

Innovations

Challenges of Funding and Real Estate Project Delivery in Nigeria

¹Echeme Ibeawuchi Ifeanyi and ²Moneke, Uchenna Ugochi

1. Federal University of Technology, Owerri; Department of Project Management Technology, email: ibeecheme@yahoo.com; ibeawuchi.echeme@futo.edu.ng
2. Federal University of Technology, Owerri; Department of Management Technology, email: uchemoneke@gmail.com; ucmonk@yahoo.com

Corresponding Author: **Dr. Echeme, Ibeawuchi Ifeanyi**

Abstract

This study examined challenges of funding and real estate project delivery in Nigeria. The objectives were to: determine the extent to which materials price fluctuation contributes to poor funding of real estate projects; determine the effect that interest rate has on funding of real estate projects; ascertain whether level of income significantly contributes to poor funding of real estate projects; determine the extent to which foreign exchange rate affects funding of real estate projects, and; determine whether limited access to funds is a contributory factor to poor funding of real estate projects. The study adopted a survey design. The research instrument for data collection was questionnaire. The population of the study comprise 300 project coordinators of selected Real Estate firms in Nigeria. The hypotheses were tested using t-test score from multiple regression analysis. The result indicated that materials price fluctuation, interest rate, level of income, and foreign exchange rate are significant funding factors that affect real estate project delivery with foreign exchange rate having the highest effect. Based on the findings, the study concludes that an effective funding arrangement must be put in place considering the identified funding factors. Hence, the study recommends a strong stable economy that will be capable of reducing and stabilizing foreign exchange rates, interest rates, fluctuations in the price of building materials and improved level of income so as to enhance funding and delivery of real estate projects in Nigeria.

Keywords: Funding; Real Estate Projects; housing; foreign exchange; interest rate; materials price fluctuation;

1.0 Introduction

Around the world, numerous human rights and associated groups have been promoting the need for sufficient housing to raise living standards. But in industrialized nations, where governments are better organized, they have been able to lessen the demand for housing through both direct government action and the development of the mortgage system. Governments in developing nations are ill-equipped to manage housing issues, and there is no mortgage system because the majority of banks are incapable of granting mortgages to would-be homeowners. The Nigerian real estate industry has significant funding issues in the absence of government engagement and almost no bank lending.

Long before the British colonized Nigeria, the history of real estate management in that country began in the middle ages. According to Christie (2021), the history of real estate dates back to the time when our ancestors owned lands, farms, and hamlets that they looked after and safeguarded only for their personal gain. After their deaths, their wives and children received possession of these lands, farms, and hamlets (properties).

According to Olofinji (2017), Nigeria's history of real estate, and more specifically, housing constructions, has not been devoid of inspiration. Since Nigeria gained independence, several projects have been created by succeeding administrations with the goal of bridging the large gap that currently exists between the demand for housing and its supply. These initiatives have always been mainly via direct interventions.

According to Olofinji (2017), the different government initiatives mostly took the form of financial contributions to the housing sector and the actual building of homes. However, the majority of these initiatives have been unsuccessful and have not been able to close the significant gap in the housing sector as desired. The majority of government housing projects are largely unsuccessful or abandoned midway, while the mortgage system is still in its infancy and lacks funding (Cynthia, 2021). Due to a lack of funding, the real estate industry has enormous difficulties in finishing projects and delivering them to prospective owners.

This finance obstacle has frequently been linked to issues with site acquisition, low income, high building material costs, regulatory regulations, the failure to employ local building materials, etc. It usually happens when either the government has fallen short of its commitments or when people have been rendered temporarily unable to overcome difficulties in financing and carrying out real estate projects. Housing needs to be both livable and sufficient for the population. It should be mentioned that the housing shortage is worse in metropolitan areas where population pressure is growing.

