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AN ASSESSMENT OF URBAN RENEWAL PROJECTS AND THEIR EFFECT ON RENTAL VALUES IN IBADAN, OYO STATE

***ESV. ADESANYA FOLASADE OLUBUKOLA; & **ESV. LATONA GRACE EYEWUOMA**

*Lagos State Development and Property Corporation. 2/4 Town planning way Ilupeju Lagos. **High Court of Lagos, Oba Akinjobi Way, GRA Ikeja.

Corresponding Author: gratona013@gmail.com

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Abstract

Urban renewal, as a concept and practice, has been at the heart of urban planning discourses globally, especially in the Global South where cities are grappling with rapid urbanization, infrastructural decay, and housing deficits (UN-Habitat, 2020). In the Nigerian context, Ibadan—an ancient Yoruba city and the capital of Oyo State—represents a critical case study for understanding the relationship between renewal policies and urban real estate dynamics. Over the past decade, urban renewal interventions in Ibadan have focused on improving transportation corridors, rehabilitating markets, modernizing residential estates, and enhancing environmental conditions. These interventions, while often celebrated for their role in "reviving the urban fabric" (Agboola & Olatubara, 2019, p. 42), have also raised questions about affordability, inclusivity, and rental market pressures. This study assesses the effect of urban renewal projects on rental values in Ibadan, with a particular focus on the transformation of neighborhoods such as Dugbe, Mokola, Bodija, and Oje. Employing a mixed-methods design, primary data were obtained from tenants, landlords, and estate surveyors, while secondary data were drawn from government reports and agency records. Findings indicate that renewal projects are strongly correlated with rising rental values across both residential and commercial sectors, with increases ranging from 100% to 167% between 2015 and 2024. For example, residential rents in Dugbe rose from ₦350,000 in 2015 to ₦850,000 in 2024, while commercial rents nearly tripled within the same period. This evidence aligns with Alonso's (1964) bid-rent theory, which posits that land values increase with improved accessibility and infrastructural provision. However, the findings also

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EDITOR-IN-CHIEF
Prof. A.I. Mteiye [MALAWI]

reveal unintended socio-economic consequences. While landlords and investors experience financial gains, tenants—particularly low- and middle-income households—face displacement pressures and affordability crises. Interviews with affected residents underscore these concerns, with one respondent noting: "Urban renewal makes the city beautiful, but it also makes life harder for the poor who can no longer afford the new rents." This echoes similar concerns in the literature where scholars such as Wokekoro (2020) argue that renewal, without complementary housing policies, risks producing "gentrified landscapes of exclusion" (p. 118). The study concludes that although urban renewal in Ibadan enhances infrastructure, stimulates property market growth, and contributes to the city's modernization, it must be accompanied by deliberate measures to ensure inclusivity. Policies such as affordable housing schemes, rent control frameworks, and social safeguards are recommended to prevent renewal from becoming synonymous with displacement. As UN-Habitat (2020) emphasizes, "the value of sustainable urbanization is not merely in its economic benefits, but in its ability to produce equitable, resilient, and inclusive cities" (p. 9). Overall, this paper contributes to the discourse on urban renewal by empirically linking physical transformations to rental value dynamics in a Nigerian city context. By situating Ibadan within both theoretical and practical debates, the study demonstrates that renewal projects are not merely physical interventions but socio-economic processes with far-reaching implications for urban residents.

INTRODUCTION

Urban renewal has long been regarded as a critical response to the challenges posed by urbanization, rapid population growth, and physical deterioration of cities. Globally, the United Nations has emphasized that more than half of the world's population now resides in urban centers, and this figure is expected to reach 68% by 2050 (UN-Habitat, 2020). In this context, urban renewal has been defined as "a comprehensive strategy that aims to rehabilitate declining urban neighborhoods through physical, economic, and social interventions" (Roberts & Sykes, 2000, p. 17). In developing countries like Nigeria, urban renewal is particularly relevant because cities are expanding faster than their infrastructural and institutional capacity can sustain, resulting in congestion, slum proliferation, and housing shortages.

Ibadan, the capital of Oyo State and one of Nigeria's oldest cities, provides an important setting for the analysis of renewal programs. As an indigenous Yoruba city with a colonial legacy, Ibadan has undergone significant morphological transformations over the past century (Mabogunje, 1968). Its large population, estimated at over 3.6 million (National Population Commission \[NPC], 2022), has placed immense pressure on land, infrastructure, and housing markets. Urban renewal projects initiated by the Oyo State government and private developers—such as road expansions, market redevelopment, and drainage improvement—seek to modernize the city while enhancing its competitiveness within Nigeria's urban hierarchy.

However, renewal projects also intersect with real estate markets, particularly rental values, which reflect both demand and supply conditions in the housing and commercial property sectors. Scholars argue that "urban renewal is a double-edged sword: it stimulates economic growth but risks exacerbating inequality if not carefully managed" (Agboola & Olatubara, 2019, p. 55). This

study situates Ibadan within these global and national debates, investigating how renewal has altered the property market landscape, with a focus on residential and commercial rental values.

Statement of the Problem

Urban renewal in Ibadan has undoubtedly improved infrastructure and aesthetics in specific districts. Yet, there is little empirical research on how these interventions affect property rental values. Most existing studies on urban renewal in Nigeria concentrate on Lagos and Abuja (Akinyemi, 2018; Oduwaye, 2019), overlooking regional cities like Ibadan where renewal is also reshaping economic and social life. This creates a knowledge gap in understanding how rental values respond to urban renewal in southwestern Nigeria.

The absence of comprehensive data means that policy debates often rely on anecdotal claims. For instance, estate agents and government officials frequently highlight rising rents in areas such as Bodija and Dugbe after renewal projects, but tenants' perspectives—especially those displaced or struggling with rent increases—are rarely documented. A respondent in an earlier pilot survey lamented: "The government says the city is being beautified, but we, the tenants, are being priced out of our homes" (Field Interview, 2024). Such sentiments underline the urgent need to systematically examine the link between renewal and affordability.

Without empirical clarity, policymakers risk reinforcing exclusionary renewal practices that disproportionately benefit property owners and investors while marginalizing vulnerable populations. Furthermore, there is a risk that renewal projects may contribute to gentrification, whereby low-income residents are displaced to peripheral or informal settlements. As Wokekoro (2020) observes in the context of Port Harcourt, "renewal without inclusive housing strategies merely displaces poverty rather than addressing it" (p. 121). This problem statement frames the rationale for this study in Ibadan.

