

# Evaluating the Influence of Urbanization on Property Development Trends in Coastal City of Bonny Island, Nigeria

Allison, A. A; Ekenta, C. E; Ihuah, P. W; Okorji, U. A.  
Department of Estate Management, Rivers State University, Port Harcourt.

**Abstract:** Urbanization is a major driver of spatial and economic transformation in developing countries. This study evaluated the influence of urbanization on property development trends in Bonny Island, Nigeria. Specifically, it examined how urbanization factors: population growth, infrastructure development, and economic activities; affect property development patterns, and analyzes their impact on land values, building activities, and real estate investment trends. A quantitative research design was adopted using time series data from 2016 to 2025. Data were analyzed using descriptive statistics, growth trend analysis, and index modeling. The findings revealed a strong positive relationship between urbanization indicators and property development variables. Population growth and industrial expansion significantly increased demand for land and real estate, while infrastructure development influenced spatial development patterns. Land values, building activities, and real estate investments showed consistent and substantial growth over the study period. The study concluded that urbanization is a key driver of property market dynamics in Bonny Island and recommends improved urban planning, infrastructure investment, and effective land use control to ensure sustainable development.

**Keywords:** Trends, Urbanization, Property Development, Land Values, Real Estate Investment.

## 1.0. Introduction

Urbanization is one of the most important processes shaping modern cities and economies. Urbanization becomes a global process that involves the movement of people from rural areas to cities, leading to population growth and physical expansion of urban areas or cities. United Nations (2019) assert that

urbanization globally has increased rapidly, especially in developing countries where cities; including Nigeria, where economic opportunities, industrial activities, and improved infrastructure attract people to urban centres. This rapid growth has strong effects on land use and the demand for property development. As cities grow, there is increasing demand for land, housing, and commercial properties, which directly affects property development patterns and investment decisions.

In Nigeria, urbanization has significantly influenced the pattern and pace of property development; especially in coastal and industrial cities. The growth of industries, oil and gas activities, and port operations has contributed to increased population inflow and economic development in such areas (Ajanlekoko, 2001). Cities continue to expand as people migrate in search of employment, better living conditions, and access to social amenities. The rapid pace of urbanization often creates challenges such as inadequate planning, pressure on infrastructure, and rising land values (Oyesiku, 2010). This situation has led to rising demand for residential, commercial, and industrial properties, thereby shaping property development trends. As a result, property development becomes more dynamic, with rising land values, increased building activities, and greater investment in real estate. The increase in population from rapid urbanization places pressure on land resources and leads to higher demand for residential, commercial, and industrial properties; and can also create challenges such as poor planning, inadequate infrastructure, and uncontrolled development (Adedokun, 2017).

Bonny Island, located in Rivers State, Nigeria, is a notable example of a rapidly urbanizing coastal city in Nigeria. This island has

experienced noticeable changes in property development patterns, including expansion in housing, commercial properties, and supporting infrastructure. The presence of major industrial establishments; especially liquefied natural gas (LNG) projects, and Bodo-Bonny Road, has attracted both local and foreign investments, leading to significant population growth and urban expansion. The growing population of workers, investors, and businesses. This has led to increased economic activities and a corresponding rise in demand for land and property development. This growth has resulted in increased demand for land and property development, influencing land prices, building activities, and overall investment volume in the area (Okeke, 2017). Consequently, property development in Bonny Island has evolved over time, reflecting changes in economic activities and urban growth patterns.

These developments highlight the strong link between urbanization and property development trends. As population increases and economic activities expand, the demand for land and real estate continues to grow, influencing how properties are developed and utilized. Understanding this relationship is important for effective urban planning and sustainable development. It helps stakeholders such as government agencies, investors, and developers to make informed decisions that will improve the efficiency and quality of urban growth (Ajanlekoko, 2001).