Government initiatives include the creation of Federal Mortgage Bank of Nigeria, National Housing Funds, and low-cost housing projects in some States, particularly Lagos State and other States in Nigeria, with the goal of ensuring that all Nigerians own or have the means to live in decent, safe, and sanitary housing accommodations at affordable costs with a secure tenure (Ifediora, Igwe, and Ukpere, 2015). Despite earlier efforts to address the housing crisis in the country, it is clear that the public and private sectors' combined efforts over the last succeeding administrations' plans have consistently fallen far short of housing needs. In the past, governments had a tendency to concentrate on providing a small number of residential quarters for its deserving officers, leaving this essential sector virtually exclusively to private initiative. Olofinji (2017) bemoaned the fact that more than 90% of the houses he observed in Nigeria were built using unorganized self-help. Although there have been many recommendations on how to fund projects, notably housing developments, the financial issue still exists. The issue is whether lack of money is the only thing impeding the completion of real estate projects. Arguments from many sources include that poor leadership, erratic government policies, levels of insecurity, poverty, high interest rates, variations in the value of the dollar, the nation's degree of sincerity, etc., are mostly responsible for problems that prevent the appropriate funding of projects (Isyaku, Dzurlikanian, and Usman, 2021; Christie, 2021; Olofinji, 2017; Anuolam, 2016).

Governments have been working with some estate development firms to make sure that housing projects are appropriately funded and successfully completed in order to achieve the intended objective of housing for all. The ineffective real estate funding in Nigeria, however, has been attributed to a number of causes. Among them are things like poverty, a high interest rate, bad contract terms, fluctuations in currency exchange rates, financial institutions' reluctance to make loans, changes in material prices, etc. (Isyaku et al., 2021; Burtlar, 2017; Gilbert, 2017; Okafor, 2016; Kabir, 2014). Sadly, the majority of research conducted by these writers and others did not take into account the difficulties associated with funding and completing real estate projects. Hence, this study is therefore set to investigate into the factors inhibiting proper funding of real estate projects in Nigeria.

The objectives of the study are to:

- i. Analyze the extent to which fluctuations in material prices are a factor in the underfunding of real estate projects.
- ii.) Analyze the effect that interest rates have on real estate project financing.
- iii.) Determine whether a person's income level has a major impact on the underfunding of real estate projects.
- iv.) Assess the effect of currency exchange rate variations on the financing of real estate projects.
- v.) Ascertain whether poor funding of real estate projects is a result of limited access to finance.

Consequently, the following hypotheses were formulated for testing in order to achieve the objectives set for this study;

H₀₁: Materials price fluctuation does not contribute to poor funding of real estate projects.

H₀₂: The level of effect that interest rate has on funding of real estate projects is not significant.

H₀₃: Level of income does not significantly contribute to poor funding of real estate projects.

H₀₄: Currency exchange rate cannot significantly affect funding of real estate projects.

H₀₅: Limited access to funds is not a contributory factor to poor funding of real estate projects.

2.0 Literature Review

Real estate typically refers to a type of asset that includes both land and buildings with some economic worth. Once more, the business of real estate might be understood as involving real property (housing) in general. Real property is a term used to describe the rights, privileges, and interests in possession of actual land (real estate). Real property, however, is defined for the purposes of this study as land and buildings, which are divided into numerous sorts based on the diverse uses to which they are put and for which they are intended. Therefore, it is possible to classify real estate according to how it will be used. It might be used for residential purposes, business, industry, agriculture, leisure, or administrative functions.