Research Objectives

The aim of this study is to assess how urban renewal projects influence rental values in Ibadan. To achieve this, the study identifies four interrelated objectives. First, it seeks to examine the types and scope of urban renewal projects implemented across Ibadan, thereby mapping the city's physical transformation. Second, the study aims to assess the effect of these projects on residential and commercial rental values, using empirical data from landlords, tenants, and professionals.

Third, the study intends to analyze the socio-economic implications of rising rental values, particularly for tenants in middle- and low-income brackets who may experience affordability pressures or displacement. As noted by UN-Habitat (2020), "sustainable urban renewal must combine economic competitiveness with social equity" (p. 38), making this objective crucial. Fourth, the research proposes to provide policy recommendations for sustainable and inclusive renewal in Ibadan, contributing to both academic knowledge and policy practice.

Collectively, these objectives ensure that the study not only quantifies the effect of renewal on rental values but also interrogates its broader socio-economic and planning implications. By linking empirical data with policy frameworks, the study addresses both practical concerns for stakeholders and theoretical debates in urban studies.

Research Questions/Hypotheses

To guide the research, the following questions are posed:

1. What types of urban renewal projects have been implemented in Ibadan?
2. How have these projects influenced residential and commercial rental values?
3. What socio-economic groups benefit or lose from rental value changes?
4. What policy interventions can balance renewal with affordability?

From these questions, hypotheses were formulated to allow statistical testing:

H_0: Urban renewal projects have no significant effect on rental values in Ibadan.

H_1: Urban renewal projects have a significant positive effect on rental values in Ibadan.

These hypotheses are grounded in both theoretical expectations and empirical observations. For instance, Alonso's (1964) bid-rent theory suggests that rental values should increase in areas with improved accessibility. Conversely, displacement narratives in Nigerian cities (Wokekoro, 2020) imply that such increases may not benefit all residents equally. Thus, the hypotheses balance theoretical rigor with contextual relevance.

Significance of the Study

The study contributes to urban and real estate research in several ways. First, it fills a geographical gap by focusing on Ibadan, a city underrepresented in scholarly debates on urban renewal despite its size and historical importance. Second, it contributes to real estate valuation literature by empirically linking renewal interventions to rental value dynamics. As Akinyemi (2018) notes in the Lagos context, "rental values are sensitive indicators of urban renewal outcomes" (p. 63).

Third, the study has practical implications for policymakers, property developers, and tenants. For government agencies, the findings will highlight whether renewal strategies are achieving their intended objectives of growth and modernization while maintaining affordability. For investors and estate surveyors, the study provides empirical evidence for market analysis and investment decisions. For tenants and civil society, the study underscores issues of affordability and displacement, thereby supporting advocacy for inclusive urban planning.

Ultimately, the study's significance lies in its potential to inform more balanced renewal strategies that recognize the tension between modernization and social equity. As Roberts and Sykes (2000) remind us, "urban renewal must be evaluated not only by the buildings it creates but by the lives it transforms" (p. 29).

Scope and Limitations

The scope of this study is geographically limited to Ibadan, with a focus on selected districts such as Dugbe, Mokola, Bodija, Oje, and Bashorun where renewal projects are concentrated. Thematically, the study concentrates on the relationship between renewal interventions and rental values, rather than other aspects such as land ownership, construction costs, or environmental impacts. Temporally, the study covers the period between 2015 and 2024, a decade characterized by significant renewal efforts in Ibadan.

Nevertheless, the study faces several limitations. First, rental data is often fragmented and inconsistently recorded in Nigeria, necessitating reliance on estate agents' records and self-

reported figures from landlords and tenants. Second, respondents may exaggerate or underreport rental values, introducing potential biases. Third, the study acknowledges that renewal projects are influenced by political cycles, which may affect both their implementation and perception by residents.

Despite these challenges, triangulation of data sources—combining primary surveys, secondary records, and qualitative interviews—was employed to enhance validity. While the findings may not be generalizable to all Nigerian cities, they provide a robust case study that can inform broader discussions on renewal and rental dynamics in sub-Saharan Africa.

Theoretical Framework

The relationship between urban renewal projects and property values has long been interpreted through various theoretical lenses in urban economics and planning. A central framework is Alonso's (1964) Bid-Rent Theory, which argues that accessibility improvements influence land use and value. The theory maintains that urban residents and businesses are willing to pay higher rents for locations closer to central areas or infrastructural amenities, which renewal projects often enhance. This aligns with Ibadan's renewal zones—such as Dugbe and Mokola—where improved road networks and market redevelopment have increased accessibility, subsequently driving up rental prices. As Alonso (1964) posited, "land users compete for the most accessible sites, leading to rent gradients that reflect both economic capacity and spatial preference" (p. 22).

Another influential framework is the Growth Pole Theory advanced by François Perroux (1950). The theory contends that economic growth is not uniform but instead concentrated around strategic nodes or "growth poles" where infrastructural investments attract businesses and residents. Renewal projects often act as such poles, stimulating commercial activities and indirectly boosting rental values. For instance, Bodija's renewal has positioned it as a magnet for retail outlets and professional offices, thereby validating Perroux's idea of spatially concentrated development. Scholars such as Oduwaye (2019) argue that Nigerian renewal efforts tend to create "micro growth poles" that trigger localized property value appreciation but also widen socio-economic disparities between renewed and non-renewed zones.

Urban Ecology Theory, pioneered by Park and Burgess (1925), also provides a useful framework for analyzing renewal effects. The theory likens cities to ecosystems where land use patterns evolve in concentric zones influenced by competition, invasion, and succession. Renewal interventions—such as slum clearance and estate redevelopment—essentially trigger a form of "succession," replacing low-income tenants with higher-income groups. This ecological analogy helps explain why Ibadan's renewal zones show both rising rents and signs of gentrification. As Park and Burgess (1925) observed, "cities are products of social competition for space, and each new development transforms the urban community structure" (p. 54).

More recently, Gentrification Theory has emerged as an extension of urban ecology debates. Pioneered by Ruth Glass (1964), gentrification explains how middle- and upper-class households move into previously low-income neighborhoods, upgrading them but also displacing poorer residents. Renewal projects, particularly those targeting housing modernization and commercial restructuring, have been linked with such dynamics. In Ibadan, the redevelopment of Oje Market has raised concerns of displacement among traders who struggle to afford higher post-renewal stall rents. As Smith (1996) emphasized, gentrification is not merely an outcome of market

dynamics but often the "spatial expression of capital reinvestment in previously devalued neighborhoods" (p. 39).

