VOICE OF BRANDS
THE AFRICAN BRANDS
www.theafricanbrands.org
JUNE - JULY 2022

SPECIAL EDITION

AFRICA'S REAL ESTATE INNOVATORS 2022

How To Analyze A Real Estate Investment

Real Estate Markets in Africa

---

10 Ways Africans can make money investing in real estate

THE AFRICAN BRANDS
JUNE - JULY 2022

SOW
REAL ESTATE
focused on delivery

Sow Real Estate is a world-class luxury real estate super brand with its core interest in the delivery of mass housing and luxury apartments ow is currently developing estates and cities at 8 different locations in the Federal Capital Territory It is our mandate to systematically provide structure and infrastructure reflective of today's technological advancement to meet the basic needs of housing With perfection, detail and superior quality exhibited in all our projects, owning a SOW property is certainly a living experience worth having.

KATAMPE EXTENSION


4 Bedroom Detached Duplex + BQ.

AVAILABLE FOR SALE

- 250SQM for 4 Bedroom Terrace Duplex
- 500SQM for 4 Bedroom Fully Detached Duplex
- 800SQM for 4units of 3BEDROOM Terrace Duplex

LIFECAMP

AVAILABLE FOR SALE

- 4 Bedroom fully detached duplex + BQ
- 3 and 4 Bedroom Terrace Duplex

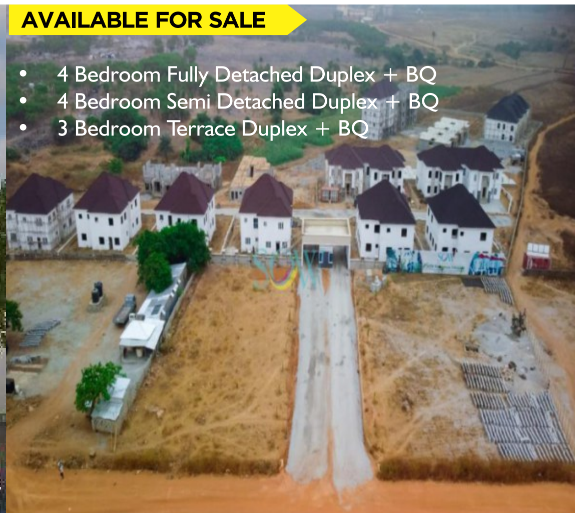

4 Bedroom Terrace


4 Bedroom Fully Detached Duplex with BQ

KARSANA

AVAILABLE FOR SALE

- 4 Bedroom Fully Detached Duplex + BQ
- 4 Bedroom Semi Detached Duplex + BQ
- 3 Bedroom Terrace Duplex + BQ



HEAD OFFICE: No 7 Yedseram Street ,Maitama, Abuja
BRANCH OFFICES: No 28A Embu Street, off Aminu Kano Cresent Wuse 2 Abuja.
No 20 Bujumbura Street,Wuse 2, Abuja
PHONE: 0815 019 0009, 0811 891 6996 **WEBSITE:** www.sowprojectsafrica.com **EMAIL:** sowinfoafrica@gmail.com

VOICE OF BRANDS THE AFRICAN BRANDS

www.theafricanbrands.org

Editorial Team

Publisher
The African Brands Media Ltd

Editor in Chief / CEO
Mr. Desmond Esorougwe

Managing Director
Mrs. Ifeoma Favour Esorougwe

Editor
Emeka Nwaiwu

Creative Director
Dotedlines

Business Development
Esther Akpan

Editorial Advisers
Daniel Obi
Raheem Akingbola
Godie Ofose
David Mba
Dr. Friday Asiwobe

CONTENTS

Editor's Note

Different Ways To Make Money as a Real Estate Investor

DESMOND ESOROUGWE
Chief Editor

There are several ways you can make money via investing in real estate:

(1) Appreciation of Real Estate
When property increases in value due to a change in the real estate market, the land around your property becoming scarcer or busier like when a major shopping center is built next door or upgrades you put into your real estate investment to make it more attractive to potential buyers or renters. Real estate appreciation is a tricky game. It is riskier than investing for cash flow income.

(2) Cash Flow Income
This type of real estate investment focuses on buying a real estate property, such as an apartment building, and operating it, so you collect a stream of cash from rent, which is the money a tenant pays you to use your property for a specific amount of time. Cash flow income can be generated from well-run storage units, car washes, apartment buildings, office buildings, rental houses, and more.

(3) Real Estate Related Income
It is income generated by "specialists" in the real estate industry such as real estate brokers, who make money through commissions from buying and selling a property, or real estate management companies who get to keep a percentage of rents in exchange for running the day-to-day operations of a property. This type of real estate related income is easy to understand. For example, a hotel management company gets to keep 5 percent of a hotel's sales for taking care of the day-to-day operations such as hiring maids, running the front desk, mowing the lawn, and washing the towels.

(4) Ancillary Real Estate Investment Income
For some real estate investments, this can be a huge source of profit. Ancillary real estate investment income includes things like vending machines in office buildings or laundry facilities in low-rent apartments. In effect, they serve as mini-businesses within a bigger real estate investment, letting you make money from a semi-captive collection of customers.

Real Estate Markets in Africa

Mrs. Ifeoma Favour Esorougwe

From increased foreign direct investment, shifting occupier patterns to ecommerce, 2022 is expected to be a record year for the real estate market in Africa. However, a divergence continues to exist in market performance across key markets in the continent. Below we identify the factors likely to impact performance in Africa's top markets and the key sectors to watch out for in these markets.

Real Estate Boom in Egypt set to continue

The Egyptian real estate market has generally emerged as a winner from the pandemic. The sector grew by 8% in 2021 according to the Ministry of Planning, with developers noting that the local real estate sector remains stable for the first time in 15 years. Overall, the market attracted approximately US$10 billion in sales in 2021 with further foreign investments of US$ 500million underpinning the growing investor confidence in the market.

This stability across the property cycle makes the general real estate market across all sectors one to watch out for in 2022, especially for core capital allocation. The residential sector in specific is set to be a stand out performer underpinned by increased foreign investments as well as a decline in interest rates allowing for increased

investments. As a result, the sector is set to record steady demand as well as increased supply in the number of completed units as highlighted by the Egyptian Businessmen Association.

Growth expected in Nairobi's real estate market despite economic and political uncertainty.

Kenya's real estate sector grew by 5.2% in the third quarter of 2021. This represented an increase in comparison to the 3.7% increase recorded in the corresponding quarter in 2020 (Kenya National Bureau of Statistics). Over the same period, the number of land transactions more than doubled from the 1,734 transactions recorded in 2020 according to the Ministry of Lands and Physical Planning, underscoring the return to market activity in the real estate market. Whilst this increased activity is set to continue throughout 2022, currency fluctuations and political uncertainty against the backdrop of the upcoming general election are set to weigh on the momentum gained by the sector with overall GDP growth projected to slow to 5.9% in 2022 from 8% in 2021 according to the Central Bank of Kenya.

That said, the prime office market will remain a key sector to watch out for in the market with Nairobi's position as a regional hub being buoyed by the inauguration of the Global Trade Center tower as well as the establishment of the Nairobi International Financial Centre. Combined with pent up demand for prime offices, vacancy levels are set to remain low with major office parks such as the Garden City Business Park recording occupancy levels above 90%.

Emerging hotspots to steer growth in Nigeria's real estate market

The Nigeria real estate market remained relatively resilient in the year to December 2021 in a return to market activity. However, key sectors such as the office and hospitality sector remained subdued with offices recording vacancy levels of up to 36% for Grade B offices and the hospitality sector recording low occupancy levels of 55%.

That said, we anticipate the market will continue growing with sectors such as residential, logistics and healthcare, fueling this growth. Increased demand coupled with limited supply in the residential sector in

particular, are set to underpin the sector's performance in 2022. What's more, increased infrastructure developments are set to result in key emerging hotspots in areas such as Epe and Yaba that are expected to outpace the overall residential market. These areas recorded a surge in demand over the past year and have seen their overall rental yields track the average market rate of 5% at 4.3% and 5% respectively.

Investors demand to fuel Ghana's real estate market

According to the Ghana Investment Promotion Center, the country attracted $2.65bn in foreign direct investment (FDI) inflows in 2020, the highest amount in West Africa. This growth continued in 2021 with the country recording over $800mn in FDI during the first half of the year. The real estate sector in particular remains among the most attractive sectors due to its strong income profile with annual yields averaging 10% across the retail, office and industrial properties.

This trend is set to continue in 2022 against the backdrop of Ghana's 'Year of the return' campaign aimed at encouraging investments from Africans living in the diaspora. Headwinds in the form of rising debt burden and the subsequent degradation in the Fitch ratings to a negative outlook are yet to temper buyer confidence with demand across all sectors expected to continue growing. The residential sector in particular will be a key sector to watch out for, fueled by strong market fundamentals such as demographics and key government interventions aimed at reducing interest rates.

Business confidence build back to boost logistics demand in South Africa

The resurgence in Covid-19 caseloads and their resultant impact on the business environment has crumpled South Africa's growth forecasts to 1.9% in 2022 from 4.6% in 2021 according to the IMF. However, business confidence remains resilient underpinned by major fiscal and monetary regulatory initiatives undertaken by the government. The South African Chamber of Commerce and Industry Business Confidence Index (SACCI BCI) averaged 94.0 for the first eleven months of 2021 and was 8.2 index points higher than the 85.8 average for the corresponding period in 2020 underscoring this positive outlook.

This optimism is set to trickle down to the real estate market with the market expected to remain resilient in 2022. The logistics sector in particular will be a key market to watch out for, fueled by the growing ecommerce market and steady demand for prime logistics facilities. According to Rode's industrial survey, the sector recorded a 3.7% y-o-y increase in nominal rent in Q4 2021 amidst low vacancy levels, ending the year as the top performing property market.

