Dr Olawande Oni

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Contact Addresses:

Dr. G. K. Babawale
Chairman, Editorial Board
Dept. of Estate Management
University of Lagos, Nigeria.
Tel: 0802 316 6473.

The Chairman, Editorial Board
The Nigerian Institution of Estate
Surveyors & Valuers
National Secretariat:
Plot 759, Independence Avenue (BASSAN Plaza)
CBD. P. M. B. 5175, WUSE, ABUJA.
Tel: 09-4604710, 4604711, 0802 346 9157.
E-mail: info@niesv.org.ng, natsec@niesv.org.ng
Website: www.niesv.org.ng

Lagos Liaison Office:
34-36 Association Avenue, Ilupeju,
P. O. Box 2325, Lagos.
Tel: 01-8181578.

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WHY STANDARD?

Reliable and professionally developed valuation is required to support a variety of financing and investment decisions such as sales and acquisitions, analysis of credit and collateral, current cost accounting, insurance policies, securitization, and the measurement of historic investment performance. Unlike the market for equities where investment assets prices can be quickly and easily imputed from prices of identical assets that are publicly and frequently traded in active secondary markets, market values of real property are much more difficult to ascertain. It is here that valuation comes in as proxy for obtainable transaction prices or as surrogate for having sold the property. This role underscores the central place of valuation in the overall workings of the property market. To play this role reliably, consistently and transparently, valuation must provide valid proxy for transaction prices. Otherwise, investment decisions would be based on misleading information. The whole basis of professional property advice therefore rests on the assumption that valuations are good proxy for prices. If valuations have a limited likelihood of accuracy, the health and development of the property market is jeopardised and the credibility of the profession is called to question.

Valuations are inaccurate chiefly because valuation is an inexact science. It is for this reason, among others, that valuers must be assisted through the valuation process to reach their valuation opinions in as impartial and objective a manner as possible. This is the primary need for the development and adaptation of standards.

Generally, a standard is a published document that contains a technical or professional specification or other precise criteria designed to be used consistently as a rule, guideline or definition. They are a summary of best practice and are created to promote consistency, transparency, accountability, credibility, reliability, and comparability. Standards are also used as flexible alternatives to regulation.

Specifically, the objectives of Valuation standards include, among others, the promotion of consistent use of bases and assumptions on which valuations are provided. They are to help minimise areas and extent of differences and thereby assist help valuers to achieve high standards of professional competence while minimising inaccuracy. Members are expected to comply by choice or by requirement placed upon them by law or regulation, or at the instance of clients or intending users. The International Valuation Standard Committee (IVSC) noted that the introduction and implementation of valuation standards are essential to the consolidation of the property and capital market particularly in developing economies. The quickening pace in the globalization of the investment market with attendance expansion of business activity across national borders further underscore the need for internationally accepted standards for reporting the value of property for accounting, stock exchange listing and secured lending purposes (IVSC, 2007: 311). Valuations that would be trusted internationally can be produced only by a valuation profession that conforms to international standards of professional education, competence and integrity.

The Nigerian Institution of Estate Surveyors and Valuers has taken a bold step in the right direction by replacing her highly deficient 1985 Valuation Standards manual with a more IVSC-compliant version in 2006. However, the question remains whether this document sufficiently and accurately integrated international standards and best practice with the particular needs of the local market place. How far does this set of standards represent the position or perception of all economic stakeholders and related professions in Nigeria? What is the use of standards that are little known among members talking less of being understood and applied? What is the worth of standards that are neither enforced nor enforceable?

In economics, the production process is not completed until the product gets to the final consumer. The Institution must therefore not rest on its oars till members as well as the ultimate consumers of valuations are adequately informed and well educated on the contents of the document. Must the ultimate consumer of valuation be informed? Certainly! Until valuation users know that it is mandatory for Valuers to substantiate and accompany their value opinions with rigorous statistical analyses based on tangible market data and general economic indices; justify the basis and method of valuation adopted; the present mediocrity and lackadaisical approach to valuation will not abate. If valuation consumers are educated on the minimum requirements of valuation reports, and are encouraged to enforce them, practitioners would be forced to achieve at least the minimum to stay in business.

