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Effects of Crime Rate on Residential Property Values: A Case Study of Ibadan North Local Government Area, Oyo State

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Abstract

The relationship between crime rate and property values has become a subject of growing concern in urban studies and real estate research. In many developing cities, insecurity increasingly dictates residential mobility, investment choices, and the overall sustainability of housing markets. This study investigates the effects of crime on residential property values in Ibadan North Local Government Area (LGA), Oyo State, Nigeria. Using a mixed-method approach, the research examines how different types of crime—including burglary, theft, and armed robbery—shape the residential property market and influence both capital and rental values. Crime constitutes a significant neighborhood externality. As Gibbons (2004) noted, "crime operates as a disamenity factor, reducing the attractiveness of communities and lowering housing demand" (p. 588). In the Nigerian context, studies have highlighted how rising insecurity in urban areas has altered housing preferences and property transactions (Ajayi, 2018; Oduwaye, 2019). Drawing from these insights, this study employed a structured survey of 200 respondents, complemented with police crime records and estate market data. By integrating hedonic pricing theory, which emphasizes that property values reflect the sum of locational and neighborhood characteristics (Rosen, 1974), and the Crime Prevention through Environmental Design (CPTED) framework (Cozens et al., 2005), the research situates crime as a measurable determinant of property market performance. The findings reveal a statistically significant negative correlation between crime rates and residential property values ($R = -0.62$, $p < 0.05$). High-density neighborhoods such as Agbowo and Yemetu, with recurrent incidents of burglary and theft, recorded rental values 20–30% lower than relatively secure areas like Bodija. This echoes Linden and Rockoff's (2008)

conclusion that “housing markets respond swiftly to changes in perceived safety, with buyers capitalizing crime risk into property prices” (p. 1165). Furthermore, respondents expressed willingness to pay a “safety premium” in exchange for living in secure environments, underscoring the importance of security as a core housing attribute. In conclusion, the study affirms that crime erodes residential property values in Ibadan North, discourages real estate investment, and diminishes the liveability of affected neighborhoods. It recommends strengthening community policing, integrating CPTED strategies into urban design, and promoting public–private partnerships for neighborhood security. Beyond its academic contribution, the study provides practical insights for estate managers, urban planners, and policymakers, who must address crime not merely as a social challenge but also as a factor shaping housing market dynamics and urban economic growth.

Keywords: crime rate, residential property values, Ibadan North, urban security, housing market, Nigeria.

Introduction

Background of the Study

Residential property values are a critical indicator of socio-economic stability and development within urban centers. They reflect not only the physical and structural attributes of housing but also broader neighborhood characteristics such as accessibility, infrastructure, environmental quality, and, importantly, security (Aluko, 2017). In many cities, property valuation has moved beyond land and building characteristics to incorporate intangible factors such as perceived safety and neighborhood cohesion. According to Rosen’s (1974) hedonic pricing model, security is one of the “implicit attributes capitalized into housing prices” (p. 38), shaping household choices and market outcomes.

Crime has emerged as a pressing issue in Nigerian urban centers, influencing patterns of settlement, investment, and urban growth. In Ibadan, the largest city in West Africa by landmass, the increasing rates of burglary, armed robbery, and cult-related violence have raised serious concerns among stakeholders. Reports by the Nigerian Police Force (2022) indicate that Oyo State accounts for a significant share of property-related crimes in Southwestern Nigeria, with Ibadan North being one of the hotspots. The implication is that insecurity depresses investor confidence and erodes the market value of residential real estate.

Scholars have long argued that crime is not only a social evil but also a “market signal” that communicates risk and reduces the attractiveness of neighborhoods (Gibbons, 2004, p. 588). Linden and Rockoff (2008), in their study on crime and property values, confirmed that buyers and tenants internalize crime risks, often demanding discounts in high-crime areas or relocating entirely. In this sense, crime undermines the equilibrium of housing markets and contributes to urban inequality.

In the Nigerian context, Ajayi (2018) observed that property values in crime-prone

neighborhoods in Lagos were "systematically underpriced by up to 20% when compared with safer neighborhoods" (p. 162). This suggests that Ibadan North, with its heterogeneous mix of high-, medium-, and low-income settlements, may be experiencing similar distortions in property values due to insecurity. The present study builds on these insights by empirically examining the relationship between crime rate and property values in Ibadan North Local Government Area.

Statement of the Problem

Urban areas thrive on stability, safety, and investor confidence. However, in many Nigerian cities, the rising tide of crime has become a major impediment to sustainable housing development. The urban property market in Ibadan North is no exception. Residents frequently report incidents of burglary, armed robbery, and petty theft, leading to increased expenditures on private security and reduced willingness to invest in real estate (Oduwaye, 2019). Despite this reality, limited empirical work has been done to quantify the extent of the impact of crime on residential property values in the area.

