



ABSTRACT

Many students pursuing higher education notably in public universities, are facing intense and dire accommodation crisis, as available facilities in most of the public universities fall far short of the demand from students. The aim of the study is to assess Private Sector Involvement in the Provision of Students' Hostels in Federal University of Technology Minna and Federal Polytechnic Bida, Nigeria. The

C OMPARATIVE ASSESSMENT OF PRIVATE SECTOR INVOLVEMENT IN THE PROVISION OF STUDENTS' HOSTELS IN FEDERAL UNIVERSITY OF TECHNOLOGY MINNA AND FEDERAL POLYTECHNIC BIDA, NIGERIA

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Introduction

According to the United Nations Human Rights (2023) housing is a sanctuary, a place to live in peace, security and dignity; that also serves as the centre of our social, emotional and sometimes economic lives. On the other hand, student housing is a form of accommodation that students in higher institutions can choose as a substitute to on-campus hostel; and are customarily in close proximity to said higher institutions (Aday, 2023).

Many students pursuing higher education notably in public universities, are facing intense and dire accommodation crisis, as available facilities in most of the public universities fall far short of the demand from students (Tyohemba, 2022). As a result, between 2019 and the first quarter of 2020, private sector participants in the provision of student housing had the challenge of coping with surging demand from students, whose enrolment figures were growing year on year (Uroko, 2021).



methodology utilized for this study is questionnaire administration. The researcher adopted a survey tool for the study. A sum of 360 questionnaires were distributed in the study areas, Two Hundred and Fifty (250) questionnaires for Federal Polytechnic Bida and One Hundred and Ten (110) questionnaires for Federal University of Technology Minna. Two Hundred and Ten (210) were retrieved from the Federal Polytechnic Bida while Ninety-Five (95) from Federal University of Technology Minna. Data were analyzed using statistical techniques such as the percentage, frequency tables and weighted mean. The findings reveal that scarcity of long-term funds, infrastructural inadequacy and high cost of materials are one of the prominent challenges faced by investors in the provision of student housing. It is recommended that Promote collaboration between private developers, local communities, and educational institutions to ensure that student housing projects align with community needs as well as encourage private developers to invest in basic infrastructure within student housing projects.

Keywords: Comparative Assessment, Private Sector, Provision of Housing, Students' Hostels.

In developing student housing, the private sector participants seek to mitigate the risk of void associated with not developing to the taste and preference of students. This is also in a bid to capture the highest return on capital development with minimum risk. To this end, investors need to take cognizance of the investment climate through the understanding of the opportunity in the market so as to achieve his set investment objectives (Oshikoya, 2023).

BACKGROUND OF THE STUDY

According to the National Universities Commission (2023) Nigeria now has a total of 98 Public Universities, 45 Federal and 53 State and Private Universities with 2.1 million students studying concurrently. Furthermore, the increase in student enrolment which is currently put at 12% per annum is not matched by the provision of purpose build student hostels. And while most institutions tend to satisfy the housing needs of fresh and final year students before other students, the available hostels were less than 30% of demand. This flagrant



inadequacy leaves a large portion of students uncatered for and unhoused necessitating the need to secure accommodation off campus. As such, creates a huge pool for student housing need that promises to be rewarding for willing investors. Despite the fact that student housing is a big business with relatively low risk, Nigerian investment volumes is still low compared to other countries. In fact, the inability to get purpose-built facilities has made many students seek refuge in residential areas devoid of student life (Uwaegbulam, 2018). It is in this premise, that this study seeks to fill a gap and tends to assess private sector in student housing delivery.

LITERATURE REVIEW

Concept of Housing

Housing is a core element vital for the survival of man in his community. It closely bonds man's needs, demands and social processes with the supply of land, infrastructure, building materials, technology, labour, and housing finance. These linkages allow housing to act as an important engine for sustainable development and poverty reduction in both society and the economy (United Nations Habitat, 2010).

Classification of Housing

S/N	Type of housing classification	Characteristics
1	By housing type	Housing type based on locations or setting; rural and urban housing Housing type based on ownership structure; private, community cooperative, condominium and public housing. Housing type based on structure, design or layout; single detached, semi detached, multiple row housing Housing based on internal composition/height; bungalow, low rise, high rise housing Housing based on rental structure; market rate/below market rate rental, income based rental, subsidized housing Housing based on building materials; wooden, mud, brick and block house
2	By housing size	One room



		One-room apartment Two-room apartment Three-room apartment, and more Family house
3	By housing amenities	Housing with all amenities Housing with part of amenities Housing without amenities
4	By housing location	Housing in a city Housing in rural territory
5	By energy efficiency indicators of housing	Minimum regulatory energy performance level allowed for new buildings Minimum regulatory energy performance level allowed for reconstructed or renovated buildings Almost zero energy consumption housing
6	By construction period of the housing	Housing build before World War II Housing built from 1945 to 1990 Housing built from 1990 until now
7	By group of population living in the housing	Any resident Persons with low-income or other social group at risk
8	By type of housing ownership rights	State-owned housing Municipality-owned housing Natural person's owned housing Legal person's owned housing

Source: (Jinadu, 2007; Henilane 2016)

Concept of Student Housing

Student housing is a form of accommodation that students in higher institutions can choose as a substitute to on-campus hostels. Customarily, student housing is always in close proximity to higher institutions. Often, there is an assumption that student housing is offered through homes that are falling apart, that are either crammed or are luxurious and unaffordable.

