

THE EFFECTS OF CRIME ON RESIDENTIAL PROPERTY RENT IN BENIN CITY

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ABSTRACT

It is a well known fact that the high rate of crime in cities across the country has led to high levels of insecurity to lives and property. However, not all sections of these cities are plagued by equal level of insecurity, as some areas or neighbourhoods are relatively more secure than others. A potential buyer or renter of a property would always be concerned with the level of crime in a neighbourhood before making his choice, he would consider more attractive and conducive those neighbourhoods that are relatively more secure. It is against this background that this study examines the impact of crime on residential property rent in Benin City. To establish this, primary data were used and analyzed using descriptive statistics and correlation analysis. In all 300 questionnaires were administered in three neighbourhoods where respondents were randomly selected along major streets. The result revealed that the perception of crime in the neighbourhoods had a significant effect on residential rent. The paper thus recommends that there is need for government in its aim at lowering the level of crime in our cities, by focusing such policy response on the provision of employment opportunities, thus reducing the susceptibility of the unemployed engaging in criminal activities. The provision of employment opportunities can reduce crime rates and the level of insecurity in a city. In a relatively secure neighbourhood, the quality and value of residential property will be high.

Keywords: Crime, Residential Property, Rent, Neighbourhood and Benin city.

INTRODUCTION

A functional residential building is crucial to the development of a healthy and comfortable living environment. It is one of the three basic needs of man coming next in importance to food. Its importance lies not only in its value for individual households residing in it, but also in the neighbourhood where it is located. Just as a building is meant to be accessible and of high quality with standard facilities, it is also meant to be secured in order to provide the needed comfort for the occupier or renter. A house can only give such comfort when the neighbourhood it is located is relatively secured.

However just as cities have been characterized with unprecedented level of urbanization in recent times, this has not been met by coordinated effort by the government to adequately plan for such explosion. The spatial expression of these realities and the consequence of spontaneous urbanization with the uncontrolled growth pattern in most urban center are typified in diverse urban problems such as urban decays where visible forms of drug use, anti-social behavior and criminal damage to public and private properties are the order of the day (Gibbons, 2004). This however leads to insecurity and fear, which is the common feature of neighbourhoods at the city center. Studies have shown that in Benin City, neighbourhoods at the city center are characterized by higher crime and insecurity levels than any other section of the city. This assertion would be appreciated, against the background that the socio-economic characteristics of certain households constrain them to reside

in certain neighbourhoods because of differential affordability of housing and security. These are characteristics which affect the attractiveness of a neighbourhood. Thus the poor can only afford cheap housing in poor neighbourhoods where there is high residential concentration in small habitable spaces. Herein the properties are although of poor structural form, they are a toast to low income earners because of their low rental value.

With a deteriorating housing stock, such neighbourhoods deteriorate further with increasing wave of unemployment and crime rates. The incidence of crime may be so persistent that they come to signal elements of social disorder for particular neighbourhoods within pre-colonial cities. The traditional core area in Benin City, Old Town in Calabar, and Ajegunle in Lagos and so on are cases in point. These areas are characterized with high level of crime and associated social disorder, that the quality and value of residential property in these neighbourhoods is very low. It is in this process that slums with cheap housing have emerged and/or expanded in the city center, while middle/high class residential neighbourhoods that are relatively more secured have retained their attributes of having high quality and highly valued residential properties of varying degrees. These neighbourhoods are located further away from the city center to maximize larger habitable spaces with low to medium residential concentration.