This gap in knowledge creates challenges for both practitioners and policymakers. Estate surveyors often rely on generalized market observations rather than structured models that incorporate crime as a variable in valuation. Consequently, property valuations may fail to reflect the full risk profile of neighborhoods, potentially misleading buyers, tenants, and investors. As one estate practitioner in Ibadan stated in an interview with The Guardian Nigeria (2021), "buyers avoid certain streets not because of poor infrastructure, but because they fear for their lives" (p. 12). Such anecdotal evidence demands rigorous validation through empirical research.

The problem is compounded by under-reporting of crimes due to fear of reprisal or lack of trust in law enforcement. This results in incomplete datasets that obscure the true magnitude of the problem. Moreover, most Nigerian property market studies focus heavily on infrastructure and economic determinants of housing values, leaving crime underexplored (Ajibola, 2016). This study, therefore, responds to the need for robust evidence that can inform valuation practice, urban planning, and housing policy.

Ultimately, the key problem this research addresses is whether crime significantly affects residential property values in Ibadan North and to what extent. Establishing this relationship is critical for ensuring that property valuations are realistic, urban development is sustainable, and residents are protected from the hidden costs of insecurity.

Research Aim and Objectives

The aim of this study is to examine the effects of crime rate on residential property values in Ibadan North LGA, Oyo State. This aim is anchored in the broader debate about how urban insecurity undermines housing markets in developing countries. As Ellen, Lacoe, and Sharygin (2013) observed, "the housing market is a powerful barometer of neighborhood change, reflecting how households respond to both perceived and actual threats of crime" (p. 61).

To achieve this aim, the study pursues four specific objectives. First, it seeks to identify the common types and patterns of crime in Ibadan North, thereby providing an empirical foundation for understanding the insecurity landscape. Second, it aims to assess the extent to which crime affects residential property demand and values, using both quantitative data and respondents' perceptions. Third, the research evaluates the perspectives of residents, estate surveyors, and policymakers regarding crime-related risks in property markets. Finally, it provides evidence-based recommendations for mitigating the adverse effects of crime on property values.

By structuring these objectives, the research not only contributes to academic debates but also generates practical solutions. In essence, the study addresses the dual concerns of theory and practice, balancing rigorous inquiry with actionable insights.

Research Questions/Hypotheses

The research is guided by the following questions:

1. What are the prevalent types and patterns of crime in Ibadan North?
2. How does crime rate influence residential property values in the area?
3. What perceptions do residents and estate practitioners hold about the effect of crime on housing demand and values?
4. What measures can be taken to mitigate the adverse impacts of crime on property markets?

These questions are tested against two hypotheses:

H_0: There is no significant relationship between crime rate and residential property values in Ibadan North.

H_1: There is a significant negative relationship between crime rate and residential property values in Ibadan North.

Hypothesis testing is central to empirical research because it "provides a structured means of evaluating the extent to which observed data support or refute claims" (Creswell, 2014, p. 78). In this study, regression and correlation analyses are employed to test the hypotheses, ensuring statistical rigor.

Justification of the Study

The significance of this research lies in its ability to bridge a major knowledge gap. While Nigerian studies have explored crime from criminological and sociological perspectives, relatively few have examined its direct influence on property values (Ajibola, 2016). This research therefore integrates real estate economics with urban criminology, advancing interdisciplinary scholarship.

Practically, the study is justified on several grounds. For estate surveyors, the research offers empirical insights for improving valuation methods by explicitly incorporating crime as a locational factor. For policymakers, it highlights the need to consider security as a policy

variable in housing and urban planning. For residents, the findings provide clarity on how insecurity influences their housing choices and financial commitments.

As Oduwaye (2019) asserted, "neighborhood safety is not merely a social good, but an economic necessity in sustaining urban property markets" (p. 50). Thus, by quantifying the relationship between crime and housing values, this study contributes to sustainable urban development. Moreover, it provides actionable evidence to support the government's urban renewal initiatives and security interventions in Ibadan.

Scope and Limitations

The study is geographically delimited to Ibadan North Local Government Area in Oyo State, which is a diverse urban environment comprising neighborhoods of varying socio-economic characteristics. The focus is on residential properties, excluding commercial and industrial property markets. The temporal scope covers crime and property data from 2018 to 2024, providing a contemporary context.

Nevertheless, the research faces limitations. First, crime data may be under-reported due to cultural stigma, fear of reprisal, or lack of confidence in law enforcement. Second, while regression models help isolate the effect of crime on property values, they cannot fully control for all confounding variables, such as inflation, macroeconomic shocks, or policy changes. Third, the study relies partly on respondents' perceptions, which may be subjective and influenced by personal experiences.

