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Kingsgate Advisors Institute

Topic:

Financing the Future: Unlocking Nigeria's Real Estate Sector

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Financing the Future: Unlocking Nigeria's Real Estate Sector

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EPISODE SUMMARY:

This episode discusses Nigeria's rebased GDP, highlighting the real estate sector's rise as a key economic driver while addressing its challenges, financing models, regulatory reforms, and future outlook of the Nigerian real estate sector.

[Dr OluwanbePelumi Olanubi]
Hello everyone. Welcome to another insightful episode of the Kingsgate Brief. This is the official podcast series of the Kingsgate Advisors Institute. As you know, this is one of our platforms that brings global leaders, professionals, professors, and people who are actually veterans in their fields to discuss with us some of the burning, major, and global issues that are happening, economic-related, politics-related, real estate, and climate change, just naming a few. We come here to discuss and give you an expert view and provide actionable solutions that will improve your own decision-making as an individual, an institution, or even as an economy as a whole. So, thank you for joining us again today, and today's episode promises to be very rich and insightful as usual.

My name is Oluwanbepelumi Olanubi. I'm currently the Executive Director of the Institute, and today I'm also your host. Now, in this episode, we are going to be talking about something very critical and something very important. Given the event of the GDP rebasing done by the Nigerian Bureau of Statistics (NBS), we saw a major shift in terms of sectors that contribute the largest to the GDP. Before I go on into the conversation, I want to take this moment to invite you, if you haven't already, to subscribe to our YouTube page, the Kingsgate Advisors Institute. Subscribe, like, follow us, and even turn on the notification bell so that you'll be the first to be informed when we drop another insightful podcast series or major discussion that we have on this platform. You can also follow us on other social media platforms. We are very active on LinkedIn; just search Kingsgate Advisors Institute, and check Instagram; we're on Instagram. To have a deeper dive into what we do within the Institute and to understand how we operate, you can just visit our website, where you'll have a full glimpse of all the things we do within the organisation. Thank you for doing that.

All right, in today's episode, as I was saying, we turn to one of the most surprising outcomes of Nigeria's 2025 GDP revision. Nigeria, as we all know, recently rebased its GDP, updating the base year to 2019 to reflect more current data and structural shifts in the economy. One of the most striking outcomes was the rise of the real estate sector as the third largest contributor to GDP. Surprising, right? Accounting for more than 10% of national output and overtaking the likes of oil and gas when it comes to the contribution to GDP. This signals a profound change in not just the narrative of the Nigerian economy, but also exposes the sector and shows that a sector which was once perceived as a secondary sector is now one of the core and major drivers of the national output. This new ranking unites both the scaled and untapped potential of the sector.
Real estate is not just about luxury development or high-value properties. It spans across rentals, brokerage, housing services, and construction, all of which are now better captured in this new accounting framework. Yet behind the numbers lies a sector that can be described as one facing deep-seated challenges. According to data, the sector still accounts for over 28 million housing unit deficits. The mortgage penetration is still very low, accounting for one per cent or less. It has a weak financing structure and degenerate bottlenecks when it comes to regulations within the sector. These are what are important to discuss and to have a deep dive into what is really happening within the real estate sector in Nigeria.

Now, these realities also raise critical questions about how Nigeria can leverage this sector as an engine for inclusive and sustainable growth. Can financing innovation bridge the gap when it comes to the affordability of houses? Can regulations and the regulatory body be reformed in a way that allows investments to flow in? Can technology be leveraged to see how we can leverage digital platforms, even within the sector and unlock a lot of potential within the sector? Also, what kind of risks does the sector actually have to face in the short term, medium term, and even in the long run, and how does all this affect the Nigerian economy?

To explore and to discuss this, I have today a guest who is quite personal to me. She's a thought leader. She has a decade of experience in this sector, and she's part of our Board of Directors. Ladies and gentlemen, please welcome Tomilola Bisileko.

Tomilola Bisileko, an edge expert, Associcrics corporate real estate strategist, and member of the board of directors of Kingsgate

Tomilola Bisileko is a seasoned corporate real estate strategist with over a decade of diverse experience in brokerage, property development, lease and facilities management, asset management, and portfolio optimisation. She currently serves as Transaction Manager at Trillium Real Estate Partners Limited, the Nigerian affiliate of global Fortune 500 company Jones Lang LaSalle (JLL), where she supports multinational and global clients in achieving real estate efficiency, growth, and sustainability.

Her career began at Ubosi Eleh & Co., and later Estate Links Limited, where she managed real estate portfolios and was active in brokerage and client advisory. She went on to WestFoster Development Company (Cadwell Limited), where she served as Head of Business Development and Research and Technical Assistant to the Group Chairman, playing key roles in business strategy and leadership support.

