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EXAMINATION OF THE FEDERAL CAPITAL TERRITORY (FCT) ABUJA PROPERTY MARKET SUB-MARKET

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ABSTRACT

This study examines the structure, characteristics, and maturity of property sub-markets within the Federal Capital Territory (FCT), Abuja, Nigeria. Employing a survey research design, data were collected from 587 key stakeholders in the real estate sector, including estate surveyors, developers, financiers, and regulatory bodies. The research identifies the predominant property sub-markets, assesses their relative affordability, and evaluates the market's responsiveness to investor needs. Findings reveal that the Abuja property market is largely dominated by residential (76.0%) and commercial (61.5%) sub-markets, while segments such as eco-friendly developments, tourism, and institutional properties remain underdeveloped. The study highlights significant affordability disparities among sub-markets, with government and institutional housing perceived as most accessible, and luxury and eco-friendly properties viewed as least affordable. The results indicate a partially mature market, characterized by professional depth, stable institutional presence, and increasing diversification. However, the limited participation in emerging sub-sectors underscores the need for policy-driven incentives to promote investment in underutilized segments. The study draws on the Market Cycle Theory to contextualize Abuja's market dynamics and stresses the relevance of sub-market analysis in shaping urban development policy, housing strategies, and investment planning. It concludes by recommending diversification into underserved sub-markets, the adoption of green development practices, and supportive policies to enhance market inclusiveness and sustainability. These findings offer valuable insights for policymakers, investors, and planners aiming to harness the full potential of Abuja's evolving property market.

Keywords: Property Market, Sub-Market, Real Estate, FCT-Abuja, Affordability, Market Maturity.

1.0 INTRODUCTION

The property market serves as a competitive investment platform where real estate assets must contend with other alternatives for capital. To attract investment, real estate must be innovatively packaged and marketed. Investors evaluate opportunities based on both financial and non-financial goals, making it essential for property markets to present attractive value propositions. Unlike other commodities, real estate is inherently immobile and its use is restricted to its geographic location. The market is driven by the forces of supply and demand and is influenced by rights associated with ownership rather than just physical structures. Therefore, real estate transactions involve complex legal and economic considerations that are unique compared to the trade of movable goods.

According to Otegbulu (2022), the property market is defined as a system where participants interact to determine prices of real estate assets. In developing countries, property markets often exhibit volatility, limited financing access, and vague property rights (Agboola and Scofield, 2018), unlike their more mature counterparts in developed nations.

Following instability in other regions, Abuja has become a haven for real estate investors due to its relative safety and administrative significance (Adiaha, 2020). This study aims to assess the various sub-markets within Abuja's property market and evaluate their performance and characteristics.

2.0 LITERATURE REVIEW

Property can be categorized into various types including residential, commercial, industrial, recreational, institutional, and agricultural. These property types reflect varying investment potentials and play a role in understanding a region's property market maturity.

A market, in the context of real estate, is an environment for the exchange of property rights and is influenced by numerous stakeholders including brokers, agents, banks, and government entities (Watson and Elizabeth, 2021; Olaleye, 2018). Property sub-markets are defined by unique attributes such as location, usage, and demand dynamics. Understanding these sub-markets is essential for effective investment and policy planning.

Sub-markets are not static; they evolve with urban dynamics and demographic shifts (Gallimore and Gray, 2020). Techniques such as GIS, hedonic pricing models, and clustering algorithms help in identifying and understanding these sub-segments (Huang et al., 2021).

Studies from both developed and developing nations emphasize the importance of localized approaches to property valuation and planning (Olayiwola and Adeleye, 2022; Ajayi and Omirin, 2021). Furthermore, understanding the interaction between sub-markets aids in

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predicting market shocks and planning equitable development strategies (Goodman and Thibodeau, 2019).

2.1 THEORETICAL FRAMEWORK

Theoretical Framework: This research employs the Market Cycle Theory originally proposed by Hoyt (1933) and refined by Mueller (1995). The theory outlines the cyclical nature of property markets, which move through phases such as recovery, expansion, hyper-supply, and recession. Mature markets tend to exhibit predictable cycles and strong investor confidence, thereby facilitating stability and self-correction.

