

# **A COMPARATIVE ANALYSIS OF INCOME PRODUCING POTENTIAL OF LEISURE PROPERTIES(EMPIRICAL EVIDENCES FROM KADUNA)NIGERIA**

BY

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## **INTRODUCTION**

Over the centuries man has always had some degree of leisure time and special ways in which these leisure times are spent either by relaxing, recreation. The Western World seems to understand the important role of relaxing and taking time out to recreate and playing a prominent role in the development of human physical growth, emotion as the intellectual capacity of an individual. However, with recent discoveries in the field of commerce, investing in leisure properties can be very viable because it generate higher income to the investors

## LITERATURE REVIEW

- However, Pierre-Joseph Proudhon (2007) in his book, Proudhon most famously declares that 'property is theft'. Proudhon believed that the common conception of property completed two distinct components which once identified, demonstrated the difference between used to protect liberty.

Smith (1992) defined income as the return which a property generates either by renting it or by leasing the property on the open market value

- However, James (2009) concludes that the vast majority of real estate agent and brokers work with 3 major property. Its no coincidence that these are 3 property types accounting for most of real estate transfer. As a new agent or broker, you may want to narrow your focus and specialized in one or more property types.
- Vacant land
- Residential properties
- Commercial properties

## AIM

- The aim of this study is to find out the return produced by the Polo Club and Golf Club

## THE NEED FOR LEISURE PROPERTIES

- History has shown that man had always felt the need to engage him/her self in one leisure activities or another. Websites Ninth Collegiate Dictionary (1990) edition defines leisure as a time spent doing what you enjoy when you are not working or studying. A time with no particular activities, leisure is a period of time spent without hurrying, feeling relaxed and comfortable doing what you enjoy

## DEFINITIONS

- **LEISURE PROPERTIES:** These are properties that are mainly use for relaxation. They are properties in the form of parks, tourist centres, game reserves, hotels, sport complexes, museum etc. However, William et-al (2000) defined property as any 'thing' that can be possessed, used, enjoyed, controlled or conveyed.

## DATA PRESENTATION AND ANALYSIS

### LIST OF FACILITIES PROVIDED IN POLO CLUB

S/No	Facilities	No. of Item Provided	Condition				
			Excellent	V. Good	Good	Fair	Poor
1.	Polo Fields	2		✓			
2.	Mosque	1	✓				
3.	Loading Bays	2			✓		
4.	Bars	3		✓			
5.	Pool Room	2		✓			
6.	Snooker Tables	2			✓		
7.	Dart	1			✓		

- The above table shows the number of facilities in the Polo Club and their respective state or condition which are:
- Polo Field: The Polo Field are two(2) one is situated behind the Polo Club while the other one is situated in front of the Polo Club and it is on these field the game is being played.
- Mosque: The mosque, which is of fabulous size and was situated at the west side of the club house.
- Loading Bays: This is a marked section of ground outside the Polo house where they normally bring down their horses from car when ever there is polo tournament.
- Bar: The bars are 3 in the building and they are well decorated with beautiful concrete and tides of golden colours in the bars there are (2) two large refrigerators mainly for keeping drinks cold. There are metal stools where people sit to sip drinks.
- Pool Room: Pool room is situate within the club house where the interesting member go and play the game.
- Snooker Tables: The snooker table one is situate at the entrance of the building and other one is inside the building.
- Dart: Is a game in which darts are thrown at a round board marked with numbers for scoring and it is situate in a room within the club house.
- Squash Court: The squash court is situate within the polo field.
- Table Tennis: Is a game two or four players use rackets to hit a ball backwards and forwards across a net on a special mark court and this game is situate within the club premises.
- Bore Hole: This is their source of water whenever water board did not supply water, it is locate behind the club house.
- Tractor & Slasher: These are the machine which they are using a clear grasses on the polo field.
- Stabling Village: Stabling village is where all their horses are kept both young and old.
- Club House: The club house is well equipped and there are 3 offices, 3 bathroom and they are well maintained by the cleaners.

## LIST OF FACILITIES PROVIDED IN GOLF CLUB

S/No	Facilities	No. of Item Provided	Condition				
			Excellent	V. Good	Good	Fair	Poor
1.	Club House	1		✓			
2.	Holes	18		✓			
3.	Bar	1		✓			
4.	Golf set	40			✓		
5.	Shop	1			✓		
6.	Tractor & Slasher	1			✓		
7.	Parking Lot	1		✓			
8.	Generator	1		✓			

- **Club House:** The club house is well equipped and there are 4(four) offices within it and three (3) bathrooms and they are well maintained by the cleaners.
- **Holes:** The holes are found within the golf field and they are 18 in numbers, they are being managed by some private organization.
- **Bar:** The bar is well equipped with the necessary facilities that make up a bar such as refrigerators mainly for keeping drinks cool, there are tall and beautiful metal stools where people sit and sip drinks.
- **Golf Set:** The golf set and the instrument use in playing the golf game and there are over 40set, they are owned by club members and the new members who don't have the gold set are using it par day is N500.00.