10 Ways Africans can make money investing in real estate

- Esther Akpan

Real estate is a profitable sector in Sub-Saharan Africa due to the region's fast-rising population and high demand for accommodation. Already, some investors are making a fortune by pushing up property/rent prices in several cities across the continent, thus making real estate ideal for potential new investors.

But do Africans know the proven ways to make money in the real estate sector? Below are some proven real estate money-making strategies that will help you generate profits. These strategies were culled from several reliable sources, including Investopedia.

1. Long-term Residential rentals

A report by Investopedia shows that residential rentals are one of the fastest ways to make money in real estate. With the fast-rising population in Africa, there is always a need for shelter. Africans can benefit from real estate with residential rentals in safe neighborhoods with good schools and access to water and public transit. People want to walk freely and interact with the community without security risks, making a safe location ideal for long-term residential rentals.

2. Real Estate Investment Trusts (REITs)

Real estate investment trusts (REITs) allow investors to earn rewards without holding physical property. REITs offer diversity opportunities to investors, primarily in the market niches. Africans can buy and sell real estate investment trusts in the open market for rewards.

According to Markets Study Guide, REITs "pool in the money collected from a lot of investors. Then they use money from this pool to invest long term in properties. However, the individual investor need not be in for a long term investment."

3. Contract flipping

The American Apartment Owners Association defined contract flipping as transferring the right to purchase a property to another buyer. The process involves signing the agreement of a property for sale and flipping the contract to a new buyer. Africans can make money with contract flipping by bringing buyers and sellers together.

Creative Africans can update and modernize a property to earn a fortune in real estate. If you can identify property areas that require value, consider commercial real estate.

Available information on Fortune Builders show that contract flipping is a great way for new investors to start real estate. New African investors can act as an intermediary between property owners and buyers for rewarding opportunities.

4. Commercial real estate

Investopedia describes commercial real estate as properties used for business purposes to generate income. Most commercial real estate developers add value to properties through renovations and upgrades for the purpose of increasing profit margins.

Creative Africans can update and modernize a property to earn a fortune in real estate. If you can identify property areas that require value, consider commercial real estate.

5. Lease options

There are immense opportunities in the real estate market, primarily through lease options. Many investors earn rewards in real estate without significant capital with lease options.

Investopedia defines a lease option as an agreement that lets you buy the rented property at the end of a specified period. Note that the agreement prohibits the owner from selling the property to anyone else. Africans can benefit from this trillion-dollar opportunity in the real estate markets.

6. Short sales

Short sales are ideal for homeowners who are behind their mortgage payments. According to Investopedia, short sales happen when a financially distressed property owner agrees with a mortgage lender to facilitate the sale of a property.

Short sales present money-making opportunities for Africans, as it does not require them to invest in renovations. While a short sale can take time, it has a high-profit return. Also, short sales are profitable since investors can negotiate the price of a property below its market value.

7. Vacation rentals

According to a report by Right Era Properties, a vacation rental is a lucrative path to profits in real estate. Vacation rentals involve renting an apartment or house out for a short period.

Africans in major cities on the continent can earn lucrative passive income with vacation rentals. The best part is that Africans do not need to own these properties to earn passive income. Communication and negotiation skills come in handy, especially when dealing with homeowners.

8. Home-renovation flips

According to Forbes, renovating and flipping homes is lucrative with a high-profit margin. Home renovation involves buying a property to rehab and sell on the market. Available information on Flippers Prosperity revealed that negotiating and networking

Africans in major cities on the continent can earn lucrative passive income with vacation rentals. The best part is that Africans do not need to own these properties to earn passive income

skills are essential in real estate.

Africans with excellent negotiating skills can earn a fortune in this market. Your negotiating and networking with contractors, agents, wholesalers, and other investors determine your level of success in this business.

9. Hard-money lending

Available information on Home Guides has shown that hard-money lending is a smart way for investors to acquire properties quickly. Unlike traditional banks, most hard-money lenders offer loans based on the property value for brief periods.

Lenders offer short-term loans with interest rates to commercials and residential real estate buyers. While hard-money lending requires capital, Africans can generate good profits in the short term.

10. Real Estate ETFs and Mutual Funds

Investopedia describes real estate ETFs and mutual funds as professionally managed pooled investments. Investors buy ETFs and mutual funds to get real estate investment trusts without evaluating individual REITs. Exchange-traded funds trade like individual stocks, and Africans with market experience can make money with the system.

Conclusion

Now that you know proven ways to make money in the

real estate market, consider extensive research before investing. Instead of investing without foresight, consider researching the property location, neighborhood and valuation. Africans who can think outside the box make good profits from the real estate market, but research is vital.

How To Analyze A Real Estate Investment

- Emeka Nwaiwu

Real estate is the world's largest asset class, and for good reason: It's both capital-intensive and relatively accessible. According to Savills World Research, the value of global real estate reached an estimated $280.6 trillion at the end of 2017, making up more than 77 percent of the world's wealth.

Real estate is often the primary source of wealth for individuals and the biggest investment many make in their lives. Consider the building you're in right now. It may be owned by a company or person to whom you or a business pays rent. It could be your home that you own or pay a mortgage on, or a hotel you're paying to stay at.

Because of its accessibility and history of high returns, real estate is an incredibly popular alternative investment option for individuals. But how can you get involved in real estate, and how do you know if a property is a wise investment decision?

To succeed as a real estate investor, you need to understand the four key factors to consider when analyzing a potential investment. Before diving into these factors, here's a primer on the five types of real estate and how to invest.

5 TYPES OF REAL ESTATE AND HOW TO INVEST

If you're interested in entering the world of real estate investment, there are five types of real estate to consider:

Office
Industrial
Housing (multi- or single-family)
Hotel
Retail
Each type of real estate has nuances, including lease length, building permits, and property laws. Make sure to research these nuances by geographic location when deciding which real estate investment type makes sense for you.

There are several ways you can get involved as an individual investor, including owning property outright and contributing capital to a real estate venture or real estate investment trust (REIT). Each has its advantages and disadvantages, namely when it comes to control over the investment property and opportunities for diversification.

Owning property provides you with the most control over your investment. For instance, imagine you decide to buy an apartment building in Boston and do so by leveraging debt. As the landlord, you can choose who to lease the apartments to, how much to charge for rent, and how much money to put into the property to increase its appeal and value. Owning one building doesn't make for a diverse portfolio, however, leaving you vulnerable to anything that could damage the building or its appeal, such as a fire or pest infestation.

On the other hand, contributing to a real estate venture, fund, or REIT gives you less control over investment properties but more opportunities to diversify. For instance, say you contribute a small amount of money into an apartment building in Chicago, another sum into a new office building in New York City, and a bit more into a retail space in Denver. While the managing body controls the investments, you're able to spread out your contributions to mitigate risk and potentially tap into returns from several unique properties.
There's no single correct way to invest in real estate, but there are several factors to consider when selecting an investment opportunity.

FACTORS TO CONSIDER IN A POTENTIAL REAL ESTATE INVESTMENT

To analyze a real estate investment opportunity, you need to consider four factors. These factors can be visualized using the real estate diamond framework, introduced by Harvard Business School Professor Arthur Segel in the online course Alternative Investments. It shows how four factors—product, people, external environment, and capital markets—are interconnected in the real estate investment space.

1. The Product

In real estate, the product is the building and the land it sits on. When assessing an investment opportunity, one major advantage of real estate is being able to physically see, touch, and experience property for yourself. The goal with any investment is to increase the product's value so you can earn a return. With that in mind, assess the product for anything that may decrease its value.

Consider items such as:

Infrastructure: Is the building physically sound and up to code? Are there built-in design flaws—for instance, floor plan, fixtures, or wall thickness—that could make the space unappealing?

Signs of damage: Think mold, plumbing issues, faulty heating and cooling systems—anything that could make the space unlivable.

Physical location: Is the property close to highways, public transportation, offices, parking, green space, or stores and restaurants? Consider the appeal of renting the space from the renter's perspective and of visiting the space from the perspective of their business's potential patrons.
Local supply and demand: What are vacancy and absorption rates like in the area at the time?
Projected costs: Are there any improvement projects that need to be done? How will maintenance requests be handled? What are property tax rates like in the area?
The property itself provides much to consider when analyzing an investment opportunity, but it doesn't exist in a vacuum.

2. The People
Something unique about real estate as compared to other types of investments is the flexibility of its deal structure and how much of an investment's success relies on maintaining good relationships.

In Alternative Investments, Segel lists just a few of the people you need to have a positive relationship with when investing in a new building:

Fire chief
Police chief
Building architect
Neighbors
Lawyers
Contractors
Subcontractors
Roof inspector
Elevator inspector
"The list of relationships you need to manage goes on and on," Segel says. "It's these various ad-hoc relationships and working with many kinds of people—that's what makes this business so much fun."

Because of real estate's flexible deal structure, Segel advises investors to brush up on their negotiation skills.

"Because real estate has non-standard pricing and flexible deal structuring, everything and any transaction is a negotiation," he says.

When analyzing a potential investment, consider the relationships you have with the people involved. If there are existing strained relationships, perhaps this isn't the right investment for you. With so much riding on how you interact with others, it can literally pay off to have a good rapport and negotiation skills.

3. The External Environment
While any investment is risky, the real estate field is especially susceptible to factors outside the investor's control. Because your investment is in a physical building or set of buildings, the way your investment performs will be impacted by countless external environmental factors, such as:

Weather and natural disasters
Changes in local or national laws
The coronavirus (COVID-19) pandemic
Shifting demographics in the area
Technological advancements
One example of a technological advancement Segel describes in Alternative Investments is the rise of 3D-printed homes. Most often used in areas that need more housing at a rapid pace, 3D-printed homes aren't extremely expensive to create and could change the way the real estate industry looks at new builds.

"Every property type is affected by these new technologies," Segel says. "It's going to be fascinating to see how this industry adapts."

While it's impossible to account for the multitude of external factors when analyzing a potential investment, it's useful to consider as many as possible and be prepared for the unexpected.