3.0 METHODOLOGY

A survey design was adopted, targeting a diverse sample of professionals within Abuja's real estate sector. Data collection was achieved through structured questionnaires, and responses were analyzed using both descriptive and inferential statistics. The population includes professionals from REDAN, Estate Surveyors, Financiers, and Public Agencies.

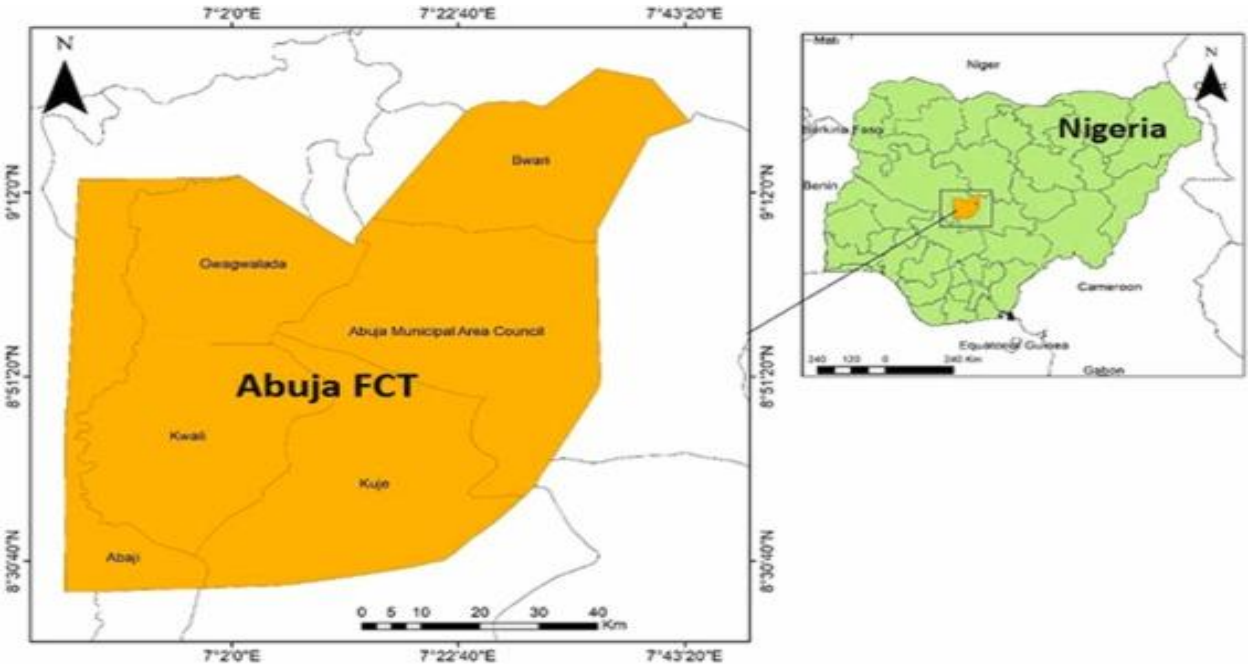


Figure 1 Map of Nigeria showing FCT in green and Figure 3.2 Map of the FCT showing the Area councils.

Source: (Adiaha, 2020)

4.0 RESULTS AND DISCUSSION

Results and Discussion: A total of 587 completed questionnaires were analyzed. Key findings reveal that most firms in the Abuja market are well-established, with a strong presence of experienced professionals. Residential and Commercial Properties dominate the landscape, accounting for 76.0% and 61.5% of responses, respectively. Emerging segments such as eco-friendly and tourism properties remain underexplored.

Affordability varies widely, with institutional housing perceived as the most affordable and luxury developments as the least. The results indicate a need for more inclusive development strategies and the promotion of underutilized sub-markets.