STATEMENT OF THE RESEARCH PROBLEM

There are several factors (accessibility, location, and housing facilities) that affect the residential property rent, crime presumably being one. The fear of crime and crime itself has created insecurity to lives and property among individuals. Most often people are not satisfied to live in neighbourhoods where crime rate is high and in some cases it alters the household decision and the rent charged for such properties. Several studies have looked at the effect of crime on property values and their findings varied. Hellman and Naroff (1979) did a study in Boston and found that at every level of crime reduction, housing prices and rent increased. Also Gibbons (2004) found that a 3.8% decrease in rent and housing price was found when an additional 5 crimes a year were reported in London. A review of literature shows that although several studies have been carried out with respect to the subject matter of this study in foreign countries, (Haurin and Brasington, 1996; Patras and Greebaunt, 2006; Patras 2007) but in Nigeria, little or no effort has been made in this direction. The few known studies are only remotely related to the subject matter of this study (Aluyor, 2005 and Bello, 2011). It is on this note that this study examines the impact of crime on variation of residential property rent in different categories of neighbourhoods in Benin City. The importance of this research to policy makers is in the need to formulate policies that will reduce the level of crime along with improvement in the quality and value of housing in the city.

RESEARCH OBJECTIVE

This paper examines the impact of crime on residential property rent in Benin City.

THE STUDY AREA

Benin City is the capital and largest urban center in Edo State. The city itself is located at between latitude 619N and 613N and longitude 536E and 560E in the tropical belt of the rainforest region of Nigeria. The city is made up of four LGAs namely; Oredo, Egor, Ikpoba-Okha, and Ovia-Northeast. However with respect to this study, Egor and Oredo were the source LGAs for the selected neighbourhoods; Ogboka and GRA in Oredo Local Government Area, and Ugbowo in Egor Local Government Area. Both local government areas account for a higher proportion of the urbanized section of Benin City. Oredo is both the administrative capital of Edo State and a local government area with the secretariat located at the city's CBD. Oredo is located in the south central part sharing boundaries with Egor to the north, Ikpoba-Okha to the east and Ovia North-East to the west. Egor has its local government secretariat in Uselu, a major suburb of Benin City that has grown from a small agricultural village to a sprawling urban center. Egor is bordered by Ovia North-East to the north and west, Oredo to the south and Ikpoba-Okha to the east.

Studies have shown that Benin City consist of four distinct residential zones. The zones are the traditional core area, intermediate area, urban fringe and planned settlement areas. The traditional/core area is in the inner most and oldest part

of the city, and highly populated by the natives. It has the highest population and residential land use densities. Residential land use density in the core area was intensified by fission and infilling (Ogu, 2005). On the other hand, the intermediate zone has a lower residential land use and population density than the core area due to its substantial migrant population. Though the structural quality of housing in the intermediate zone is generally higher than the core area of the city, it is equally characterized by inadequate housing, public facilities and environmental conditions. The urban fringes were largely developed in the early 1970s and have become part of the city as a result of the urban expansion that has occurred in the last few decades. In Benin City, the peripheral area experienced urban encroachment and invasion as the suburbanization process continued. Though the houses in this zone may be

structurally fit, they lack basic urban facilities such as drainage, good roads, waste disposal and adequate security. Some of the localities in this zone were formerly isolated villages incorporated by the rapidly expanding city. Others have grown spontaneously through the process of succession and infilling, following the establishment of educational institutions in the suburb. The last zone is associated with low to medium residential land use and population densities. Housing, public facilities and environmental conditions are generally better in these planned settlement areas than in other zones in the city.

From the four distinct residential zones in Benin City, three neighbourhoods have been selected to define the scope of this study. These are Ogboka, Ugbowo, and GRA (Figure 1).