4. The Capital Markets
Once you've determined that a property is a good investment choice in terms of the people involved, external environment, and product itself, how will you fund your investment? This is where capital markets come in.

Capital markets are defined in Alternative Investments as the channels through which those who have capital to invest connect with those who can put that capital to profitable use. It's worth noting that capital markets are governed by local laws, real estate market structure, and investment trends, so when deciding where to invest, consider the capital markets available to you and how they may differ from each other.

Because real estate is a capital-intensive industry—meaning you need a lot of cash upfront to invest—many choose to finance investments using debt, commonly referred to as "employing leverage." Debt secured by a property is referred to as a mortgage, which makes up the largest asset class in the United States.

The other investment method at your disposal is equity, which grants you a share of a property's profits in exchange for upfront investment in the purchase of it. Typically, an equity investor's returns will be seen when a property is refinanced or sold outright.

Both debt and equity can be employed through private and public market channels when financing real estate investments. Private real estate transactions typically occur between the two principals involved, whereas public real estate transactions are often made between parties representing others. Private transactions are most common in real estate, but public transactions present an opportunity for higher liquidity.

When analyzing a real estate investment opportunity, consider which capital market makes the most sense for your financial situation and goals.

MAKING WISE REAL ESTATE INVESTMENTS
To effectively analyze a potential real estate investment, you need to consider each facet of the real estate diamond. By considering these four factors, you can gain an informed picture of the investment opportunity and decide if the property is worth it.

While the real estate diamond presents a clear visualization of key factors to consider, the real estate investment space is nuanced and requires dedicated study to master. If you're interested in deepening your knowledge of real estate and other alternative investments, consider taking the online course Alternative Investments to gain the skills necessary to make wise investments and build diverse portfolios.

REAL ESTATE

THE IDEAL INVESTMENT OPTION

Know why buying a property has become a top choice for investors and home buyer alike.

Why Real Estate Is An Ideal Investment?

- 'Bidemi Ayoola

STABILITY AND GROWTH:
There are a number of investment options like the share market, mutual funds, ELSS schemes, etc. available in the market. However, they are subject to market risk i.e. On a good day you may see a great return but on a bad, you may lose your principal amount. Real estate is one such investment option, where on a good day your property might appreciate twofold while on a bad day, it will just remain stable. Thereby protecting your initial investment amount.

A TANGIBLE ASSET WITH HIGH VALUE:
A home may be an immovable property. It counts as an appreciating asset against a car that is depreciating but also plays a huge role in understanding the net worth of an individual. Moreover, it can also be put on rent and can be an income-generating asset. One can also invest in land and hold it for longer duration till they get the right price for it.

FLUCTUATING INTEREST RATES:
The interest rate for a mortgage loan may go through several ups and down cycles. Therefore, you can be sure that you benefit from falling interest rates at some point of time. To encourage more and more people to buy their own homes, the government of India provides subsidies, gives tax deduction on interest paid on the home loans.

TIER-TWO CITIES ON A FAST-PACED GROWTH:
Due to high price of homes in the first-tier cities, home buyers consider second-tier cities in search of better homes, lifestyle, and value. This trend is likely to continue and increase over time. The influx of capital to second-tier markets tends to ensure that better infrastructure and residential options are built thereby leading to price appreciation.

MORE AND MORE MILLENNIAL INTERESTED IN BUYING HOMES:

Millennial identify owning a home as a goal because they are redefining life priorities by keeping home ownership on top of their list. With the growing independence of millennial women as well as government provision which makes it easy to buy a home is a result this trend is increasing at a fast pace. Since many millennial are at prime home-buying age they continue to push trends in the real estate industry. They represent demand which could convert to a million home purchases. According to sources the year 2020 will mark the peak of a millennial home purchase. It is expected that for the next decade there will be a larger market share represented by this generation.

A PLACE TO CALL HOME:

In the end Investing in real estate can also help you ensure that you have a place to call home. A Lot of millennials working in metros invest in tier 2 cities and put these homes on rent. The idea is to have an income-generating asset for them. Also whenever they want they can always move to these cities and start living in their own homes.

GOVT. POLICIES AND RERA REGULATIONS:

Real estate is a more mature asset. Much changes occur in the real estate market over years owing to several new Govt. policies and regulations. Investing in this sector is now much more comfortable and safe. RERA Act ensures that fraud and misleading communications are dealt with seriously but also has set down a standard procedure that every real estate developer has to follow.

With proper planning and knowledge take the first step to owning a real estate property. There a number of developers that are available in the market, hence it is important to research every detail carefully and understand which property best suits your need. You can also approach experts who usually deal with these properties to guide you in the right path.

How to Begin Investing in Real Estate

- Emeka Nwaiwu

An unusually long and harsh winter is delaying the start of the spring housing market, but for the investment-minded, continued low interest rates and high demand for rentals appear to outline an opportunity.

Institutional investors and their buckets of cash have dominated many markets for the past several years, according to real estate data cruncher CoreLogic. But at the end of 2014, cash sales declined to a national average of 36.1 percent, down from 38.8 percent in November 2013. CoreLogic also reported that the foreclosure inventory declined 34 percent at the end of 2014. That means individual investors are starting to have a shot at lower-priced properties ripe for fixing up and renting, real estate professionals say.

If you are thinking of tiptoeing into real estate as an investment, you have two basic approaches, says Leonard Baron, a lecturer at San Diego State University and author of several self-published guides to investing in real estate.

Buying shares in a real estate investment trust. You can invest in a REIT, but doing so involves buying shares of a portfolio of properties. "It's really more like buying a stock or buying into a fund," Baron says. "It's a completely different animal from owning real estate directly."

"There are three layers of value – the real estate itself, the management and cash flow that supports the trust, and the fund based on the trust," explains Gary Gastineau, founder of ETFConsultants.com, based in Bonita Springs, Florida. "It's a very different vehicle than buying real estate, but most of us can't just go out and buy 1 percent of a skyscraper."

Adding a REIT to your portfolio can complement stock and bond funds, Gastineau says, but you must be sure you understand how the real estate fund is designed and how its managers will likely extract value from the holdings. You can buy shares of REITs and real estate-based funds, but the performance of the funds is based on both cash flow and gains from occasionally selling properties – a very different scenario from the typical performance drivers of stock and bond funds.

Direct ownership. This is anything but a passive investment, Baron says. "People think it's easy money, that there's not a lot of work, that tenants will pay on time and that pipes never leak," he says.

Some individuals enter the market by buying a small apartment building, he explains. You should research diligently to find a good deal on a building that produces positive cash flow and has no hidden defects that will require expensive repairs. Don't take investment guidance from a real estate agent, Baron warns.

To them, everything is a good investment, because they only win a commission when you buy.

Don't assume your personal experience as a homeowner translates to managing rentals, just on a bigger scale, he adds. From complying with fair housing rental regulations to insurance, to making sure the property complies with building codes and common-sense safety guidelines, property management dominates your wallet and your time. "It's a very complicated asset. But because it's a physical asset, people think it isn't complicated," Baron says. "People way underestimate the number of issues that come up."

One way to test your tolerance for being a landlord is to buy a duplex or a small apartment building, with the aim of living in one unit and renting the others.

A nascent rebound seems to be buoyed by millennials who are edging into the market as owner-occupants. Thin on cash, 20-somethings are finding they can gain a toehold into homeownership by buying a small, multiunit property, such as a duplex or three-apartment building. Their plan is to live in one unit and rent out the others, says John Mosey, president and CEO of Northstar MLS, a Saint Paul, Minnesota-based data service for real estate brokers.

Although this arrangement can stretch down payment dollars, it also demands a Himalayan learning curve: first-time homeownership simultaneous with first-time landlord.

The most important consideration for potential first-time landlords is to not assume today's rising rental rates will lift future cash flow, Mosey says. Today's tight rental market will be eased as projects under construction enter the market. That means rents will level off, so it's best to work cash flow and return numbers using conservative projections, Mosey says.

Key cash-flow factors include not only predictable costs, such as property taxes, but also variables that can affect the appeal of the units to potential renters. For example, Mosey says, you may think including heat and water in the monthly rent will attract renters. But the actual cost of heat and water is quite different for a single occupant compared with a unit shared by three roommates. The more water and heat they use, the less money you keep.

Two new tools provide additional guidance, data and resources for calculating the cost and return of buying investment properties.

TLCEngine estimates the "true lifestyle cost" of owning a property. It is in the process of being included in listings available through Northstar as this spring's listings are brought online, Mosey says.

"The classic spreadsheet is that you consider for homeownership the carrying cost of principal and interest, but there are other factors, such as schools, utilities and commuting costs, that affect the cost of actually living in the property," Mosey says. "TLC calculates those, which can

help you figure out how much you will spend monthly if you are living in the property – and the same costs will help you market a unit to renters, too. It helps you make an informed decision."

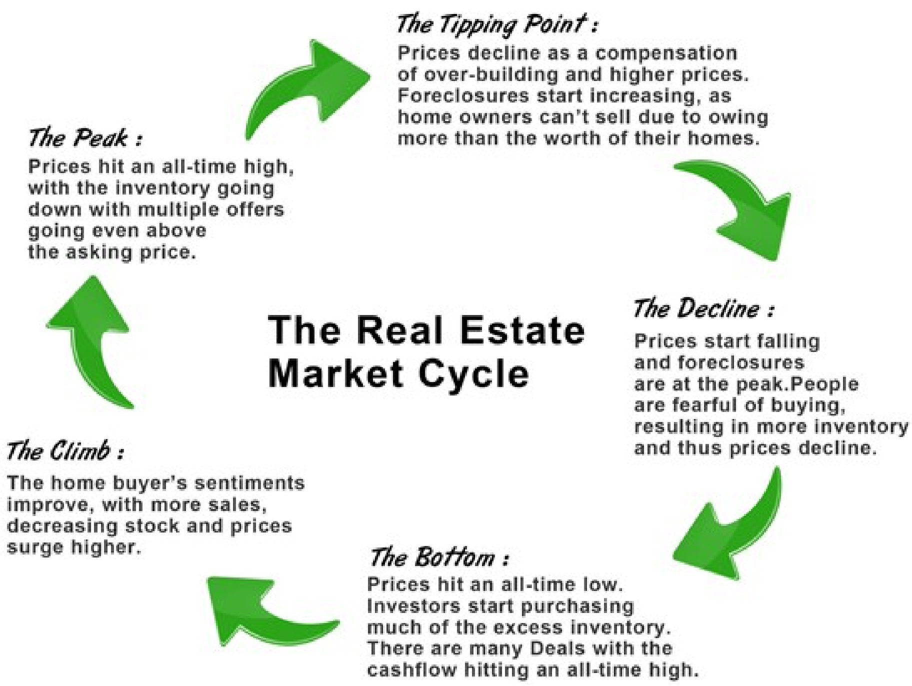
Krishna Malyala, founder and CEO of TLCEngine, came up with the idea as he and his wife were struggling to figure out exactly how much house they could afford. "The monthly payment wasn't the end of the story," Malyala says. "I couldn't base my decision just on the mortgage."