Tomilola is also the founder of Bellwether Limited, a growing venture that reflects her entrepreneurial drive and passion for delivering innovative, client-centred real estate solutions. A graduate of Obafemi Awolowo University with a degree in Estate Management, she is an Associate of the Royal Institution of Chartered Surveyors (RICS) and an EDGE Expert, reflecting her commitment to green, environmentally responsible development.

Actively involved in industry advancement, Tomilola currently serves as the Assistant Publicity Secretary for the RICS Nigeria Group. She is also deeply passionate about community impact and development. In 2021, she founded the Heralding Hope Initiative, a non-governmental organisation focused on lifting people out of deprivation and promoting sustainable community development. She also volunteers with the Awesome Treasures Foundation.

Tomilola is recognised for her exceptional strategic thinking, communication, research, and business development skills, as well as a passion for promoting ethical leadership and driving sustainable growth.

Good evening, Tomilola, and thanks for joining me today. I'm so pleased to have you.

[Tomilola Lawal]
Good evening, thank you so much for that resounding welcome. I'd say it's a delight and a pleasure to be here. Thank you to the Kingsgate family.

[Dr OluwanbePelumi Olanubi]
Thank you so much for that. To our viewers, this episode will unpack interesting issues, such as why real estate surged after the rebasing, and what it means for the Nigerian economic structure. We'll also look at how financing models can actually unlock growth within the sector and address an affordability challenge, which has been a long-standing challenge in the sector. We'll turn to discuss issues related to reforms, like inflation, subsidy removal, the impact on inflation, effects, volatility, regulations within the sector, and how it has weighed on the sector's performance. We'll look at the role of innovation and pro-tech approaches in transforming housing and land administration, generally in urban planning. And also, we have a take-home, the outlook of what the sector will look like in the next decade, say 2035. Whether you're a policymaker, an investor, a developer, or just curious about the Nigerian economy and how it's shaping and growing, this episode definitely provides a deep insight into all these issues and the country's most dynamic and consequential sector, which is real estate.

Tomilola, I'm going to start from literally the beginning, with what the current state of the sector looks like. After the GDP rebasing, real estate has emerged as one of the top three sectors contributing to Nigeria's GDP. What does this reveal about the size and the importance of the sector? Is the sector getting that much attention as it should? And is it actually overrated, or is it a sector that we have not really paid much attention to? What do you think about it?

[Tomilola Lawal]
Thank you. The truth is, what just happened is something that should have happened a long time ago, because it appears we've focused on particular aspects of the sector while undermining others. Real estate is broad, and it is fundamental. Fundamental in the sense that it is also tied to its importance. Real estate is one of the most important things that man needs. Basically, you'd say you need food and shelter, and it counts as one of the top three. There is no area of life that shelter doesn't tie into.

When you look at real estate, you're talking about where you're living, where you're coming to work every day, and it could be a shop, an office, or it could be where you're transacting, basically. You need shelter for all of that. I know some people say e-commerce, but whatever goods or services you're offering, it's going to be from somewhere, a place, and it's real estate. There are many arms and diverse paths to real estate that we've sort of overlooked over time.

There's been a lot of focus on high-end, middle-income housing and residences. But there are these commercial paths, retail paths, industrialisation, e-commerce, and all sorts of things coming up. Not coming up, it's always been there, but it's just that a lot of attention hasn't been given to it over time. But especially with the industrialisation and e-commerce, which got a lot of attention post-COVID or during the COVID era, it shows us how diverse real estate actually is. Shortlets, serviced offices, serviced apartments, and healthcare, even where your children are schooling and all sorts, you look at facilities management, property management, you'll see that it's a very diverse and broad sector. And I'm happy with this rebasing because it shows that the government is paying attention to what they need to pay attention to. They are beginning to give adequate importance and place to real estate and the many diverse areas that it involves, as opposed to just focusing on housing. And I'm not saying housing should be overlooked, but it's just that it underscores the fact that real estate is broad and plays a major role in the economy.

[Dr OluwanbePelumi Olanubi]

Thank you very much for that. It's good that we are seeing that real estate is not just housing. It's easy to say real estate and to think it's housing, but there's so much more to it. I just want to build a bit on that, talking about the GDP numbers and all that. I want to ask you your own estimation, how this sector has performed, what contributions it has made, when it comes to the likes of job creation, urbanisation, and the broader economic growth in the last decade, or even way back? How has the sector grown in its contribution, and how has it evolved, particularly when it comes to employment generation? How has it contributed to jobs? Is it servicing just the elite, the educated, or does it serve across different levels of income? What do we see? How has it contributed to jobs, and not just jobs, but even urbanisation and the way communities grow in terms of population and the like? How has real estate as a sector contributed to GDP in that light?