Finally, it has been observed that some countries where the profession has tried to enforce more rigorous mandatory standards backed by detailed guidance notes, Valuers still fall below the required standards (Wyatt, 2003). It goes without saying therefore that the disposition of individual Valuers and Valuation firms would ultimately determine the full impact of the prescribed standards. Unless the individuals and firms are willing to drop old practices and adopt necessary changes, parochial, archaic, and questionable practices will not cease. This will be detrimental to the future of this great profession!

The Estate Surveyor and Valuer has come a long way with the overall objective of keeping members abreast of best practice, providing decision and policy makers with the best scientifically-grounded research currently available, and stimulating thinking within the academic and professional communities.

The current edition touches on a broad spectrum of cogent professional issues including practice standards and the vexed issue of finance for property development. The importance of appropriate finance to the overall success of property investment is well documented in almost all nations of the world. The collapse of the property market in UK in 1974, which forced many property companies into liquidation, and which was attributed in part to inappropriate financing, is a typical example. As finance plays greater role among the factors contributing to the viability of property investment of any sort, the sources and methods of finance remain issues of careful consideration for investors and their advisers. Two of the papers examine the applicability of alternative housing finance models that have been used in other jurisdiction with reasonable measure of success.

The editorial comment and two other articles also address the issues of standards in valuation. The place of standards and ethics in a customer-oriented profession like ours cannot be over emphasized. For this reason, the subject of standards has continued to provoke unending debate within the professional and academic communities. Thus, standard setting is a dynamic process responding to changes within the practice environment, locally and internationally.

Rationality, transparency, consistency, and comparability have been the watchword in the global drive for standards and its harmonization. The underlying impetus is the need for uniform performance measures based on common standards while the primary purpose is to provide clients with consistent and reliable values for decision making.

The development or growth of regional and international bodies like TEGOVA and IVSC and particularly the internationalization of business and cross border investment further underscores the need for harmonization of standards in valuation practice. In particular, the international banking community through the medium of Basel Committee is calling for the harmonization of valuation standards, due to the large number of loans that are secured on real estate. This is expected to improve the stability of the international banking system. Consequently, harmonization of standards is expected to raise the profile and importance of Nigerian valuation profession and increase the volume of valuation work, due to the rise of cross-border property investment/transactions.

I would like to appreciate the members of the editorial board of our Journal for the recent innovations and improvements in the contents and review process that has brought up to this edition to international standard. I hope our members and other allied professionals, government agencies, the business community, related research institutions and students of Estate Management at all levels of tertiary institutions both locally and internationally will tap into its richness. Thank you all.

Chief (Hon.) Emeka B. Onuorah, FNIVS

REAL ESTATE INVESTMENT TRUST: AN ATTRACTIVE INVESTMENT VEHICLE FOR REAL ESTATE DEVELOPMENT IN NIGERIA

BY

M. O. AJIBOLA
solaajibola2000@yahoo.com; +234 (0) 802 302 9220;
Dr. S. A OLOYEDE
samoloye49@yahoo.com; +234 (0) 803 472 2469
and
Dr. A. O. E. ONI
wandeoni@yahoo.com; +234 (0) 802 312 2014
Department of Estate Management, College Science and Technology,
Covenant University, Ota, Ogun State.