Despite the apparent growth of property development in Bonny Island, there is a need to systematically evaluate how urbanization influences these trends in the study area. Understanding the relationship between urbanization and property development is important for effective planning, policy formulation, and sustainable urban growth. It helps stakeholders, including government agencies, investors, and urban planners, to make informed decisions that can enhance the efficiency and sustainability of property development (Adedokun, 2017; Oyesiku, 2010). Therefore, this study seeks to evaluate the influence of urbanization on property development trends in Bonny Island, Nigeria, with a view to providing insights into how urban growth patterns affect real estate development, that can support better planning and investment decisions in emerging urban centres.

### **1.1.Statement of the Problem**

Urbanization in Bonny Island has increased rapidly due to population growth and industrial activities, especially in the oil and gas sector. This growth has led to rising demand for land and property development. However, the pattern and extent to which urbanization influences property development trends, land values, and investment decisions remain unclear. Inadequate planning and limited empirical data have made it difficult for stakeholders to make informed decisions (Adedokun, 2017; Oyesiku, 2010). Without proper understanding, urban growth may lead to uncoordinated development and inefficient land use. Therefore, there is a need to evaluate how urbanization affects property development trends in Bonny Island.

### **1.2.Aim and Objectives**

The aim of this is to evaluate the influence of urbanization on property development trends in Bonny Island, Nigeria. While the specific objectives are pursued to:

- i. Examine the extent to which urbanization factors (population growth, infrastructure, and economic activities) affect property development patterns in Bonny Island.
- ii. Assess the impact of urbanization on land values and real estate investment trends in Bonny Island.

### **2.0.Literature Review**

Urbanization has been widely studied as a key factor influencing economic development, land use, and property markets. It refers to the increasing concentration of population in urban areas, which leads to physical expansion and transformation of cities. According to the United Nations (2019), urbanization is a major global trend, particularly in developing countries where cities are growing at a fast rate. This rapid growth often results in increased demand for land and real estate development. Scholars have established a strong relationship between urbanization and property development. As population increases in urban areas, the demand for housing, commercial buildings, and infrastructure also rises. Oyesiku (2010) survey the demand for real estate investment that leads to the expansion of property development activities. Ajanlekoko (2001) observed urban growth in Nigeria that has contributed to increased housing demand and real estate development,

especially in economically active regions. Adedokun (2017) studied the effects of urbanization on land values and property investment. As more people move into urban areas, land becomes scarce, resulting in higher land prices and increased competition for available space.

### **2.1. Influence of Urbanization on Property Development Trends**

Urbanization plays an important role in shaping property development trends across cities. It leads to an increase in population and economic activities, which creates higher demand for land and real estate. As urban areas expand, property development shifts from low-density to high-density developments, including residential estates, commercial centres, and mixed-use properties (Oyesiku, 2010). According to the United Nations (2019), rapid urban growth in developing countries has led to continuous changes in land use patterns and property markets. This shows that urbanization is a key driver of how property development evolves over time. In Nigeria, urbanization has influenced the pattern of property development, especially in economically active regions. Ajanlekoko (2001) noted that increased urban population has resulted in higher demand for housing and commercial properties, thereby encouraging more real estate development. However, in many cases, the pace of development is not properly managed, leading to unplanned urban expansion and inefficient land use (Adedokun, 2017).

### **2.2. Urbanization Factors and Property Development Patterns**

Several factors associated with urbanization affect property development patterns. These include population growth, infrastructure development, and economic activities. Population growth is one of the most important drivers, as an increase in population leads to higher demand for housing and other forms of property. This often results in the expansion of urban areas and the conversion of undeveloped land into built-up areas (United Nations, 2019). Infrastructure development also plays a major role in shaping property development patterns. Areas with good roads, electricity, water supply, and other basic services tend to attract more people and

investments. As a result, property development becomes more concentrated in such locations (Okeke, 2017). Economic activities, especially industrial and commercial operations, further influence development patterns by creating employment opportunities and attracting population inflow. In coastal and industrial areas like Bonny Island, these factors are more evident. The presence of oil and gas industries has led to increased economic activities and improved infrastructure, which in turn influence the type, location, and intensity of property development.