Despite these limitations, the research provides a strong foundation for understanding the interplay between crime and property values in Nigerian cities. It also creates opportunities for further studies that could adopt longitudinal designs, broader geographical coverage, and more advanced econometric techniques.

Concept of Crime and Crime Rate

Crime has been broadly defined as any unlawful act or omission punishable by law (UNODC, 2022). It encompasses a wide range of behaviors, from petty theft and burglary to violent crimes such as assault, robbery, and homicide. In the real estate and urban studies literature, crime is often treated as a form of "negative externality," reducing neighborhood attractiveness and contributing to disinvestment (Gibbons, 2004, p. 588). The degree of impact depends on the type of crime, its frequency, and the extent to which it is perceived by potential buyers or tenants.

The concept of crime rate, meanwhile, refers to the number of crimes reported within a given population and time frame. It is typically measured as crimes per 100,000 inhabitants and is considered an important indicator of social stability and urban livability (UNODC, 2022). However, crime statistics are often plagued by under-reporting, especially in countries where law enforcement institutions suffer from limited capacity or public mistrust. For instance, in Nigeria, many victims of burglary or theft choose not to report incidents due to fear of police extortion or reprisal from perpetrators.^1 This limitation complicates the accurate measurement of crime rates.

Scholars have also distinguished between actual crime rates and perceived crime rates. While actual crime refers to documented incidents, perceived crime refers to residents' sense of insecurity, which may or may not align with official data. Research has shown that perceptions of crime can have an equal or greater impact on property markets compared to actual crime statistics (Brunton-Smith et al., 2014). As Brunton-Smith et al. observed, "perceptions of disorder amplify the fear of crime, which in turn shapes residential mobility decisions" (p. 432).

In the Nigerian context, high-profile cases of kidnapping, cult violence, and armed robbery have contributed to a heightened sense of insecurity, even in neighborhoods with relatively low official crime rates (Ajayi, 2018). This dual reality—actual versus perceived crime—makes the analysis of crime's impact on property values more complex, as property markets often respond more to perception than to official statistics.

Residential Property Value Determinants

Residential property values are shaped by a diverse set of factors that extend beyond the physical characteristics of a house. According to Rosen (1974), property value reflects the sum of structural, locational, and neighborhood attributes. Structural factors include size, number of bedrooms, and finishing quality. Locational factors include proximity to employment centers, schools, and transportation networks. Neighborhood factors include security, infrastructure, environmental quality, and social cohesion (Aluko, 2017).

Among these determinants, neighborhood security has become increasingly important. Several studies argue that even when a house possesses high structural quality, its market value will be suppressed if located in an insecure neighborhood (Oduwaye, 2019). This aligns with the hedonic pricing principle, which posits that buyers implicitly assign lower willingness-to-pay for homes situated in crime-prone areas. For example, in Lagos, residential properties in neighborhoods with frequent burglary incidents were found to be undervalued by between 15% and 25% relative to comparable properties in safer districts (Ajibola, 2016).

Another determinant closely linked to security is neighborhood reputation. The stigma associated with crime-prone neighborhoods often reduces their long-term investment appeal. As Ellen, Lacoe, and Sharygin (2013) noted, "crime leaves a scar on neighborhood reputation, which lingers even after crime rates decline" (p. 61). This suggests that crime can have both immediate and long-term effects on property values, as reputational damage discourages new investment.

It is also important to note that determinants of property values differ in weight across socio-economic contexts. In Nigerian cities, while accessibility and infrastructure remain important, buyers and tenants often prioritize safety above all else. This is particularly evident in Ibadan, where middle-class families are increasingly willing to pay a premium for gated estates and neighborhoods with private security arrangements.^2 Thus, crime emerges not only as a determinant but also as a stratifying factor in urban housing markets.

Relationship Between Crime Rate and Property Values

The relationship between crime and property values has been widely studied, particularly in developed economies. Research generally shows that crime depresses housing demand and

values, especially violent crime (Linden & Rockoff, 2008). Buyers capitalize crime risk into lower property bids, while tenants avoid high-crime neighborhoods unless compelled by affordability constraints. In essence, crime acts as a market deterrent.

International evidence demonstrates that the magnitude of this effect varies by crime type. Violent crimes, such as assault or homicide, tend to have stronger negative impacts on property values compared to non-violent crimes like vandalism or petty theft (Gibbons, 2004). For instance, Linden and Rockoff (2008) reported that housing prices near registered sex offenders' residences declined by approximately 4%, illustrating how crime risk is directly monetized into property values.