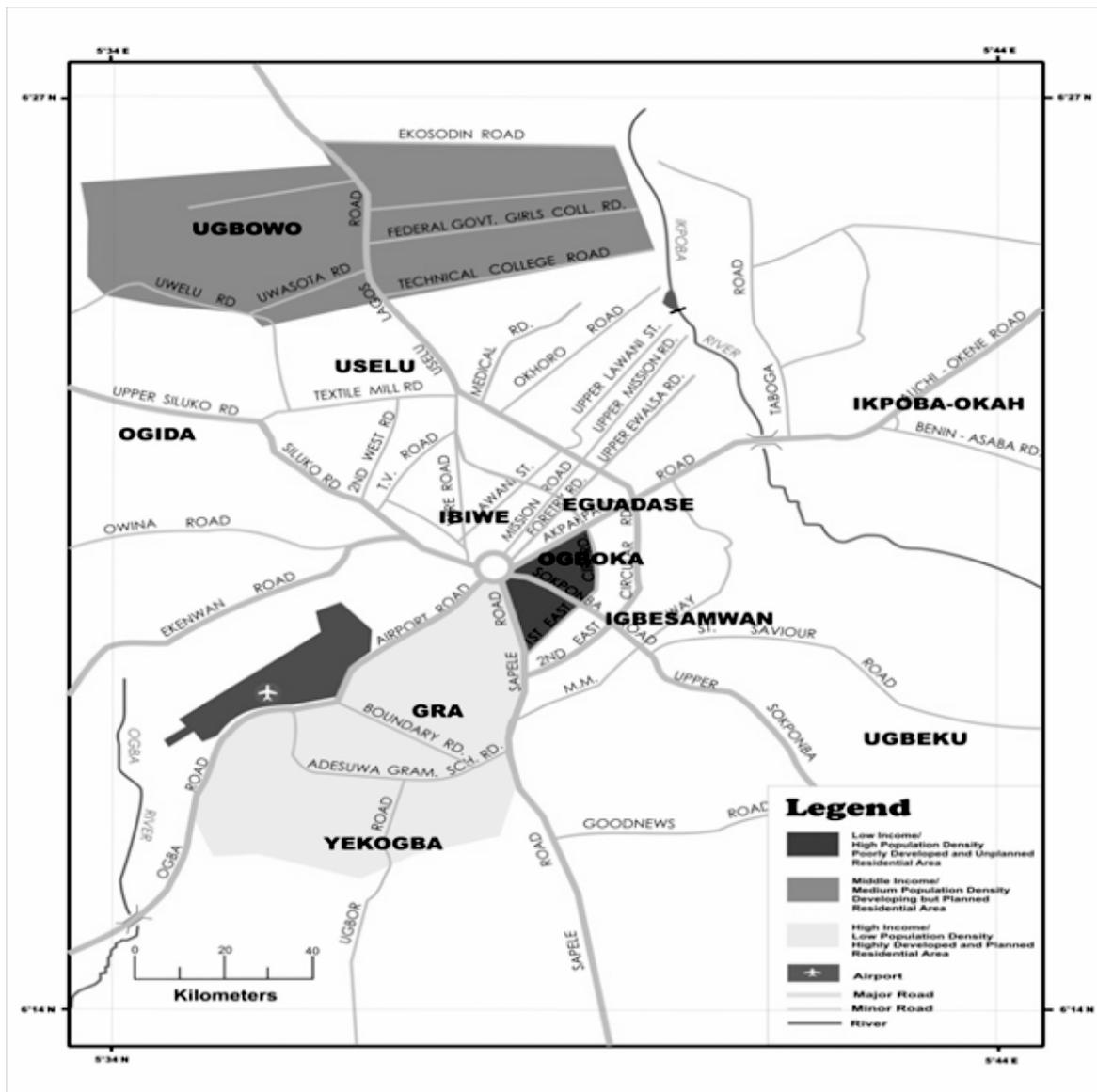


Figure 1: Benin City Showing the Selected Neighbourhoods

Source: Ministry of Lands and Survey, Benin City (2015)

Preliminary findings revealed that these neighbourhoods could be distinguished on the basis of income class, population density and level of residential development. They are;

- Low income, high population density, poorly developed and unplanned residential area; Ogboka
- Middle income, medium population density, developing but planned residential area; Ugbowo
- High income, low population density, highly developed and planned residential area; GRA

