	381	3.51	70.4	Agree
Increase durable and new housing stock	35	30	30	8	5	406	3.76	75.2	Agree

Increased employment and poverty reduction	35	30	30	28	105	404	3.74	74.8	Agree
Regularity of property income yield	29	30	24	15	10	382	3.52	70.7	Agree
Capital appreciation in the property market	30	30	24	15	8	384	3.54	71.0	Agree
High demand of properties in the market	34	20	30	9	6	400	3.70	74.0	Agree
Higher return on investment	24	30	35	14	10	378	3.50	70.0	Agree
Promote safe and secure market	21	35	30	11	11	368	3.41	68.1	Agree
Much values attached to landlord property	21	21	24	21	21	348	3.22	64.4	Agree
High patronage in the market	28	26	25	9	10	347	3.21	64.2	Agree
Encourages property development decision	22	24	24	20	18	336	3.11	62.2	Agree
Foster appreciation to property values	20	20	28	20	20	324	3.00	60.0	Agree
Legend: < 3.00 = Disagree, > 3.00 = Agree									

Source: Author’s Field Survey, 2019.

Hypothesis Testing

The hypothesis is re-stated below.

H₀: There is no significant impact of property market operation after ethnic crisis occurrence in Warri.

H₁: There is significant impact of property market operation after ethnic crisis occurrence in Warri.

Table 4: Multiple Regressions on Analysis of Market Operation after Ethnic Crisis Model Summary

Model	R ^a	R ²	Adjusted R ²	Std. Error of Estimate
1	0.489	0.740	0.736	635786.538

a. Predictors: (constant): Ethnic Crisis

Source: Author’s Field Survey, 2019

Table 4 multiple regression analysis show the model summary as obtained from SPSS. The R² in this case is 0.740, while adjusted R² was 0.736. This means that the model explains 74% of the variation in the influence of ethnic crisis on property development is in real life. This number suggests that the model is significant drives of change in property market operation after ethnic crisis period moderately fit; therefore it may not be able to accurately predict the impact of ethnic crisis for any currently property market operation processes from known independent variables.

Table 5: Analysis of Variance (ANOVA)

Model 1	Source of Variation	DF	SS	MS	F	P-Value
	Regression	8	1.43128	0.47709	12.74	0.002*
	Residual	100	0.29952	0.03744		
	Total	108	1.73080			

a. Dependent variable: Property Market Operation
b. Predictors: (Constant): Impact after Ethnic Crisis
 * Significant at 0.05 alpha level: $df = F 0.659$; critical $F 12.74$; $N=108$

Source: Author’s Field Survey, 2019

The analysis of variance (ANOVA) in Table 5 shows multiple regression ANOVA, where a significant regression analysis equation was found ($f(0.659) = 12.74$, $p < 0.0020$, with an R^2 of 0.740. with a p-value < 0.002 , the regression equation’s results are significant, only the independent variables that was not a significant predictor. Because the p-value was less than 0.005, property market operation after the impact of ethnic crisis was significant predictor as other independent variables were eliminated.

Table 6: Coefficients

Model	Unstandardized	Coefficients	Standardized coefficient		Sig
	B	Std. Error	Beta	T	
1(constant) Impact	4.702	2.5681		24.71	0.0001
Ethnic Crisis.	0.6059	1.5389	0.19349	-3.77	0.0001

a. Dependent Variable: Property Market Operation

Source: Author’s Field Survey, 2019

Table 6 shows multiple regression co-efficient with a p-value < 0.001 , the regression equations results are significant where the impact after ethnic crisis is equal to 4.702 -0.6059 (property market operation). However, the only dependent variable that was a significant predictor as shown in the “sig” column of Table 6 was the impact of ethnic crisis on property development; all other independent variables were eliminated.

5.0 Discussion of Findings

5.1 Operation of the Property Market after Ethnic Crisis

The multiple regression Tables 4,5 and 6 above shows a combination of property market operation after ethnic crisis (enhance renovation and rectification of destroyed properties, increase in durable and new housing stock, increased employment and poverty reduction, regularity of income yield,

capital appreciation in the market, higher demand for properties, higher returns, promote safe and secure market, higher patronage, much values to landed properties, encourages property development decision and foster faster property value appreciation) representing 68.8% response rate. In predicting the property market operation after ethnic crisis among the residents of Warri in Delta State yielded a coefficient of multiple regressions R^a of 0.489 and multiple regression R^2 of 0.740, while adjusted R^2 of 0.736 with 635786.538 standard error estimates. The results also show that the analysis of variance (ANOVA) for the multiple regressions produced a multiple regressions F-ratio which is significant at 0.05. To determine the relative contribution of the individual factor, a test of regression weight was carried out and result shows the standardized regression weight (Beta) of 0.19349 and T-ratio of 24.71 to -3.77. Thus, the Beta weights of twelve variables were significant at p -value < 0.05 . The result implies that the operation of the property market improved significantly after the occurrence of ethnic crises among the residents of Warri. On the whole, the findings from this study reveal that there is significant impact in the property market operation after occurrence of ethnic crises in Warri of Delta State and as such the null hypothesis is rejected in favor of the alternative hypothesis. This result is in conformity with previous studies in other countries as shown in the literature.