[Tomilola Lawal]

Like I was saying earlier, real estate is broad. At the same time, it's a full value chain that goes from one end to another. Let's take pre-construction, for example, when you have it in mind, it's not even on paper yet that you want to develop this particular project, or you want to develop this particular building. It starts with you, you're thinking about it, then you're going to express it to someone. Maybe you get an estate surveyor at that particular point that you discuss with, you share your ideas with, and you run feasibility and viability studies. That's a form of employment at that point, and then you're going to the next level. You're probably looking for land. The person gets the land for you, which you develop. While you get the land, you're going to run your search on that land. You're going to do your due diligence and all that is necessary. That's another value chain, because at that point, you're going to be involving your legal people. You're going to be going to the government agencies where you need to carry out your due diligence and check, and that's another layer of employment.

By the time you've run through that, you're not going to be going all the way. You're moving from pre-construction into construction. You engage your architects, the people who are involved in the design and all sorts. By the time you're doing construction, you get your piling company, and you get different artisans that come to play their part. At this point, you're already engaging from different streams or layers of income. You get cleaners when you're done with your construction, janitors who are managing, and a facility manager (FM) who is handling the whole thing.

Even your surveyors who will market the property or your marketers, your agents, be it a street agent, it's a form of employment, and it is a great contribution. From pre-construction, construction, and post-construction, the people who are handling everything that ties into every fabric of this development of the real estate are being employed, and they're being paid to do one thing or the other. For cleaners, even in our houses, we have cleaners. It's a form of employment. If you look at it well, it actually ties back into real estate, providing one form of employment or the other. You have the gardeners there and all those things.

That's just to show you that you're not employing just the middle-income or the high-income earners. You're diving into different streams or different levels of income. Looking at it in terms of organisation and co, it's beyond just housing. You have the commercial spaces that are coming up. You see that everyone is now trying to go smart and sustainable. It's changing the face of the streets. It's changing the face of what the environment looks like. We're now going to the economy; real estate is a major contributor to the economy, and it also helps the government in the sense that the government could get some income from taxation. When you run your search, you're going to be paying one way or the other for that. That's something that goes back. It's a value chain, like I said earlier. Look at "Detty December", for example. Shortlets, if well-harnessed, are a key income-generating sector or area of real estate. At the end of the day, it's not just helping Nigeria, but it's putting us out there on a global scale. You see how the whole thing went with everybody talking about Detty December in Lagos. It's also going to help to transition the thinking of people concerning what Nigeria looks like within security and all sorts.

[Dr OluwanbePelumi Olanubi]

I agree with you on that. It's an entire value chain, and there are lots of paths there. It's not just about providing employment generation. It's a sector that, if well harnessed, can also facilitate Nigeria being a centre of attraction. That's really a good one. I want to talk about some of the most important things. I don't want to use the word impede the growth of the sector, but they are very important when it comes to the development of the sector. I want to talk about financing, capital flows, and investment into the sector. What are the innovative financing models that can be used to unlock more potential within the sector? From my opening remark, I mentioned that, according to the data we have, over 28 million housing deficits have been recorded for Nigeria. It shows that, while the sector is vibrant and is getting better in terms of contributions to GDP, it is not yet fully unlocked or maximised. There's still a lot of potential within the sector. When it comes to financing, to come into what we can call affordable housing and the like, what are the innovative financing models that we can unlock? Also, how can institutional investors like the banks, pension funds, development financial institutions and the like, mobilise long-term investment or capital for the sector?

[Tomilola Lawal]

That's an interesting question. When you say 'innovative models' and 'financing models,' it's a bulk pack. You have the pension-backed ones and the REITs, like you've mentioned. I wouldn't say it should be just one instrument. It has to be a blend of all these things. It should be a blend of all these financing models if I'm meant to pick one that should top the charts, maybe pension-backed funding. Pension-backed funding in the sense that it's quite a huge sum of money that can be put into financing projects. The financing goes beyond something you can just say, Oh, it's been an issue. It's been a teetering issue that we've been seeing over the years. I think one of the ways the government, and I say government because we need the structure and core to come from them, one of the ways they can actually help is to de-risk that sector to an extent, in the sense that if there's a proper structure and framework put in place to show a guarantee. You don't want to go with just people's pension funds, almost 25 trillion naira, maybe a percentage of it and then put it into things, and you're not getting the right income, or you're not getting the right returns on your investment over a period of time.

There's a way we can de-risk the sector such that there's a framework with the corporate, and it's going to be a blend of public-private partnership such that there's a way to ensure that once people put in this fund, they'll be able to get return and over a particular period of time, and it could help to stimulate that sector. But of course, we need all these instruments because people have different risk appetites. And we're saying the pension funds, for example, it's still a risk if the sector is not well managed and a proper structure is not put in place to ensure that the right income goes to the right people.