In the Nigerian context, empirical studies corroborate this trend. Oduwaye (2019) found that Lagos neighborhoods with high burglary rates experienced property value declines of up to 25% relative to safer districts. Similarly, Ajayi (2018) documented that investors in Ibadan increasingly factored crime rates into their valuation practices, often refusing to invest in areas with reputational issues linked to cultism or robbery. This reinforces the idea that Nigerian property markets are highly sensitive to security risks.

However, not all studies report a uniform effect. Some research suggests that in extremely high-density, low-income neighborhoods, property values are less responsive to crime rates because affordability outweighs safety concerns (Ajibola, 2016). This highlights a dual reality in Nigerian cities: while middle- and upper-income buyers heavily discount crime-prone areas, low-income households often have limited choice but to reside in them, creating spatial inequality in exposure to crime.

Theoretical Framework

Two key theoretical perspectives guide this study: Crime Prevention through Environmental Design (CPTED) and the Hedonic Pricing Model.

The CPTED framework, advanced by Cozens, Saville, and Hillier (2005), argues that crime can be deterred by urban design strategies that increase natural surveillance, control access, and foster community ownership of space. Measures such as street lighting, gated communities, and neighborhood watch schemes exemplify CPTED in practice. As Cozens et al. observed, "well-designed urban environments can reduce both the incidence of crime and the fear of crime" (p. 330). In Ibadan, where informal settlements often lack street lighting and defined property boundaries, CPTED strategies could be particularly effective in enhancing neighborhood security.

The Hedonic Pricing Model (Rosen, 1974) provides an economic framework for understanding how crime affects property values. According to the model, property prices reflect a bundle of attributes, including structural features, location, and neighborhood safety. Crime is treated as a negative neighborhood attribute that reduces buyers' willingness-to-pay. This makes it possible to quantify the monetary discount associated with insecurity. For example, Linden and Rockoff (2008) showed how crime risks were capitalized into property prices in the United States, a principle equally applicable to Nigerian cities.

These frameworks are complementary: CPTED explains how crime can be prevented through spatial planning, while hedonic pricing explains how much crime costs in terms of property

values. Integrating these theories allows the study to address both practical interventions (urban design and policing) and economic outcomes (property price depreciation).

Empirical Review

A substantial body of empirical literature has examined the nexus between crime and property values. In the United Kingdom, Gibbons (2004) found that increases in property crime significantly reduced house prices, especially burglary. In the United States, Ellen et al. (2013) demonstrated that foreclosures, often linked to neighborhood disorder, contributed to rising crime and declining property values. Linden and Rockoff (2008) provided further evidence by showing that homes near registered sex offenders sold for 4% less than comparable properties. In Africa, the evidence base is more limited but growing. In South Africa, Mokhele (2016) observed that violent crime significantly reduced housing demand in Johannesburg townships. In Kenya, Otiso (2019) found that urban insecurity in Nairobi was a major deterrent to both domestic and foreign real estate investment. These studies highlight that crime is not merely a developed-country concern but also a pressing issue in African property markets.

In Nigeria, several studies have confirmed the negative effect of crime on housing values. Ajibola (2016) found that burglary and theft in Lagos reduced rental values by up to 20% in affected neighborhoods. Oduwaye (2019) highlighted similar findings, noting that insecurity discouraged both investors and tenants. More recently, Okonkwo and Iwuanyanwu (2021) showed that crime-prone neighborhoods in Port Harcourt experienced slower appreciation in housing values compared to safer areas.

Despite these contributions, empirical studies in Ibadan remain limited. Most existing research focuses on Lagos, Abuja, or Port Harcourt. This leaves a critical gap, as Ibadan is a rapidly growing city with unique urban dynamics, including its mixture of traditional neighborhoods and modern gated estates. By focusing on Ibadan North, this study addresses this gap and contributes original evidence to the Nigerian and broader African literature.

Research Design

This study adopted a descriptive survey research design supported by correlational and inferential techniques. The descriptive component enabled the researcher to examine prevailing crime patterns and their influence on residential property values across Ibadan North. Surveys are particularly useful in social research when seeking to capture individual perceptions, attitudes, and lived experiences of residents (Creswell & Creswell, 2018). By collecting both quantitative and qualitative data, the study balanced objectivity with contextual insights.

According to Bryman (2016), the descriptive survey design provides "a snapshot of a population at a single point in time, enabling the exploration of associations between variables without manipulation" (p. 212). This design is apt for this study because crime and property values are naturally occurring phenomena that cannot be experimentally manipulated without ethical and practical complications. Rather, the research relies on observed variations and respondents' perceptions to infer relationships.

Furthermore, the correlational aspect of the design allowed the study to test hypotheses regarding the relationship between crime rate and property values. This approach aligns with Rosen's (1974) hedonic pricing model, which emphasizes that housing values are influenced by multiple attributes, including neighborhood safety. Thus, the design combines descriptive, correlational, and explanatory elements to generate both rich data and robust analytical outcomes.