ABSTRACT

Real estate development requires huge capital outlay, which in many instances cannot be provided by one person or be obtained from only one source. Sourcing fund traditionally, (equity and loans), had proved inadequate over time. For this reason, there is need for better sources of financing real estate development in Nigeria. This study examines the suitability of real estate investment trusts [REITs] in financing real estate development in Nigeria. Five hundred copies of questionnaire were administered on Estate Surveyors and Valuers, Real Estate Developers, Primary Mortgage Institutions [PMIs], Nigerian Stock Exchange (NSE); and Security and Exchange Commission (SEC). Frequency tables and percentages were used in analyzing data collected. The study reveals that inadequate real estate finance constituted most critical problem to real estate development in Nigeria. It further shows that there is a large real estate market in Nigeria to support the application of REITs. However REITs, which has been found to adequately meet such capital requirements in developed countries, is still unpopular in Nigeria. The study also reveals that for REITs to flourish in the Nigerian real estate development and capital markets, government would have to improve on legal and institutional frame works, establish and support the secondary mortgage market, ensure a stable economic environment and hasten the process of granting real estate title documents.

Keywords: *Estate Development, Land Acquisition, Interest Rate, Mortgage Finance, Title Document.*

INTRODUCTION

Real estate development everywhere in the world is a capital-intensive venture. In the past, Onibokun (1985) ranked land acquisition and its documentation in addition to the ever-rising costs of building materials as major problems facing real estate development in Nigeria. He asserted that this had influenced the various housing policies and the subsequent establishment of many relevant programmes such as the Site and Services Scheme and institutions like the National Institute for Road and Building Research. However, gone are the days when land used to be a major factor influencing the outcome of any real estate development. Umeh (1977) noted that finance influences the phasing, timing, scale of operation and marketing strategy for the finished products. In the same vein, Afolayan (1991) mentioned finance as playing a leading role in real estate development because it determines whether or not a project would be successfully completed or abandoned.

Omirin (2004) observed that financing real estate development has in recent times become more problematic due to complex interaction of several factors such as high interest rates being charged on loans, stringent repayment requirements, cumbersome loan requirements imposed by lenders and inflation. As noted by Onyiuke (2002), the economic situation in the country over the years had influenced the availability or otherwise of fund for real estate development. The author made references to the 'social' nature of housing in an attempt to distinguish housing sector from other capital intensive sectors of the economy. Governments, at all levels in Nigeria have come to realize that inadequate finance had been the main hindrance in the implementation of various development programmes.

Also real estate is unable to effectively compete with other investment opportunities such as shares, due to its capital intensive nature, illiquidity, low yield, and long pay-back period. The various conventional methods of real estate financing are grossly inadequate while non-banking institutions such as insurance, pension funds are strictly limited by government regulations to provide the required capital. The failure of conventional sources to provide the required finance for real estate developments created the need for alternative sources such as securitization, unitization and real estate investment trusts.

Sources of Real Estate Finance

There are two (conventional and contemporary) major sources of finance for real estate development.

Traditional/Conventional Sources

Conventional sources of real estate finance are usually grouped into formal and informal.

Formal sources are usually debt financing through loanable funds sourced from banks, pension funds, insurance companies and primary mortgage institutions. According to Bruegeman and Fisher (2002), debt financing is very common but constrained by the long-term nature of the real estate developments as against the short-term nature of the lenders' sources of funds. Debt financing is available through non-bank institutions such as pension funds, finance houses and insurance companies, but these are limited by regulations that dictate the proportion of total funds that can be invested in real estate development. With short-term nature of lending by financial institutions coupled with regulatory limitation on loan ceiling, it is certain that a sustainable source of funding, such as REITs will be required for real estate development in Nigeria

Informal sources include equity contribution from personal savings, which is usually less than 10% of the project cost and are mostly used for preliminary works like site acquisition, clearing and processing of necessary planning approvals. Other informal sources include esusu/ajo, age grade association, village development scheme and town's union (especially those living outside their place of births), loans from traditional money lenders, social club contributions, aaro/owe (where members contribute in kind by providing labour on members' site until all members have been so helped in building their houses by rotation). Good as these sources may be in the traditional settings, the complex economic situation and the need for huge capital had made finance from informal sources grossly inadequate for any meaningful real estate development.