I know we're looking at the middle, low-income and high-income, but that could involve social investments and all sorts because housing is not cheap anywhere. Like I was saying, it's about de-risking the sector, putting proper structure in place. Maybe you will get corporations or private organisations to be able to handle these things, so that you're certain that once the project is completed or once it's almost completed, there are people who can take up the properties. And then how do we even ensure that the people on the demand side are able to finance the project by the time it's done, not just the developer now financing it, but even the people that are the demand hand, and if they're able to afford this building or maybe spread their payments over a particular period of time. These are things that are quite tricky. We'll get there, but we need government intervention. We need a structure to be put in place. We need the proper framework, and we need to ensure that we do like a public-private partnership between the government and social investors. These funders ensure that we get something that would be able to move the sector.

[Dr OluwanbePelumi Olanubi]

Right. I like the way you concluded that we need all the instruments available. It's not just one form of investment that will unlock the full potential within that sector. And what you said about pension funding, because the volume of that funding would also help in that regard. Investors who want to invest in real estate are not Santa Claus, right? The aim is also to make profits from such an investment. So, that has to be put in place while you're thinking of affordable housing and the like. I agree, but I also want to ask this build-up question, because when it comes to affordable housing or talking about investment generally within the real estate sector, there have been issues about regulations and how investors can still navigate despite the barriers when it comes to the bureaucratic system. Land tilting, for instance, and registration are often cited as major barriers to financing. And investors are often faced with such a barrier. What specific reforms, in your own words and your own experience or digital solutions, do you think can help reduce the risks for lenders or investors when it comes to harnessing the sector as a whole?

[Tomilola Lawal]
Okay, you've actually said it's a digital registry. I think to start this, we need to look at the key issues that are affecting these things. I think I'll start with the time it takes for you to get the necessary documents. There's the cost area, there's a transparency issue, and then there's the uncertainty in just different areas that border around it. If we can adopt things like blockchain technology that helps with getting to the root title, and helps track ownership for us, even as it's changing the ownership, it's being tracked, and then we are able to get to the root title, that could help. And then we're talking about digital registries and code. And I'd also say the government could use this technology to give more certainty as to the timing, so, for example, I know that everything I need will be out in three months. It gives me more comfort as an investor, as opposed to just going there and being cumbersome. And then I'm going to different departments, bureaucratic and all that. The use of technology to help with uncertainties around timing and then to be able to get to the root of the matter and track this thing shows transparency. It also helps investors to trust the system. Then I think with regard to the costs, maybe we could leverage volume and just reduce the cost of some of these things. I mean, the price of percentage, to make it easy for people, investors or even the normal man to access. It's not always the case that you have investors who require these things. Some people just want a roof over their head. And it's either they think about some of these things or they don't know how to go about it. And that's where you'll find issues coming up, like demolishing properties and all sorts. People are built in this place where they're not meant to build. Some of them just don't know, or they got tired of the system, and then they just went ahead to do it.

If we can help with technology, and I know the government can do it, because we've seen them do it in different sectors. For example, I saw in the news today that they're talking about you getting your passport, about turning out 5,000 passports in a day. I don't know if that's in the entire country, per state, or per office. But if you're using technology to do some of these things, we can leverage that and use it to detangle these things and make life easy for people. Let us say, for example, you're talking about the digital house numbering, to be able to also help with these things. It's important that we engage digital blockchain technology, digital registries, and all sorts of things,

, just to make it easy for everyone.

[Dr OluwanbePelumi Olanubi]
Good one. Digitalisation has the role of solving a lot of problems. At the same time, we look at fully leveraged digital platforms and solutions in general to help us reform the entire sector. I think you've touched on the next question I wanted to ask, which was around affordable housing and how affordable housing is still a very valid challenge. If you can still probably re-emphasise some of the things you've said, take a minute or two to do that. How can developers balance profitability with accessibility for middle and low-income earners?
Some would even argue that we no longer have middle-income earners in Nigeria. How does someone who just decided to have a roof over his head and decided to build for himself, how can we balance that profitability? And for even investors, so that even though you're investing hugely in this sector and to build housing, how is it leased out or even sold in a way that it is affordable to the middleman on the street, middle and low-income earners? What can be done in between that? Because I believe there's a major gap between the demand and the supply when it comes to real estate and housing in Nigeria.

[Tomilola Lawal]
Okay, I think the first question we should ask ourselves is, what is affordable? Because what's affordable to me might not be affordable to the next person. Then that balance is a very long one. I mean, as a developer, you're out there for profit, to generate income and all that. And sometimes it's not even beyond generating income. Access to funding itself is very expensive. I think for us to have that balance, it's not really the developers. The developers have a role to play. But let's put them on the side for a split second, and we should focus on the government.
If the government could make land available, and when we're saying land available, it doesn't have to be in the city centre. Everyone cannot be in the city centre because, of course, that's more expensive. But we're looking at the fringes, those assets and code. If you can make land available with infrastructure increase and then partner with some of these developers, because by the time you remove the cost of land alone, you've taken out like 30% of the cost of development. So, if the government is seeing it as something that should be done, we could do that. Make land available for them.