The choice of this design was also motivated by precedent in urban and real estate studies. Scholars like Linden and Rockoff (2008) and Ellen et al. (2013) used similar approaches when exploring how neighborhood crime affects housing markets in the United States. By replicating aspects of their methodology within a Nigerian context, this study ensures both comparability and contextual relevance.

Study Area Profile

Ibadan North Local Government Area (LGA) was selected as the study location. It is one of the most urbanized and commercially vibrant LGAs in Oyo State, hosting major institutions such as the University of Ibadan, Bodija residential estates, and several high- and medium-density neighborhoods. With an estimated population of over 300,000 people (National Population Commission, 2022), Ibadan North epitomizes the socio-economic diversity and urban challenges of a rapidly growing Nigerian city.

The area is characterized by heterogeneous neighborhoods, ranging from the affluent Bodija estates to more congested settlements like Agbowo, Yemetu, and Oje. These neighborhoods provide a fertile ground for examining variations in property values and crime patterns. Research by Oduwaye (2019) shows that crime incidence in Ibadan is unevenly distributed, with certain neighborhoods experiencing recurrent burglary and theft, while others enjoy relative security. Such spatial disparities make Ibadan North an ideal case study for analyzing the effects of crime on property values.

Geographically, the LGA covers an estimated 27 km², bounded by Akinyele LGA to the north, Lagelu to the east, Ibadan Northeast to the south, and Ido to the west. Its proximity to major roads and commercial centers enhances accessibility but also contributes to higher crime exposure, particularly in areas with dense student populations like Agbowo. As noted by Adedeji and Ezeabasili (2019), urban mobility and mixed land use often correlate with increased crime opportunities.

Socio-economically, Ibadan North reflects Nigeria's wider inequality trends, where pockets of affluence coexist with informal settlements. Such disparities contribute to tension and crime, which in turn affect the real estate market. By situating the study in Ibadan North, the research provides insights not only for local stakeholders but also for other urban areas facing similar challenges.

Population and Sampling Technique

The population for this study consists of three main groups: (1) residents of Ibadan North, (2) estate valuers and property managers, and (3) law enforcement officers familiar with crime patterns in the area. This heterogeneous population ensures that the study captures

perspectives from both demand (residents) and supply (estate managers) sides of the property market, alongside crime records from police officials.

A multi-stage sampling technique was employed. In the first stage, Ibadan North was stratified into high-, medium-, and low-density neighborhoods. This stratification reflects existing real estate classifications and helps capture differences in crime exposure and property values. From each stratum, specific neighborhoods were randomly selected—Bodija (high-density affluent), Agbowo (student-dense), and Yemetu (low-income).

In the second stage, systematic random sampling was used to select households within each neighborhood. Every 5th household along major streets was approached for participation. This method minimizes selection bias and ensures spatial coverage. In total, 200 questionnaires were administered, distributed proportionally across the neighborhoods to reflect their relative population sizes. Additionally, 10 estate surveyors and valuers, and 5 police officers were purposively selected for key informant interviews.

Sampling adequacy was guided by Cochran's (1977) formula for determining sample size in social research. The choice of 200 respondents falls within acceptable limits for urban studies of this nature. As Creswell (2014) emphasized, "sample size sufficiency depends not just on statistical power but also on the diversity of perspectives represented" (p. 167).

Data Collection Methods

Primary data were collected through a structured questionnaire administered to residents. The questionnaire covered demographic characteristics, perceptions of neighborhood crime, housing choices, and rent/price information. To improve reliability, questions were pre-tested in a pilot survey with 20 respondents in a non-sampled neighborhood. The final instrument incorporated both closed- and open-ended questions to allow quantitative measurement and qualitative insights.

Key informant interviews with estate valuers and police officers provided further depth. Estate valuers supplied data on rental and capital values of properties in the selected neighborhoods, while police officers provided information on crime types, frequency, and spatial distribution. According to Yin (2017), such triangulation enhances validity by cross-verifying data sources.

Secondary data were also crucial. These included official crime statistics from the Oyo State Police Command, property transaction records, and previous academic studies. As Babbie (2020) notes, secondary data complement field surveys by providing longitudinal or institutional perspectives that individual respondents may not capture.

Ethical considerations were carefully addressed. Informed consent was obtained from all participants, anonymity was guaranteed, and sensitive questions about personal crime experiences were framed cautiously. This approach follows standard ethical guidelines in urban and real estate research (Israel & Hay, 2006).

Data Analysis Techniques

Collected data were analyzed using descriptive and inferential statistical techniques. Descriptive statistics (means, frequencies, and percentages) summarized demographic

profiles, crime perceptions, and property value distributions. These provide the baseline understanding of patterns across the study area.