Five distinct challenges have been identified with the use of conventional sources of funding real estate developments. First, funds from private equity, retained earnings or profits, accumulated savings or revenue reserves are small in nature and granted on short term thereby making it grossly inadequate. Second, debt financing is constrained by the long-term nature of real estate investments as against the short-term nature of the lender's own sources of fund. These resources are limited by regulations that dictate the proportion of total funds that can be lent for real estate development purposes. Third, there are uncertainties concerning real estate property titles as evidenced by revocation of rights of occupancy within the Federal Capital Territory, Abuja in the immediate past democratic setting in Nigeria. Such experiences make certificates of occupancy (C of Os) vulnerable to litigations. Fourth, the time consuming, cumbersome and high cost of title registration processes coupled with high interest rate and high equity/debt ratio conditions demanded from the borrowers do not encourage the use of conventional sources of funds for any appreciable real estate development. Fifth, there are investments with lower risks and higher earnings within shorter periods (shares and stocks, LPO financing etc) than investments in real estate development competing for investor's funds. For this reason, these other investment vehicles often attract available loanable funds away from real estate investment opportunities.

Contemporary Sources

The contemporary sources of real estate finance include securitization, unitization and REITs. Adebiyi (2005), defined securitization as the process of converting an asset e.g. real property, debt, credit card, goodwill into notes and turning same into tradable instrument with the underlying asset as a security. In order words, it is the creation of tradable paper interests in underlying assets like a piece of real estate as an alternative to direct ownership of the assets. It involves collecting large numbers of illiquid loans or receivables into pools that are used to collateralize securities for eventual sales to investors.

Securitization began in the USA in the 1970s as a financing method developed in connection with single family residential mortgage loans by the Federal National Mortgage Association (Omirin, 2004). It has since gained popularity in other countries where it has altered conventional financing of real estate developments and has been found to be extremely effective in overcoming the liquidity problems of typical real estate investments especially in the USA, UK and Australia.

Typical variants of securitization are property equity securitization and property debt securitization. Property equity securitization evolves where a single or multiple properties is/are turned into notes or security and traded based on the value of the property or set of properties, for the holders of the notes to be entitled to a pro data of the income or profit generated by the property. Property debt securitization arises where mortgages, which are a form of debt, are traded for the purpose of discharging debts while the other people are holding on to the notes. Though securitization is an indispensable tool for financing and improving capital structure, it is yet to gain any footing in the Nigeria economy.

Unitization is a variant of securitization. It involves the creation of multiple shares in the ownership of a single property. The shares floated provide ample opportunity for low-income earners to become co-owners of prime properties through the purchase of the shares. It also tries to achieve returns comparable to direct ownership of property. Unitization of property investment is a good source of raising enormous finance for real estate development. While unitization has become well-developed vehicle, for real estate, in the USA and UK, it is still a relatively new concept in Nigeria.

On the other hand, REIT is a corporation or trust that combines the capital of many investors to acquire or provide financing for all forms of real estate. The principal objective of REIT is the creation of large pool of funds in anticipation of investment opportunities in real estate. Sirota (2004) mentioned that REIT is primarily an income generator for a group of small investors and is similar to the stock market's mutual funds thereby giving the small investor the opportunity for broad-based participation in real estate equity investments. REIT offers both regular incomes from rentals and long-term gains in property value as incentives.