[Dr OluwanbePelumi Olanubi]
Sorry to cut you off there. When you say availability, you mean not just in quantity, like land is definitely available. You're talking about affordability, right?

[Tomilola Lawal]
You pick locations and then you partner with the developers, and it has to be somewhat like social housing, since you're not looking to build anything grand, and you're saying, on this parcel of land, we want approximately 600 units. You've given the developer the land, and they are to develop it.

Then you would come together and, of course, make funding available as well, maybe through social investors, because we still do have people who are social investors who will come in and make funding easy to access. You have like a thousand units, you have 600 units that are going to be sold at quite low prices, as opposed to the market price and everything that a developer would use. Each developer has to get the land or partner with another private investor who owns land; that's important.

Also, the social investments that I mentioned are looking for social investors who would invest in projects like this. I know of a foundation that caters to the HNIs, who are the high-net-worth individuals. They build something really grand for them, and then they take some of that income that is gotten, a percentage, and then they put it into low-income housing. They build in places like Uganda, which are the outskirts. They build units there, and they are looking to provide basic human needs and shelter for these people. You don't need anything and all those kinds of funny appliances and core tech in there, and it should be liveable.

They then cater to the low end of the market and build something nice, but even with the affordable set, some of these people are unable to afford it. Then, as they develop those units for them, you can now look at funding for the people on the demand side. Now, the people who will be buying the units, we have things like the MOFI Real Estate Investment Fund (MRIF) that the Ministry of Finance came up with. I checked the MRIF at a point, and I was like, okay, some of these units are actually still quite expensive. The properties that are listed on the website are probably still expensive for some people. But then, when I reached out to them, they said, If you have an apartment that you've gotten, you can also try to upload it. If someone gets a unit that sells at 10 million Naira and you're unable to finance it, things like this could be explored at 9%. It used to be 12%, but they recently brought it to 9% and it's been over approximately 20 years. This is a thing that should be looked at from the government's hand first and foremost.

And then you bring the financiers, the social investors, the developers. One thing again I think the developers can do, but this, I don't think it's going to bring about a whole lot of change. It is to find ways to partner together and ship things together. Probably it could be discounted at that point. The other thing we could do is localise materials and just make them more affordable and easier to access. Then, also, probably look at alternative construction materials that could be less expensive. But in all, this access to funding is very critical to the developer, and the government can also help by providing the land and partnering with people. I know the Legacy Government does some of those things, but access even for the people is also still an issue. And then, sensitisation, making people aware that they probably might be able to access some of those things.

[Dr OluwanbePelumi Olanubi]

Yeah. Wow. A lot to unpack there. The first thing you said, which is, what do we even mean by affordable, right? So affordable might not be just one definition because it could be relative. It's not an absolute definition. Also, awareness, some people might not even know that opportunities like this exist, that can even place them in a position as having a place to take advantage of. Then you talked about partnership, I think it's very important. That shows that there's still a lot to be done within the sector.

I want us to take the conversation further and discuss, probably, some of the reforms and the impact on the sector with the inflation effects and volatility. One of the sectors that was really hit with effects aside from the manufacturing sector, the real estate sector was one of those sectors. In the high-interest-rate environment, you also alluded to the fact that credit is very expensive right now. I want to ask, how resilient has the sector been in this macroeconomic environment?

[Tomilola Lawal]

I think in answering that question, I'll first say how resilient Nigerians themselves are. We're resilient people who are born or built for something. Real estate, I'd say, is actually quite resilient. The sector has shown us that it is resilient, and we see this resilience in the fact that there's still a gap that is being filled. There's this supply that is being met with demand because you can see that people are building and people are buying. We thank our diaspora people. We thank other investors who actually purchased them. But the sector has shown that it's actually quite resilient. But I think beyond resilience with the sector and as with Nigeria itself, maybe one thing we should look at is growth.

How do we go beyond resilience and keep building resilience against some of these gaps that are thrown against growth? How do we attain growth and remain stable, and then keep growing and expanding? It still boils down to access to funding, access to capital, and if there's capital and localisation of building materials, this will help us to be a lot more stable. But I think the sector is very resilient. And then you'll see that some landlords, especially in the commercial sector, in the high-end residential sector, you find them quoting in dollars simply because they've been bonds. So, you pay in Naira, but it's also to help bridge the gap and to create some cushion for them in case there's any more devaluation. But real estate is actually very resilient. And we've seen quite a number of movements in the markets in the past few months as well.

[Dr OluwanbePelumi Olanubi]

Right. I think another take-home is localising some of the materials, building materials. I think it's very important. Well, for real estate, it's generally perceived as a very expensive sector. The reason is because of the inputs in that sense. Probably when we start looking inwards, that would be a surprise.

[Tomilola Lawal]

Yeah, you'd actually be surprised at what we can do if we have an enabling environment and opportunity. I'm sure it's probably been on someone's mind, because we haven't fully amassed it or gotten the opportunity to actually express some of the things.