Factors That Affect Funding of Real Estate Project Delivery in Nigeria

The housing supply is significantly inadequate to accommodate Nigeria's rapidly expanding population. Due to the significant migration of people into urban settlements, housing demand is always rising, particularly in metropolitan areas (Awofeso, 2010). There is an estimated 17 million housing shortage in Nigeria, according to data from the National Bureau of Statistics and the World Bank (Simire, 2017). According to figures from the UN, around 1.6 billion people live in inadequate housing worldwide, and 100 million people are homeless, signaling a serious housing crisis. About 100 million Nigerians are thought to be now living in inadequate housing, which looks to make up a significant portion of this statistic (Simire, 2017). At the sixth Global Housing conference in Washington (2014), Mrs. Ngozi Okonjo-Iweala, a former finance minister of Nigeria and former managing director of the World Bank, emphasized the failure of various mortgage-financing schemes by past governments in the nation. This is demonstrated by the fact that, unlike in several emerging and developed nations, mortgage lending and real estate financing as a whole do not account for a sizable portion of GDP. The World Bank claims that only significant investments in home creation will be able to address this ongoing housing issue (Simire, 2017). Understanding the nature of the difficulties and prospects is also necessary in light of the persistent financing issues in Nigeria's real estate industry. This would give a forum to examine a strategic real estate finance approach that is holistic and sustainable, to lessen the impact of the issues, to reduce the risks, and to enable the growth of the Nigerian economy. Furthermore, a thorough grasp of the current issues would aid investors, policymakers, and other interested parties in avoiding mistakes and so create a foundation for sustainable real estate financing in Nigeria. To solve this issue, a strategic method must be created. Fluctuating material prices, fluctuating currency values, a high level of uncertainty, poor contract management, and restricted access to financing by financial institutions.

These are some of the main obstacles to the provision of housing in Nigeria. This could be due to our mortgage industry's underdevelopment, which produced fewer than 100,000 transactions between 1960 and 2009. According to a 2008 World Bank report, Nigeria's Gross Domestic Product (GDP) is barely impacted by mortgage financing, with real estate accounting for less than 5% of GDP and mortgage loans and advances accounting for 0.5%, compared to 77% in the US, 80% in the UK, 50% in Hong Kong, and 33% in Malaysia. The Efina (2010) report, which claims that less than 5% of Nigerian lands have official title registration, makes the issue worse. Since no financial institution will offer a mortgage or loan with an unregistered title as security, this shows that the majority of landowners in Nigeria are not even eligible to apply. Development of the mortgage business in Nigeria may remain a long way off unless something dramatic is done to entice land owners to switch from the informal market to the formal market, which involves land titling and registration.

The Conceptual Framework

According to the conceptual framework for this study, the dependent variable is the delivery of real estate projects, which can be accomplished through a collaborative funding framework, while the independent variables are the funding components. This is so that the study's context, which states that the clients, contractor(s), and financial institutions must all work together to properly fund real estate projects in order to successfully complete real estate projects in Nigeria, can be understood.

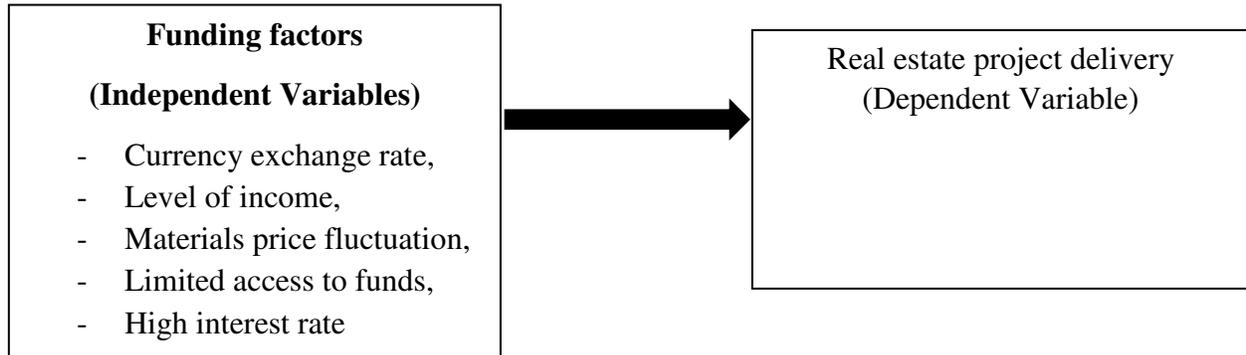


Figure 1: Conceptual Framework
Source: Field Research (2023).