6.0 Conclusion and Recommendations

The study appraised the influence of property market operation after the occurrence of ethnic crises in Warri Delta State. The findings showed that twelve variables of property market operation means releasing human energy by providing an opportunity for developers to make maximum returns to their own investment and to self-sustained development of their community. The failure of property market operation to achieve this would be attributed to the apparent lack of participation, gross miss-management, massive capital flight, and unproductive use of resources, anti-rural bias, poor resources mobilization, distorted priorities and un-extensive intervention by government and ethnic politics resulting to ethnic crises. The implications of this result is that the operation of the property market after crisis, transform the study area into better site for property investment, expanding and adopting capacity to increase property development productivity within a balanced economic system. The present study aligned with that peaceful environment increases productivity within a balanced economic system, the eradication of poverty and diseases and the liberation of ethnic groups from constraint will transform a better state. The operation of the property market requires individual freedom and social security, market buoyancy, information

and economic liberation, self-reliance, and sustainable socio-political order to strife. It therefore follows that the operation of the property market requires the improvement of economic variables like the level of income, population, demand, and supply, employment, savings and investment, including the improvement of non-economic variables like accountability, transparency in governance, observation rule of law, the redistribution of wealth and the political will to enhance the quality of life through the property market operation. The study recommended that government should as a matter of priority engage in public education and enlightenment campaign as to create awareness among others creating employment opportunities as to reduce poverty, demarcation of land boundaries, setting up of law enforcement/ security stations and equitable distribution of land resource as to reduce ethnic crises which will in-turn enhance property market operation.

References

- Abegunde, A. A. (2010). An Evaluation of the Impact of Communal Conflict on the Physical Development of Selected Settlements in South-West, Nigeria. A Ph.D Thesis. Department of Urban and Regional Planning, Obafemi Awolowo University, Ile Ife, Nigeria.
- Abegunde, A. A. (2011). Land as the Main Cause of Inter-Communal Conflicts in Africa. Key Natural Resource against Community Development of Third World Nations? *Journal of Economics and Sustainable Development*, 2(4), 285-297.
- Achimugu, H., Ata-Agboni, U. J. and Aliyu, A. (2013). Ethnicity, Ethnic Crisis, and Good Governance in Nigeria: Implications for Sustainable National Development. *Public Policy and Administration Research*, 3(12), 46-60.
- Adebayo, A. (2004). *Development and Economic Growth in Africa*: Boulder. West-view Press.
- Adebayo, A. (2006). Ethnic Conflicts and Nigerian's Democracy and Development (1997-2004). In: Hassan, S. et al (eds) *Democracy and Development in Nigeria* (vol. 3), Social Issues and External Relations, Lagos: Concept Publication Limited.
- Alagbe, O., Aderonmu, P., Opoko, A.P. and Oluwatayo, A. (2014). Relevance of Manual Drafting in Design Studio Education in Nigeria: Covenant University Architecture Students Perspective. EDULEARN14 Conference: 7th – 9th July, 2014 Barcelona, Spain.
- Angage, G. (2003). Causes and Cures of Conflict in Nigeria. Available at http://www.nigerdeltacongress.com/garticles/causesand_cures_of_conflict_in.htm.

- Binswanger, H., Klaus, D. and Gershon, F. (1996). Power, Distortions, Revolt, and Reform in Agricultural Land Relations, Latin America and the Caribbean. Technical Department and the Agricultural and Rural Development Department, World Bank, Mimeo, 1993.
- Chikaire, J. U., Orusha, J. O., Irebuisi, D. C., Amanze, P. C. and Asonye, N. C. (2016). Communal Clash/Conflicts: Bane of Achieving Food Production and Security among Farming Households in South-East, Nigeria. *Journal of Food Science and Technology*, 3(2), 65-72.
- Colletta, N.J., Kostner, M. and Wiederhofer, I. (1996). The Transition from War to Peace in Sub-Saharan Africa. Policy Paper.
- EF; in A and Fin Mark Trust (2010). Overview of the Housing Finance Sector in Nigeria Federal Republic of Nigeria (2006). Independent Electoral Commission (INEC) on Community Wards of each State, 2006. Federal Republic of Nigeria
- Gakunzi, D. (2005). Why Conflict Re-occurs in Africa: International Martin Luther King Center in Kigali, Rwanda.
- Gizewski, P. and Horner-Dixon, T. (1995). Urban Growth and Violence: Will the Future Resemble the Past? Occasional Paper Project on Environment, population and Security Washington, D.C. American Association for the Advancement of science and the University of Toronto. Available at http://www.library.utoronto.ca/pcs/eps/urban/urban_1.htm.
- Hettne, B. (2002). Poverty and Conflict: The Methodology of a Complex Relationship. Collegium for Development Studies, Ovre Slottsgatan ISE-752 29 Uppsala, Sweden. www.kus.uu.se.
- Ikure-Kong, E. E., Udo, A. S. and Esin, J. O. (2012). Communal Conflicts and Resource Development in Ini Local Government Area of Akwa Ibom State, Nigeria. *International Journal of Peace and Development Studies*, 3(5), 98-106.
- Justino, P. (2004). Redistribution, Inequality and Political Conflict. Conflict Network, School of Social Sciences and Cultural Studies, University of Sussex-Fahmer Brighton. www.hicn.org.
- Kothari, M. (2001). The Right to Adequate Housing is a Human Right. United Nation Chronicle Online Edition, 38 (1).
- Salim, E. (2004). Beating the Resource Curse. The Rule of Law and the Millennium Development Goals. Available at <http://www.ourplanet.com/imgversn/154/salim.html>.

Schock, K. (1996). A Conjectural Model of Political Conflict: The Impact of Political Opportunities on the Relationship between Economic Inequality and Violent Political Conflict. *Journal of Conflict Resolution*, XL, 98-133.

Shah, A. (2003). Rwanda. Available at
<http://www.globalissus.org/geopolitics/Africa/Rwanda.asp>.

UN-Habitat (2005). Indigenous Peoples' Right to Adequate Housing: a Global Review. United Nations Housing Right Programme Report No. 7. Nairobi, Kenya.