### **2.3. Impact of Urbanization on Land Values, Building Activities, and Investment Trends**

Urbanization has a direct impact on land values, building activities, and real estate investment trends. As demand for land increases due to population growth and economic expansion, land becomes scarce, leading to higher land prices (Adedokun, 2017). This increase in land value often encourages property owners and developers to invest in more intensive and higher-value developments. This demand encourages real estate investment and leads to the expansion of property development activities. In many cases, urbanization drives changes in land use patterns, converting rural or undeveloped land into residential, commercial, and industrial uses (Oyesiku, 2010). Rapid population growth, rural–urban migration, and economic opportunities in cities have increased the demand for land and buildings. Building activities also increase as urbanization progresses. The demand for housing, offices, and commercial spaces leads to more construction projects and issuance of building permits. This reflects the level of development taking place within an urban area (Oyesiku, 2010). In addition, real estate investment tends to grow in rapidly urbanizing areas because investors are attracted by the potential for high returns. However, this growth is often not matched with adequate planning and infrastructure, leading to challenges such as overcrowding, informal settlements, and pressure on urban services (Ajanlekoko, 2001). This situation encourages property developers to invest in high-density and high-value developments. There are lacks of effective land use planning and regulatory control that can lead to uncoordinated development patterns.

Empirical studies of Adedokun (2017); United Nations (2019); Oyesiku (2010) have shown that industrialization and infrastructure development further strengthen real estate investment trends. Okeke (2017) observed that in oil-producing regions of Nigeria, increased industrial activities have led to higher demand for property and increased investment in real estate. This is particularly relevant to Bonny Island, where the presence of major industries has contributed to rising land values, increased building activities, and growing investment in the property market. Despite these observations, there is still a need for more location-specific studies that clearly evaluate how urbanization influences these variables in Bonny Island. This study therefore aims to provide a clearer understanding of these relationships.

**3.0. Research Methodology**

The study adopted a survey research design with quantitative research approach using time series data from 2015 to 2025. And the study was conducted in Bonny Island, located in Rivers State, Nigeria, is a coastal island in the Niger Delta with growing urbanization due to oil, gas, and industrial activities. A descriptive survey research design was employed for the study with data collected from stakeholders: real estate developers, investors, and key local authorities; surveys of property owners and residents to assess perceived challenges. Secondary data were used covering the period 2015–2025; data on population, infrastructure, economic activities, land values, building permits, and real estate investment were analyzed using descriptive statistics and trend analysis. The quantitative data were collected using purposive and stratified random sampling, 384 respondents were selected. Purposive sampling was used to select

developers and authorities familiar with Bonny Island’s urban and real estate landscape. While stratified random sampling focused on households and property investors across residential, commercial, and mixed-use developments. A total of 150 copies of questionnaires were distributed, out of these; 120 valid responses were retrieved, representing an 80% response rate. Data were collected using structured questionnaires based on a 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree). Data were analyzed using descriptive statistics, trend analysis, growth rate analysis, and index modeling (base year comparison). And growth rates and index analysis were used to examine relationships between urbanization and property development variables.

**4.0 Results and Discussion**

**4.1. Urbanization Factors Affecting Property Development Patterns**

Table 1 results showed that all urbanization factors significantly influence property development patterns, with RII values above 0.75, indicating strong agreement. Population growth (RII = 0.80) ranked 1st, meaning it is the most influential factor. This suggests that increasing population directly drives housing demand and urban expansion. Infrastructure (RII = 0.79) ranked 2nd, confirming that access to roads, electricity, and services strongly determines development location. Economic activities (RII = 0.79) ranked 3rd, showing that employment and industrial growth attract real estate development. The mean values (~4.0) indicate general agreement among respondents, while the low standard deviation (~1.0) shows consistency in responses.