4.1 Analysis of Socio-demographic Variables

Table 4.1: *Composite Descriptive Analysis of Respondents Socio-Demographic Variables*

Variables/ Response Options	Frequency (n)	Percentage (%)
Status of Respondent		
Principal Partner	141	24.0%
Associate Partner	176	30.0%
Branch Manager	94	16.0%
Head of Department	117	20.0%
Others (e.g., Analyst)	59	10.0%
Total	587	100.0%
Qualification of Respondent		
HND only	58	9.9%
B.Sc/B.Tech only	82	14.0%
HND/B.Sc	74	12.6%
M.Sc	131	22.3%
PhD	43	7.3%
Registered Estate Surveyor & Valuer	152	25.9%
Others (e.g., PGD, MBA)	47	8.0%
Total	587	100.0%
Years of Firm's Establishment		
Between 1 and 5 years	66	11.2%
Between 6 and 10 years	124	21.1%
Between 11 and 15 years	153	26.1%
Between 16 and 20 years	111	18.9%
21 years and above	133	22.7%
Total	587	100.0%
Firm's Staff Strength		
Between 1 and 5	97	16.5%
Between 6 and 10	140	23.9%
Between 11 and 15	134	22.8%
Between 16 and 20	108	18.4%
21 and above	108	18.4%
Total	587	100.0%

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Source: Field Survey, 2025

Table 1 contains a composite analysis of respondents' socio-demographic variables. In terms of their status as Real Estate professionals, the analysis showed that the majority of respondents were Associate Partners (n = 176, 30.0%), followed by Principal Partners (n = 141, 24.0%) and Heads of Departments (n = 117, 20.0%). Branch Managers accounted for 94 respondents (16.0%), while the remaining 59 participants (10.0%) identified as others, including roles such as Analysts and Administrative Staff. This distribution indicates a diverse professional representation across hierarchical levels in the property sector in FCT-Abuja.

With respect to educational qualification, result of the analysis showed that the most commonly held qualification among the respondents was Registered Estate Surveyor and Valuer (n = 152, 25.9%), followed by those with an M.Sc degree (n = 131, 22.3%). A smaller portion held only a PhD (n = 43, 7.3%) or HND only (n = 58, 9.9%).

Regarding the years of firm establishment, the result showed that the largest segment of firms had been in operation for 11–15 years (n = 153, 26.1%), followed by those established for 21 years or more (n = 133, 22.7%). Firms with only 1–5 years of experience formed the smallest category (n = 66, 11.2%). This distribution suggests a relatively mature business environment, with the average firm having operated for approximately 14.5 years. The predominance of firms with over a decade of experience reflects sectoral stability and accumulated operational knowledge, which may contribute to competitive advantage, customer loyalty, and long-term sustainability. Conversely, the small proportion of newer firms (1–5 years) may point to underlying challenges such as entry barriers, limited start-up support, or high competition. This highlights the need for targeted policies to support early-stage firms and promote innovation-driven growth.

On staff strength, the analysis equally showed that most firms employed 6–10 staff members (n = 140, 23.9%) or 11–15 staff (n = 134, 22.8%). Firms with the highest staffing category (21 and above) made up 18.4% (n = 108) of the sample. The average number of employees across all firms was approximately 13, suggesting that the majority of firms in the Abuja property market operate as small to mid-sized enterprises with sufficient staffing to support stable operations. The relatively even spread across the staffing ranges indicates organisational diversity and scalability within the sector. While only 16.5% of firms employed between 1 and 5 staff, the high representation of firms with over 15 employees (36.8%) highlights the presence of moderately scaled operations. These findings reflect a business landscape with potential for growth and underline the importance of workforce development policies tailored to the needs of small and medium-sized enterprises (SMEs).

4.2 Analysis of Property Market Characterizes

The analysis in this sub-section addresses the first specific objective of this study which aimed to determine the characteristics of various property sub-markets in the study area (measured in terms of prominently available types, affordability, key market players/participants, and market structure. The analysis are as follows:

Table 4.2: *Distribution of prominently available property sub-markets in Abuja*

Sub-Market Type	No. of Respondents (N = 587)	% of Respondents	% of Total Responses (N = 2,437)
Residential Properties	446	76.0%	18.3%

Commercial Properties	361	61.5%	14.8%
Industrial Properties	223	38.0%	9.1%
Mixed-Use Developments	263	44.8%	10.8%
Land Sales and Development Projects	306	52.1%	12.6%
Luxury Developments	199	33.9%	8.2%
Government and Institutional	165	28.1%	6.8%
Tourism and Hospitality	129	21.9%	5.3%
Eco-Friendly Developments	110	18.8%	4.5%
Student Housing Accommodation	235	40.1%	9.6%
Total	2,437	—	100.0%