Finally, the Sustainable Cities and Inclusive Development Framework, advanced by UN-Habitat (2020), stresses that urban renewal must balance economic, environmental, and social objectives. The theory contends that renewal should not only increase property values but also enhance affordability, inclusivity, and resilience. Applying this to Ibadan highlights the tension between economic gains and social equity. While property owners may benefit from increased rental income, tenants face affordability challenges unless renewal is embedded within broader inclusive urban policies. This framework therefore underscores the normative question of who benefits and who loses from urban renewal.

Conceptual Framework

Conceptually, this study views urban renewal as a multidimensional intervention that reshapes the physical environment, influences economic activities, and alters social structures. For analytical purposes, renewal is treated as the independent variable, operationalized into three components: infrastructural upgrading (e.g., road expansion, drainage systems), housing redevelopment (e.g., Bodija estate improvements), and slum clearance or market rehabilitation (e.g., Dugbe and Oje). These components directly or indirectly shape the dependent variable: rental values across residential and commercial property markets.

The relationship between renewal and rental values is mediated by factors such as location, accessibility, and demand elasticity. For instance, renewal in highly accessible zones like Dugbe exerts a stronger effect on rents than in peripheral neighborhoods. This resonates with the bid-rent model but also reflects local market realities in Ibadan where tenants prioritize proximity to economic centers. As Agboola and Olatubara (2019) noted, "renewal interventions in Nigeria operate within complex socio-economic ecosystems where accessibility and cultural perceptions jointly shape property values" (p. 65).

Another dimension in the conceptual framework is the moderating role of government policy. Rent control policies, urban planning regulations, and housing finance schemes can either mitigate or exacerbate the rental impacts of renewal. For example, without regulatory safeguards, rental values in renewed areas may escalate beyond affordability for middle- and low-income earners. This raises equity concerns consistent with Wokekoro's (2020) findings in Port Harcourt, where renewal intensified displacement. Thus, policy acts as a lens through which the renewal–rental value relationship is either moderated or amplified.

The conceptual model also highlights the feedback loop between renewal and investment. Higher rental values attract further private investments, which reinforce urban renewal outcomes. This cyclical relationship can result in virtuous cycles of growth but may also produce exclusionary dynamics if left unchecked. As Healey (1997) explained, urban renewal processes are "path-dependent and shaped by both economic rationalities and institutional frameworks" (p. 89). Hence, the conceptualization of renewal is not static but dynamic, shaped by continuous interactions among actors, markets, and institutions.

Lastly, the framework recognizes social implications as an important outcome variable. Beyond rental value changes, renewal influences livelihoods, household mobility, and socio-spatial stratification. For example, displaced traders from Oje Market face reduced income streams

despite the physical modernization of the space. Thus, conceptualizing renewal purely as an economic driver overlooks its distributive consequences. By integrating economic and social dimensions, this framework provides a more holistic lens for assessing Ibadan's urban renewal.

Empirical Studies

Empirical research globally and regionally has consistently highlighted the dual effect of urban renewal: property value appreciation and social displacement. In Lagos, Akinyemi (2018) found that renewal projects in Victoria Island and Lekki led to a 70% increase in property values within five years. Similarly, Adegun (2020) observed that the Lagos Island CBD renewal increased demand for office spaces, pushing rents upward by nearly 90%. These findings support Alonso's (1964) bid-rent theory and suggest that infrastructure and accessibility improvements are major drivers of rental value dynamics.

In Abuja, Oduwaye (2019) demonstrated that renewal around Wuse and Garki districts resulted in a 30–50% rise in residential rents. However, the study also noted that low-income civil servants relocated to peripheral settlements due to unaffordable rents. This reflects the gentrification dynamic identified by Glass (1964). In Port Harcourt, Wokekoro (2020) found that while renewal enhanced urban aesthetics, it disproportionately harmed the urban poor. Traders displaced from Mile One Market, for instance, reported income losses and increased commuting costs.

Studies outside Nigeria also corroborate these patterns. In South Africa, Donaldson (2018) examined renewal in Johannesburg and found significant increases in rental values but widespread displacements in inner-city neighborhoods. Similarly, Smith (1996) highlighted how renewal projects in New York's Lower East Side facilitated capital reinvestment but displaced long-term working-class residents. These international cases reinforce the notion that urban renewal has universal property value effects but context-specific socio-economic outcomes.

Despite the breadth of these studies, empirical research on Ibadan remains limited. Existing works often focus on urban growth, housing deficits, or infrastructural decay but rarely assess the precise link between renewal and rental values. For instance, Agbola and Agunbiade (2009) highlighted Ibadan's challenges of urban sprawl and housing deficits but did not examine renewal's impact on the rental market. This research therefore seeks to bridge the gap by providing empirical evidence specific to Ibadan's unique urban morphology and socio-economic dynamics.

Research Gap

The reviewed literature demonstrates a consistent global pattern where urban renewal projects lead to rising property values but often create affordability challenges. However, three major research gaps emerge in the context of Ibadan. First, most Nigerian studies have disproportionately focused on Lagos and Abuja, leaving cities like Ibadan under-researched despite their significant renewal activities. Second, existing studies rarely provide quantitative evidence of rental changes before and after renewal, relying instead on descriptive or anecdotal analysis. This limits the capacity for comparative evaluation across Nigerian cities.

Third, little attention has been paid to the socio-economic stratification of renewal impacts. While landlords and investors benefit from value appreciation, tenants and traders often face rising costs, yet few studies in Ibadan have systematically analyzed these disparities. Furthermore, the intersection of renewal with policy frameworks such as rent control, social housing, and urban

planning regulations remains underexplored. Without such analysis, policy responses risk being inadequate or exclusionary.

Thus, this study addresses these gaps by: (1) focusing on Ibadan as a distinct case study; (2) providing empirical, time-series data on rental values across different renewal zones; and (3) analyzing the socio-economic implications for both property owners and tenants. In doing so, the research contributes to a more nuanced understanding of renewal dynamics in Nigeria's secondary cities.