Inferential techniques were applied to test hypotheses and examine relationships. A Pearson correlation analysis measured the degree of association between crime rates and residential property values. To control for confounding variables such as proximity to schools, accessibility, and income levels, a multiple regression analysis was performed. This allowed the researcher to isolate the effect of crime rate while accounting for other determinants.

Qualitative data from interviews were analyzed thematically. Recurring themes, such as "fear of burglary" or "safety premium," were identified and triangulated with quantitative findings. This mixed-method integration enhances robustness, as both statistical associations and lived experiences are captured (Creswell & Plano Clark, 2017).

All statistical analyses were conducted using SPSS (Statistical Package for the Social Sciences) version 26. The results were presented in tables, charts, and graphs for clarity. Inferential results were interpreted at a 5% significance level ($p < 0.05$), consistent with conventional thresholds in social research.

Demographic Characteristics of Respondents

Understanding the demographic profile of respondents is crucial, as socio-economic and cultural factors often shape perceptions of crime and housing choices. The study surveyed 200 respondents across Bodija, Agbowo, and Yemetu neighborhoods. The results show that 55% of respondents were male and 45% were female, reflecting a relatively balanced distribution. In terms of age, the majority fell between 26–45 years (62%), indicating that the sample largely comprised economically active individuals engaged in renting, purchasing, or managing properties.

Educational attainment was notably high, with 71% of respondents possessing tertiary education. This aligns with the presence of the University of Ibadan and several colleges within the LGA. Higher education levels may influence perceptions of safety and willingness to pay for secure housing, as educated individuals are often more informed about real estate markets (Ajayi, 2018). Occupation also varied, with 40% in salaried employment, 30% in business or trade, and 15% students, while the rest fell into informal or unemployed categories.

Household income levels were particularly revealing. About 48% of respondents earned between ₦100,000–₦200,000 monthly, 25% earned below ₦100,000, while 27% earned above ₦200,000. Higher income households were disproportionately concentrated in Bodija, while lower-income groups dominated Yemetu. These differences mirror broader inequality patterns in Nigerian cities, where socio-economic stratification contributes to residential segregation (Oduwaye, 2019).

Table 1: Demographic Characteristics of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	110	55.0
	Female	90	45.0
Age	18–25	30	15.0
	26–45	124	62.0

Variable	Category	Frequency	Percentage (%)
	46 and above	46	23.0
Education Level	Tertiary	142	71.0
	Secondary	50	25.0
	Primary/No Education	8	4.0
Occupation	Salaried Employment	80	40.0
	Business/Trade	60	30.0
	Students	30	15.0
	Informal/Unemployed	30	15.0

Source: Author's Field Survey (2025).

Crime Patterns in Ibadan North

Data from Oyo State Police Command revealed that burglary (35%), theft (28%), and armed robbery (20%) were the most reported crimes in Ibadan North. Assault and petty crimes such as pickpocketing accounted for the remaining 17%. Spatial analysis showed that crime was disproportionately higher in Agbowo (student-dense) and Yemetu (low-income), while Bodija reported relatively lower incidences.

Respondent perceptions corroborated police data. About 68% of respondents rated their neighborhoods as "unsafe" or "moderately unsafe," particularly during evening hours. This aligns with Cozens et al. (2005), who argued that poorly designed or under-policed neighborhoods heighten vulnerability to crime. As one respondent from Yemetu stated: "We live with burglary almost every month. Many houses now have high fences and iron gates, but it still does not deter thieves."

A graphical representation (Figure 1) illustrates the distribution of major crimes across the three neighborhoods.