Source: Field Survey, 2025

The analysis of the questionnaire responses provides an insightful overview of the perceived property sub-markets prominently availability the Federal Capital Territory (FCT), Abuja. The results revealed that Residential Properties were the most prominent sub-market, with 446 respondents (76.0%) identifying it as a key available sector in the multiple response context. This dominance is not surprising, given Abuja's rising urban population and the persistent demand for housing. The analysis also showed that this segment accounted for 18.3% of the total responses, indicating their centrality to property transactions and development focus in the FCT. Similarly, Commercial Properties were identified by 361 respondents (61.5%) when analysed in terms of multiple response, reflecting strong interest in business-related real estate, such as office spaces, shopping centers, and retail complexes. These two categories alone comprise over 33% of total sub-market responses, highlighting their predominance in Abuja's property landscape.

Land Sales and Development Projects also received significant attention, with 306 respondents (52.1%) selecting this category. This finding suggests that land remains a highly valued asset, either for speculative purposes or future development. Similarly, Mixed-Use Developments, chosen by 263 participants (44.8%), signify a growing interest in integrated real estate projects that combine residential, commercial, and sometimes institutional uses.

In terms of Student Housing Accommodation 235 respondents (40.1%) responded to it, indicating its prominence in the property market, perhaps due to Abuja's growing academic population and the increasing privatization of student housing. This category represents 9.6% of all responses. Likewise, Industrial Properties were selected by 223 participants (38.0%), signaling the increased recognition of industrial zones for logistics, warehousing, and small-scale manufacturing. Luxury Developments were noted by 199 respondents (33.9%), reflecting market segmentation that caters to affluent individuals seeking high-end residences, particularly in upscale districts such as Maitama, Asokoro, and Guzape.

However, some sub-sectors were underrepresented in respondents' choices. For instance, Government and Institutional Properties (n = 165, 28.1%), Tourism and Hospitality Properties (n = 129, 21.9%), and Eco-Friendly and Sustainable Developments (n = 110, 18.8%) had the lowest response rates. While these sectors may have long-term value, the lower percentages suggest they are either less accessible to private investors or not yet widely adopted or prioritized. Notably, the relatively low interest in eco-friendly development (4.5% of all responses) may reflect a gap in awareness, incentives, or policy-driven adoption of green building practices in Abuja, despite increasing global emphasis on sustainable urban development.

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The figure below presents a bar chart visually illustrating the percentage distribution of responses across the identified property sub-markets in the Federal Capital Territory (FCT), Abuja.