The concept of the real estate investment trust dates back to the 1880s. In the early years, trusts were not taxed if trust income was distributed to beneficiaries. However, in the 1930s, a Supreme Court decision required all passive investment vehicles that were centrally organized and managed like corporations and taxed as corporations. This included real estate investment trust, operating in USA, as business trust concerned with real estate investments. This decision however hampered their development in 1935 (New York Institute of Finance NYIF 1988). Bruegeman and Fisher (2002) observed that unlike stock and bond, investment companies promptly secured legislation in 1936, exempting regulated investment companies and mutual funds from taxation, REITs could not because they were not organized to press for a similar consideration. However, in 1961, ten major trusts raised over 100 million US dollar for their initial offers. Oreagba (2006) stated that REITs controls over $300 billion assets in USA and that since 2001, countries like Asia, Japan, Korea, Taiwan and Hong Kong had since put REIT legislation in place with the securities traded on the floor of Tokyo Stock Exchange. Dealers are usually Japanese conglomerates and foreign investment banks. Oreagba (2006) also noted that apart from the USA, UK and Asian countries, REITs had been established in Australia in 1972, Holland in 1969 and France in the year 2000.

NYIF (1988) listed three types of REITs as Mortgage REITs, Equity REITs and Hybrid REITs. Mortgage REITs are basically lenders. They specialize in underwriting, acquiring and holding debt obligations guaranteed by real estate properties. At least 75% of their investments are in mortgages secured by real estate while their earnings come from the interest charged on mortgaged loans. Mortgage REITs benefit from higher yielding loans during the period of increases in interest rates. On the other hand, mortgage REITs make lower yielding loans during period of low interest rates. An average mortgage REIT portfolio consists of first mortgage (senior to all other liens against a property), mortgage pool (comprises a group of first mortgage on residential property), junior mortgages (subordinate to the repayment of other mortgage loans) and construction and development loans (a short-term loan for the construction or development of a building site). It earns higher yield as compensation for higher risk.

Equity REITs specialize in the ownership of real property. The property may be owned alone or in joint venture with other investors. Equity REIT offers the greatest potential for reward and as such tends to be favoured by professional fund managers. About 75% of its assets are held directly in real estate investments (Bruegeman and Fisher, 2002). Unlike Mortgage REITs, equity REITS accept lower yield but share in any increase in the value of property owned. NYIF (1988) grouped Equity REITs, on the basis of seven specializations, namely: industrial/office (divided into industrial, office or a combination of the two); retail (strips centres, regional malls, outlet centres and freestanding retail properties); residential (multi-family apartments and manufactured home communities); lodging/resorts (hotels, motels and resorts); health care (hospitals and related health care facilities, which are leased back to private health care providers); self storage (self storage facilities); and specialty (prisons, theatres, golf courses and automobile dealers). Hybrid REITs combines the features of both mortgages and equity REITs. They benefit from the higher income potential of mortgage REITs and the stability of equity REITs.

Requirements for REITs Operations

For REITs to be dominant vehicle for real estate ownership in Nigeria there is need for government to take six major steps. First, there is need to have set of laws that gives backing to the establishment operations of REITs. The investment and Security Acts and other Federal Internal Revenue laws will have to be amended to create the required enabling environment for its take off. Second, though institutionally, Serbe-Yiadom (1993) describe REITs as an alternative vehicle to going to the bank offering investors the benefits of profitable investment without having to invest huge sum of money however, REITs still requires the cooperation of sub-sectorial institutions within the finance industry. The operation of REITs also requires the ability of financial institutions to analyze credit in relation to collateralized real estate development. Third, an enabling macro-economic environment that could generate the required demand for real estate developments and mortgage loan, which in turn affects return on investments, must be in existence. Periods of unstable economic situations resulting from high inflation, high interest rate, unemployment, and insufficient money in circulation, and low level of consumer affordability culminating in to high rate of loan defaults must not be allowed to prevail. The economic recession in USA in 1973 resulted in high level of default in loan repayment forcing the share price of REITs to fall to as low as 33% which equally resulted in lower dividend paid from $2 to $0.13 at a stretch. Such unstable economic environments make forecasting difficult thereby putting the investors in the danger of uncertainty and risk.