[Dr OluwanbePelumi Olanubi]

Looking forward to the possibility of that, just to build on the issue with resilience and how the sector has evolved in the last five or one or two decades. Which regulatory reform do you experience now, such as the Land Use Act taxation, and then building approvals? Which of these reforms do you think would have the immediate impact on unlocking goods to the sector? If you think by priority, if focus is zoomed in on this particular reform, we would see that it would trigger a significant multiplier impact, not just in employment or affordability, but even economic growth as a whole within the sector.

[Tomilola Lawal]
Like I said earlier, if we want to attain goods, we need capital and funding. I know we've said a lot about the Land Use Act, but I think if we're able to make the whole building approval thing more transparent and easy to access, it could give investors some comfort to probably bring in more income, more funding and all sorts of things into the sector. So, maybe yes, building approvals should be made easy to do and digitised and all sorts, it could also help some form of tax incentives as well. Real estate is already very extensive. Then, by the time you have some of these tax fees and all sorts of things, I'd say a deep reform in the building approval area should be looked at, and some form of tax incentives as well.

[Dr OluwanbePelumi Olanubi]
I also want to ask you, now that I know you mentioned the use of technology, when it comes to making it easier for some of these approval processes. I want to ask what the global best practices are when it comes to the use of technology to transform the real estate sector? Do you think Nigeria is ready to adopt such technologies? What are the things that you think they use in the Western world that have reshaped their own real sector in general, and also impacted the economy? Do you think Nigeria as a country is ready for that? Do we even have the infrastructure to build on that? What do you think we can do, looking at global best practices, when it comes to leveraging technology and the real estate sector?

[Tomilola Lawal]
The funny thing is, we are people who adapt easily, and Nigeria is actually tech hungry. We're tech-hungry people. You find that quite a number of technologies are available here, maybe not as much for what is required. Things like online marketing of properties, the vending system to make it easier for people to access power and also within their property, things like construction material vendors coming together to make it easy for developers to access building materials with credits and also things like blockchain technology.

I think it's not about whether people are ready to use this technology. It's also about what the government is doing to make it smooth and efficient for people to use some of these technologies, especially when you're talking about things like digitalisation of the land registry and all sorts. And how are they making it enabling for people to actually express and use this technology? Because we're doing quite a lot with technology. I know we can improve and expand on them, but it's about the readiness of the government as well.

It's not necessarily the people. I also know that once the government is ready, or once they actually see it very well, they would actually run with it, which I was saying, for example, we've seen with the old passport query and some other sectors. Look at tax, for example. Suddenly, our tax identification number has to be linked with our bank account and all sorts of things. Adapting to these things is not the issue. I know that we have some of these ideas already around in the markets that people are using very well. I think we're good to go, actually. It's just to build further on this and expand it.

[Dr OluwanbePelumi Olanubi]
Thank you. We're heading towards the end of the conversation, and I must say that this has been really insightful. Thank you so much for bringing your rich and broad perspective to the sector. Now let's see Nigeria, beyond Lagos and Abuja, probably also Port Harcourt. There are some of the major cities when it comes to real estate and land. So, what other secondary cities do you think hold one of the biggest potentials for growth? Where are we looking at? What other cities do you think can be leveraged, so that investments can go into? I'm talking about place-specific now. What else do you think we should be looking at when it comes to the biggest potential for growth in real estate?

[Tomilola Lawal]
If we look at the Southwest, we can look at places like Ibadan and Abeokuta. Especially with the railroad infrastructure, it's easy to actually look at some of those places. With the railroad infrastructure, it's easy to leverage that. Cities outside the country, you'll find that London, for example, has people who are working in London but not living in London. And then they use the train and come from different areas into the city centre. You don't have to live within the city centre. It's like a concentric tube where you can actually move outward, expand outward. But once it's easy for you to actually transport yourself to work and all sorts of things, it makes it easier.
You can also look at other places like Aba and Enugu. Aba, for example, we have OBS, where they develop and manufacture wholesale. Why haven't we leveraged on that? These are things we can leverage on, and also city centres that can actually be built around a particular form of maybe manufacturing. Then I'd look at, further north, I'd say places like Kano, Kaduna, because they have a large volume of people. And then, because it's also like the centre, there are major outposts there.

[Dr OluwanbePelumi Olanubi]
Yeah, thank you. We are mindful of what we call smart cities, and we are mindful of organisations. I have one more question, but before then, I just wanted to also talk about building smart cities like Lagos. Is there a national framework that helps to achieve that? Or is it just part investor? Or is there a regulatory body that is ensuring that buildings are green, that they are climate-friendly and sustainable? And generally, we are looking at building in a way that is smart and conducive. What do you think of that, generally within the real estate sector in Nigeria?