3.0 Methodology

In this study, a survey research design was employed. The research is an empirical intervention study, and the approach was chosen to evaluate the causal influence of an intervention (taken as funding) on the target population, which in this case refers to the execution of real estate projects, without the use of random sampling. Once more, the design makes it possible to accurately determine how funding affects the execution of real estate projects without picking the result of the intervention at random. Moreover, this study used a positivist perspective. Positivism includes emphasizing a phenomenon's statistical quantification and extrapolating the results. A survey was chosen as the research design for this study because it is compatible with positivism. Numerical data was gathered using a quantitative research methodology for analysis. This form of methodology is usually associated with hypothesis testing hence some hypotheses were tested as indicated in introduction.

Population and Sample Determination

Twenty (20) carefully chosen real estate projects completed by real estate construction companies make up the study's population. The population of the survey, however, consists of 300 respondents who work in the real estate (housing) industry and are directly involved in project development and execution. They consist of the credit/loan managers, clients, estate surveyors and valuers, civil engineers, and architects. The responses from the construction companies are made up of various staff members from various categories as well as additional staff at their various building sites throughout Nigeria.

The study utilized a census-style methodology and used the complete population, as stated in Table 1. The choice of this class of construction personnel is made on the basis that the firms from which they are selected are well established and the personnel are permanently engaged in the operations of the construction firms.

Table 1 Population Size Allocation

S/N	Real Estate Projects	Civil Engineers	Architects	Credit/ Loan Managers	Estate Surveyors & Valuers	Customers
1	Oxygen East	3	4	4	3	5
2	Oxygen West	4	3	4	4	5
3	Ixora	3	2	3	2	3
4	Lunaria	4	4	2	2	3
5	L' Mer	3	3	3	3	2
6	L' eau	2	4	3	3	3
7	Avenue	3	2	4	3	4
8	Ozone	4	2	3	4	3
9	Atlantis	3	3	2	3	3
10	Pan Atlantis	4	4	2	3	3
11	Pan Atlantis 2	3	3	3	3	2
12	Riverie	2	3	3	3	3
13	Manhattan	3	4	4	3	3
14	Magnolia	2	3	3	3	2
15	O2 Mall	3	3	4	3	3
16	Belvoir	4	2	2	3	2
17	Chancelier	2	3	3	3	3
18	Magnifique	2	3	2	4	2
19	Blu Signatory	3	2	3	2	3
20	Maison Marina	3	3	3	3	3
TOTAL		60	60	60	60	60

3.2 Nature and Sources of Data

The information was gathered from primary and secondary sources. Responses to a well-structured questionnaire that asked questions about the funding of real estate project delivery in Nigeria served as the primary source of the data. Additionally, the study used secondary data that came from the documented files for the projects that the staff of the construction businesses provided, as well as information from the library, periodicals, textbooks, and an internet search.

But the questionnaire's variables are set up in a way that they demonstrate how the identified funding determinants influence the funding of real estate projects. The 5-point Likert Scale was used to allow respondents to rate their level of agreement or disagreement with each statement depending on their perception. They were also requested to rank all the identified funding possibilities for projects, particularly real estate projects, that were available for sourcing and funding.

Validity and Reliability of the Research Instrument

In Lagos State, the researcher carried out the pilot study for this investigation. Twenty-five (25) respondents from the target population—5 architects, 5 civil engineers, 5 quantity surveyors, 5 clients, and 5 credit/loan managers—were given the draft questionnaire to complete. They were surveyed, and the information obtained from them was examined and utilized to evaluate the reliability and validity of the research instruments (questionnaire).

Validity Test

Ten specialists from various Nigerian real estate building firms validated the study's content. The instrument was adjusted and modified based on their feedback, opinions, and preliminary analysis.