Malyala, who is a financial data analyst, created a spreadsheet to calculate the relative cost of owning various properties he and his wife were considering, and he realized other consumers would probably be interested in his tool, too.

Although a consumer version of the tool is underway, buyers can ask their agents to use it to understand the factors potential renters will consider as they look at rentals, and thus how a landlord can market and price a property to cover the actual carrying cost, plus a return. "You can quickly figure out if you can get positive cash flow," Malyala says.

Another new tool, Down Payment Resource, helps buyers find programs that may help them with down payment assistance.

It's a a new service that buyers and lenders can use to find applicable programs. Rob Chrane, president and founder of Atlanta-based Down Payment Resource, says many programs include owner-occupied properties of up to four units, opening the way for first-timers to build equity and capture income, too.



Digitisation and Increase in Cyber Attacks

- Mrs. Ifeoma Favour Esorougwe

Following the emergence of Fintech companies, there have been heightened competition between banks and Fintech as the former thrive to stay relevant and the latter struggle to scale. Most banks have digitally transformed their existing operation and are entering into strategic partnership with Fintech for improved customer benefit and experience. Many countries in Africa are experiencing a significant transformation of their financial sectors as they move to digital financial services. However, on the heels of the increase in digitization is the threat of cyber attacks to the digital financial infrastructure.

These cyber attacks which are a threat to financial stability, have gained momentum since the covid 19 pandemic. In October 2020 in Uganda, major tech players were hacked for four days which disrupted service transaction. In Nigeria at about same period, major techs were also hacked with airtime and data distributed to mobile users by the hacker with the twitter account name "anonymous". There were also allegations that several other banks were hacked by this "anonymous". Although these banks have dismissed the allegations as mere rumours, the increase in cyberattack is a real time threat to stakeholders in the financial and technology sector. The question is how best to organize protection across governments, financial authorities and industry and how to leverage resources effectively and efficiently?

-First, there is the need to build effective domestic relationships across the continent among financial authorities, law enforcement and relevant government actors. *A co-ordinated regulatory framework and procedure will go a long way to curb the menace.*

-To strengthen cyber resilience, the Financial Stability Bank will need to develop a basic framework for supervising cyber risk management at financial institutions. Governments and industry should strengthen security by sharing information on threats and by creating financial computer

emergency response teams (CERTs)

Harmonization of laws on cyber security would be helpful for efficient and effective information sharing and cross border investigation and this can be easily achieved by signing and ratifying a common convention on Cybercrime or integrating the provisions of the convention into local law. One good example of a comprehensive legislation against cybercrime is the Budapest convention. Unfortunately, it has not been ratified by any Africa Country.

Also, the importance of educating consumers and businesses on cybercrime and how to protect themselves cannot be overemphasized. Sensitization is key to combating cyber attacks.

In conclusion, Fintech has disrupted the way traditional institutions provide financial services and how customers interact with the financial sector. Innovative financial technologies have a pivotal role to play in making financial products accessible to more people. While Fintech companies have been disruptive, they do not have to be the death knell for banks. There is the need for collaboration between the banks and the fintech companies to provide impactful new financial products that offers improved experience for existing consumer and expand outreach to the unbanked and undeserved population. As much as Regulators are focused on driving inclusion, there is the need to understand that fintech is a viable tool that can help achieve massive results if well regulated, developed and utilized.

Creative Ways To Invest In Real Estate

-'Bidemi Ayoola

There are many ways to invest in real estate. And, with so many opportunities out there, it can be hard to figure out which ones will yield you the best results. But don't worry. The following blog post has creative and interesting ideas for investing in property that you may not have considered before.

Rental Properties
Having rental properties is a great way to invest in real estate. When you have rental properties, it is your job to find good tenants and maintain them well. This may require some work on your part, but this will pay off when you get to see that rent check every month.

Fix and Flip
If you love challenges and enjoy making money by putting in a lot of hard work, then the fix and flip investment is for you. Fixing up old homes can be a tricky business. However, this type of real estate investing will allow you to see your payoff very quickly.

Real Estate Investment Groups
REIGs is suitable for individuals who are after owning rental real estate but don't want to deal with the stress of running it. You will need a capital cushion to invest in REIGs, but the benefits are many.

Commercial Real Estate
CRE is an excellent option for real estate investors who want to earn big bucks with their investments. You can set up your own business or work as a contractor in this industry, and you will enjoy great returns on your investment.

Wholesaling
Wholesaling real estate for beginners is great for investors who are looking to get started right away. You can make quick cash when you invest in this type of real estate, and it does not require much money on your part.

Real Estate Crowdfunding
If you want to earn big bucks in a shorter time frame, this investment option is perfect. You can become a real estate investor with the help of crowdfunding, and it only requires small investments from you. Crowdfunding is a great way to become an investor and earn returns on your investments. You can join real estate crowdfunding and invest in properties or projects you like, helping them achieve their goals while earning

yourself some money. This type of investment requires small amounts from investors but allows fast results.

Private Lending
This type of investing is great for those who have the capital to spare but don't want high-stress investment. In private lending, you will earn a lot without putting in too much effort.

Land Investment
Investing in land is a great way to build wealth, especially if you are not looking for immediate returns. You can buy plots of land at low prices and wait until the time comes when they are worth more money. Then, you will be able to sell them off. This type of real estate investing requires patience but can pay off big time.

Real Estate Investment Trusts
REITs are investment funds that buy and manage different types of real estate assets. You can invest in these trusts to earn passive income, which means you will get paid even when you are not physically working. This type of investment is perfect for those who want an easy way to earn big bucks.

The Most Important Factors for Real Estate Investing

- Esther Akpan

1. Property Location

Why It's Important

The adage "location, location, location" is still king and continues to be the most important factor for profitability in real estate investing. Proximity to amenities, green space, scenic views, and the neighborhood's status factor prominently into residential property valuations. Closeness to markets, warehouses, transport hubs, freeways, and tax-exempt areas play an important role in commercial property valuations.

What to Look For

A key when considering property location is the mid-to-long-term view regarding how the area is expected to evolve over the investment period. For example, today's peaceful open land at the back of a residential building could someday become a noisy manufacturing facility, diminishing its value. Thoroughly review the ownership and intended usage of the immediate areas where you plan to invest.

One way to collect information about what are the prospects of the vicinity of the property you are considering is to contact town hall or other public agencies in charge of zoning and urban planning. This will give you access to the long-term area planning and make a determination how favorable or unfavorable to your own plan for the property.

2. Valuation of the Property

Why It's Important

Property valuation is important for financing during the purchase, listing price, investment analysis, insurance, and taxation—they all depend on real estate valuation.

What to Look For

Commonly used real estate valuation methods include:

Sales comparison approach

- : recent comparable sales of properties with similar characteristics—most common and suitable for both new and old properties

Cost approach

- : the cost of the land and construction, minus depreciation—suitable for new construction

Income approach

- : based on expected cash inflows—suitable for rentals

3. Investment Purpose and Investment Horizon

Why It's Important

Given the low liquidity and high-value investment in real estate, a lack of clarity on purpose may lead to unexpected results, including financial distress—especially if the investment is mortgaged.

What to Look For

Identify which of the following broad categories suits your purpose, and then plan accordingly:

- **Buy and self-use.** Here you will save on rent and have the benefit of self-utilization, while also getting value appreciation.

- **Buy and lease.** This offers regular income and long-term value appreciation. However, the temperament to be a landlord is needed to handle possible disputes and legal issues, manage tenants, repair work, etc.
- **Buy and sell (short-term).** This is generally for quick, small to medium profit—the typical property is under construction and sold at a profit on completion.
- **Buy and sell (long-term).** This is generally focused on large intrinsic value appreciation over a long period. This offers alternatives to compliment long-term goals, such as retirement.

4. Expected Cash Flows and Profit Opportunities
Why It's Important
Cash flow refers to how much money is left after expenses. Positive cash flow is key to a good rate of return on an investment property.
What to Look For
Develop projections for the following modes of profit and expenses:

- Expected cash flow from rental income (inflation favors landlords for rental income)
- Expected increase in intrinsic value due to long-term price appreciation.
- Benefits of depreciation (and available tax benefits)
- Cost-benefit analysis of renovation before sale to get a better price
- Cost-benefit analysis of mortgaged loans vs. value appreciation

5. Be Careful with Leverage
Why It's Important
Loans are convenient, but they may come at a big cost. You commit your future income to get utility today at the cost of interest spread across many years. Be sure you understand how to handle loans of this nature and avoid high levels of debt or what they call over-leverage. Even experts in real estate are challenged by over-leverage in times of adverse market conditions and the liquidity shortages with high debt obligations can break real estate projects.