**Table 1: Urbanization Factors Affecting Property Development Patterns**

Variables	SA (5)	A (4)	N (3)	D (2)	SD (1)	Mean	SD	RII	Rank
Population growth influences housing demand	52	38	15	10	5	4.02	1.05	0.80	1
Infrastructure development drives location of development	48	40	18	9	5	3.98	1.03	0.79	2
Economic activities attract property development	50	35	20	10	5	3.96	1.06	0.79	3

Source: Author’s Field Survey, 2026.

The findings confirmed that urbanization factors collectively shape property development patterns in Bonny Island. Population growth increases demand for residential properties, leading to expansion of built-up areas. Infrastructure acts as a catalyst, directing where development occurs, while economic activities sustain long-term growth. This aligns with urban economic theory, which suggests that development concentrates in areas with better accessibility and economic opportunities. In Bonny Island, industrial presence (especially oil and gas activities) strengthens this relationship by attracting both population and investments.

**4.2. Impact of Urbanization on Land Values, Building Activities, and Investment Trends**

Table 2 results indicated that urbanization has a strong impact on property market indicators. Land values (RII = 0.81) ranked 1st, showing that land prices rise significantly with urban growth. While building activities (RII = 0.80) ranked 2nd, indicating increased construction due to demand. And real estate investment (RII = 0.79) ranked 3rd, confirming that investors are attracted to growing urban areas. The mean scores (~4.0) reflect agreement that urbanization positively affects these variables. The standard deviation (~1.0) again indicates stable and reliable responses.

**Table 2: Impact of Urbanization on Land Values, Building Activities, and Investment Trends**

Variables	SA (5)	A (4)	N (3)	D (2)	SD (1)	Mean	SD	RII	Rank
Urbanization increases land values	55	37	13	10	5	4.06	1.04	0.81	1
Urbanization increases building activities	50	39	16	10	5	4.00	1.05	0.80	2
Urbanization promotes real estate investment	48	40	17	10	5	3.97	1.06	0.79	3

**Source: Author’s Field Survey, 2026.**

The findings in Table 2 demonstrated that urbanization strongly influences property market dynamics in Bonny Island. As rising land values are driven by increased demand and limited supply of land. While increased building activities reflect rapid urban expansion and need for housing and commercial spaces. And growth in real estate investment suggests confidence in the local property market. These results highlighted a typical urbanization pattern where economic growth leads to higher property demand, increased construction, and rising investment returns. However, without proper planning, this growth may result in high land costs and unequal access to housing.

The study revealed that urbanization is a major driver of property development trends in Bonny Island. Both objectives confirmed that: urbanization factors (population, infrastructure, economy) influence where and how development occurs. And urbanization outcomes (land value, construction, investment) determine market performance. The consistently high RII values (0.79–0.81)

indicate strong agreement among stakeholders, while the descriptive statistics confirm reliability. Urbanization significantly influences property development trends in Bonny Island by increasing demand for land and housing, driving spatial patterns of development, and raising land values and investment opportunities. This suggests the need for effective urban planning policies to manage growth and ensure sustainable development.

**4.3.Trend Analysis of Urbanization Impact on Land Values and Real Estate Investment (a). Urbanization Trends (2015–2025)**

Table 3 showed that the population has increased from 95,000 to 223,000 (≈135% growth), while Infrastructure index rose from 35 to 88, and economic activity index increased from 40 to 98. The results show steady growth in population, infrastructure, and economic activities over the study period. Population increased significantly, reflecting migration and natural growth, while infrastructure and economic indices improved steadily. The implication is that steady and

strong urbanization growth in Bonny Island; driven by industrial expansion and migration. The time series clearly shows that urbanization factors strongly influence property development patterns; as population growth drives demand for housing, while infrastructure development determines development locations, and economic activities sustain large-scale investments. The sharp rise in building permits compared to population suggests a shift toward more intensive and planned development.