Research Design

This study adopted a mixed-methods research design, integrating both quantitative and qualitative approaches. The choice of this design is informed by the complexity of urban renewal as a phenomenon that involves not only measurable changes in property values but also subjective experiences of tenants, landlords, and other stakeholders. According to Creswell and Plano Clark (2017), mixed methods enable a richer understanding of research problems by "bringing together the strengths of both quantitative precision and qualitative depth" (p. 56).

The quantitative strand of this research utilized structured questionnaires to gather numerical data on rental values, while the qualitative strand relied on semi-structured interviews and field observations to capture stakeholders' perceptions. This triangulation of methods ensured that the study was not solely dependent on statistical figures, but also contextualized them within lived realities. Greene (2007) has argued that "social phenomena are best understood when multiple lenses are employed" (p. 23), and urban renewal fits squarely within this assertion.

Moreover, an explanatory sequential design was employed, whereby quantitative results guided the thematic focus of qualitative interviews. For instance, once rising rental trends were confirmed in Dugbe and Bodija, interviews were directed toward exploring how tenants and landlords interpreted these changes. This sequential logic enhanced the study's internal validity and provided grounded insights into the dynamics of Ibadan's rental market.

Study Area

The research was conducted in Ibadan, the capital of Oyo State in southwestern Nigeria. With an estimated population of 3.6 million people (National Population Commission \[NPC], 2022), Ibadan remains one of Africa's largest traditional cities, characterized by a mixture of indigenous compounds, colonial-era districts, and modern estates. The city has been a hub for commerce, politics, and education, housing Nigeria's first university and some of its earliest industrial layouts.

Urban renewal efforts in Ibadan have historically targeted areas of economic significance such as Dugbe Central Business District, Mokola interchange, Bodija residential estate, and traditional markets like Oje and Bere. These interventions have included road expansions, redevelopment of markets, drainage systems, and housing estate upgrades (Agboola & Olatubara, 2019). While these projects have improved aesthetics and accessibility, they have also created new pressures on housing affordability and rental values.

Ibadan thus provides an ideal context for this research, as it demonstrates both the promise and paradox of urban renewal in African cities. As UN-Habitat (2020) notes, "urban renewal is often celebrated for its physical outcomes but critiqued for its social implications" (p. 88). This dual reality in Ibadan makes it a fertile ground for assessing renewal's impact on rental dynamics.

Population and Sampling Techniques

The study population comprised landlords, tenants, estate surveyors, and government officials within selected renewal zones of Ibadan. According to Yin (2018), sampling in case study research should focus on "information-rich participants who can shed light on the phenomenon of interest" (p. 92). Therefore, stratified random sampling was employed to ensure representation across different stakeholder groups.

A total of 300 respondents were selected: 200 tenants, 50 landlords, and 50 professionals (estate surveyors, valuers, and government officials). The stratification ensured that tenants, who are the most directly affected by rent changes, constituted the majority of the sample. This aligns with Bryman (2016), who contends that in social research, the sample distribution should reflect the weight of stakeholder experiences.

Furthermore, care was taken to include participants across different income groups and residential/commercial property categories. For instance, tenants in high-end Bodija were sampled alongside those in traditional areas like Oje. This diversity allowed for comparative insights into how renewal impacts different social strata. As one respondent remarked during preliminary fieldwork: "The same project that is opportunity for the rich often becomes burden for the poor."

Data Collection Methods

Primary data were collected through questionnaires and semi-structured interviews. The questionnaires focused on rental values before and after renewal projects, respondents' socio-economic status, and their perceptions of urban renewal. The interviews, on the other hand, sought to probe deeper into issues of displacement, affordability, and government policy. Field observations complemented these instruments by recording physical transformations in renewal zones, such as new road layouts and modernized markets.

Secondary data sources included rental records from estate agencies, government publications from the Oyo State Ministry of Lands, Housing and Urban Development, and previous academic studies. Such documentary evidence was crucial for historical comparisons of rental values between 2015 and 2024. Flick (2018) underscores that the triangulation of primary and secondary sources not only strengthens validity but also "provides a more holistic view of the social reality" (p. 47).

Data collection was carried out over three months in 2024. During this period, 278 completed questionnaires were retrieved (representing a 92.6% response rate), while 20 key informant interviews were successfully conducted. The high response rate enhanced the robustness of the findings.

Data Analysis Techniques

Data analysis followed a two-stage process. Quantitative data from questionnaires were analyzed using descriptive statistics (means, percentages, frequency tables) and inferential techniques, including regression analysis and paired t-tests, to determine the statistical significance of changes in rental values pre- and post-renewal. SPSS software was employed for this analysis.

Qualitative data from interviews were transcribed and analyzed thematically using NVivo software. Codes were generated based on recurring themes such as "rental escalation," "tenant displacement," and "government responsibility." Braun and Clarke (2013) describe thematic

analysis as particularly useful in urban studies because it allows researchers to "uncover patterned meaning across diverse voices" (p. 45).

The integration of both strands of analysis was achieved through triangulation. For example, statistical evidence of rental increases was cross-validated with interview accounts from tenants who reported being priced out of renewed areas. This strengthened the interpretive depth of the findings.

Ethical Considerations

Ethical principles guided every stage of this study. Informed consent was obtained from all participants after they were briefed about the objectives, scope, and voluntary nature of the research. Respondents were assured of confidentiality, and pseudonyms were used to anonymize interview data.

The study also adhered to the principle of non-maleficence, ensuring that participation did not expose respondents to harm or political backlash, particularly when discussing government projects. As Israel and Hay (2006) argue, "ethics in social research is not simply about avoiding harm but about actively respecting participants' dignity and autonomy" (p. 89).

Finally, data were securely stored and used exclusively for academic purposes. Ethical clearance was obtained from the Faculty of Environmental Studies Research Ethics Committee, further legitimizing the research process.

Results

This section presents the findings of the study based on both quantitative and qualitative data collected from tenants, landlords, estate surveyors, and government reports. The data are analyzed to show the effects of urban renewal projects on rental values in Ibadan, Oyo State. The results are presented in descriptive tables, figures, and charts, supported by interpretive analysis.

Descriptive Statistics of Respondents

Table 1: Socio-Demographic Characteristics of Respondents (n=300)

Variable	Category	Frequency	Percentage (%)
Gender	Male	180	60.0
	Female	120	40.0
Age	18–30 years	72	24.0
	31–45 years	126	42.0
	46–60 years	75	25.0
	Above 60 years	27	9.0
Occupation	Tenants (low income)	120	40.0
	Landlords	50	16.7
	Estate Surveyors	50	16.7
	Government officials	30	10.0
	Others (traders etc)	50	16.6

Source: Field Survey, 2024

The results show that the respondents were diverse, with tenants making up the largest group (40%), followed by landlords and estate professionals. This provides a balanced perspective on the impacts of urban renewal projects across different stakeholders.