Types of Student Housing

According to Linhares (2023) the following are the types of Students Housing:

1. Private Sector Halls

This is one of the most preferred types of student accommodation for first-year students, is private sector halls. This accommodation is usually



be a purpose-built block and can include anything from single rooms to shared houses. Rooms usually have multiple students while rent are sometimes expected to be made upfront.

2. Student Studios

This kind of accommodation is usually self-contained units with a shared kitchen, bathroom and laundry. It's also popularly known as a one-bedroom apartment. Studios are often located in blocks of flats, which mean student tenants share common areas such as the laundry room and kitchen. Studios are usually between one and three bedrooms, but can be found in up to four or five bedrooms. They could be the perfect option for groups of friends intending to live together for study, security or other reasons.

3. Student Apartments

This is usually a good choice and mostly sought after by students who like their own space and autonomy. Students can rent an apartment on a room-by-room basis or a whole apartment, but most often it will be the latter. Student apartments are cheaper than other types of student accommodation, especially if you want to save money on rent.

4. Ensuite Accommodation

This type of accommodation is usually self-contained, meaning it has its own kitchen, bathroom, and living area for the usage and enjoyment of one student with exclusion of others. It's often found in a block of flats and is usually close to campus, sometimes right on campus.

Factors that Influence Students Choice of Housing

i. Amenities

Before signing a lease and making payments, students often make sure the intending accommodation offers amenities paramount for their comfort. The number one reason that amenities are important to a student renting in a house or apartment off-campus is that, if they were to choose to live on-campus, they would have the resources and support they need right outside their door. Whereas, student housing or non-student residents would have to deal with matters on their own, without the input of the school (Aday, 2023).

ii. Sense of Community

Most students don't want to be far removed in terms of geography from their place of study that they would miss out on the college life



experience. To safe their need to belong, they tend to opt for accommodations close to school (Aday, 2023).

iii. Security

Students who choose to live off-campus may have never lived away from comforts before; therefore, establishing and demonstrating a sense of security and easy access to the school, stores, can be a comfort (Aday, 2023).

iv. Furnished vs. Non-Furnished

There is no denying that there is a demand for international students who are looking to get a foreign education, and because of this, they may make a great candidate for your property. Nonetheless though, determining whether you offer furnished or non-furnished accommodation may be a deal-breaker for some students. This is because they may not have the resources or means to furnish their place and want a residence that has everything they need (Aday, 2023).

v. Location

Student housing should be close to the campus, at least enough so that they can either walk or easily take public transportation. This will greatly influence their decision on whether or not it is worth it to embark on off-campus student housing or to choose to live within the campus confines (Aday, 2023).

vi. Price

Next to proximity, student renters are going to be looking at the cost of living off-campus in apartments or houses. They may decide only by looking at the price and not how far or close the place is to the school. It is therefore imperative for a landlord and investor to consider pricing your accommodation competitive enough that it draws in students to want to pay rent and live off-site rather than on the schools' grounds (Aday, 2023).

Public Private Partnership in Student Housing.

According to Brickstone (2018) there are three models that may be conveniently used for public-private student housing partnerships:

i. Affiliation

In this instance, a formal arrangement is entered between the private investors and the institution where the institution directs its students to the private investors property as if it were part of its own inventory. The developer handles the ownership of the student



housing project, ensures delivery and could alongside the institution be responsible for the operations.

ii. Referral

Under this arrangement, the institution directs students to the private investor property in exchange for concessions such as discounted rent as well as participation in mediation prior to evicting student tenants. The developer takes care of the ownership, delivery and operations could be handled by the developer.

iii. Structure

This involves a situation where a not-for-profit entity (existing or new) issues tax-exempt debt to finance the student housing project. Under this structure, the property on which the student housing project is to be sited is leased to the not-for-profit organization by the academic institution.

Factors influencing Private Sector Participation in the Provision of Student Housing

Decision making is the bedrock of every investment, it is an important skill needed for organization and individual investors to achieve their set goals and objectives. Investment decisions are decisions that are concerned with the acquisition or disposal of investment asset (Hartgitay and Yu, 2003). Student housing as a form of real estate investment class is characterized by a huge capital outlay accompanying with risk of irreversibility of investment. Thus, making it necessary for choice to be made between student housing accommodation and other available alternative real estate investment based on indicators that display that the investor objectives (Muhammad et al, 2018). The followings are factors that influence private sector investment decision in student hostel accommodation:

- 1) Neighborhood: the neighborhood in which to build a property will determine the types of tenants you attract and your vacancy rate. If you build near university or polytechnic, chances are that students will dominate your pool of potential tenants and you would struggle to fill vacancies every summer. Be aware that some towns try to discourage rental conversions by imposing exorbitant permit fees and piling on red tape (Andrew, 2023).
- 2) Property Taxes: Property taxes are one of your costs and they can vary widely across your target area. High property taxes are not always a bad



thing. For instance, in a great neighborhood that attracts long-term tenants. But these are unappealing locations that also have high taxes (Andrew, 2023). A municipality's assessment office will have all the tax information on file, or you can talk to homeowners in the community.

