

Problems of Financing Real Estate Development in Nigeria

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ABSTRACT The focus of this study is to examine the problems that are associated with real property development finance in Nigeria. The study attempts to explore the various sources of finance that are available for real property development with a view to determining the problems that hamper effective flow of fund. To achieve this, some estate surveying and valuation firms in Abuja that engage in real property development, some financial institutions that fund property development and some developers were examined through the use of questionnaires in order to identify some of the problems that confront real estate development in terms of fundings. Simple descriptive statistical methods were used for the analysis and presentation of the data. The study shows clearly those problems ranging from high interest rates to that of the numerous requirements from applicants for loan, which in most cases they find difficult to meet, bedevilled the financing of real properties in Nigeria. Besides, the inflationary rate in the country also contributes to the problems of financing real property development in Nigeria. It recommended among others that the Nigerian government should try to solve its economic problems such as inflation in order to minimise the problems that plague the financing of real estate development.

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