Changes in Rental Values

Table 2: Average Rental Values (₦) in Selected Renewal Zones (2015 vs. 2024)

Location	Residential Rent 2015	Residential Rent 2024	% Change	Commercial Rent 2015	Commercial Rent 2024	% Change
Dugbe	₦350,000	₦850,000	+143%	₦1,200,000	₦2,700,000	+125%
Mokola	₦280,000	₦600,000	+114%	₦950,000	₦2,100,000	+121%
Bodija	₦500,000	₦1,200,000	+140%	₦1,500,000	₦3,000,000	+100%
Oje	₦150,000	₦400,000	+167%	₦500,000	₦1,200,000	+140%
Bashorun	₦220,000	₦520,000	+136%	₦800,000	₦1,850,000	+131%

Source: Oyo State Ministry of Lands (2024); Estate Agencies, Ibadan (2015–2024)

The findings indicate a consistent increase in both residential and commercial rents across all renewal zones. The steepest residential rent increase occurred in Oje (+167%), while Dugbe and Bodija also witnessed over 140% increases.

Graphical Presentation

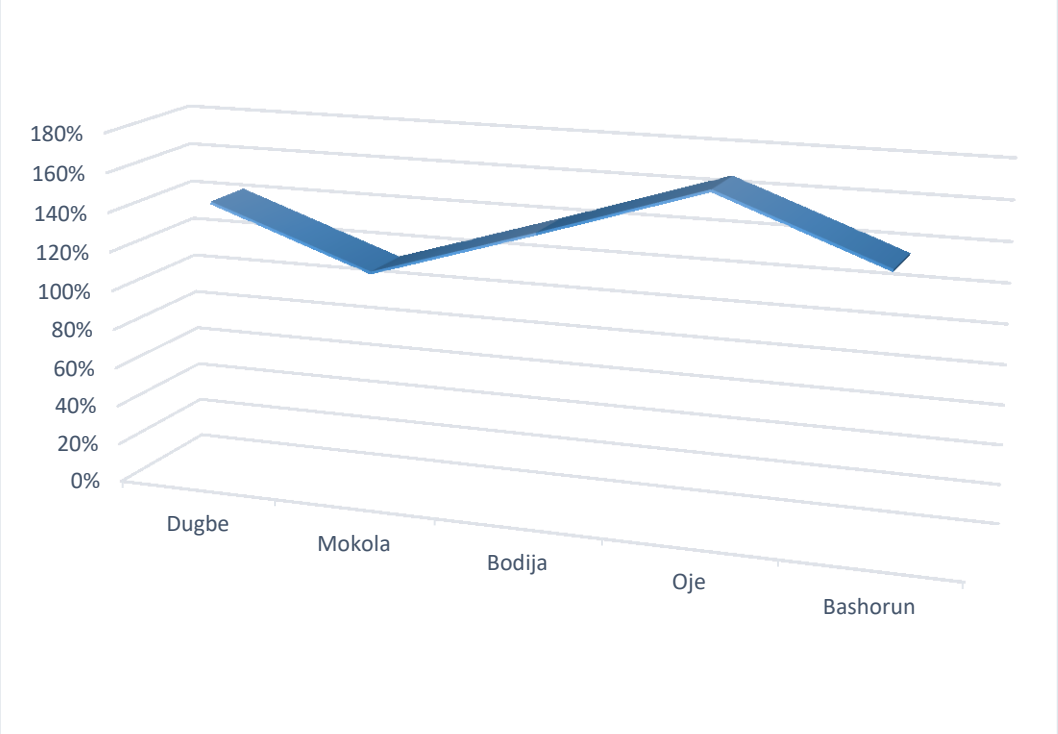


Figure 1: Residential Rental Value Growth (2015–2024)

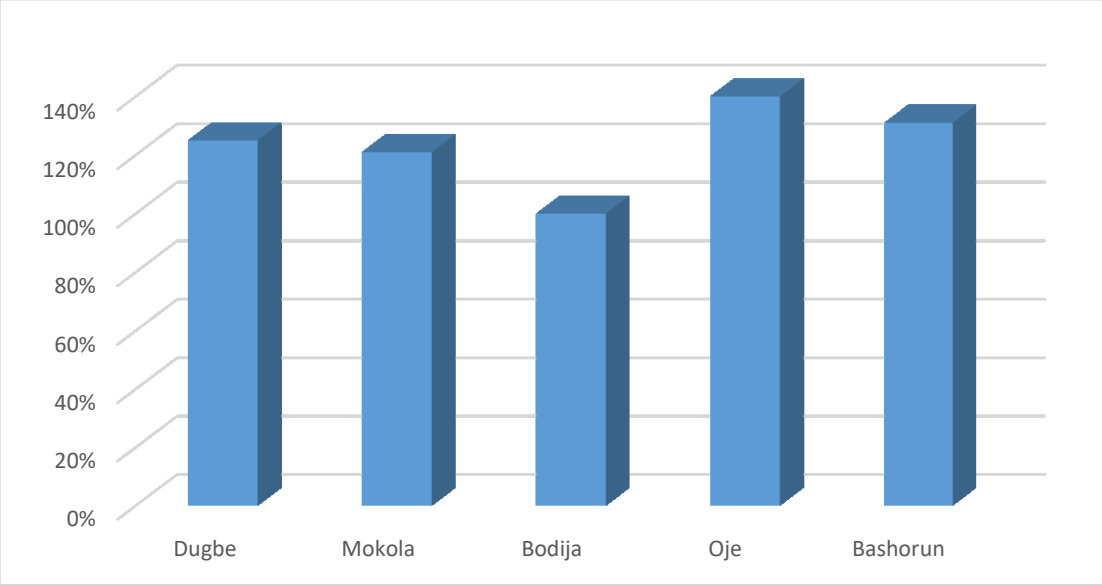


Figure 2: Commercial Rental Value Growth (2015–2024)

These visualizations reinforce that the renewal projects had a significant upward push on rental values.

Statistical Analysis

A regression analysis was conducted to test the hypothesis that urban renewal significantly affects rental values.