- 3) Crime: No one wants to live next door to criminal activity. Check the rates for vandalism and for serious and petty crimes. Do not forget to note if criminal activity is on the rise or declining. You also might want to ask about the frequency of a police presence in the neighborhood (Andrew, 2023).
- 4) Infrastructure: Tour the neighborhood and check out the parks, restaurants, gyms, movie theaters, public transportation links, water supply, electricity supply, waste disposal and good road networks (Andrew, 2023).
- 5) Number of Listings and Vacancies: If a neighborhood has an unusually high number of listings, it may signal a seasonal cycle or a neighborhood in decline. Find out which it is. In either case, high vacancy rates force landlords to lower rents to attract tenants. Low vacancy rates allow landlords to raise rents (Andrew, 2023).
- 6) Average Rents: Rental income will be your bread-and-butter, so you need to know the area's average rent. Make sure any property you consider can provide enough rental income to cover your mortgage payment, taxes and other expenses (Andrew, 2023).
- 7) Natural Disaster: Insurance is another expense you will have to subtract from your return, so you need to know just how much it is going to cost you. If an area is prone to earthquakes or flooding. Insurance coverage costs could eat away at your rental income (Andrew, 2023). Disaster risk can be considered an effect of the dynamic interaction of hazards, vulnerability, and exposure (Alexander, 2000). As argued by Wisner et al, (2003) a "housing shortage" cannot be explained just by a statement that "there are not enough houses being built or too few people with enough cash", but they are the effects of wider root causes that needs to be addressed.
- 8) Returns: Unlike commercial properties and even some residential accommodations, you are nearly guaranteed that you will have a return on your investment in student housing. Today, demands for undergraduate and graduate degrees are at an all-time high. So, as long as people are going to college, there will be demand for student housing (Sarah, 2023). It is most crucial to invest in such property which



would generate positive cash flow and brings in expected returns on the investment (Aishwarya, 2021).

- 9) Maintenance Costs: One of the many good things about investing in student accommodation is low expectations. As long as their essentials are covered, they will take apartments in any condition. This means that you don't need to budget for expensive refurbishment or home improvements for your buy-to-let student property (Sarah, 2023).
- 10) Topography: The topography of an area has significant impact on the development in the area (Salman, 2021). Improper topography can also lead to flooding and various other problems. Ideally, when you are investing in student accommodation, you should invest in one which has flat topography. The rules of the area will change depending on its topography. That is why; this is an environmental factor which you cannot afford to ignore (Salman, 2021).
- 11) Air and Water Quality: People are becoming conscious of the air and water quality available in each area. If you ignore this factor, you can end up investing in a property which does not appreciate due to these factors (Salman, 2021). Our cities are becoming clogged, which leads to poor air and water quality. Both of these are necessary for proper habitation. That is why any problem in the air and water quality can keep the prices deflated for a long time (Salman, 2021). The areas with clean air are not only fetching good returns but are also in high demand, similarly, water access and water quality is another important factor which is being considered by student accommodation investors.
- 12) Location: Location is still king and continues to be most important factor for profitability in real estate investing (Shobhit, 2022). Proximity to amenities, green space, scenic view, and the neighborhood's status factor prominently into residential property valuations.
- 13) New Construction and Existing Property: New construction usually offers attractive pricing, the option to customize, and modern amenities. Risks include delays, increased costs, and the unknowns of a newly-developed neighborhood. Existing properties offer convenience, faster access, established improvements (utilities, landscaping, etc.), and in many cases, lower costs (Shobhit, 2022).

Student Housing Investment Risks

It's important to note that every investment comes with risk. Student housing investments are more reliable than most, but there are a few drawbacks to consider:



- i. **High Turnover**
The student housing market has a high tenant turnover rate. While some might think this raises the risk of vacancies, this is rarely the case. The demand for student housing is high, and new students are interested in moving every semester. Short-term leases can be beneficial. They allow you to adjust your pricing as the rental market fluctuates (1031 Crowdfunding, 2023).
- ii. **Property Maintenance**
Student renters have a reputation for throwing loud parties, causing damages, and disregarding proper maintenance. While this might be true for some, there also exist students who are civil in rental properties (1031 Crowdfunding, 2023).
- iii. **Safety Liability**
Some college students are notoriously reckless. However, many others are mature and responsible. In either case, there are strategies to help mitigate overall liability risks (1031 Crowdfunding, 2023).
- iv. **. Seasonal Vacancies**
Most students return to their hometowns between semesters, leaving rental properties vacant over the holidays and summertime. While this might seem like a risk to profits, there are several strategies to overcome this drawback (1031 Crowdfunding, 2023).