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Sampson and Raudenbush (2004) examined crime in relation to property value and found that race, ethnic clove, poverty and unemployment were strong indicators of perceived disorder that can affect the property value in a neighbourhood. Bello (2011) stated that the level of crime in a neighbourhood can have a delirious impact on property or rental value, but was of the view that the level of crime as perceived by the residents has more significant negative influence on property values than the documented reports of the police. This shows that there is a certain disconnection between police report on crime and perceptions of neighbourhood safety in a neighbourhood. For instance, high levels of social disorder as opined by the residents translate into vandalism, graffiti and arson and were shown to have a greater deleterious impact on housing price in London than home burglaries reported to the police (Bello, 2011). It was advised that an opinion on the level of crime should be based on information gathered from the resident population rather than relying on documented police reports. Perception of neighbourhood safety may thus be very important indicator of crime since crimes such as vandalism and home burglary are signals of disorder in a neighbourhood. Only the residents in these neighbourhoods can tell the real situation of crime rather than documented police reports (Skogan, 1990; Wilson and Keiling, 1982).

Crime however, remains a factor affecting the decision that households

make regarding where to reside. This affects how they perceive a neighbourhood and how much they are willing to pay for rent for a property. Most often people are not satisfied to live in neighbourhoods where crime rate is high and in some cases it alters the household location decision and the rental value of such properties. As Patchin (1991) rightly states, property value can be reduced by the perception that a neighbourhood is not safe, whether the market perception is rational or not.

THE NEIGHBOURHOOD

Neighbourhoods serve as geogra-phical frames of reference, encompassing the demographic, economic, and ecologi-cal characteristics of a particular residen-tial area. The definition of a “neighbour-hood”, however, relies heavily on perspec-tive. Neighbourhoods have different geogra-phical scales that serve different purposes. For example, metropolitan governments often define a neighbourhood as a very large residential area for planning and providing services for maintaining infra-structure for the comfort of the residents. Real estate valuers and property developers on the other hand see neigh-bourhoods as smaller areas, extending several blocks from a central point. For residents, the neighbourhood often extends only one or two blocks from their homes. For law enforcement and urban planners, the neighbourhood is part of the concept of place, which is a factor in decision about deploying resource and maintaining the quality of life in a community. Members of a community frame their sense of a neigh-bourhood using geographical landmarks

such as streets, buildings or natural land formations as boundaries.

However a neighbourhood is defined as the foci of residence which aggregates shared experiences of the resident population. This is centered on what is meaningful to them, such as health, housing, schools, services and crime that occurs within its boundaries. This proximity connects community members to the same experience; good or bad. Research has shown that such bad experiences usually emanate in the level of unemployment, poverty, social disorder and crime rates in a neighbourhood. The fear of crime and incidence of crime itself has created insecurity to lives and property in some neighbourhoods. Accordingly, people tend to associate certain neighbourhoods with greater threat to physical harm, robbery, assault, murder, arson, and home burglary, among others. So they avoid such neighbourhoods for fear of safety. Although crime can happen anywhere, residential areas with high rates of crime and deviant behaviours are more in those densely populated, physically deteriorated, slums and blighted suburbs.

THE PERCEPTION OF CRIME

Property value can be reduced by the perception that a neighbourhood hazard exist whether rational or not (Patchin, 1991). The assumption is that the act of purchase or renting an apartment is preceded by a sequence of mental information processing involving a cognitive function in forming beliefs, emotional competence in developing attitudes, and a reaction to motivation to select and purchase a product (Gibler and Nelson, 1998). Gibson (1987) while

investigating what information is actually present in the visual environment to a potential buyer, renter or occupier of a property believed that perception was direct, and not mediated by a process of inference, and percepts, and is not constructed from sensations but emphasized relations in the environment. Human beings have thoughts and feelings which strongly influence their behavior on their environment. These thoughts and feelings are part of their conscious states and provide the inputs used by them to make decisions about their actions and reactions to their environment.

However, perception is often different from more objective measures of reality especially in the case of crime (Skogan, 1986). If perception deviates from reality, it is likely that households and businesses make location decisions based on their perceptions and it is the perception of an amenity that is subsequently capitalized into property values (Petras, 2007). Studies have shown that factors underlying the perceptions of neighbourhood crime are unemployment and poverty. In addition, there is often a disconnection between underlying crime rates and the perceptions of neighbourhood safety. Perception of neighbourhood safety is often very important since crimes such as home burglary, theft, vandalism and graffiti are very visible signals of disorder (Skogan, 1990; Wilson and Kelling, 1982). Crime however, is a factor affecting the decision that households make regarding where to locate and this affects how they perceive crime and how much individuals are willing to pay for a particular location.