Fourth, in most states in Nigeria, title registration goes through arduous processes. Registration of title especially when there is change of ownership, takes a huge sum which may discourage investor in real estate development. There is therefore urgent need to review the various laws relating to transactions in real estate development, with particular reference to the Land Use Act No.6 of 1978. Fifth, Abayomi-Sanya (2006) posited that secondary mortgage market creates the avenue for mortgage documents to be structured, underwritten and sold in form of securities to investors thereby creating stream of funds for further investment. Sixth, Nubi (2003) emphasized that there is need for standardized and computerized mortgage software that will encourage centralized control of all the mortgage processes from origination to foreclosure so as to reduce transaction costs in addition to a market driven interest rate and predictable cash flows.

Sirota (2004) stated that for a company to qualify as REIT, it must:

- Ø be a State registered corporation, business trust or similar association;
- Ø be managed by a Board of Directors or trustees;
- Ø have shares that can be fully transferable;
- Ø have a minimum number of 100 shareholders;
- Ø pay dividends of at least 90% of REITs taxation income;
- Ø ensure that not more than 50% of the shares are held by five or fewer individuals during the last half of each taxation year;
- Ø ensure that not less than 75% of its total investment is on real estate;
- Ø derive at least 75% of gross income from rents or mortgage interest;
- Ø have not more than 20% of its assets in stocks in taxable REIT subsidiaries.

Materials and Methods

A total of 500 questionnaires were administered on Primary Mortgage Bankers, Real Estate Consultants and Property Investment Companies. 375 questionnaires representing 75% were returned. Personal in relevant units in Nigerian Stock Exchange Commission, Federal Mortgage Bank of Nigeria, Security Exchange Commission and Stock Brokers were orally interviewed. Surveyors and valuers as advisers on property indices for mortgage operations, property investment companies as investors in summing up the state of the art on real estate investment. In-depth discussions were carried out with members of staff of the Nigerian Stock Exchange; Loans and Advances Section of the Federal Mortgage Bank of Nigeria, Stock brokers and the Security Exchange Commission. Information so generated are analyzed as shown in Tables 1 -7.

Data Presentation and Analysis
Table 1: Real Estate Development Problems

Challenges	Ranking
High Inflation Rate due to unstable economic climate	5
Rigid Government Policies	6
Low Demand	7
High Cost of Building Materials	3
High Cost of Land	2
Costly, Cumbersome Registration of Interest in Land Processes	4
Inadequate Finance	1

Source: Field Survey, 2008

Table 1 reveals that finance is the greatest problem facing real estate development in Nigeria. This is followed by high cost of land and building materials, Inflation is ranked as 5th of all the problems encountered by real estate development. A situation whereby inadequate finance, high cost of land and high cost of essential building materials top the list of problems confronting real estate development in a country, as highlighted by the data generated should be a big concern to the government.

Table 2: Adequacy of Traditional Sources of Finance

Opinions	Frequency	Percentage
Very adequate	38	10.13
Adequate	50	13.33
Slightly Adequate	50	13.33
Not	200	53.34
Not Sure	37	9.87
Total	**375**	**100**

Source: Field Survey, 2008

From Table 2 it is clear that the traditional sources of finance are not adequate for real estate development. While 200 respondents (53.34%) declared that traditional sources are not adequate, 100 respondents, (26.66%) were for slight adequate to very adequate. More than half of the respondents, as indicated in Table 2, agreed that the traditional sources of finance were inadequate as against approximately one third that felt some measure of adequacy.

Table 3: Need for Better Source(s)

Opinion	Frequency	Percentage
Strong Agree	150	40.00
Agree	175	46.67
Indifferent	38	10.00
Disagree	12	3.33
Total	**375**	**100**

Source: Field Survey, 2008

A total of 325 respondents (86.67%) testified positively to this while only 50 (13.33%) could not see any need for better source(s) of financing real estate. Approximately 87% of respondents noted that there is a dire need for better source(s) of financing real estate development in Nigeria. Despite the National Housing Fund and the Primary Mortgage Institutions in operation, there is need to look for other forms of real estate funding as being projected through REIT.