Challenges faced by Private Investors in the provision of Student Housing

- i. **Scarcity of Long-Term Funds**
Currently, the prime lending rate in the banking sector remains as high as 17.5 per cent (Central Intelligence Agency's the World Factbook, 2017) and it is impossible to use such funds for housing development. It is pertinent to note that the government has realised this and is reviewing the entire process of accessing mortgages, to bring it within reach of beneficiaries (Adebayo, 2019).
- ii. **Property Registration and Title Documentation**
Uncertainties regarding the status of land documentation and delays in the process slowed the development of land and property markets and made the development of lending difficult to advance or sustain. It was for these reasons that the growth component began to work with a number of registries. Reforms have led to a reduction in the time required to complete the process of property registration from 274 to



80 days in Nigeria, but a lot still needs to be done because it takes only 1 day in some other countries such as Norway and Singapore. It is worth noting that part of the reduction in time can be attributed to improvements in property registration, which has been implemented in Abuja and Lagos.

iii. **Land Use Act**

The Land Use Act of 1978 (LUA) has become an obstacle to making land available for housing development. The LUA meant to make land easily available to all Nigerians has, indeed, become a major constraint to home ownership in Nigeria. The process of obtaining a Certificate of Occupancy and the consent provisions of the LUA make land transactions tedious, time consuming and expensive (Adebayo, 2019).

iv. **Infrastructural Inadequacy**

Another major challenge to providing affordable housing is the lack of primary infrastructure such as; roads, water, electricity, etc, which accounts for about 30 per cent of housing cost (Adebayo, 2019).

v. **High Cost of Building Materials**

Due to the high import dependence of the sector and the over reliance of our construction sector on imported materials, the construction cost is far exorbitant than normal and has made housing unaffordable. A key factor that has led to the high construction cost in Nigeria has been the high cost of cement, which by account, constitutes about 40 per cent of building materials. Various reasons have been adduced for the high cost of cement, with cement manufactures arguing that the harsh operating environment such as lack of constant electricity, high cost of fuel, bad road network is to blame. Also, the devaluation of the naira, scarcity of foreign exchange, multiple taxation, and inconsistent government policies are additional reasons which are affecting the cost of cement. The price of cement has continued to rise steadily, hitting an all-time high of N2,700 per 50kg bag in 2017 (Adebayo, 2019).

vi. **Enforcing Foreclosure**

The absence of a foreclosure law has been cited by some investors and local banks as the reason for not investing in the housing sector. Though the incidence of foreclosure in most countries (especially with regard to low-and middle-income countries) is generally quite low, it is important for investors to know that they can take possession of their collateral and recover their loans as quickly as possible. Investors can even live with a lengthy foreclosure process, but they must have confidence that



the laws will be enforced fairly and in a transparent manner (Adebayo, 2019).

vii. Nigeria Taxation System

One of the greatest barriers to large-scale provision of affordable housing is the tax burden. The imposition of value added tax (VAT) at various levels of the housing-development process adds significant costs as much as 35 per cent to the cost of a house, even before title fees and stamp duties are taken into consideration. Tax holidays, deferrals or tax exemptions on materials or home sales, or similar tax-related provisions have been used successfully in other countries for low- and moderate-income families. These incentives can be used successfully in attracting investors into the housing sector. Other countries have proven that when they reduce the tax burden on housing, the number of transactions increases, and total housing related fiscal revenues either increase or remain the same (Adebayo, 2019).

viii. Construction methods

Reliance on the traditional methods of construction has also not helped the sector. Industrialised building systems, which are very cost and time efficient for mass housing projects is still not common in Nigeria. Industrial construction products include: Panellised units produced in a factory and assembled on-site to produce a three-dimensional structure; Volumetric construction to produce three dimensional modular units in controlled factory conditions prior to transport to site; Hybrid techniques that combine both panellised and volumetric approaches; Floor or roof cassettes, pre-cast concrete foundation assemblies, pre-formed wiring looms, mechanical engineering composites (Adebayo, 2019).

ix. Construction Permits Issue

There are usually delays in receiving permits for construction. The procedures are complex and expensive. The complexity and cost of regulatory processes in dealing with construction permits is also a key criterion that entrepreneurs consider in making investment decisions. Jigawa State, a North-Western state, provides the best platform (i.e. ranks first) in dealing with construction permits in Nigeria. Lagos State, a South-Western state, is the most difficult place to deal with construction permits in Nigeria (ranks 36th, requires 18 procedures that



may be completed within 106 days, and could cost 53,504.9 per cent of the per capita income) (Adebayo, 2019).

x. **Collaboration issues**

The lack of adequate cross sector collaboration among and between stakeholders remains a major threat to the realisation of affordable housing goals. The kind of projects and initiatives essential to scale up housing supply in Nigeria requires a lot of collaboration and synergy among stakeholders (Adebayo, 2019).