What to Look For
Depending upon your current and expected future earnings, consider the following:

- Decide on the type of mortgage that best fits your situation—fixed-rate, adjustable-rate mortgage (ARM), interest-only, zero down payment, etc. Note that each type of mortgage has its own risk profile and you need to study each carefully. For instance, ARM includes mortgage rates that can change at any time driven by capital market forces and the borrower must accept any rate changes during the loan term.
- Be aware of the terms, conditions, and other charges levied by the mortgage lender.
- Shop around to find lower interest rates and better terms.

6. New Construction vs. Existing Property
Why It's Important
New construction usually offers attractive pricing, the option to customize, and modern amenities. Risks include delays, increased costs, and the unknowns of a newly-developed neighborhood.
Existing properties offer convenience, faster access, established improvements (utilities, landscaping, etc.), and in many cases, lower costs.

What to Look For
Here are some key things to look for when deciding between a new construction or an existing property:

- Review past projects and research the construction company's reputation for new investments.
- Review property deeds, recent surveys, and appraisal reports for existing properties.
- Consider monthly maintenance costs, outstanding dues, and taxes. Costs such as these can severely impact your cash flow.
- When investing in leased property, find out if the property is rent-controlled,

rent-stabilized, or free market. Is the lease about to expire? Are renewal options favorable to the tenant? Who owns the furnishings?

- Quality-check items (furniture, fixtures, and equipment) if these are to be included in the sale.

7. Indirect Investments in Real Estate

Why It's Important

Managing physical properties over a long-term horizon is not for everyone. Alternatives exist that allow you to invest in the real estate sector indirectly.

What to Look For

Consider other ways to invest in real estate:

Real estate investment trusts

- (REITs)
- Real estate company stocks
- Real estate sector-focused mutual funds and ETFs

Mortgage bonds

-
- Mortgage-backed securities (MBS)

8. Your Credit Score

Why It's Important

Your credit score affects your ability to qualify for a mortgage, and it impacts the terms your lender offers. If you have a higher credit score, you may get better terms—which can add up to substantial savings over time.

Mortgage lending discrimination is illegal. If you think you've been discriminated against based on race, religion, sex, marital status, use of public assistance, national origin, disability, or age, there are steps you can take. One such step is to file a report to the Consumer Financial Protection Bureau or with the U.S. Department of Housing and Urban Development (HUD).

What to Look For

Scores greater than 800 are considered excellent and will help you qualify for the best mortgage. If necessary, work on improving your credit score:

- Pay bills on time—set up automatic payments or reminders
- Pay down debt
- Aim for no more than 30% credit utilization
- Don't close unused credit cards—as long as you're not paying annual fees
- Limit requests for new credit and "hard" inquiries
- Review your credit report and dispute inaccuracies

9. Overall Real Estate Market

Why It's Important

As with other types of investments, it's good to buy low and sell high. Real estate markets fluctuate, and it pays to be aware of trends. It's also important to pay attention to mortgage rates so you can lower your financing costs, if possible.

What to Look For

Stay up-to-date with trends and statistics for:

- Home prices and home sales (overall and in your desired market)
- New construction
- Property inventory
- Mortgage rates
- Flipping activity
- Foreclosures

The Bottom Line

Real estate can help diversify your portfolio. In general, real estate has a low correlation with other major asset classes—so when stocks are down, real estate is often up. A real estate investment can also provide steady cash flow, substantial appreciation, tax advantages, and competitive risk-adjusted returns, making it a sound investment.

Of course, just like any investment, it's important to consider certain factors, like the ones listed here, before you invest in real estate—whether you opt for physical property, REITs, or something else.

5 Technology Investments Commercial Real Estate Owners Should Make

- Mrs. Ifeoma Favour Esorougwe

The Covid-19 pandemic has changed the way commercial real estate owners and operators do business. Tenants demand the same level of amenities as before but with maximum lease flexibility executed through contactless remote technology. Gone are the days of physical space showings, paper checks and handshakes. Today's commercial landscape is filled with smart technology, paperless transactions, AI, interconnected monitoring systems and virtual showings to increase efficiency and decrease human interaction. All of these changes invite the question: Is your commercial real estate operation ready to thrive in this new environment, increase its bottom line and grow? Here are five technology investments aimed to help you do just that.

1. Virtual Showings And CRM

Technologies like virtual 3-D tours and real-time showings have disrupted the commercial real estate (CRE) leasing process entirely. Contactless space viewing was once unheard of but is now the norm, particularly in the residential space. This technology investment is essential to stay competitive in today's hectic mobile market, especially as potential customers experience limited ability to travel. But how will you influence a prospective client without an agent present? A cloud-based customer relationship management (CRM) system instantly connects with prospective renters and buyers and increases chat and email communication during the process. All internal sales team members can see leads and move them through the closing pipeline with less focus on tedious tasks and greater emphasis on the bigger picture.

2. Going Paperless With Automation

Providing a mechanism to digitally store signed documents is an investment must. Even more important is automating invoicing and payments through an

automated clearing house (ACH). This allows your CRE management team to stay on track with tenant payments and annual increases. Your technology investment will pay for itself in no time. Relying on spreadsheets for current rent escalations or for common area maintenance reconciliations often results in lost income.

3. Artificial Intelligence (AI)

Today, tenants expect a high level of monitoring when it comes to safety, mechanical systems and energy efficiency. Commercial real estate owners and operators can delegate routine chores like monitoring building security and temperatures to interconnected AI. Cameras and smart thermostats that use a central application increase property surveillance and comfort. From a marketing perspective, AI can be used to generate leads and collect applications. This technology investment redirects time and energy away from traditional calling and emailing, so marketing staff can focus on vetting applications and moving qualified prospects through the later stages of the sales pipeline.

A key technology investment is in a tenant management portal. These portals automate maintenance requests, access to leases and amendments and rent collection. Landlord-to-tenant transparency answers questions before they are asked, saving time and energy normally spent on returning calls and emails.

4. Tenant Management Portals

The last decade has proven overwhelmingly that current and future tenants demand a staggering level of transparency within the CRE industry. A key technology investment is in a tenant management portal. These portals automate maintenance requests, access to leases and amendments and rent collection. Landlord-to-tenant transparency answers questions before they are asked, saving time and energy normally spent on returning calls and emails.

5. Reporting And Business Intelligence Through Data

High-quality data is more accessible than ever. Many trackable numbers are available through both internal software and third-party purchases. Understanding your operation's real-time earnings, forecasts and historical performance leads to powerful decision making. This type of clarity directly affects bottom-line results as you control

expenses, maximize annual rent increases and minimize losses due to local market changes. Commercial real estate portfolio software platforms offer customizable dashboards to visualize your unique operation and market. They can also alert you if key metrics change and allow your team to collaborate in a cloud environment. A technology investment of this level drives net income and sets you apart from your competition.

Final Tip: Centralize Your Portfolio In One Location

Your portfolio of real estate assets is the lifeblood of your operation, which is why it should be centralized, accessible to all and richly enhanced by data. Look for a cloud-based commercial property management platform that does exactly that. (Full disclosure: My company offers this service, as do others.) By managing your portfolio you can quickly and accurately react to any negative expense trends. Cloud-based technology will allow you to manage documents in real time without unnecessary paper files or physical drives. You will experience less stress when preparing to meet with lenders as financial statements are created with ease in minutes instead of days.

> Setting your company up for success means adopting technology so you can answer more questions more quickly and from any location.

Setting your company up for success means adopting technology so you can answer more questions more quickly and from any location. It is time to grab the future!

When is a Value Add Property a Good Real Estate Investment?

Esther Akpan

Value-add real estate properties are properties that have yet to reach their full potential. These properties are unable to realize their actual market value for any number of reasons, including poor management, capital-intensive repair requirements, dropping demand for what the property offers tenants, and the list goes on and on.

Before undertaking a value-add property investment, it is important to note that they tend to be significantly more labor-intensive than your average flip and require more expertise than a simple flip.

However, there are many people out there making a lot of money with value-add investments.

In this guide, we will tell you how to identify when a value-added property is a good real estate investment.

What is a Value-Add Property?

Value-add properties are those that need corrective action to reach their full potential value. These properties are riskier and offer better returns than standard, or "core" properties. Properties in this category may suffer from a host of common ailments, including deferred maintenance, below-market occupancy, lease rates below the area norm, and substandard facilities and equipment in need of repair or upgrade.

In order to generate a good return on investment (ROI) with a value-add property, investors must put in capital, sweat equity, or both. Common ways to improve value-add properties include property renovations, both inside and out, management restructuring, marketing efforts, and changing how the property generates income.

These so-called 'repositioning' efforts are designed to change the value of the building by increasing revenues by making capital improvements that make the building more attractive to tenants.

Investors who choose to acquire value-add properties need to have many tools in their toolbox. Understanding the physical condition of a property is essential, and a background in construction or architecture is a major plus. Market analysis is another crucial skill, as many of the factors relating to property valuations are outside of your immediate control. Understanding property management, and how to generate and maintain cash flow is also incredibly important.

Benefits of Value Add

The primary benefit offered by value-add real estate investments is the potential boost in ROI compared to core or core-plus properties. Savvy investors can find diamonds in the rough, invest some capital and sweat equity, and turnaround and sell that property, or hold on to it for improved cash flow.

Value-add is a phenomenal way for individual or group investors to leverage their professional experience in the real estate world to generate higher returns than projects without a value-add facet.

Investors in value-add projects also receive the benefits that come with all commercial real estate purchases, including possible appreciation and stable, long-term cash flow. Of course, value-add investments come with a higher risk profile than core or core-plus properties, which we will go into more detail about in the next section

Risks of Value Add

What sets value-add investing apart from other real estate plays is the fact that they tend to focus on properties in need of improvement, utilize more leverage (debt) than standard real estate investments, and

rely on construction and development projects to generate returns.

Construction risk adds significantly to the risk profile of value-add investments. Typically, the more construction or renovation a property needs, the higher the risk.