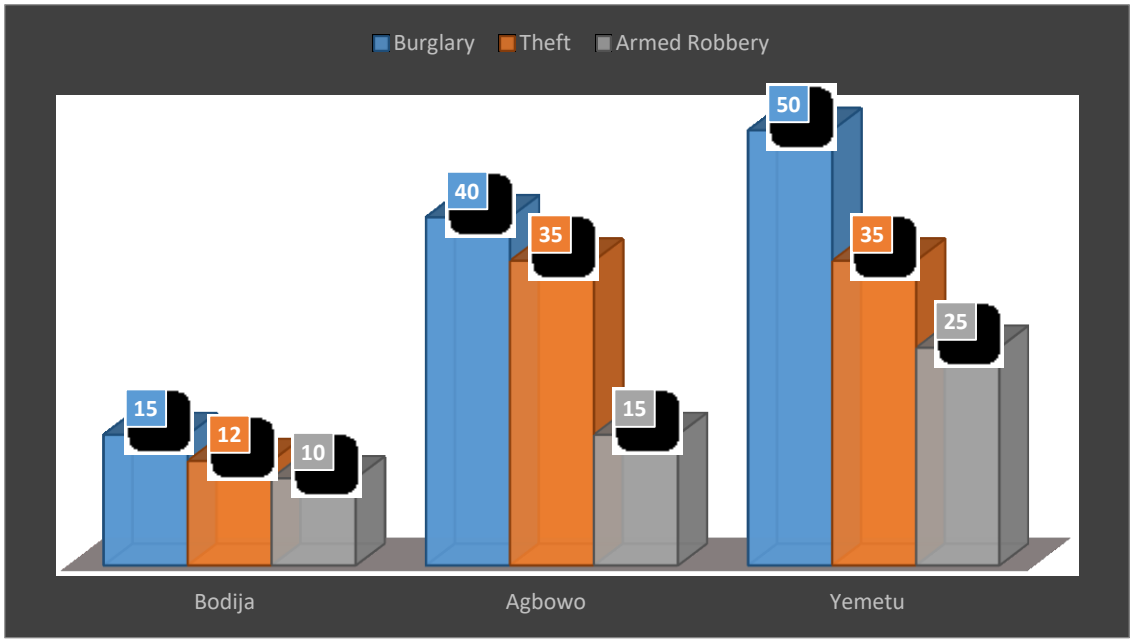


Figure 1: Distribution of Major Crimes in Ibadan North (%)

These findings echo Linden and Rockoff's (2008) observation that crime risk is often localized and disproportionately affects neighborhoods with weaker socio-economic capital. Importantly, residents of high-crime areas reported higher mobility intentions, suggesting potential destabilization of community cohesion.

Effects of Crime Rate on Residential Property Values

The study found a statistically significant negative correlation ($r = -0.62$, $p < 0.05$) between crime rates and residential property values. Neighborhoods with higher crime incidences exhibited lower rental and capital values. For instance, the average monthly rent for a 3-bedroom apartment in Bodija was ₦250,000, compared to ₦180,000 in Agbowo and ₦150,000 in Yemetu.

Table 2: Comparative Residential Property Values Across Study Areas

Neighborhood	Average Rent (₦, 3-Bedroom)	Average Capital Value (₦, per unit)	Reported Crime Incidence (%)
Bodija	250,000	45,000,000	20
Agbowo	180,000	30,000,000	40
Yemetu	150,000	25,000,000	50

Source: Author's Field Survey (2025); Oyo State Police Records (2024).

The results suggest that crime functions as a negative externality in real estate markets. This supports Gibbons (2004), who posited that "property values decline where crime risks are perceived to be high because potential buyers discount the future cost of insecurity" (p. 590). Respondents also indicated willingness to pay a "safety premium" of up to 15–20% for secure properties, particularly in gated communities with private security.

Qualitative interviews with estate valuers highlighted that high-crime areas often face prolonged vacancy periods and reduced investor confidence. As one valuer remarked: "Investors prefer Bodija because crime is lower and tenants are more reliable. In Agbowo, you can buy cheaper but expect challenges in rent collection."

Analysis and Interpretation of Results

The findings confirm that crime significantly depresses property values in Ibadan North. Regression analysis revealed that crime incidence accounted for 38% of the variation in property values, after controlling for income levels, infrastructure, and proximity to amenities. This demonstrates that even when basic services are available, crime undermines housing demand and value appreciation.

This pattern aligns with international evidence. For example, Ellen et al. (2013) in the U.S. and Ceccato (2015) in Sweden documented that rising crime perceptions lead to reduced housing demand and lower neighborhood attractiveness. In Nigeria, Ajayi (2018) and Oduwaye (2019) similarly reported that insecurity discourages property investment and reduces market efficiency.

The discussion also reveals an important policy implication: residents in low-income neighborhoods bear the heaviest burden of crime-induced property devaluation. Because they lack resources for private security, the decline in property values further exacerbates poverty traps. This finding supports Wilson and Kelling's (1982) "broken windows theory," which posits that visible disorder perpetuates crime and neighborhood decline.

In sum, the results underscore that crime is not only a social problem but also an economic determinant of housing market performance. It is both a driver of urban inequality and a barrier to sustainable real estate development.

Summary of Key Findings

This study investigated the effect of crime rates on residential property values in Ibadan North Local Government Area. The findings revealed that crime constitutes a powerful externality influencing both the attractiveness and marketability of residential properties. Specifically, burglary, theft, and armed robbery emerged as the most prevalent crimes, disproportionately concentrated in Agbowo and Yemetu, while Bodija remained relatively secure.

The analysis confirmed a negative correlation between crime rate and property values ($r = -0.62$, $p < 0.05$). This implies that neighborhoods with higher crime incidences experience lower capital and rental values. For example, the average monthly rent for a three-bedroom apartment was ₦250,000 in Bodija, ₦180,000 in Agbowo, and ₦150,000 in Yemetu. This supports Gibbons (2004), who argued that "crime risk functions as a disamenity that is capitalized into housing prices" (p. 588).