MATERIALS AND METHODS

This is a cross sectional survey study. The

primary data were collected through the administration of questionnaires. The residential classification based on population densities and income levels are used. Three types of neighbourhoods are identified as shown in Figure 1. The samples for this study are residential properties in the stratified neighbourhoods in the study area. In determining the sample size that is adequate for this study, the research sought to define a sample of tenement population to ensure at least 95 level of confidence and that probable error of using a sample rather than surveying the whole population did not exceed 0.05. Using the derived value for the combine household unit for Oredo and Egor LGAs as the population size, the sample size for this study was determined to be 300. . In this case, the questionnaire was administered in relation to the population density of each neighbourhood in the ratio; 40:35:25 in Ogboka, Ugbowo and GRA respectively. Consequently, one questionnaire was administered per household. In a situation where more than one household resides in a particular property, only one household was interviewed. The interview was targeted only at the head of a household, but in the absence of the head, the spouse was interviewed.

In order to achieve the stipulated objectives of the study, the data gathered from the questionnaire was analyzed using descriptive/qualitative methods such as frequency counts, percentages, ranking, tables, etc. The Spearman Rho Correlation and Pearson Product Moment Correlation were also used to test the effect of unemployment and

crime on rental values of residential property in Benin City together with several other parameters such as overcrowding and insecurity.

The data for the study were collected from a sample of occupiers of residential properties in the selected neighbourhoods (Ogboka, Ugbowo and GRA). Questionnaires were randomly distributed to 300 households in the three neighbourhoods out of which 287 returned and good for analysis (Table 1). The questionnaires were designed to elicit information on occupants' perception of crime and how it affects residential property rent. In line with this, the data were analyzed using the descriptive statistics (such as the ranking method) and correlation statistics. The ranking method was used to analyze the socio-economic characteristics of the respondents and the perception of the occupants with respect to crime within the neighbourhoods. The Spearman Rho and Pearson Product Moment correlation statistics were used to estimate the impact of crime and unemployment on residential property rent together with insecurity and overcrowding.

FINDINGS

This study examined the effect of crime on rental values of residential property in Benin City. The primary data were largely analyzed using descriptive statistics (percentage and ranking) while certain aspect of the data were correlated against each other using the Spearman Rho and Pearson Product Moment Correlation Coefficients. The findings of this study are presented and discussed as follows.

Table 1: Response Rate of Respondents

Neighbourhoods	<i>Number of questionnaires Administered</i>	<i>Number of questionnaires returned</i>	<i>Response rate</i>
Ogboka	120	113	94.2%
Ugbowo	105	101	96.2%
G.R.A	75	73	97.3%
Total	300	287	95.6%

Source: Field Survey (2015)

CLASSIFICATION	Ogboka		Ugbowo		GRA	
	Frequency	%	Frequency	%	Frequency	%
SEX						
Male	81	71.7	60	59.4	42	57.5
Female	32	28.3	41	40.6	31	42.5
AGE						
Under 25yrs	11	9.7	3	3.0	-	-
25-34yrs	32	28.3	31	30.7	14	19.2
35-44yrs	30	26.5	32	31.7	28	38.4
45-54yrs	31	27.4	29	28.7	24	32.9
55yrs and above	9	8.0	6	5.9	7	9.6
HOUSEHOLD SIZE						
Less than 3 persons	7	6.2	27	26.7	18	24.7
3 – 6 persons	41	36.3	46	45.6	40	54.8
7 – 9 persons	50	44.2	23	22.8	14	19.2
10 persons & above	15	13.3	5	5.0	1	1.4
OCCUPATION						
Farming	14	12.4	-	-	-	-
Trading/Business	58	51.3	31	30.7	8	11.0
Vocational	18	15.9	9	8.9	3	4.1
Manufacturing	17	15.0	12	11.9	14	19.2
Public Sector	3	2.7	35	34.7	23	31.5
Private Sector	-	-	8	7.9	18	24.7
Retired	3	2.7	6	5.9	7	9.6
EDUCATIONAL LEVEL						
Primary Education	67	59.3	17	16.8	10	13.7
Secondary Education	34	30.1	41	40.6	30	41.1
Tertiary Education	12	10.6	43	42.5	33	47.1
INCOME LEVEL						
Below N30,000 (Low Income)	80	71	46	46	-	-
N30,000 – N89,999 (Middle Income)	32	28	52	52	20	27
N90,000 & above (High Income)	1	1	3	3	53	73