[Tomilola Lawal]

Okay, so I won't say a regulatory body, but of course, there are many professional bodies. For example, IFC from the World Bank they are in charge of EDGE certification, which is about building green. We also have the LED certification. And you see the good thing with edge in particular is that even while your building has been completed, you can actually still attain green certification for it, depending on the necessary changes and amendments you're able to make within the building to ensure that it is sustainable. And then you're also using your locale, your location as a benchmark. Okay, let's see how many improvements you can make to get the green certification.

It's funny when people think you're talking about sustainable, building smart cities and all sorts, they think it's really far off, or that you have to have loads of grand ideas and such. I know that there are places for the building materials you use, and some of them are not in the country yet. But things like solar panels, your window orientation, infusing green, and changing your taps, water taps, and also things that are frequent and easy for us to do to ensure that we actually attain green buildings. And then we're able to save on energy, water and ensure that we're building sustainably. What IFC and HEDGE are doing is to encourage people, maintain awareness and be there for people who, okay, you've not built or you've built, or you're at a particular level, and you can actually attain green. And that in the long run, it saves you more costs.

If you're developing to sell, it actually makes your buildings stand out, offices and all sorts. But in terms of regulatory, we have the Green Building Council of Nigeria. We do have that here, but with steep regulations, that's not in place yet. But I think it's something we can work to attain. And then with the government to encourage people to put some of these minute things in places as we're building, or even as we build, to ensure that it's green. Quite a number of people are doing some of these things. I mean, you go to hospitals where they have the old cell taps, and you find that they start changing some of these things. And thanks to the subsidy removal, quite a number of people are now looking at solar panels and how to manage energy and be more efficient.

[Dr OluwanbePelumi Olanubi]

That's where we see the general sense that eventually it's aligning with what the best practices are, and people are open to building sustainably and climate-friendly. And in the real sense, do we have this mindset that it's more expensive? Well, if you look at it, I don't think it is. It's just about shifts in what you believe. And I like the compliance level. But we would like to see a more formidable regulatory body to monitor that so that in another decade or two, we have a climate-resistant environment and we have smart cities.

[Tomilola Lawal]

Africa is where we need this a lot because for most other parts of the country or other parts of the world where there's a lot of development, they've sort of been shaped in a way. Yeah, they're trying to infuse some sustainability and see the climate change that is happening now. We have to find a way to actually make sustainable developments work in Africa, one way or another.

[Dr OluwanbePelumi Olanubi]

I definitely agree with you. Thank you so much.

Lastly, I just want to get your thoughts or to project ahead what the sector would look like. Say, let's take a 10-year window by 2035. What do you think the Nigerian real estate sector would look like in terms of inclusiveness, in terms of competitiveness, in terms of affordability and even integration into global real estate markets? Given the current trajectory and experience, where do you think we are heading in the next 10 years?

[Tomilola Lawal]

Okay. Integration, competitiveness, and inclusiveness. 10 years. I agree, 10 years is quite a long time, as it were, medium. But at the same time, maybe I'll say regional scale, not global. And we can look at areas like industrial hubs, things like the deep sea port, if well-managed, well-assessed, with structures put in place well and all those things. Nigeria could be a hub, an industrial hub for West Africa. That puts us in regional competitiveness as part of the regional players, when you're looking at regionally.

Then maybe institutional development would pay a lot more attention to it. We have things like the rugby school that is in Equal Atlantic City. We have the Charter House. These are institutional developments. And there's a whole range of back work that is going on with keeping the spaces, managing them. You have things like Evercare, a healthcare facility. And we see the way it's actually interwoven with real estate. Things like the Wellington College and all sorts in Alaro City. These are cities, and then you're looking at institutional development there. But I still don't think it's going to get to the global competitiveness level. But at least it puts us out there.

I also think that we could consider things like localisation, as we've mentioned earlier. If we are able to get funding from within us, and maybe from the diaspora markets. In the past, we've had funding that has helped with the retail sector, which has helped with the Grade A offices from SA. Some of those people are still bearing the brunt of some of those developments. I mean, look at ShopRite, for example. But I think if we're able to look inwards and generate income within ourselves, it could also help. Remember, we're Nigerians and we are the only ones that can grow our country and develop our country. Diaspora funding and those things could also help expand. But taking us globally, maybe we're not quite there yet; we never can tell. But some of these things could help. We need to build and grow the sector and the country, and we'll definitely get there over time.

[Dr OluwanbePelumi Olanubi]

I believe that 10 years is long enough for us to actually do that, given that the sector has already proven to be resilient and the sector itself has proven to be a major driver of economic growth. And then, like you said, Nigerians generally are techies, so we love technology, and leveraging tech - nology also would be at our advantage and would also help us out there.