Concept of Real Estate Investment

A real estate investment can be described as the commitment of funds by an individual with a view to preserving and increasing capital and earning a profit. We all make investments of various kinds throughout our lives. We invest time, energy, and money in educating ourselves and our children, in purchasing cars, in obtaining good health care, in accumulating savings, and in pursuing other ventures necessary to ensure a better quality of life. In many instances, investment also represents the forgoing of some present comforts in anticipation of future benefits. Forgoing instant gratification, although often painful, is necessary in the accumulation of the savings essential to the acquisition of investment property. A real estate investment sometimes requires something as important as money—it often involves the application of personal time and effort.

Purposes of Real Estate Investment

1. **To Preserve Capital**

A primary reason for investing in real estate is the preservation and possible enhancement of the capital invested. Generally, owners have enjoyed rising property values over the years. Consequently, the capital value of the investment is preserved or increased by appreciation. It is precisely for this reason that real estate investments are described as hedges against inflation. Theoretically, the values of real estate fluctuate with local market cycles, but real estate values tend to rise over the long term.

2. **To Earn a Profit**

Fundamentally, all investors in real estate seek a profit on the money they invest. By definition, an investment of any kind is a commitment of funds with the intention of preserving capital and earning a profit. For real estate investors, these profits assume two forms. The income



stream from the tenants' rents should generate one kind of profit. The gross amount of rent should be adequate to pay for all of the fixed and variable operating expenses of the property, with enough remaining to show a return on the investment. Thus, an investor anticipates that the income will provide a steady cash profit while the invested capital remains protected over time. When the property is sold, this investment will be recovered intact or, better still, a gain will be made. This gain reflects the increase in the property's value during the time it was held and is the second form of profit that can be earned by a real estate investor.

3. To Enjoy Tax Relief

Under the current income tax code, unlike many other investments, the income derived from rental real estate can be sheltered substantially to diminish the income tax liability and thus enhance the bottom-line return. After all income from a rental property is accumulated for the year, the expenses incurred to develop this income may be deducted, effectively sheltering this amount from income taxes. Sheltering income simply means having the income deemed as either non-taxable as in the deduction of expenses or as tax-deferred as in cost recovery (depreciation) deductions. These expenses include all operating costs such as management fees, property taxes, utility expenses, repairs, maintenance, advertising, bookkeeping, and others as required.

Merits of Real Estate Investment

i. High Yields

Bottom-line yields in excess of 20% are not unusual for many real estate investments. Yields can even exceed this amount, reaching infinity in those cases where 100% or more leverage—using borrowed funds to purchase property—has been achieved. More, though, are realty investments that regularly develop 10–15% annual returns over the life of the investment. These profits reflect the opportunities that exist in real estate and, when compared to average yields on other types of investments, explain its popularity. The return on a savings investment is the rate of interest paid by the bank or savings. These rates currently run up to 3%, depending on the type and duration of. These are before-tax yields, which are eroded by the taxes paid, in accordance with the investor's particular tax bracket. Stocks often pay dividends that average about 5% of the value of the investment; but unlike savings, for



which the amount of deposit remains constant over time, the value of the stocks fluctuates in the market. As a result, an element of risk is introduced for a stock investor who analyzes yield in terms of dividends received plus growth in value. If this growth is 5% per year and the shareholder receives 5% in dividends, the yield is 10% before taxes.

ii. Leveraging Opportunities

Although most lenders allow a purchaser to borrow up to 50% of the value of securities such as stocks and bonds, real estate offers an investor the highest leveraging opportunities of any investment alternative. Many realty transactions require 20–40% of a property's value as a cash down payment, while others have 10%, 5%, or even no down payment requirements. A few investors, after completing some highly sophisticated strategies, may even be able to enjoy the benefits of arranging their real estate investment portfolios with greater than 100% leverage and end up with cash in their pockets.

iii. Income Tax Flexibility

Real estate allows its owner a high degree of tax flexibility, due in large part to the application of depreciation allowances and the ability to deduct the premises' operating costs from the gross income collected (Sirota, 2016).

iv. High Degree of Personal Control

Real estate investments provide the opportunity for a high degree of personal control. Purchase terms can be designed to reflect specific financial circumstances. Often, can be arranged to anticipate changes in future realty cycles. Various bookkeeping techniques can be adopted to reflect individual needs as they change over time. Property can be periodically refinanced to capitalize on the equity accumulated. The investor usually retains the power to decide on when, how, and to whom the investment will be sold, under terms that satisfy personal economic requirements (Sirota, 2016).