Source: Field Survey (2015)

Table 1 shows the response rate in the three neighbourhoods (Ogboka, Ugbowo and GRA) to be 94.2%, 96.2% and 97.3% respectively. Table 2 presents data pertaining to sex, age, household size, occupation, and education and income levels. From Table 2 the survey reveals that of more of the household heads in Benin City are males. The Table shows that the proportion of households headed by male (63.8%) is higher than those of females (36.2%). Similarly the male household heads were proportionately higher in all the neighbourhoods. In Ogboka, male household heads constitutes 72% of the population, in Ugbowo 59% and 58% in GRA. The proportion of female household heads is about the same in Ugbowo (41%) and GRA (42%), while in Ogboka the proportion of female household heads is much lower (28%). The study reveals in Table 2 that bulk of the household heads in Benin City are adults between 25 and 54 years old. In Ogboka, this age group constitutes 82% of the population, in Ugbowo 91% and 90% in GRA. The proportion of the aged, that is those above 55 years old is about the same in all the neighbourhoods; 8% in Ogboka, 6% in Ugbowo and 10% in GRA. Incidentally, Ogboka has the highest percentage of youthful household heads (under 25 years old), this being 10% compared with 3% in Ugbowo and none in GRA. From Table 2 the bulk of the households in Ogboka, Ugbowo and GRA are in the range of 3 to 9 persons (over 60% in all the neighbourhoods). And although the households in Ugbowo and GRA that fall in this range are 69% and 74% respectively, that of Ogboka (80%) is far higher; making the neighbourhood the most crowded.

Table 2 also shows the occupational distribution of the household heads in each neighbourhood. In Ogboka; a neighbourhood located in the commercial nerve center of Benin City, the household heads are majorly in the informal sector (79%). 12% of this are into farming, as high as 51% are into trading/business activities, and another 16% are in one form of vocation or the other, such as bronze casting, pottery, carpentry, electrical work, welding, mechanic, tailoring, e.t.c. Only 18% of the household heads are in the formal sector, with 15% in the manufacturing sector and another 3% in the public sector. Those that are retired accounted for 3% of the household heads in Ogboka. In Ugbowo and GRA the proportion of households in the informal sector is low. In Ugbowo, 40% of the household heads are in the informal sector, with 31% into trading/business activities and 9% are into vocational works, while in GRA only 15% of the household heads are in the informal sector, with 11% into trading/business activities and another 4% into vocational works. The bulk of the household heads are employed in the formal sector, 55% in Ugbowo and 76% in GRA. Those that are retired are 6% and 10% in Ugbowo and GRA respectively. In Ugbowo, of the 55% of the household heads in the formal sector, 12% are in the manufacturing sector, as high as 35% are in the public sector and another 8% in the private sector. While in GRA, of the 76% of the household heads in the formal sector, 19% are in the manufacturing sector, 32% are in the public sector, and another 25% in the private sector.