Less intensive projects like increasing the size of the property, replacing fixtures and building systems, or cosmetic upgrades carry lower risks than full overhauls or conversion projects which change the use of the building. An example of this strategy you should be familiar with is when investors/developers turn former industrial space into loft housing. This is a process known as 'adaptive reuse' and these kinds of projects carry considerably more risk. If you choose to engage in replacing or increasing your tenant base, there are also risks. Actions like raising rents, or enrolling new tenants, may prove to be more difficult than initially believed, which can lead to cost overruns and declining cash flow.

In addition, value-add investments may be more dependent on total returns instead of shorter-term current yields, because price appreciation is often a substantial source of returns for value-add projects. Put another way, on value add deals, the period of construction and improvement is likely to correspond to a period of declining rents while vacant units/space is renovated.

Is Value-Add Right For You?

Value-add investments are available to everyone, but it takes a particular type of

investor to flourish with value-add property investments. You probably do not want to start your real estate investment career with a value-add project. While it is possible you will come out of your first deal unscathed, or even with a hefty profit, it is more likely than your project will run over budget, take longer to complete, and, consequently, to underperform.

Remember that value-add real estate investments come with more risk than more traditional core and core-plus commercial real estate.

Most value-add projects range from medium to high risk, so if that is above your level of risk tolerance, value-add might not be for you.

These projects are best left to developers who have experience in dealing with all the moving parts that come with value-add real estate investing. Conversely, investors can gain exposure to value-add properties as a passive investment strategy through a real estate investment vehicle without having to worry about their personal experience detrimentally impacting the project. Whether value-add projects are right for you should be determined by your appetite for risk, and your experience in the world of commercial real estate.

Tax Advantages of Value Add Investing in value-add real estate offers many tax benefits over other popular investment classes like stocks, mutual funds, and bonds. To start with, a property's depreciation schedule allows investors to claim several tax deductions as long as they hold an ownership share in the property.

The IRS sets the depreciation schedule at 27.5 years and allows investors to deduct 1/27.5 from their taxes each year on property deprecation. In addition, property investors are entitled to deduct the costs of maintenance, day to day repairs, utilities, and other costs of running and maintaining an investment property.

When engaging in new construction or renovations with borrowed funds, you can add the interest you or your company pays on the loan to the basis of your property and depreciate it over 27.5 years, under the same depreciation schedule as standard commercial property, per Internal Revenue Code Section 1.263A-1. Value-add properties are also eligible to be added to a 1031 Exchange to defer taxes on capital gains, which can allow you to reinvest your gains each year, while not having to pay Uncle Sam until you withdraw your investment.

The Bottom Line

Like any investment, value-added real estate fits well in some portfolios, and not so well in others. Those with an aversion to risk should steer clear of value-added property investments, as their risk/return profile is higher than core and core-plus properties. With that being said, under the right stewardship value-add investments can provide excellent returns and substantial tax advantages when compared to equities, bonds, and other common investment vehicles.

Atlantic Ville

Harris Drive, Besides VGC, Lekki, Lagos.

- 4 BEDROOM TERRACE
- 4 BEDROOM SEMI DETACHED DUPLEX
- 5 BEDROOM FULLY DETACHED DUPLEX

Imperial Oak

Royal Pine Estate, Orchid Road, Lekki, Lagos

- 4 BEDROOM TERRACE
- 4 BEDROOM SEMI DETACHED DUPLEX
- 5 BEDROOM FULLY DETACHED DUPLEX

Romax Homes 12

General Paints Area, Lekki Phase IV, Lekki, Lagos

- 3 BEDROOM TERRACE DUPLEX
- 4 BEDROOM SEMI DETACHED DUPLEX
- 4 BEDROOM TERRACE DUPLEX
- 5 BEDROOM FULLY DETACHED DUPLEX

Romax Homes 10

Harris Drive, Besides VGC, Lekki, Lagos

- 4 BEDROOM SEMI DETACHED

FOR MORE INFORMATION PLEASE CONTACT US ON:

Toll Free Hotline: 07000076629

09019876493, 09079319502

sales@romaxhomes.com, romaxltd48@gmail.com

45A Chevron Alternative Route, Lekki, Lagos.

romax_properties   Romax Properties Ltd   romaxproperty   romaxpropertieslimited

Three Steps To Get Started In Commercial Real Estate Investing

- 'Bidemi Ayoola

The initial step into commercial real estate is often a challenge for new investors. Whether you already have experience investing in residential properties or this is your very first real estate venture, you likely have a long list of questions and concerns about buying commercial property.

As a commercial real estate broker for 25 years, I have worked with buyers investing up to $150 million in properties, and I know it can be intimidating to enter the world of experienced investors. If you've been thinking about investing in commercial income property but have been stalled by your own doubts—How do I even get started? How am I going to keep up with big-league investors?—know that there is a place for you.

Follow these three achievable steps, and get started as a savvy commercial property investor.

Determine how much money you have to invest.

Before you do anything else, outline a clear picture of your finances. How much money do you have to invest in a property? Do you want to purchase in cash, or are you hoping to qualify for a loan to increase your investment amount?

MORE FOR YOU

Time And Time Again, Solving Supply Chain Issues Circles Back To One Thing

Mortgage Rates Will Spike If U.S. Defaults On Debt, Moody's Report Finds

Fort Lauderdale Poised For Unprecedented Growth This Decade

If you do plan to take out a loan, always start by contacting your local bank to find out what your borrowing options are. Use this basic script as a guide: "I'm looking for a commercial real estate loan to purchase a property. I have this amount to put down; what size loan would I qualify for if I'm interested in finding an investment property?"

Be sure to ask the lender detailed follow-up questions to clarify the financing process; for example:

- Is the loan personally guaranteed?
- Is the rate fixed or adjustable?
- What is the loan's term length?
- What percent is required as a down payment?

Develop knowledge of your market.

Once you know how much you have to invest, you can begin gaining more insight into your real estate market. Do you want to invest in the market where you live or in another location? Are you already interested in a certain commercial sector, such as apartments or industrial, office or retail? Do you like investigating on your own, or are you looking for more expert guidance?

If you prefer the DIY approach, learn everything you can about your market through online research (and if not, skip to the following step). Search basic terms like, "commercial real estate investing in Las Vegas" or "office space income property in Los Angeles" to educate yourself about the overall market and specific sectors.

As you do your homework, you'll start to understand what your investment will buy in a particular market. For instance, you may find you don't have the capital to purchase a multifamily apartment building, but a less expensive single-tenant industrial property is within your price range.

Find an expert in your market.

You will reach a point in your search when you are ready to work with an expert, whether you are still browsing possibilities or you already have a clear direction in mind. Spend some time on LinkedIn and Google researching commercial real estate agents with expertise in your market and sector (for example, "Dallas commercial real estate specialist" or "Richmond VA multifamily commercial real estate agent").

Look closely at their professional experience. What properties have they sold? What clients do they work with? How long have they worked in the area? Contact your short list to see if they are a good fit for your needs.

Pay attention to your interactions from the beginning, and be clear about what you're looking for in an agent: "I'm a new investor, and I'm looking for guidance in buying my first commercial investment property. My time period to invest is X. Do you have the time to work with me? Which sectors or investment properties do you think would be best to meet my investing goals in this market?"

Think of this process as interviewing and hiring someone to work for your business. You want to work with someone who is engaged, responsive and experienced, and who you can trust to guide you to make important investment decisions.

Becoming a successful commercial real estate investor starts with a strong foundation. Take your time laying the groundwork, and you'll be well-prepared to invest in your first commercial income property.

RC: 185109

SHONGOM MICROFINANCE BANK
[NIG.] LIMITED

Shongom Microfinance Bank its Operating license was secured from the central bank of Nigeria (CBN) in February 2008 as microfinance bank and commences operations same year.

Off Yola Road, Adjacent, Post Office, Kantungo, Gombe State.

Emails Address:
infortech@shongommfbank.com.ng
customercare@shongommfbank.com.ng
operations@shongommfbank.com.ng

Phone Number:
+2347066665925
+2348059508901

---

agrorite

Agrorite Limited

Services we offer

- Agricultural Production
- Agricultural Commodities
- Trading and Logistics
- Basic Food Processing and Trading

1b Olabanji Olajide Crescent, Off Mobolaji Johnson Estate, Lekki Phase 1, Lagos.

www.agrorite.com
hello@agrorite.com
+234 803 542 9041


NIRSAL
MicroFinance
Bank
A National Microfinance Bank
WITH 115 BRANCHES NATIONWIDE, LEVERAGING ON APPROPRIATE TECHNOLOGY, NIRSAL MICROFINANCE BANK HAS ACHIEVED:
Over N34billion disbursed to farmers under the Anchor Borrowers' programme.
Over N101b disbursed to about 26,000 beneficiaries under the AGSMEIS loans of the CBN.
Over N300 billion disbursed to beneficiaries affected by the COVID-19 Pandemic under the Targeted Credit Facility (TCF) in the categories of Households and MSMEs.
Open an account with us today and take advantage of products such as:
• NMFB Salary Advance (SALAD)
• NMFB SME Loan
• NMFB Petty Cash Now Now
and lots more
VISIT OUR WEBSITE
www.nmfb.com.ng
FOR MORE INFORMATION.
@nirsalmfb


HAGGAI
RC 193894
ARE YOU AN EMPLOYEE?
Haggai Mortgage Bank is your trusted Partner to owning your dream home.
OUR OFFERINGS
1. Group of 2 or more persons can team up to buy land.
2. Loan can be used to finance construction Projects in Phases
3. Prompt payment of rent
4. Loan amount can be rolled over after liquidation to fully deliver Project
5. Flexible repayment tenor
BUY
We are committed to helping you achieve your dream of owning a home with our flexible mortgage plan.
RENT
We offer you the luxurious opportunity to pay your rent with ease.
BUILD
We fund your construction projects to help fast track your dream of owning a home.
For your enquiries visit or call:
119, Bode Thomas Street, Surulere, Lagos.
Www.haggaibank. com
Tope - 08187435220, tope.i@haggaibank.com
Dotun - 0803 544 7440, dotun.o@haggaibank.com
Toba - 08066661647, akinloye.t@haggaibank.com
Mercy - 08108219728, okorie.m@haggaibank.com

AFRICA'S REAL ESTATE INNOVATORS 2022

HAGGAI RC 193894

ABOUT US

Haggai Mortgage Bank Limited emerged following the successful recapitalization and change of name of erstwhile Haggai Savings and Loans Limited.