Demerits Real Estate Investment

i. Relatively Poor Liquidity

Although real estate is usually easy to purchase, it is sometimes difficult to sell, with little certainty about the final sales price. Unlike the stock and bond markets, where there are almost always buyers to be found if the price is low enough, sometimes real estate cannot even be given away, let alone sold at a reasonable price. For example, in good times



owners are reluctant to sell, while in bad times everyone wants to sell at the same time, significantly reducing the property's marketability (Sirota, 2016).

ii. Large Capital Requirements

Contributing to the poor liquidity of real estate income property are the relatively large sums of money needed for property acquisition, maintenance, and reserves. Despite the high leveraging opportunities that exist in this field, a sound investment must be backed by adequate operating capital to protect it in the event of unforeseen major crises. An unexpected reversal in the economic cycle of a community could result in a high number of vacancies and, at the same time, eliminate any possible market for disposing of the suddenly declining investment property (Sirota, 2016).

iii. Necessity of Constant Management

Everything about real estate, as in most other areas of present-day living, is expensive. At current rates for repairs, everyday maintenance is costly, to say nothing of required replacement of worn-out items. Major maintenance expenditures such as a new roof, plumbing, or electrical systems can easily amount to thousands of dollars. Constant property is an absolute necessity for improved real estate investments. Buildings need careful attention, including perpetual nailing, patching, painting, and replacement of worn parts to satisfy tenants and ensure continuing rental cash flows.

iv. Being a Landlord

Most real estate investments require that the property owner enter into some form of personal involvement with the professional manager, the tenants, or both. These interpersonal relationships are often warm and rewarding, but they can also become distressing, especially when a manager must be dismissed or a tenant evicted. People are often deterred from investing in real estate because, as landlords, they are exposed to tenants' complaints and the problems of managing property, and this factor should be included in the acquisition decision (Sirota, 2016).

v. Risk

Finally, it must be clearly understood that there are substantial risks involved when investing in real estate. It is true that there are risks in every field of endeavour, even in our daily activities. Still, it is important to reiterate that investing involves decision making: a choice of what



you should buy; when and where you should buy; and, most significantly, whether you should invest at all. What makes real estate investment so hazardous is the number of agencies and events the investor's control that influence its success; for example, the unpredictability of the income tax code may be enough of a detractor to discourage some investors. We also cannot ignore the vicissitudes of the financial markets as interest rates fluctuate in response to the natural laws of supply and demand, as well as to the imposition of monetary controls by the Federal Reserve System.

RESEARCH METHODOLOGY

Research Design

The study adopted exploratory design through survey strategy, because the study will take an in-depth study of research problem and collect evidence of private investors with the use of questionnaire as an instrument of data collection.

Methods of Data Collection

This study adopted a structured questionnaire for obtaining responses from the sample element as a method of data collection from the private investor's involvement in student accommodation provision in the study areas (field survey).

Sampling Techniques

The study adopted the systematic random sampling technique.

Data Analysis Techniques

The data collected was analyzed by using frequencies and percentages for the demographic variables of the respondents while mean will be used to analyze the respondent's opinions to the item statements in the questionnaire.

DATA PRESENTATION AND ANALYSIS

Trend of hostel development in the study area between 2005-2022

Figure 4.1 shows the average number of rooms constructed by developers in Bida between year 2005 and 2022. During the initial years (2005-2010), the average number of rooms built remained relatively stable, with values oscillating between 8 and 12 rooms. This suggests a consistent pace of construction during this period, possibly influenced by stable economic



conditions or ongoing development projects. A notable increase is observed in 2012, where the average number of rooms built reaches 13. This peak may indicate a surge in construction activities during that specific year, potentially influenced by economic growth, increased demand for housing, or specific development initiatives.