According to Table 2, the educational status of the household heads is

highest in Ugbowo and GRA. Although as much as 17% and 40% of the household heads in Ugbowo had attained primary and secondary education respectively, more of the household heads (43%) had attained tertiary education. Similarly in GRA, as much as 45% of the household head had attained tertiary education, compared to 14% and 41% that had attained primary and secondary education respectively. In Ogboka however, more of the household heads are in the informal sector. This reflects on the educational status of the household heads as Table 2 shows that as high as 59% had attained only attained primary education, another 30% had attained secondary education and only 11% had attained tertiary education. Table 2 shows the income distribution among the neighbourhoods. In Ogboka, as much as 71% of the household heads are in the low income class, another 28% are in the middle income class and only 1% is in the high income class. In Ugbowo, only 46% of the household heads are in the low income class, 52% are in the middle income class, while 3% are in the high income class. In GRA, 27% are in the middle income class and as much as 73% are in the high income class. Figure 4.6 also

shows that the low income class is more concentrated in Ogboka (71%), the middle income class is more concentrated in Ugbowo (52%), while the high income class is more concentrated in GRA (20%).

From the socio-economic characteristics of the respondents, the data show that the respondents in Ogboka are poor and poorly educated. As depicted in Table 2, more than 70% of the respondents in Ogboka earn below N30,000 monthly. This condition invariably may lead to crime. This is in conformity with the findings of Petras (2007) that concentration of poverty can increase crime rate.

Effect of Crime on Rental Values of Residential Property in Benin City

High rate of crime in urban centers has led to a corresponding increase in the level of insecurity of lives and properties. Consequently, a potential renter or buyer of a property would always be concerned with the crime rate in a neighbourhood before making his choice. Hence in high crime neighbourhoods, value of residential property tends to decline because there is less demand for them and since properties in these neighbourhoods are always in bad condition, they always attract low rental values. This relationship is shown in Table 3.

Table 3: Crime in relation to Rental Value

Factor	Indices	Neighbourhoods					
		OGBOKA		UGBOWO		G.R.A	
		%	Rank	%	Rank	%	Rank
CRIME	Home Burglary	70.7	1	91.1	3	83.6	2
	Unemployment	85	3	48.5	2	27	1
	Incidence of Crime	88.5	3	55.5	2	37	1
	Insecurity	74.3	3	41.6	2	4.1	1
	Overcrowding	49.6	3	26.7	2	17.8	1
Total	Score		13		11		6
	Rank		3		2		1
AVERAGE RENT		N7,234.01		N26,162.87		N47,499.66	

Source: Authors' Analysis (2015)

Table 3 shows that the rental value is lower in neighbourhoods that are generally insecure. Unexpectedly, home burglary which has a more direct effect on residential properties is highest in Ugbowo (83.6%), followed by GRA (83.6%), while it is lowest in Ogboka (70.7%). This data shows that the rate of home burglary is higher in neighbourhoods where rental and property values are high. This may not be unconnected to the socio-economic characteristics of the resident population in these neighbourhoods. For instance affluent people with higher level of education and income live in Ugbowo and GRA, and most of them are civil servants and professionals that are less likely to be at home during the day time. Thus the residential properties are more likely targeted for burglary. However since the unemployment rate is highest in Ogboka (85%) as against Ugbowo (48.5%) and GRA (27%), the inhabitants live in poverty and are more likely to engage in diverse crime other than home burglary. Hence the incidence of crime in Ogboka is highest,

88.5% as against Ugbowo (55.5%) and GRA (37%) respectively. It was not unexpected that in Ogboka where residential properties have the lowest rental values, the general level of insecurity was highest at 74.3%. Neighbourhoods where residential properties are of much higher rental values, have lower level of insecurity; Ugbowo (41.6%) and GRA (4.1%). Table 3 also shows that residential properties in Ogboka are the most overcrowded (49.6%), followed by those in Ugbowo (26.7%) and GRA (17.8%). The ranking of the indices of crime shows the neighbourhood that has the highest crime rates. Table 3 shows that Ogboka scored the highest sum total (13), making it the neighbourhood with the highest crime rate, followed by Ugbowo (11) while GRA has the lowest crime rate with a score of 6.

Furthermore, overcrowding which is a measure of residential land use density is very much related to the level of insecurity in a neighbourhood. To buttress this point, the Spearman Rho statistical test was used as shown in Table 4 below.