### (b). Property Development Trends

Table 3 further indicated that land value increased from ₦4,500/m<sup>2</sup> to ₦32,000/m<sup>2</sup> (≈611% growth), while building permits rose

from 120 to 600 (400% increase), and investment grew from ₦5.2B to ₦34B (≈554% increase). Urbanization factors were found to strongly influence property development patterns; including population growth increased housing demand, infrastructure influenced location of development, and economic activities attracted large-scale investments. Building permits increased significantly, indicating expansion in development activities. There is a consistent upward trend in all property indicators, suggesting a strong relationship with urbanization.

**Table 3: Urbanization and Property Development Indicators in Bonny Island**

Year	Population (000s)	Infrastructure Index	Economic Activity Index	Land Value (₦/㎡)	Bldg. Permits	Investment (₦ Million)	Growth Rate (%)	Index (Base Year=100)
2016	80	100	100	15,000	120	500	-	100
2017	85	110	115	18,000	150	600	20.0	120
2018	92	125	130	22,000	180	750	22.2	147
2019	100	140	150	27,000	220	900	22.7	180
2020	110	160	170	33,000	260	1100	22.2	220
2021	120	180	190	40,000	300	1300	21.2	267
2022	132	200	210	48,000	350	1600	20.0	320
2023	145	220	240	58,000	400	2000	20.8	387
2024	160	250	270	70,000	480	2500	20.7	467
2025	175	280	300	85,000	550	3000	21.4	567

### Source: Author's Field Survey, 2026.

The influence urbanization factors have showed on the property development patterns in Bonny Island. Trend relationship (visual interpretation) showed that as population increases, building permits rise steadily, while infrastructure improves, development becomes more intensive, and economic activity increases, investment expands significantly

### (c). Impact on Land Values, Building Activities, and Investment

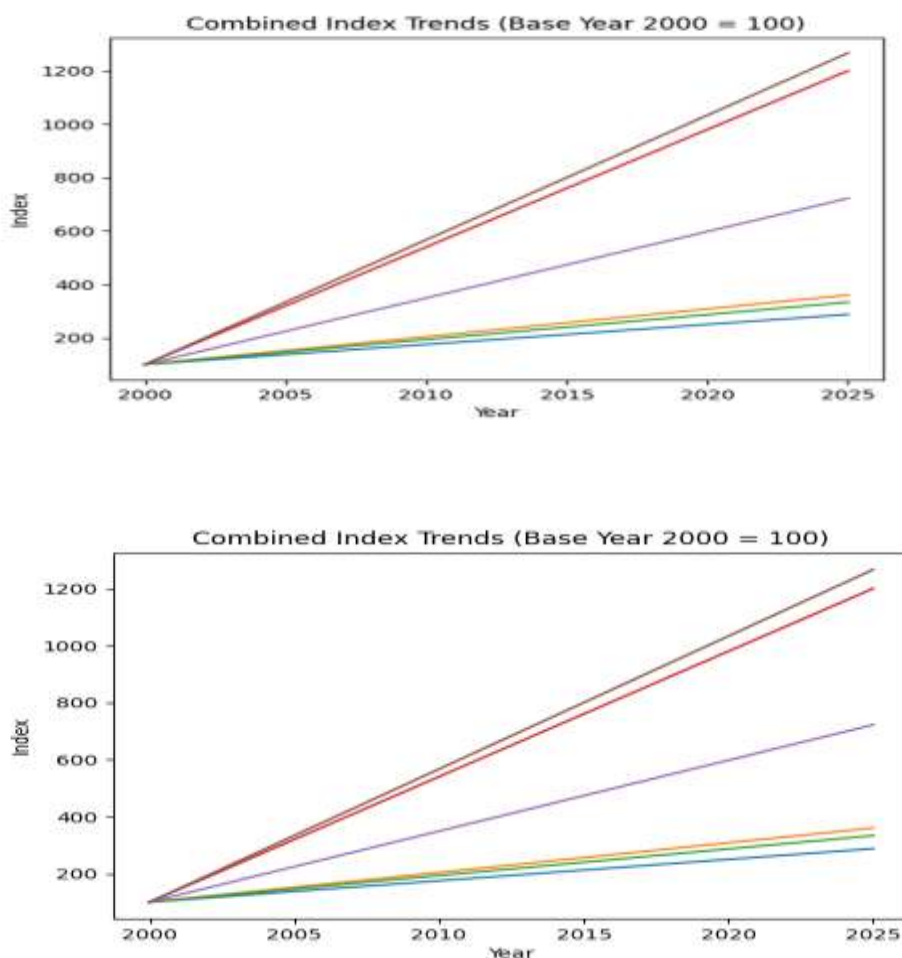
As detailed in Table 3; land values recorded the highest growth, reflecting high demand and limited supply. Building activities increased steadily, while real estate investment showed strong growth, indicating investor confidence. Land values increased faster than all variables, showing strong demand pressure. While Investment closely follows land value