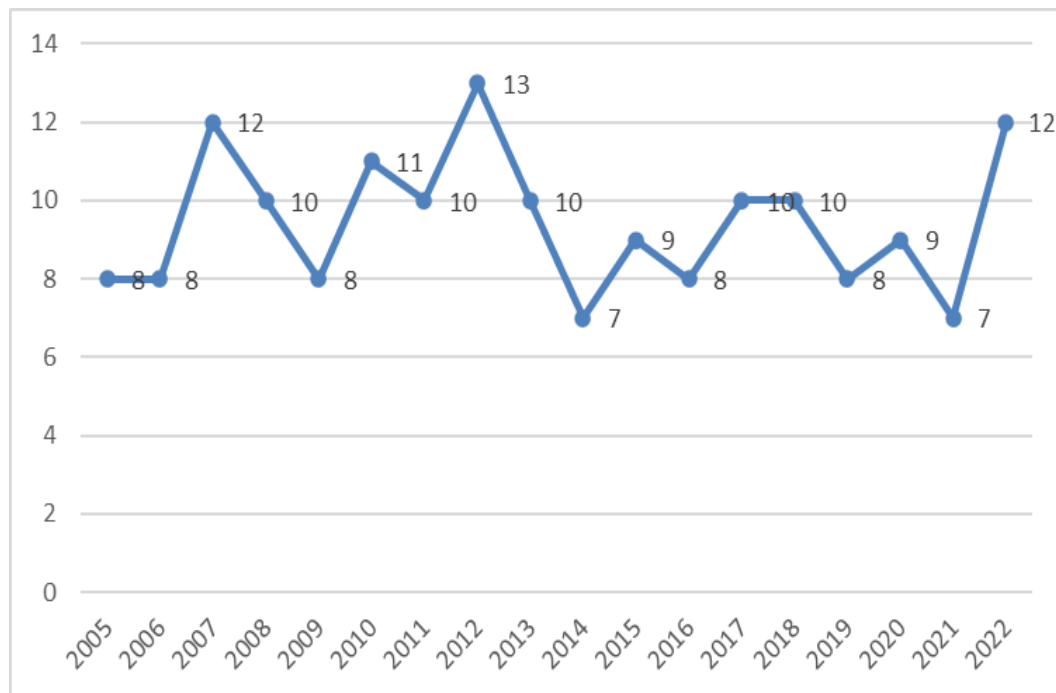


Figure 4.1: Trend of hostel development in Bida between 2005-2022

The latter part of the decade (2017-2019) exhibits a return to a more stable range, with the average number of rooms built consistently around 8 to 10. This period of relative stability may suggest a more predictable development environment or a balance between housing supply and demand. The year 2022 stands out with an average of 12 rooms built. This increase may signal renewed momentum in construction activities, potentially driven by changing market dynamics, policy interventions, or emerging opportunities in the real estate sector.

Similarly, Figure 4.2 shows the average number of rooms constructed by developers in Bida between year 2008 and 2022. able 4.15, presents the trend of hostel development in the study area from 2008 to 2022, showcasing the average number of rooms built annually. The trend initiates with modest growth from 2008 to 2010, where the average number of rooms-built increases from 5 to 7. This period suggests a gradual incline in construction activity, potentially influenced by evolving demand and economic conditions. A



noteworthy shift occurs in 2014, marked by a substantial increase in the average number of rooms built to 12. This surge suggests a considerable boost in construction activity during this specific year, potentially driven by economic stimuli, increased investment, or changes in housing policies.

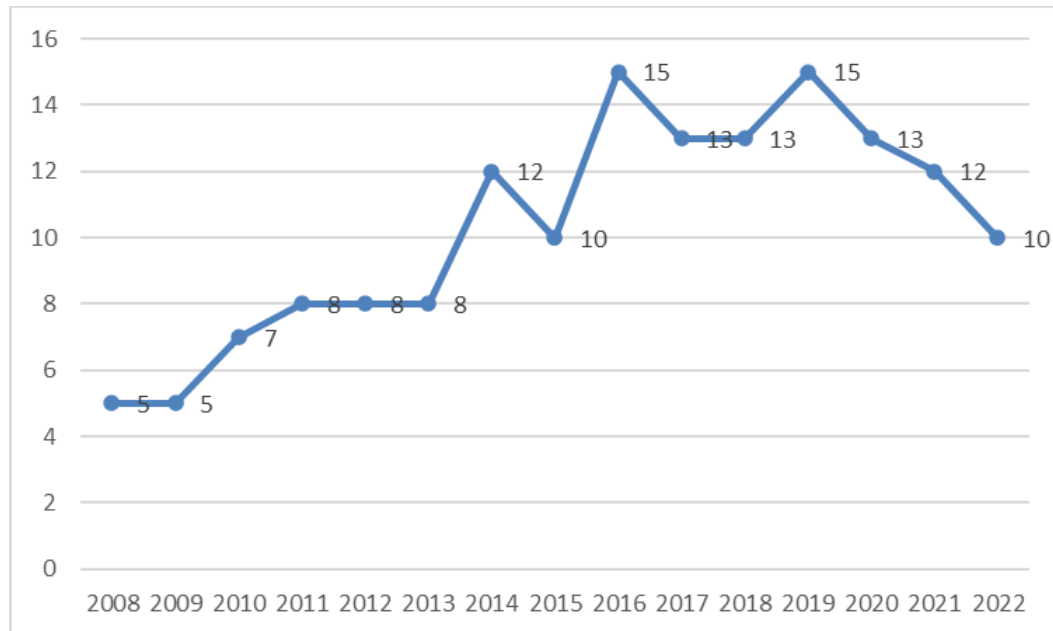


Figure 4.2: Trend of hostel development in the Minna between 2008-2022

The latter part of the decade (2019-2022) shows a sustained level of development, with the average number of rooms built consistently between 12 and 15. This period of stability may indicate a balanced market with a continued demand for housing. The year 2022 reveals a modest decline in the average number of rooms built to 10. While this decrease may suggest a slight slowdown in construction activity, it is essential to consider the broader context and potential influencing factors.

Table 4.19: Factors influencing the Provision of Private Student Hostels in Bida

Factors	Weighted Sum	R.I.I	Remark
Return on Investment	876	3.50	V.C
Neighbourhood Quality	732	2.93	C
Hostel Deficit	1081	4.32	V.C
Location	1124	4.50	H.C
Basic infrastructure	282	1.13	N.C
Humanitarian	276	1.10	N.C
Low Property Tax	752	3.01	C



Low Crime rate	596	2.38	L.C
Land availability	743	2.97	C
Low Investment Risk	1019	4.08	V.C

Note: 0.00-1.49=N.C; 1.50-2.49=L.C; 2.40-3.49=C; 3.50-4.49=V.C; 4.50-5.00=H.C
N.C= Not Critical; L.C=Less Critical; C=Critical; V.C= Very Critical; H.C= Highly Critical

In contrast, Basic infrastructure (1.13), and Humanitarian factor (1.10) were not critical to the decision of hostel development in Bida, while low crime rate was less critical (2.38). While the crime rate is a consideration, it is deemed less critical, suggesting that it may not be as influential as other factors in the decision-making process. In summary, the table provides a comprehensive analysis of various factors influencing private student hostel development in Bida. The classification into different levels of criticality helps prioritize these factors, offering valuable insights for investors, developers, and policymakers involved in the student housing sector in Bida.