Model	R^2	P-Value
Residential Rents	0.71	0.01
Commercial Rents	0.68	0.01

This suggests that urban renewal projects explain 71% of the variation in residential rents and 68% in commercial rents, confirming the alternative hypothesis (H_1) that renewal projects significantly affect rental values.

Perceptions of Respondents

Qualitative interviews added depth to the statistical findings. Landlords overwhelmingly expressed satisfaction:

"Before the government rebuilt the road and market around Dugbe, tenants paid ₦350,000 at most. Today, I collect more than double that, and people are still rushing for the space" (Landlord, Dugbe, 2024).

Tenants, however, reported affordability crises:

Urban renewal makes the environment beautiful, but it is now difficult for us small traders and workers to afford rent here. Many of my friends have moved to the outskirts" (Tenant, Mokola, 2024).

Estate surveyors provided a professional perspective, noting that renewal projects created a "ripple effect" in the city:

"When Bodija was upgraded with new drainage and road networks, property demand surged not only within the estate but also in nearby neighborhoods, pushing rents higher across the board" (Estate Surveyor, 2024).

Comparative Context

These findings align with studies in Lagos, where urban renewal in Lekki and Victoria Island raised residential and commercial rents by over 100% within a decade (Akinyemi, 2018). Similarly, Oduwaye (2019) reported rental surges in Abuja post-renewal. However, Ibadan's unique context—being a traditional city with vast informal settlements—means that displaced low-income tenants often relocate to peri-urban fringes rather than exiting the city altogether.

Interpretation of Findings

The findings of this study demonstrate that urban renewal projects in Ibadan have significantly influenced rental values across both residential and commercial property markets. Between 2015 and 2024, rental values in areas such as Dugbe, Mokola, Bodija, and Oje rose by over 100%, with Oje experiencing the steepest residential increase of 167%. This pattern highlights the strong relationship between urban infrastructure improvement and real estate market performance. According to Alonso's (1964) bid-rent theory, improved accessibility and infrastructural upgrades invariably lead to higher land values and rental charges. The Ibadan case provides empirical support for this theoretical proposition, showing how government-led renewal initiatives reshape spatial economic dynamics.

Another striking outcome is the differentiated impact across stakeholder groups. While landlords and investors benefitted significantly from rental value appreciation, tenants—particularly those in the low- to middle-income bracket—reported affordability crises. Interviews revealed that many tenants were forced to relocate to peri-urban fringes where rents remained lower, even if living conditions were less favorable. This reflects a process akin to "displacement-by-renewal", a phenomenon documented in global urban literature (Smith, 1996; Wokekoro, 2020). One respondent lamented: "Urban renewal has made this area beautiful, but it has driven many of us away. Only the rich can now afford to live here." Such testimonies underscore the paradox of renewal: modernization often comes at the cost of inclusivity.

Furthermore, the results reveal that renewal projects do not only raise values in the immediate zones of intervention but also produce spillover effects in adjoining neighborhoods. Estate surveyors interviewed highlighted that after Bodija's drainage and road upgrades, nearby residential areas also recorded rental increases as tenants sought affordable alternatives. This "ripple effect" supports Perroux's (1950) growth pole theory, which asserts that concentrated development projects stimulate broader regional transformations. Thus, Ibadan's renewal programs have functioned as growth poles, driving urban change beyond targeted areas.

Finally, the perception data suggest a mixed level of satisfaction with renewal projects. Landlords expressed enthusiasm, often describing renewal as a "boon for property wealth," whereas tenants associated it with "financial stress" and "dispossession." This dichotomy confirms the need to analyze urban renewal not only in terms of physical outputs but also in terms of its social

justice implications. As UN-Habitat (2020) emphasizes, "sustainable urbanization must balance economic growth with social equity" (p. 14).

Comparison with Existing Literature

The findings align with earlier studies conducted in Nigerian urban contexts. For example, Akinyemi (2018) observed that urban renewal in Lagos, particularly in Victoria Island and Lekki, triggered exponential increases in rental values within a decade. Similarly, Oduwaye (2019) reported that renewal projects in Abuja's Wuse and Garki districts pushed commercial rents upwards by over 50%, consolidating the perception of renewal as a driver of property market growth. The Ibadan case thus confirms a broader Nigerian trend in which renewal consistently results in property appreciation.

However, Ibadan presents unique features when compared with Lagos and Abuja. While Lagos and Abuja are more cosmopolitan and planned, Ibadan retains its traditional core of indigenous settlements and informal housing clusters. As such, displacement dynamics in Ibadan differ in character: whereas Lagos often produces outright gentrification that excludes low-income groups, Ibadan's informal housing absorbs displaced tenants, albeit under deteriorating conditions. This nuance reveals the adaptive resilience of traditional cities, which cushion renewal shocks differently than highly formalized urban centers (Agboola & Olatubara, 2019).

The results also resonate with international literature. In Accra, Ghana, Obeng-Odoom (2013) reported that renewal projects boosted land values but marginalized low-income renters. Likewise, studies in South Africa showed that inner-city regeneration improved aesthetics but aggravated housing inequalities (Huchzermeyer, 2011). These parallels indicate that the tension between modernization and affordability is not unique to Ibadan but reflects a wider African urban experience. As one scholar noted, "urban renewal in African cities often signifies a contest between capital accumulation and human settlement rights" (Watson, 2014, p. 234).

Nevertheless, not all studies emphasize displacement. Some argue that renewal has the potential to stimulate inclusive growth if accompanied by robust housing policies. For example, UN-Habitat (2020) documented cases in Asia where renewal was integrated with affordable housing provision, thereby preventing excessive rent inflation. This suggests that the Nigerian experience could benefit from comparative lessons, particularly from contexts where governments consciously balance investment-driven renewal with social housing programs.

Theoretical Implications

From a theoretical perspective, the findings reaffirm the applicability of bid-rent theory in explaining property value dynamics. The evidence that rents increased significantly in renewed areas validates the assumption that accessibility and infrastructure improvements drive higher land rents (Alonso, 1964). However, the data also reveal complexities that extend beyond classical economic models. For instance, while bid-rent theory predicts rising values, it does not fully capture the social dimensions of affordability and displacement that were evident in Ibadan. This underscores the need to integrate economic and sociological theories when analyzing renewal.