The Bank which is today, one of the foremost National Primary Mortgage Bank in the country, with a shareholders fund in excess of N5Billion commenced operations in 1994 as Haggai Investment & Trust Company Limited (a SEC licensed financial institution) before changing to a Community Bank. It has successfully transmuted from a Community Bank to Microfinance Bank and further changed its status to a Mortgage Bank in April 2008 having obtained the approval of the Central Bank of Nigeria.

With an array of uniquely developed products specifically for the wide range of our clientele, the Bank has consistently lived her vision of Working with the Master Builder to touch lives by providing quality mortgage services and homes.

Through our dedicated workforce, year on year, we have consistently delivered growth and exceeded expectations in an increasingly complex and challenging market space.

MISSION

Working with the Master Builder to touch lives by providing quality mortgage services and homes

VISION

Providing quality shelter that touch lives.

VALUES

- Integrity
- Customer Service Orientation
- Expertise

Five major themes for the future of fintech in Africa

African fintechs are innovating with new products, a broader footprint, cutting-edge technologies and partnerships

- Mrs. Ifeoma Favour Esorougwe

The African fintech space has recorded impressive growth over the past decade. There are currently over 400 active fintech companies across the continent, c80% of which are home-grown. Major drivers of this growth in the fintech ecosystem include favourable demographics, high levels of mobile phone access and Africa's generally poor levels of financial inclusion.

We surveyed 160 African fintech companies to better understand the drivers of future growth in the sector.

Our research points to five major themes for the future:

1. Launching new products and services.

This will enable companies to claim a greater share of wallet from existing customers, and also help attract new customers to the franchise

2. Expanding into new countries.

This allows companies to scale up existing operations, and attract a whole new customer base

3. Focusing on new market segments.
By using innovative approaches (related to product features or distribution, for example) fintechs can profitably serve customers who fall out of the realm of traditional financial providers.

4. Increased investment in technology infrastructure
This builds additional capacity for innovation, automation, efficiency and scalability.

5. Partnering with incumbents
This can improve fintechs' reach, especially in highly regulated markets, or can help them to better satisfy the needs of the most challenging consumers.

Other, less commonly cited strategies include: applying for licenses where regulatory restrictions exist; hiring experienced personnel to build in-house expertise; and buying smaller fintechs with interesting business propositions to acquire new products and skills or to reach new markets.

Strategies by product line
Expansion into other countries is most popular among fintechs active in payments (for example Paga expanding into Mexico), lending (Jumo expanding into Nigeria and Ivory Coast), and remittances (SureRemit, which is expanding across Africa).

Identifying new market segments is most common with Egypt fintechs and the rest of Africa, which we think is due to the greater extent of financial exclusion within those regions.

Introducing new products / services is the most popular strategy among lending fintechs (for example, Tala plans to launch a micro insure offering in the next 12 months). Borrowers represent a captive audience for such companies. Offering additional products can also help tie-in the customer and reduce credit risk.

Targeting new market segments is most popular among insurance (Pineapple is expanding into the auto insurance segment) and investment fintechs (haloyako adding government instruments to its offerings). These companies are typically trying to bring such products to previously excluded individuals, such as those at the bottom of the pyramid.

Increased investment in technology infrastructure is a common theme across the board as this allow fintechs to innovate and improve on their operations.

Partnering with incumbents is particularly popular with payments fintechs (for example, Paga's partnership with Visa on payments, M-Pesa partnering with Ria for remittances). One motivation is the opportunity to offer services that would ordinarily require licenses or demand stringent approval procedures.

Strategies by market

Kenyan and Nigerian fintechs, which were the continent's largest recipients of funding in 2019, are more focused on expanding into new markets than fintechs in other markets.

Egyptian fintechs are the least interested in expanding into new markets, which in our view is testament to the significant opportunities that exist in the domestic market.

Introducing new products is a common strategy across all markets, but the rest of Africa seem to lag behind the four major hubs. This might be due to the lower uptake of fintech offerings within those regions and/or restrictions on the activities of nonlicensed financial institutions by central banks.

Identifying new market segments is most common with Egypt fintechs and the rest of Africa, which we think is due to the greater extent of financial exclusion within those regions.

Fintechs in Egypt and other parts of Africa (Ghana, Ethiopia, Senegal and Zambia) are keen on partnering with incumbents like banks, mobile network operators or other fintechs as this would help them increase their reach and gain new customers.

Implications for investors

Investment volume in African fintech has shown a strong positive growth trajectory. Over the past five years, the number of deals has grown from 28 to 125 (35% CAGR), the total value of deals has grown from US$150mn to US$1.1bn (48% CAGR), and the average deal size has increased from US$4mn to US$8mn.

In contrast, for incumbent banks in Africa, the median PE discount to their five-year average valuation is 27%, and the median PB discount is 22%.

At the country level, banks in Uganda, Zambia and Rwanda are trading at the biggest discounts to history, while banks in Zimbabwe, Kenya and Mauritius are trading close to their 5-year historical average multiples.

We think these opposing trends reflect the increasing viability of fintech encroachers, given their potential to offer new products at lower cost with greater convenience, and the increasing vulnerability of incumbents, given the erosion of traditional entry barriers such as physical distribution networks and regulatory restrictions.

For investors in listed equities (ie the incumbents), we think this fintech threat carries the following implications:

1. A return to historical valuation levels should not be assumed as a base case scenario.
2. Tipping points may be reached rapidly, given fintechs' ability to scale-up and expand.

On the other hand, we do feel that incumbents' own fintech capabilities are being overlooked by investors. We highlight below a handful of listed African entities that provide direct exposure to fintech trends for investors in secondary equity markets.

In Egypt, we have payment platform Fawry, which came into the market via an IPO when private equity firm Helios partially exited its investment in the company.

Kenya's fintech revolution has helped the country achieve an impressive financial inclusion rate (c80%), principally due to the rapid spread of mobile money which received tremendous support from the Kenyan regulatory authorities. M-Pesa is the mobile money offering of Safaricom (East Africa's largest telecommunications firm that contributes c5% to Kenya's GDP). Commercial bank NCBA, in partnership with M-Pesa, offers M-Shawari for micro loans and savings. Equity Bank offers Equitel, its mobile payment and banking service, which is operated through its subsidiary Finserve Africa Limited in partnership with Airtel.

MTN Ghana is the only listed company on the Ghanaian stock exchange with meaningful exposure to the fintech space via its mobile money subsidiary.

Senegal's largest telecommunications provider, Sonatel, hosts Orange Money, a mobile money wallet.

In South Africa, Purple Group's subsidiary, Easy equities, enables users to invest in shares, exchange traded funds (ETFs) and other equity-based securities.

Vodafone Tanzania offers M-Pesa, a mobile money platform for funds transfer, bill payment and remittance.

Zimbabwe can point to Cassava Smartech, a financial technology company with a subsidiary, Econet, that operates Ecocash, the largest mobile money platform in the country. Getbucks, the fintech lender that dominates the Southern Africa markets, is another listed entity.

AFRICA'S REAL ESTATE INNOVATORS 2022

SOW REAL ESTATE
focused on delivery

OUR VISION

Delivery of mass housing estate and cities at affordable rates aimed at reducing the housing deficit in the world whilst providing world class infrastructure

OUR MISSION

Partnership with government and proficient individuals in all the states of the world for the delivery of simple, affordable and detailed structures and infrastructure.

ABOUT US

We are an Organization particularly birthed to respond to the need of Housing with Style, Class and Sophistication.

Sow Real Estate is a world class luxury real estate super brand, with its core interest in the delivery of mass housing and luxury apartments. Sow is renowned for its sales, marketing and property management whilst emphasizing on the highest levels of excellence and Luxury. It is our mandate to systematically provide structure and infrastructure reflective of today's technological advancement to meet the basic needs of housing.

Perfection, Detail and superior quality are watch words that govern all Sow projects.
Owning a Sow property is an experience of a life time.

OUR SERVICES

Our services cut across a wide range of real estate investments. They include:

- Mass Housing Development
- Luxury Apartment
- Public and Private Partnership on structure and infrastructure delivery
- Investment Real Estate
- Commercial Development
- Property Acquisition

OUR TEAM

We have a team of well-seasoned professionals with both national and international work experience. Our team members have a track record of achievements with a commitment to deliver cutting edge facades showcasing world class interiors, designed specifically for each market to deliver world class service.

Their unparalleled coordination of skills, their motivation and passion make for breath taking delivery of our outstanding structures and infrastructure.


THE Montfort
EPE CITY
Serenity & Splendour
PERIMETER FENCING
GREEN AREA
CHILDREN'S PLAYGROUND
TRAFFIC LIGHT
DRAINAGE SYSTEM
CCTV
ELECTRIFICATION
PAVED ROAD
N500K
INITIAL DEPOSIT
300 & 500 SQM
PLOTS OF LAND
24
07030635903
07038196899
08081346914
elanorrisng | www.elanorris.com
ELANORRIS
REAL ESTATE
...a member of castle price

AFRICA'S REAL ESTATE **INNOVATORS** 2022

ELANORRIS LIMITED

COMPANY PROFILE

Elan Orris Real Estate is a member of **Castle Price Holdings**, a firm offering real estate development & marketing services, logistics services, and financial investment services.

ABOUT ELAN ORRIS REAL ESTATE

An innovative real estate company in Lagos-Nigeria which launched its first project in July 2020 with the unique goal of reshaping Real Estate functionality in Africa with cutting-edge ideas which blend ancient concepts with modern intelligence to offer unavoidable solutions to smart investors.