Table 4: REIT's Applicability in Nigeria

Opinion	Frequency	Percentage
Very Applicable	100	26.67
Applicable	200	53.33
Not Applicable	50	13.33
Not Sure	25	6.67
Total	**375**	**100**

Source: Field Survey 2008

The result obtained in Table 4 above is not unexpected bearing in mind the earlier claim by respondents in Tables 3 that there is the need for other sources of funding real estate development and acquisition. A total of 300 respondents (80%) agreed that REIT is applicable in Nigeria real estate industry while 75 respondents (20%) do not agree or are not sure.

Table 5: Sustainable Real Estate market

Opinion	Frequency	Percentage
Strongly Agree	100	26.67
Agree	188	50.13
Partially Agree	50	13.33
Disagree	37	9.87
Total	**375**	**100**

Source: Field Survey 2008

The Federal Government's earlier desire of providing for housing for all by year 2000 could not materialize and government having realized the enormity of the financial need of the housing sector had introduced and gave adequate backing to the National housing Fund with the Federal Mortgage Bank of Nigeria granting mortgage loans at 9% as against going interest rates of between 18% and 30% on commercial bank loans currently in vogue. Based on this, the result in Table 5 indicating that the real estate market in Nigeria will sustain REIT is justified. While 100 respondents (26.67%) strongly agreed, 188 respondents (50.13%) agreed, 50 (13.33%) moderately agreed and only 37 respondents (9.87%) did not agree.

Table 6: Existence of Operational Guidelines

Opinion	Frequency	Percentage
Yes	113	30.13
No	225	60.00
Not Sure	37	9.87
Total	**375**	**100**

Source: Field Survey 2008

Table 6 above shows that only 113 respondents (30.13%) were of the opinion that there are guidelines for REIT. About 225 respondents (60%) said there are no operational guidelines for REITs in Nigeria, while 37 (9.13%) are not sure. The result in Table 4 earlier discussed should be carried along with the result contained in Table 6 above. The claim by 225 respondents (60%) that there were no operational guidelines for REITs in Nigeria can be attributed to their non-involvement to date with people who had taken advantage of such an opportunity.

Results and Discussion

Stakeholders' views, as summed up from the respondents and in-depth personal interviews, showed that while finance is of great importance in real estate development (Table 1) the traditional sources of funding real estate are not enough for the kind of funding required for real estate development. This is clearly evident from Table 2 above. Hence there is need for strong and viable alternative source(s) of finance for real estate development in Nigeria (Table 3). Respondents were of the opinion that REIT could be applied in Nigeria (Table 4), since there is a virile real estate market that could sustain it (Table 5). However, it is observed that there is not an operational guideline for REIT's implementation, in the country. A greater percentage of the stakeholders interviewed were of the opinion that there is the need for enhanced public awareness among employers of labour in a bid to financially support employees in owning homes while still active and productive to enable beneficiaries fully repay the loan before retirement from services.

Conclusion and Recommendation

Ability to provide alternative sources of funding real estate development during this era of global efforts at providing houses for all is one of the greatest challenges facing the Federal Government of Nigeria. With the fastest urban growth occurring in the cities, the impact of inadequate housing in the various environments is no longer news. In addition, the growing problem of urban poverty is a serious confounding factor in the effort to manage funds accumulated into the National Housing Fund by the Federal Mortgage Bank of Nigeria. The range of policy options for solving many of the problems of financing the country's real estate development sector has been highlighted. These policies may not deliver the required results except there are sufficient administrative and legal resources, or sufficient political will in addition to adequate public support. Meeting this urban challenge will require the concerted efforts of everyone with a stake in the country be they members of staff of the three tiers of government, operators of private enterprises, community members or the ordinary citizens.

REITs are becoming appealing instruments to investor all over the world. They are excellent ways fro small investor to pool their resources together and invest in real estate developments without the major commitment of time and capital require for direct ownership of real estate.

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