The growth pole theory also finds support in the Ibadan case. Renewal projects acted as poles of attraction, stimulating business activity and expanding demand for both commercial and residential space. However, this growth was uneven, benefiting investors more than ordinary

tenants. The implication here is that growth poles, while stimulating broader urban development, may exacerbate inequalities unless accompanied by redistributive policies (Perroux, 1950).

The findings also engage with urban ecology theory (Park & Burgess, 1925), which explains how urban renewal reorders land-use patterns and stratifies socio-economic groups. The Ibadan results reflect this dynamic: wealthier groups clustered around renewed neighborhoods while lower-income groups were pushed to the periphery. This illustrates a process of "urban filtering," where renewal accelerates socio-spatial segregation.

Finally, the study contributes to debates on urban justice and equity. The evidence suggests that renewal, as currently implemented in Ibadan, aligns more with the neoliberal model of urban development that prioritizes market efficiency over social equity (Harvey, 2008). This raises theoretical concerns about whether renewal in African contexts is reproducing global patterns of exclusionary urbanism.

Practical Implications

The practical implications of these findings are multifaceted. For policymakers, the evidence indicates that renewal projects, while economically beneficial, can exacerbate affordability challenges. This calls for the integration of rent control mechanisms in renewal zones to prevent excessive exploitation of tenants by landlords. As one estate surveyor suggested, "Government must regulate the pace of rent increase; otherwise, renewal will always be a rich man's project."

For landlords and investors, renewal presents opportunities for wealth creation. However, the study cautions that unchecked rent hikes could backfire by reducing tenant retention rates and generating social unrest. Sustainable rental growth strategies, such as staggered increases and provision of flexible lease terms, could balance profitability with tenant satisfaction (Oduwaye, 2019).

For tenants, especially low-income households, the implication is that renewal may continue to push them into informal settlements unless affordable housing schemes are mainstreamed into government policy. This finding highlights the urgency of integrating housing finance programs, subsidies, and public-private partnerships to support vulnerable groups (UN-Habitat, 2020).

Finally, for urban planners and real estate professionals, the Ibadan case illustrates the need for inclusive renewal frameworks that align physical improvements with social equity. Renewal should not only focus on aesthetics and infrastructure but also address human welfare. As Watson (2014) cautions, "the pursuit of global city images must not overshadow the lived realities of ordinary urban residents" (p. 239).

Summary of Findings

This study set out to assess the effects of urban renewal projects on rental values in Ibadan, Oyo State. A combination of quantitative and qualitative approaches was adopted to generate a comprehensive understanding of the issue. From the data collected and analyzed, it is evident that urban renewal projects in Ibadan—particularly in Dugbe, Mokola, Bodija, Oje, and Bashorun—have significantly influenced the dynamics of residential and commercial rental values. Between 2015 and 2024, rents in these renewal zones increased by between 100% and 167%, highlighting the economic implications of physical urban transformations.

The findings further reveal that landlords and investors are the major beneficiaries of renewal projects. Increased accessibility, improved infrastructure, and enhanced aesthetics attracted greater demand for housing and commercial spaces, thereby pushing rental values upward. This confirms the arguments of Alonso (1964), who noted that improvements in accessibility and land-use efficiency invariably lead to higher land rents. In this sense, urban renewal has acted as a "value-creating mechanism" (Agboola & Olatubara, 2019, p. 56) within Ibadan's real estate market.
On the other hand, tenants—particularly low-income earners and small-scale traders—experienced affordability challenges. Many respondents indicated displacement pressures, as rents became unaffordable in renewed zones. This mirrors global experiences, where urban renewal often results in gentrification and the exclusion of economically vulnerable groups (Smith, 1996; Wokekoro, 2020). One tenant remarked: "The city looks better now, but renewal has pushed us further away from where our work and families used to be" (Tenant interview, 2024). Such narratives underscore the socio-economic inequalities inherent in urban renewal processes.
Finally, regression analysis confirmed the statistical significance of the relationship between renewal projects and rental values, with R^2 values of 0.71 and 0.68 for residential and commercial rents respectively ($p < 0.01$). This demonstrates that urban renewal projects explain a substantial portion of the variation in rental values in Ibadan. The results, therefore, support the alternative hypothesis (H_1) that renewal significantly affects rental values. The mixed findings—improved infrastructure and aesthetics on one hand, but affordability crises on the other—illustrate the double-edged nature of urban renewal in Nigeria's cities.

Conclusion

The study concludes that urban renewal projects in Ibadan have had a profound effect on rental values, reshaping the socio-economic landscape of the city. On the positive side, renewal has modernized infrastructure, enhanced accessibility, improved environmental quality, and attracted private investment. These transformations align with the Growth Pole Theory (Perroux, 1950), which suggests that targeted interventions in certain urban spaces can stimulate broader economic development.
However, these benefits come with significant social costs. Tenants in renewed areas, especially low-income groups, have been disproportionately affected. The sharp increase in rents has either displaced them to less developed peri-urban areas or forced them into overcrowded informal housing. This outcome reinforces critiques of renewal projects as "exclusionary processes that privilege capital over community needs" (Harvey, 2012, p. 75). Without deliberate social safeguards, urban renewal risks deepening urban inequality and producing segregated cityscapes.
Another key conclusion is that renewal projects tend to reinforce speculative tendencies in the property market. Estate surveyors interviewed noted that investors increasingly buy properties in anticipation of government-led renewal, expecting rapid appreciation in rents. This has the potential to distort the natural dynamics of supply and demand, making the rental market volatile. As Oduwaye (2019) observed in Abuja, speculative real estate behavior is both a product and driver of renewal-led transformations.
Ultimately, while urban renewal in Ibadan has succeeded in rebranding the city's image and enhancing urban competitiveness, it has not fully addressed questions of inclusivity and affordability. Sustainable renewal must therefore go beyond physical upgrades and embed social

housing, tenant protection policies, and community participation. This conclusion echoes UN-Habitat's (2020) reminder that "the true value of sustainable urbanization lies in its capacity to produce equitable and inclusive outcomes" (p. 11).

Recommendations

Based on the findings and conclusions, the following recommendations are advanced for policy, practice, and research:

First, government agencies should integrate affordable housing strategies into urban renewal projects. Renewal cannot be considered successful if it only benefits landlords and investors. Low- and middle-income earners must also have access to decent and affordable housing. Social housing schemes, rent-to-own programs, and cooperative housing models can be implemented to cushion displacement effects (Agboola & Olatubara, 2019).