Under the leadership of our visionary CEO, ElanOrris is fast taking over the real estate space having land in hectares for sites & services and about 100 house units under construction in various locations in Lagos & Ogun State.

We maintain excellence in consistently delivering a quality lifestyle through our signature-finishing and prompt delivery across all our existing projects which are extending to other parts of the country & Africa.

OUR VISION

To be the preferred name in Africa's market by the year 2023 with more brilliant Real Estate solutions yielding the highest possible returns on investments for all our stakeholders.

OUR MISSION

With a team of vibrant and committed minds, we believe in tailor-made, innovative and intelligent step-by-step investment solutions to actualize every customer's dream of Real Estate investment.

CORE VALUES

- **Zeal** - we are driven with passion for results like a Crusader.
- **Style** - we follow distinctive procedures to get outstanding results.
- **Beauty** - we believe results are not excellent without an exquisite touch.

ELAN means *Elegance, Style, Enthusiasm, Flair, Zeal, Eagerness, Vigour, Energy.*

ORRIS is the rootstock of an iris flower used in *Perfumery and Medicine.*

Therefore, ElanOrris is a company which exhibits **Zeal, Style & Beauty.**

AFRICA'S REAL ESTATE INNOVATORS 2022

updc
(A member of Custodian Investment Plc)

ABOUT UPDC

EXCELLENCE . INNOVATION . EXPERTISE

Founded in 1997, UPDC Plc is a seasoned development and investment company in Nigeria with an established record in developing, selling and managing real estate assets across Nigeria. Known for the quality of our products, UPDC is the first real estate company to have been listed on the Nigerian Stock Exchange, and offers the most diversified portfolio of residential, commercial, retail and hospitality assets. Our brand is well-recognized for providing distinctive lifestyle properties across Nigeria as well as offering exceptional quality and facilities management.

OUR 3 BUSINESS LINES

PROPERTY DEVELOPMENT & SALES

We plan to deliver 1,500 housing units to the market over the next 5 years.

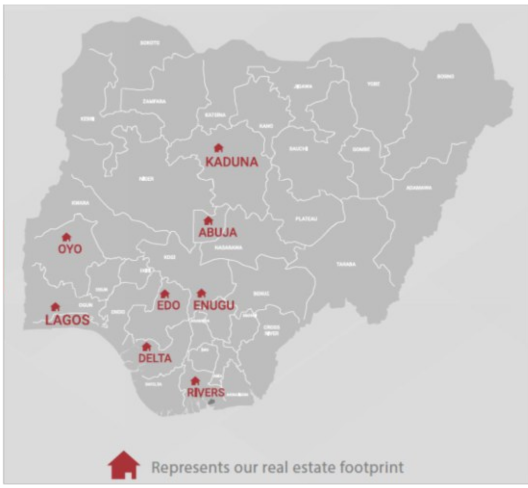
HOTEL

Our 471 room Festival Hotel in Festac is the second largest conference hotel in Lagos.

REAL ESTATE MANAGEMENT

We provide property, facility and asset management services to third parties (value of assets under management).

OUR BUILDING FOOTPRINT



BUSINESS LINES

DEVELOPMENT MANAGEMENT

As Development Manager on projects, UPDC will strategically overseeing the planning, administration and control of the development during the development life cycle, from business planning to concept development, financial feasibility and overall coordination of the development value chain.

PROJECT MANAGEMENT

Our experienced project management team will create a plan that establishes and manages the project from cradle to grave which includes resource coordination, monitoring and controlling of deliverables/ milestones of the development to ensure all stakeholders objectives are achieved. We will ensure the time, cost and quality objectives are achieved using international best practice and project management tools.

FACILITY MANAGEMENT

UPDC FM offers world-class facility management services to ensure the Estate remains well maintained, safe and functional throughout its life cycle. The company offers janitorial, security, energy management services and support to residential and commercial properties across Lagos, Abuja, Ibadan and Port Harcourt.

DEVELOPMENT CONTROL

Under Development Control, UPDC will ensure the Estate develops into a world class environment. We will monitor the development of individual plots to ensure all subscribers build in compliance to the Development Guidelines, ensuring the overall aesthetic of the estate is maintained at all times

SALES AND MARKETING

UPDC has a successful site and service scheme track record with a number of notable projects including Pinnock Beach in Lekki, Vintage Gardens in Port Harcourt, Metro City in Abuja and Pineville in Asaba, etc which was possible due to our solid sales and marketing team who provide out-the-box sales and marketing strategies with specialization in lead generation and property sales.

UPDC HIGHLIGHTS

24 Years Experience in Real Estate	**1000+** Residential Units Developed	**471 Room** 3* Conference Hotel
120 Years Combined Real Estate Experience of Executives	**28** Estates Under Management	**₦ 22BN** Total Assets

www.updcplc.com

AFRICA'S REAL ESTATE INNOVATORS 2022

Odunayo Ojo's Profile

A consummate real estate professional, Mr Odunayo Ojo has been involved in property development, asset management, private equity and advisory services for various asset classes including master-planned communities, mixed-use schemes, shopping centre's, commercial buildings and hotels. He has held several roles such as CEO of Alaro City, Director of Development and Projects at Eagle Hills, Abu Dhabi, Development Director at Laurus Development Partners, Vice President at Ocean and Oil Holdings, and Business Manager at UPDC Plc.

Mr. Ojo is a member of the Royal Institution of Chartered Surveyors (RICS), The Nigerian Institution of Estate Surveyors and Valuers (NIESV), and a Registered Surveyor and Valuer (RSV).

He holds a Master's in Business Administration (MBA) and a Bachelor's Degree (BSc) in Estate Management.

Strategies for Investing in Real Estate

- Esther Akpan

Investing in real estate most likely won't produce the get-rich-quick results promised by real estate agents!

But for investors willing to do some homework, make a good purchase and properly manage a piece of property, the rewards can be substantial.

Various strategies can be used for real estate wealth!

Investors can buy a house, renovate it and sell it for a profit or can purchase a property and hold it for many years.

A common approach is to purchase an income-producing property such as a single home, an apartment building, an office or retail building with the intent to rent it.

Investing in real property – unless you're buying shares in a real estate investment trust – isn't as liquid as putting money into the stock market and... Real estate markets are very often cyclical in nature.

Before you consider real estate investing, think about this 5 pronciples:

1. Don't Overpay for a Property

Good research and due diligence are essential to spotting a deal that will be profitable.

2. Rules and Regulations

Real estate is governed by a broad set of laws and requirements.

3. Tenant Screening

It's critical that you have good renters who pay on time and don't damage the property.

4. Start Small

Your first purchase may be something simple so that you can get the hang of management.

5. Avoid Bad Partnerships

First-time real estate investors often join up with more seasoned pros, but you'll have to be comfortable with your partner!

BAM
projects & properties

HOME THAT SUITS YOUR LIFESTYLE

SECURE A SPOT WITH BAM

+234(0) 814 323 3064

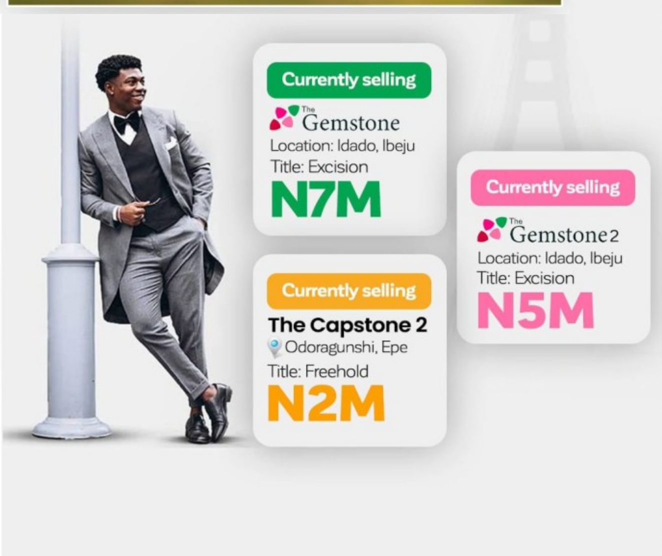
INFO@BAM-PROPERTIES.COM

NO 60 MAMBOLO STREET, WUSE ZONE 2, ABUJA

WWW.BAM-PROPERTIES.COM

BAM_PROPERTIES


The Gemstone
EYSTONE
DON'T WAIT FOR THE BEST MOMENT. YOU ALWAYS HAVE IT
BUY FOR COMFORT
#BuyForComfort


EYSTONE
Currently selling
The Gemstone
Location: Idado, Ibeju
Title: Excision
N7M
Currently selling
The Gemstone2
Location: Idado, Ibeju
Title: Excision
N5M
Currently selling
The Capstone 2
Odoragunshi, Epe
Title: Freehold
N2M


The Gemstone
Available Plot Sizes
600sqm | 300sqm
Excision
N7M
Survey: 500K Deed: 250K
Gated Estate
Electricity
Street Light
Drainage
Water System
Road Network
Sport Zone
Landscaping


CityCode
Mortgage Bank Ltd.
HOME OWNERSHIP MADE SIMPLE
Home ownership doesn't have to be out of your reach. CityCode Mortgage Bank Ltd will guide you though the process of buying a home via her loan products
CCMB PRODUCTS
C-NHF MORTGAGE
Max 15M at 6% for Max 30 Years
C-FAMILY HOME CONST. LOAN
Developers' Advantage Facility
C-FAMILY HOMES MORTGAGE
Structured Payment & Mortgage Options
Property Ready for Immediate Occupation
C-COOP DEV LOAN
Construction Finance
C-NMRC MORTGAGE
Finance & Refinance Mortgage
C-RENT-TO-OWN
Initial Deposit & Monthly Rental
Property Ready for Immediate Occupation
DONT JUST BUY A HOUSE. MAKE IT A HOME.
Head Office: 21/25 Broad Street, Investment building (1st Floor), Marina, lagos Island
01-2705316
info@citycodemortgagebank.com
www.citycodemortgagebank.com
@citycodemortgagebank