## THE AMOUNT CHARGES AS FEES FOR EVENT HOSTING GOLF CLUB

S/No	Event	Amount (N)	Number Per Year
1.	Wedding reception and every other events organize by the outsiders	100,000	March-June is between 6-8 times. October-December is between 10-15 times.
2.	Golf tournament by outsider	Depending on their negotiation	Once in a year i.e. the annual tournament

## LIST OF SOURCES OF INCOME IN POLO CLUB

S/No	Source of Income	Amount	No. of Member
1.	Membership admission fee	N100,000	Number of members as of 2012 - 209
2.	Annual membership subscription	N30,000	Number of members that registered as of 2012-23
3.	Membership form	N5,000	
4.	Tournament sponsorship	Varies, minimum is N200,000	
5.	Support Donation		
6.	Sales from Bar		

## LIST OF SOURCES OF INCOME IN GOLF CLUB

S/No	Source of Income	Amount	No. of Member
1.	Subscription fee	N100,000	Number of members as of 2012 -197
2.	Green fee	Working days N1000. Weekend N1500	Number of members that registered as of 2012-28
3.	Sales from bar		
4.	Occasion charges like wedding, reception	N100,000	
5.	Tournament fee	Not specify	
6.	Golf set	N500 per l (one)	

## POLO CLUB LIST OF OUT GOINGS

S/No	Facilities	Amount P.A.
1.	Horses feeding & treatment	Minimum N800,000
2.	Polo field maintenance	N100,000
3.	Staff salaries	N300,000
4.	Electricity bill	N84,000
5.	Water bill	N18,000
6.	Fueling of generator	Minimum N100,000
7.	Sundry expenses	Minimum N100,000
	<b>Total</b>	<b>N1,502,000</b>



## LIST OF GOLF CLUB OUTGOINGS

S/No	Facilities	Amount P.A.
1.	Golf field maintenance	N400,000
2.	Staff salaries	N200,000
3.	Water bill	N18,000
4.	Electricity bill	N96,000
5.	Sundry expenses	N400,000 minimum
	Total	N1,114,000

## CALCULATIONS OF NPV POLO CLUB

year	Initial outlay(N)	Income(N)	Outgoings (N)	Net income(N)	Discount rate(17%)(N)	Discount rate(23%)(N)	Npv(17%)(N)	Npv(23%)(N)
0	20,000,000							
1		21,790,000	1,502,000	20,288,000	0.85	0.81	17,244,800	16,433,280
2		21,790,000	1,502,000	20,288,000	0.73	0.66	14,810,240	13,390,080
3		21,790,000	1,502,000	20,288,000	0.62	0.54	12,578,560	10,955,520
4		21,790,000	1,502,000	20,288,000	0.53	0.44	10,752,640	8,926,720
5		21,790,000	1,502,000	20,288,000	0.46	0.36	9,332,480	7,303,680

- $NPV_L = \text{N}64,718,720(17\%)$
- $NPV_H = \text{N}57,009,280(23\%)$

## CALCULATIONS OF NPV GOLF CLUB

year	Initial outlay(N)	Income(N)	Outgoings (N)	Net income(N)	Discount rate(17%)	Discount rate(23%)	Npv(17%)(N)	Npv(23%)(N)
0	20,000,00							
1		4,073,500	1,114,000	2,959,500	0.85	0.81	2,515,575	2,397,195
2		4,073,500	1,114,000	2,959,500	0.73	0.66	2,160,435	1,953,270
3		4,073,500	1,114,000	2,959,500	0.62	0.54	1,598,130	1,598,130
4		4,073,500	1,114,000	2,959,500	0.53	0.44	1,302,180	1,302,180
5		4,073,500	1,114,000	2,959,500	0.46	0.36	1,361,370	1,065,420

- $NPV_L = \text{N} 8,937,690 (17\%)$
- $NPV_H = \text{N} 8,316,195 (23\%)$

## FINDINGS

- The major outcome of the data is in accordance with the research question.
- It was observed that the facilities provided in polo club and golf club are modern equipment or facilities that go with the modern trend technology.
- It was observed that the golf field found in golf club are being maintain by a private firm known as Tunji Adeniyi & Co, Kaduna, while the rest facilities are being maintain by the club manager. And the polo club facilities are being maintain by the club manager. It was also observed that investing in leisure properties is a good form of investment because it brings high return to the investors. The NPV for both the high and low discount rate is positive for both the golf club and the polo club, the discount rates were obtained from the Central Bank of Nigeria ([www.cenbank.gov.ng](http://www.cenbank.gov.ng)) which agrees with studies by (grudnitski, 2003. Young, 2000 and Fletcher, 2006.)
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## **CONCLUSION**

- There is no doubt that the establishment of polo club and golf club contributes to the development of hospitality and tourism and as well the economy of Kaduna metropolis and Nigeria as a country at large. For effective inflow from these form of investment (polo club and golf club) investors and estate surveyors should bear in mind the objectives of assessing the level of satisfaction in this regard.
- It has now become necessary for the Government and the private sector to invest in leisure properties for maximum utilization and profitability.

## **RECOMMENDATION**

- Base on the findings the following recommendation are drawn up; polo club and golf club management should pursue a policy that will make them to be getting more income, such as providing more shops at the club premises and also they should provide swimming pool at the club premises so that it will attract customers to patronize their bars.

THANK YOU