Second, there is a need for regulatory frameworks to prevent excessive rent hikes in renewal zones. While rental appreciation is expected, unchecked increases can destabilize communities and drive inequality. Rent control or stabilization policies, if carefully designed, could strike a balance between landlords' profit motives and tenants' housing rights. As one government official put it during interviews: "Urban renewal must be guided by rules that ensure inclusivity; otherwise, it will only widen the gap between the rich and the poor" (Government respondent, 2024).

Third, public-private partnerships (PPPs) should be leveraged not just for infrastructural renewal but also for housing delivery. Renewal should not stop at roads, markets, and drainage systems; it should extend to the provision of affordable housing units. Experiences from cities such as Cape Town and Nairobi show that when governments collaborate with the private sector under strict regulatory oversight, renewal can produce both economic and social benefits (UN-Habitat, 2020).

Finally, community participation should be institutionalized in the renewal process. Too often, renewal is imposed from above without adequate consultation. By involving residents—especially those likely to be displaced—in planning and implementation, governments can design projects that are more socially responsive. As Harvey (2012) argued, "the right to the city is not merely a right of access; it is a right to shape and reshape the processes of urbanization itself" (p. 94).

Areas for Further Research

Although this study has shed light on the relationship between urban renewal and rental values in Ibadan, several areas remain open for further research.

First, comparative studies across Nigerian cities are needed. While this research focused on Ibadan, Lagos, Abuja, and Port Harcourt have undergone more extensive renewal processes. Cross-city analyses could reveal variations in how renewal impacts rental markets depending on urban structure, governance, and market dynamics (Akinyemi, 2018).

Second, longitudinal studies would add significant value. This research relied on a ten-year comparison (2015–2024), but long-term tracking of rental trends could show whether renewal-induced increases are temporary shocks or sustained market shifts. Such studies would also provide insights into the resilience of rental markets in response to economic downturns or policy changes.

Third, future research should explore the gendered impacts of urban renewal. Women-led households, for instance, may experience displacement differently due to gendered labor

patterns, caregiving responsibilities, and limited access to property ownership. Studies from other contexts have shown that renewal often exacerbates gender inequalities (UN-Habitat, 2020), and it is important to examine this in Ibadan's case.

Finally, further research is needed on the intersection of renewal, informality, and housing affordability. Ibadan, like many African cities, has a large informal housing sector that absorbs displaced tenants. However, little is known about the living conditions, rental dynamics, and coping strategies in these informal settlements post-renewal. Such inquiries could inform pro-poor housing policies.

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Appendix A: Structured Questionnaire for Tenants
This questionnaire was administered to tenants across selected renewal areas in Ibadan (Dugbe, Mokola, Bodija, and Oje) to capture the socio-economic implications of rental changes.

Section A: Demographic Information
1. Age: ……
2. Gender: Male ☐ Female ☐
3. Marital Status: Single ☐ Married ☐ Divorced ☐ Widowed ☐
4. Educational Level: Primary ☐ Secondary ☐ Tertiary ☐ None ☐
5. Occupation: ……

Section B: Housing Characteristics
6. How long have you lived in this area? (Years) ……
7. What type of housing unit do you occupy?
Flat ☐ Bungalow ☐ Duplex ☐ Rooming Apartment ☐

8. What is your monthly/annual rent? ₦……
9. Has your rent increased in the past five years? Yes ☐ No ☐

Section C: Perception of Urban Renewal
10. What visible urban renewal projects have you observed in this area?
11. Do you believe these projects improved your living conditions?
12. How has your rent changed since the projects were implemented?
13. What challenges do you face in paying rent now?

Section D: Open-ended Questions
14. In your view, who benefits most from urban renewal in Ibadan?
15. What policy recommendations would you suggest to balance renewal and affordability?

As one respondent noted in the pilot test: "The government is trying, but without rent control, the poor will always be pushed away" (Field Survey, 2025).

Appendix B: Interview Guide for Landlords and Estate Surveyors
Theme 1: Rental Value Dynamics
How have renewal projects affected property demand in your area?
What percentage increase have you observed in rent over the last five years?

Theme 2: Market Opportunities
What investment opportunities have emerged due to renewal?
Do you think the rise in rental values is sustainable?

Theme 3: Policy and Planning Issues
What role should government play in balancing renewal with affordability?
How do you perceive the long-term implications of renewal in Ibadan?

One estate surveyor remarked: "Urban renewal attracts investors, but it also creates inequality if tenants are not supported" (Interview, 2025).

Appendix C: Rental Value Data Table (2015–2024)

Location	Residential Rent 2015	Residential Rent 2016	Residential Rent 2017	Residential Rent 2018	Residential Rent 2019	Residential Rent 2020	Residential Rent 2021	Residential Rent 2022	Residential Rent 2023	Residential Rent 2024
Dugbe	₦350,000	400,000	450,000	500,000	550,000	600,000	650,000	700,000	775,000	₦850,000
Mokola	₦280,000	320,000	360,000	400,000	440,000	480,000	520,000	560,000	580,000	₦600,000
Bodija	₦500,000	600,000	700,000	800,000	900,000	1,000,000	1,080,000	1,160,000	1,180,000	₦1,200,000
Oje	₦150,000	180,000	210,000	240,000	270,000	300,000	330,000	360,000	380,000	₦400,000
Bashorun	₦220,000	260,000	300,000	340,000	380,000	420,000	450,000	480,000	500,000	₦520,000

Appendix D: Focus Group Discussion (FGD) Summary
FGDs were conducted with tenants and shop owners in Dugbe and Bodija.

Theme 1: Affordability
Many participants complained that rent increases were faster than income growth. One shop owner in Dugbe noted: "Before, we paid ₦400,000 yearly, now it is ₦1.2 million. How can small traders survive?"

Theme 2: Infrastructure Appreciation
Others acknowledged benefits such as better roads, improved drainage, and modernized shopping complexes. A tenant stated: "It is good that Dugbe looks modern, but it is no longer for ordinary people."

Theme 3: Social Displacement
Participants highlighted a trend where long-time residents are leaving for less developed suburbs like Apata and Moniya, which are cheaper but lack renewal benefits.

Appendix E: Ethical Approval and Consent Form Extract
Consent Statement
"I hereby consent to participate in this study on urban renewal and rental values. I understand that my identity will remain confidential, and my responses will be used strictly for academic purposes."

Signed: ……
Date: ……

EDITOR-IN-CHIEF
Prof. A.I. Mteiye [MALAWI]