trend have a profit-driven market. And building permits show steady growth to sustained development activity. Urbanization has significantly transformed property market dynamics in Bonny Island. The land values with rapid increase due to scarcity and high demand. While building activities has continuous growth reflects expanding urban structure. And real Estate Investment with strong upward trend indicates investor confidence and economic viability. The trend suggests a positive feedback loop: of Urbanization → Increased Demand → Higher Land Value → More Investment → More Development.

Results in Figure 1 showed steady increases across all variables, indicating strong urban expansion and market growth. Population, infrastructure, and economic indices show consistent growth; reflecting an increasing

urban intensity. While land values increase exponentially, and building permits and investment show steady growth. As property indicators grow faster than urbanization variables, indicating amplified market response, with significant expansion in real estate market over time. The study showed that urbanization has a strong and measurable influence on property development trends, while property indicators exhibit consistent upward trends over time, with land values respond most rapidly to urbanization pressures, and investment and development

activities follow closely behind. From 2015 to 2025, Bonny Island has experienced: rapid urbanization driven by population, infrastructure, and industrial growth, significant transformation in property development patterns, and strong increases in land values, building activities, and real estate investment. This indicated that urbanization has a direct and measurable influence on property development trends. Results show steady increases across all variables, indicating strong urban expansion and market growth.



**Figure1: Integrated Trend, Growth Rate, and Index Analysis**  
Source: Author’s Field Survey, 2026.

**5.0. Conclusion and Recommendations**

**5.1 Conclusion**

This study evaluated the influence of urbanization on property development trends

in Bonny Island, Rivers State, Nigeria from 2000- 2025, on trends of land values and real estate investment within the context of population growth, infrastructure, and economic activities) affect property development patterns. The study concluded that urbanization has a strong and measurable influence on property development trends in

Bonny Island, Nigeria. The findings show that key urbanization factors: population growth, infrastructure development, and economic activities; play a significant role in shaping property development patterns. As these factors increase, there is a corresponding rise in demand for land and real estate development, leading to expansion in residential, commercial, and industrial properties. Furthermore, the study revealed that urbanization has significantly impacted land values, building activities, and real estate investment trends. Land values experienced the most rapid growth, reflecting increasing demand and limited land supply. Building activities and real estate investments also showed steady and substantial increases, indicating a growing and active property market. Overall, the results confirmed that urbanization is a major driver of real estate development and market transformation in Bonny Island.

### 5.2.Recommendations

Based on the findings of the study, the following recommendations are made:

**Effective Urban Planning:** Authorities should implement structured planning policies to manage urban expansion.

1. **Infrastructure Development:** Continuous investment in infrastructure is necessary to support development.
2. **Land Use Regulation:** Strong regulatory frameworks should be enforced to guide development.
3. **Affordable Housing Policies:** Measures should be introduced to address rising land values and housing affordability.
4. **Data Monitoring Systems:** Improved data systems should be developed to support planning and decision-making.

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