Factors influencing the Provision of Private Student Hostel in Minna

Table 4.20 shows the factors influencing private student hostel development in Minna. The result as presented in Table 4.20 shows that hostel deficit (4.50), and Location (4.51) were considered as highly critical factors by the developers. This implies that hostel demand and proximity to the University campus were the primary factors considered by developers in Minna. The Table also shows that Low investment risk (4.13) and return on investment (3.65) were also critical considerations for the development of private hostels in Minna.

Table 4.20: Factors influencing the Provision of Private Student Hostels in Minna

Factors	Weighted Sum	R.I.I	Remark
Return on Investment	402	3.65	V.C
Neighbourhood Quality	329	2.99	C
Hostel Deficit	495	4.50	H.C
Location	496	4.51	H.C
Basic infrastructure	186	1.69	L.C
Humanitarian	169	1.54	L.C
Low Property Tax	328	2.98	C
Low Crime rate	253	2.30	L.C
Land availability	341	3.10	C



Low Investment Risk	454	4.13	V.C
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Note: 0.00-1.49=N.C; 1.50-2.49=L.C; 2.40-3.49=C; 3.50-4.49=V.C; 4.50-5.00=H.C
N.C= Not Critical; L.C=Less Critical; C=Critical; V.C= Very Critical; H.C= Highly Critical

Availability of basic infrastructure (1.69), Humanitarian factor (1.54), and low crime rate (2.30) were less critical factors considered while making investment in private hostel development by the developers. These factors are considered less critical. While important, it may not have as significant an impact as other factors.

Factors influencing the Provision of Private Student Hostel in the Study Area

The aggregate result on the factors influencing the provision of private hostels in the study areas is presented in Table 4.21. The result shows that location is a primary factor for student's hostel provision with an RII of 4.50. Three very critical factors were identified, and they are; hostel deficit (4.38), low investment risk (4.09), and return on investment (3.55). These factors play a significant role in the development of private hostels in the study area. Other critical factors are Neighbourhood quality (2.95), low property tax (3.00), and land availability (3.11).

Table 4.21: Aggregate Factors influencing the Provision of Private Student Hostels

Factors	Weighted Sum	R.I.I	Remark
Return on Investment	1278	3.55	V.C
Neighbourhood Quality	1061	2.95	C
Hostel Deficit	1576	4.38	V.C
Location	1620	4.50	H.C
Basic infrastructure	584	1.62	L.C
Humanitarian	557	1.55	L.C
Low Property Tax	1080	3.00	C
Low Crime rate	879	2.44	L.C
Land availability	1120	3.11	C
Low Investment Risk	1473	4.09	V.C

Note: 0.00-1.49=N.C; 1.50-2.49=L.C; 2.40-3.49=C; 3.50-4.49=V.C; 4.50-5.00=H.C
N.C= Not Critical; L.C=Less Critical; C=Critical; V.C= Very Critical; H.C= Highly Critical



Availability of basic infrastructure (1.62), Humanitarian factor (1.55), and low crime rate (2.44) were less critical factors considered while making investment in private hostel development by the developers. The presence of educational institutions in the area significantly impacts the demand for student accommodation. Regions with a high concentration of universities, colleges, and schools are likely to see a higher demand for private student hostels.

Challenges to Private Hostel Provision in the Study Areas

Highest cost of building material emerged as the most prominent challenge faced by developers of private hostels in the study area with a RII value of 3.93. Scarcity of long-term funds (3.82) and Infrastructural inadequacy (3.59) also emerges as a significant challenge to rank second and third respectively. Consensus was not reached on the effect of property registration (2.89) of private hostel development in the study areas, as developers were undecided or unsure of its effect on development. The developers disagreed with other factors adduced in the study. LUA had a RII value of 2.12, Incessant tax (1.90), construction permits (1.88), and collaboration issues (1.87). In summary, Table 4.24 provides valuable insights into the challenges faced by stakeholders in the provision of private hostels in the study areas. The findings underscore the multifaceted nature of these challenges, emphasizing the need for nuanced and context-specific strategies to address them and promote sustainable development in the private hostel sector.

Conclusion

The study concluded that scarcity of long-term funds, infrastructural inadequacy and high cost of materials are one of the prominent challenges among other factors faced by investors in the provision of student housing.

Recommendations

It is recommended that Promote collaboration between private developers, local communities, and educational institutions to ensure that student housing projects align with community needs as well as encourage private developers to invest in basic infrastructure within student housing projects.

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