

LAGOS RESIDENTIAL MARKET UPDATE

A monthly publication - June 2022



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INTRODUCTION

Since we started the business in February 2008, our focus has been to provide affordable housing for medium to low-income earners across Nigeria and eventually Africa.

It is our commitment as FWC "To provide homes with associated facilities in attractive and safe communities, as a contribution to wealth creation and socio-economic development" in the countries that we operate in.

As part of our commitment to guiding our subscribers in making the best real estate

decision, we have launched a monthly report publication.

This maiden edition of FWC monthly insight, contains updates on the real estate market for the month, this includes our thoughts on topical issues besetting the Nigerian real estate market.

It also contains key data points on the residential real estate market in Nigeria and specifically Lagos, where we operate. We hope you enjoy it and share your feedback.

ECONOMIC KEY FACTS

Total
Population
2022
211M

Total
GDP
2021
\$481 Billion

YoY GDP
Growth
Q1:2022
3.11%



Nigeria's
macro-economy

GDP
Per Capita
2021
2,273

YoY Real Estate
Growth
Q1:2022
10.84%

YoY Construction
Growth
Q1:2022
7.81%

Source: Nigerian Bureau of Statistic



REAL ESTATE MACRO-ECONOMIC SUMMARY

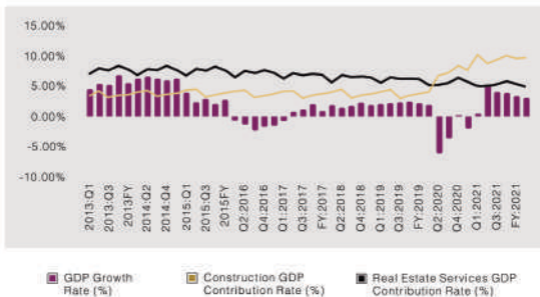
The Nigerian GDP including real estate and construction sector has shown a slow but steady recovery from the impact of COVID-19.

Although significant improvements were recorded in the first three quarters in 2021, the uncertainties surrounding the 2023

general election halted sector activity in the prelude to 2022.

While we see this slow pace continuing in the short term, at least till after the election, we do not expect to see the GDP performing below the COVID-19 levels.

GDP, REAL ESTATE AND CONSTRUCTION CONTRIBUTION RATE (NIGERIA)



Source: Nigerian Bureau of Statistics



RESIDENTIAL MARKET KEY FACTS



Total Stock
c.20.2M Units

Market Status
Undersupplied

Outlook
Positive

Source: First World Communities

Total Stock
c.1.5M Units

Market Status
Undersupplied

Outlook
Positive

Source: FWC, Estate Intel

Outlook Guide

Positive: Opportunity for investment exists.

Negative: Saturated market with little investment opportunity.

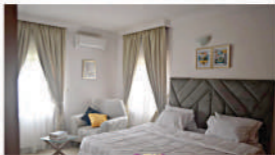
SHIFTING MARKET DYNAMICS AND THE NEED TO HOUSE LAGOS' YOUNG POPULATION

The dynamics of the real estate market in Nigeria has changed significantly since the pandemic. As more people continue to work and shop from home, there has been a flight to quality office space, albeit in smaller sizes, and the market is now constantly demanding flexibility in the way we shop. In the residential sector, demand continues to outgrow supply, especially in top-tier cities across the country.

Interestingly, the composition of the existing residential stock (which are largely multiple bedroom apartments) fall

short of preference, as declining purchasing power and a growing young population continues to drive demand in favour of smaller sized apartments.

As at today, at least 30% of Lagos' population are within the age of 20 to 39 years according to City Population estimates. Across the country, housing Nigeria's young population continues to present a huge challenge and an opportunity for us to add value as a business.



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