Table 4: Relationship between Overcrowding and Insecurity in Benin City

			Overcrowding	State of Insecurity
Spearman's rho	Overcrowding	Correlation Coefficient	1.000	.432**
		Sig. (2-tailed)	.	.000
		N	287	287
	Insecurity	Correlation Coefficient	.432**	1.000
		Sig. (2-tailed)	.000	.
		N	287	287
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: Authors' Analysis (2015)

Table 4 shows that the correlation coefficient of 0.432 shows that there is a strong positive correlation between overcrowding of residential properties and level of insecurity in Benin City. For instance, the Ogboka which has the highest average household size and more overcrowded properties has the highest level of insecurity, while GRA

which has the lowest average household size and less overcrowded properties, also has the lowest level of insecurity. The Spearman Rho statistical test was also used to ascertain whether there is a strong relationship existing between the incidence of crime in a neighbourhood and the rental values of residential property in Benin City. This is shown in Table 5.

Table 5: Relationship between Incidence of Crime and Rental Values in Benin City

			Rental Value of Residential Property	Incidence of Crime
Spearman rho	Rental Value of Residential Property	Correlation Coefficient	1.000	.660**
		Sig. (2-tailed)	.	.000
		N	280	280
	Incidence of Crime	Correlation Coefficient	.660**	1.000
		Sig. (2-tailed)	.000	.
		N	280	282
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: Authors' Analysis (2015)

The correlation coefficient of 0.660 in Table 5 shows that there is a strong positive correlation between the incidence of crime in a neighbourhood and rental values of residential property in Benin City. Thus the incidence of crime in a neighbourhood, determines to a great extent the rental values of residential property in Benin City. For instance Ogboka which has the highest incidence of crime has the lowest rental values.

In addition, the factor of unemployment plays a great role in variation

of rental values of residential properties in Benin City, as the unemployed are mostly associated with the criminal tendencies. Thus, the neighbourhood with higher unemployment rates will have higher crime rates and lower rental values. In order to examine the relationship between unemployment rate and rental value of residential property in Benin City, the Pearson Correlation statistical test was also used. This is shown in Table 6.

Table 6: Relationship between Unemployment Rate and Rental Values in Benin City

		Rental Value of Residential Property	Rate of Unemployment
Rental Value of Residential Property	Pearson Correlation	1	.402**
	Sig. (2-tailed)		.000
	N	285	285
Rate of Unemployment	Pearson Correlation	.402**	1
	Sig. (2-tailed)	.000	
	N	285	287
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Authors' Analysis (2015)

The result of 0.402 significant at 0.01 levels, as shown in Table 6 shows that there is a strong correlation/relationship between unemployment rate and the rental value of residential property in Benin City. Ogboka which has the highest unemployment rate generally has residential properties with lower rental values. On the other hand, GRA and Ugbowo which have lower unemployment rates are characterized by residential properties of much higher rental values.

The foregoing confirms the expected relationship between rental values and crime, and rental values and unemployment. Thus as unemployment and crime increases, residential property rent reduces. Similarly, crime or insecurity, tend to persist in and overcrowded neighbourhood. For instance, Ogboka which has the most overcrowded households, tend to be characterized by higher level of insecurity, higher unemployment levels, higher crime rates and consequently, lower rental values as compared to Ugbowo and GRA.

CONCLUSION AND RECOMMENDATIONS

From the analysis carried out, the study observed that the socio-economic characteristics of the respondents, unemployment and overcrowding are closely related to the incidence of crime in the neighbourhoods. This relationship is more or less felt on the price and rental value of residential properties in crime prone neighbourhoods. However, improving the value, quality and standard of residential properties in crime prone areas is one of the major bottlenecks faced by property owners. There is thus need for the government to come to their aid by reducing the level of crime in these neighbourhoods, through improved living conditions of the resident population. These neighbourhoods are usually characterized by high unemployment rates that increase the susceptibility of individuals to engage in criminal activities. Thus the provision of employment opportunities can reduce crime rates and the level of insecurity. In a relatively secure

neighbourhood, the quality and value of residential property will be high.

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