[Tomilola Lawal]

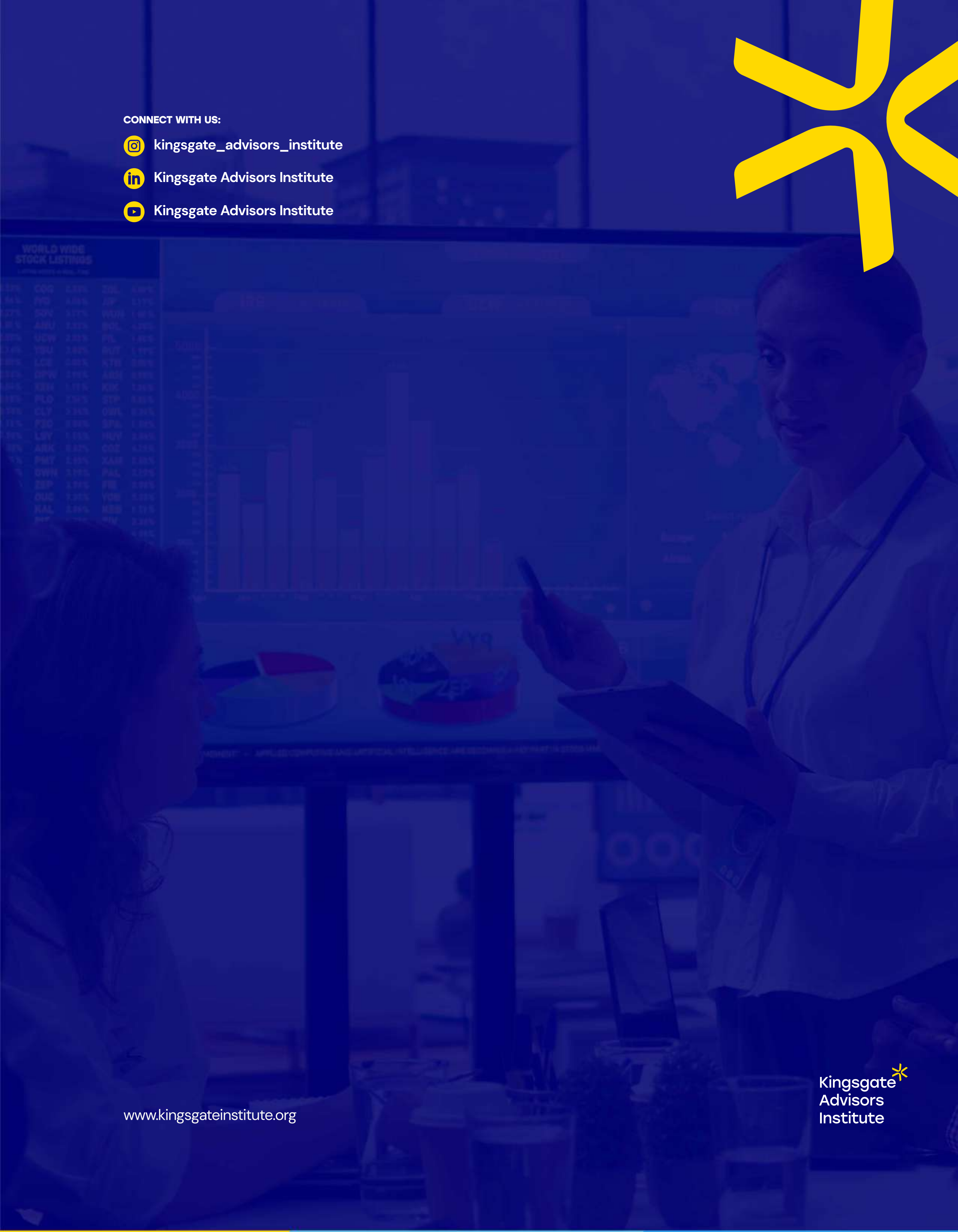
Another thing that could actually drive growth and inclusiveness for us in this sector is the data centres. I just remembered, as you mentioned, that we are tech-hungry people, and we have quite a number of data centres here in Nigeria. If proper infrastructure and developments are put in place for data centres and all sorts within the country, it would also put us out there.

[Dr OluwanbePelumi Olanubi]
Yeah. Thank you so much, and I agree with you.

To our viewers, there you have it. That's another very insightful conversation with Tomilola Bisileko, who, like I said, is one of the members of our board of directors. She's an expert in real estate. You can check our website to see our profile, and then you will see some of the things she has done. Thank you all for joining us for another rich and insightful conversation.
Thank you so much.

To our viewers again, I would like to encourage you to check our YouTube page. We've had a series of discussions over the past couple of months. We even had a deep dive into the GDP itself, the rebased GDP, and the impacts on the Nigerian economic structure. We've had conversations on tax reforms, the impact on businesses, individuals, and even governments themselves, and we've spoken about cybersecurity.
Just check us out.

Thank you, and remain connected. Till I come again your way next time.
Have a good evening and enjoy your day.
All right. Bye everyone.



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