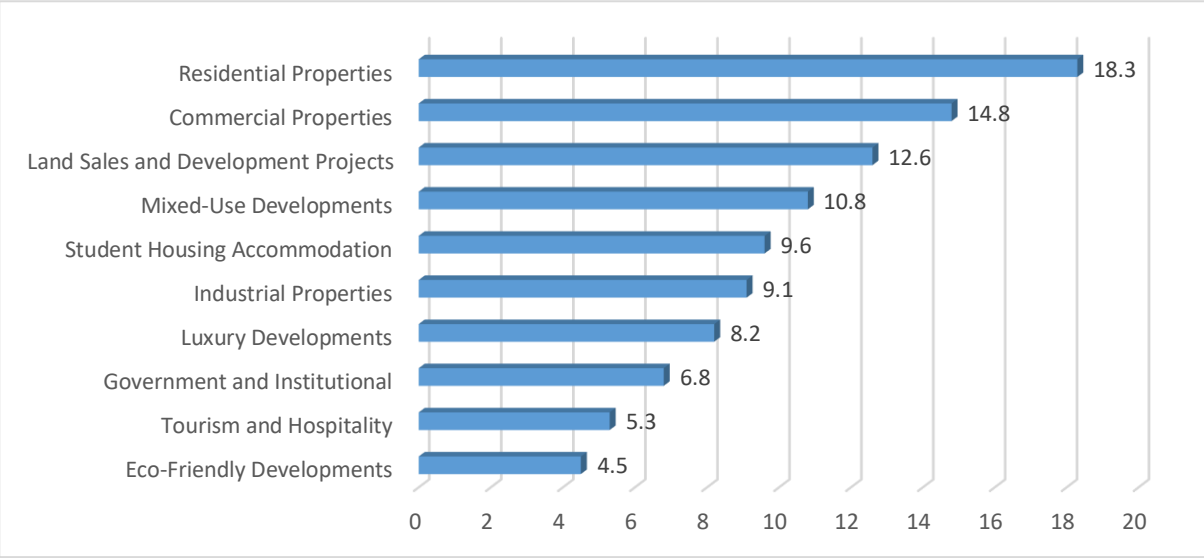


Table 4.3: *Descriptive statistics of respondents' ratings on the affordability of property sub-markets in FCT-Abuja*

Sub-Market	Mean (n = 587)	Std. Deviation
Residential Properties	2.99	1.43
Commercial Properties	2.92	1.38
Industrial Properties	3.11	1.48
Mixed-Use Developments	3.03	1.47
Land Sales and Development Projects	2.90	1.45
Luxury Developments	3.02	1.40
Government and Institutional Properties	2.89	1.44
Tourism and Hospitality Properties	3.03	1.42
Eco-Friendly and Sustainable Development	3.02	1.38
Student Housing Accommodation	2.99	1.48

Source: Field Survey, 2025

The analysis of affordability perceptions across various property sub-markets in the Federal Capital Territory (FCT), Abuja, indicates a wide disparity in affordability, reflecting the socioeconomic stratification of residents and the diverse nature of real estate developments. At the lower end of the affordability spectrum, Luxury Developments (M = 1.40, SD = 0.65) and Eco-Friendly and Sustainable Developments (M = 1.60, SD = 0.70) are perceived as extremely unaffordable. This finding is not surprising considering that these segments are generally priced for high-income earners and remain inaccessible to the broader population, often due to their premium locations, design standards, or environmental certifications.

Sub-markets such as Mixed-Use Developments (M = 2.10, SD = 0.75), Tourism and Hospitality Properties (M = 2.20, SD = 0.80), and Industrial Properties (M = 2.30, SD = 0.85) fall within the somewhat unaffordable category. While these property sub-markets are perceived to be more accessible than luxury segments, these property types often involve high land and infrastructure costs or require significant investment cost, which still makes them difficult for average buyers or investors to afford.

In the moderately affordable range, Commercial Properties (M = 2.90, SD = 0.90) and Residential Properties (M = 3.10, SD = 0.95) reflect mixed affordability perceptions. The variability in these sub-markets is likely linked to their distribution across both high-cost urban centers and lower-cost satellite districts. For instance, residential properties in Abuja span from premium units in districts like Gwarinpa and Maitama to more affordable housing in suburban areas such as Kuje or Lugbe.

Moving toward more affordable options, Student Housing Accommodation (M = 3.80, SD = 0.85) and Land Sales and Development Projects (M = 3.90, SD = 0.75) are perceived by the respondents as relatively accessible, especially to young people and first-time property buyers. Perhaps their affordability stems from purpose-built structures for shared living, or lower land prices in the periphery of the city where development is still emerging. Finally, Government and Institutional Properties (M = 4.50, SD = 0.60) stand out as the most affordable category. Perhaps this could be associated with the subsidised public housing schemes, civil service allocations, or cooperative-based models that provide lower-than-market prices, although access to such opportunities is often limited by bureaucratic and political hurdles.

Another dimension assessed in terms of property sub-market characteristics in the FCT Abuja is key market players/participants involved in the property market in the area. Analysis to this is presented in Table 4.4.

5.0 CONCLUSION AND RECOMMENDATION

Conclusion:

The Abuja property market shows signs of maturity but remains concentrated in traditional sectors. There is an urgent need to diversify into emerging sub-markets and to address affordability concerns. Policymakers and investors must collaborate to foster innovation and inclusiveness in property development.

Recommendations:

1. Promote investment in underserved sub-markets through incentives.
2. Encourage sustainable and mixed-use developments.
3. Strengthen market data transparency and investor confidence.
4. Tailor housing policies to support affordability and inclusiveness.

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