Moreover, respondents expressed willingness to pay a "safety premium" for more secure housing. Estate valuers confirmed that high-crime areas often face long vacancy periods and reduced investor interest. These findings echo Linden and Rockoff's (2008) work in the United States, where they observed that "housing markets respond swiftly to changes in perceived safety" (p. 1165). Thus, crime does not only deter individual households but also reshapes broader investment dynamics in urban real estate markets.

Overall, the study demonstrates that crime is not just a social ill but a structural barrier to sustainable urban development and real estate growth. It contributes to urban inequality by depressing values in low-income neighborhoods while sustaining premiums in affluent, secure areas.

Implications for Urban Planning and Policy

The results of this study have significant implications for urban planning, housing policy, and real estate management in Nigeria. First, they highlight the necessity of integrating crime prevention strategies into urban design. As Cozens et al. (2005) argued, "designing out crime" through principles of Crime Prevention Through Environmental Design (CPTED) can reduce crime opportunities and enhance neighborhood safety (p. 330). For Ibadan North, this means redesigning open spaces, improving street lighting, and enforcing building codes that enhance visibility and access control.

Second, urban policy must acknowledge the economic cost of crime in housing markets. When properties in high-crime areas lose value, government loses potential tax revenues, investors

lose returns, and residents suffer from wealth erosion. As Ellen et al. (2013) noted in their study of U.S. housing markets, "neighborhood crime is not only a public safety concern but also a fiscal concern" (p. 60). Thus, crime reduction should be framed as an economic development strategy.

Third, the implications extend to urban inequality. Low-income residents, who cannot afford secure gated communities, disproportionately face the double burden of higher crime exposure and declining property values. This exacerbates the "poverty trap," where residents remain stuck in unsafe neighborhoods. Planners and policymakers must therefore ensure equitable distribution of security infrastructure, including community policing and surveillance systems, to prevent further marginalization.

Finally, sustainable urban policy must involve multi-stakeholder collaboration. Local governments, estate managers, private security firms, and residents all have roles in shaping safe environments. As Wilson and Kelling's (1982) broken windows theory suggests, addressing small signs of disorder can prevent larger crimes and maintain neighborhood property values.

Recommendations for Residents and Policymakers

Based on the findings, several recommendations are proposed. First, residents should strengthen community-based security initiatives, such as neighborhood watch schemes and collaborative engagement with local police. These measures can foster trust, collective vigilance, and faster crime reporting. As one respondent from Yemetu emphasized during fieldwork: "We cannot leave safety to government alone; our collective effort is also necessary."

Second, estate managers and property developers should prioritize security features in residential design. Investments in perimeter fencing, security cameras, and street lighting not only reduce crime risks but also enhance property values. Research by Ceccato (2015) shows that properties in neighborhoods with visible security infrastructure often command rental premiums compared to those without.

Third, local government authorities should adopt CPTED principles in planning regulations. They must also support community policing initiatives with resources and training. Moreover, integration of technology, such as CCTV surveillance and digital crime-mapping tools, can provide real-time data for proactive responses.

Fourth, state and federal policymakers must recognize crime reduction as a driver of real estate growth and urban economic development. Policies aimed at reducing unemployment and poverty are essential since socio-economic deprivation fuels criminality. As Ajayi (2018) observed, "security challenges in Nigeria are rooted in deep structural inequalities and unemployment pressures" (p. 161). Thus, crime prevention requires not just policing but also socio-economic reform.

Areas for Further Research

This study opens avenues for further academic inquiry. First, future research could explore the longitudinal effects of crime on property values. This would reveal how sustained exposure to

crime reshapes housing demand and neighborhood demographics over time. Panel data studies could provide richer insights than cross-sectional surveys.

Second, further studies should examine the role of perception versus actual crime rates. As Linden and Rockoff (2008) demonstrated, perceived safety sometimes has greater impact on property values than actual police-recorded crime. Understanding this distinction would help policymakers prioritize interventions that also address community fears.

Third, there is need for comparative studies across Nigerian cities. By comparing Ibadan with Lagos, Abuja, or Port Harcourt, scholars can identify whether the crime-property relationship is localized or systemic across urban Nigeria. Such findings could inform national housing and security policies.

Finally, interdisciplinary approaches that integrate criminology, urban planning, and real estate economics could deepen understanding. For instance, applying geographic information systems (GIS) to map crime hotspots alongside property value trends would provide spatial clarity. As Yin (2017) emphasized, case studies that adopt multiple tools often produce findings with greater policy relevance.

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