Reliability Test

To determine if the research instrument was reliable or not, this study employed the test-retest method. Twenty (20) respondents selected from the respondent group in Lagos State who have contributed to the finance of real estate projects are given the same exam using this method. The same respondents were given the same questionnaire after two weeks, and the results from the two instances were correlated to make sure there was no significant variation in the construct being examined on the two occasions. A result of 0.863 was found using Kendall's test of concordance, indicating the reliability of the study instrument.

Method of Data Analysis

Frequency tables and charts were used to present the data that were collected from the survey respondents. Multiple regression analysis (MRA) was applied to the study's data collection for analysis. The level of association or how closely associated the dependent and independent variables are in supporting the result (Delivery of Real Estate Projects) was determined using the multiple regression.

Variables for the Analysis

The variables that were the subject of the analysis can be divided into dependent and independent variables. Real estate project delivery is a dependent variable. On the other hand, the elements that have an impact on real estate project finance are considered independent variables. Our study here assesses how a set of criteria impacts the execution of real estate projects in Nigeria.

Definition of the Variables Used in the Analysis

Y_i - Delivery of Real Estate Projects

X_1 - Materials Price Fluctuation

X_2 - Interest rate

X_3 - Level of income

X_4 - Currency exchange rate

X_5 - Limited access to funds

Techniques of Analysis

The t-statistical result of the multiple regression analysis was used in the testing of the hypotheses formulated. Nworuh, (2007) asserts that t-test is one of the appropriate test statistic applied in testing hypothesis. Hence, the adoption of t-test as an analytical technique for data analysis is ideal for this study.

Decision Rule for Testing Hypotheses

The null hypothesis (H_0) i.e. $b = 0$ is accepted at α level of significance when calculated value is less than the tabulated value at 5% chosen level of significance. Otherwise the null hypothesis (H_0) is rejected.

4.0 Results and Discussion

The tables below present and analyze the information gathered from the questionnaire. A total of 300 copies of the questionnaire were given out to the respondents; 271 of those copies were later located and verified as having been correctly filled out. This amounts to 90.3% of the population, indicating a strong response rate. The analyses conducted in this paper have this as their foundation.

Table 2 Analysis of Questionnaire Distributed and Retrieved

S/N	Respondent Group	No. of Questionnaire Distributed	No. of Questionnaire Returned	No. of Questionnaire not Returned
1	Civil Engineers	60	56	4
2	Architects	60	53	7
3	Credit/Loan Managers	60	52	8
4	Estate Surveyors and Valuers	60	57	3
5	Clients	60	53	7
	Total	300	271	29

Source: Desk Research, 2023

Multiple Regression Analysis of Real Estate Project Delivery and the Five Identified Funding Factors

Table 3, shows the scores of computerized-aided multiple regression used in developing a model for predicting the level of real estate project delivery in the face of the five identified funding factors.

Table 3 Coefficients of Multiple Regression of Real Estate Project Delivery and the Five Identified Factors.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	78.832	1.093		14.417	.000
	X ₁	.573	.065	.311	3.779	.008
	X ₂	-.548	.078	-.390	-3.223	.015
	X ₃	.679	.068	.471	5.162	.002
	X ₄	-.830	.057	-.533	-9.534	.000
	X ₅	.498	.059	.252	2.847	.040

a. Dependent Variable: Y

The multiple regression model developed from Table 3 is shown in equation 1;

$$Y = 78.832 + 0.573X_1 - 0.548X_2 + 0.679X_3 - 0.830X_4 + 0.498X_5 \dots\dots\dots (1)$$

When the values of the five identified funding determinants are known, we may estimate the level of real estate project delivery using the produced model. For instance, if all other variables remain constant, level of income (X₃) = 0.679 suggests that funding for real estate project delivery will grow by 0.679 for every one-unit increase in the level of income. In other words, funding for the delivery of real estate projects will increase as income levels rise. Similar conclusions can be drawn about X₁ and X₅.

On the other hand, interest rate (X₂) = -0.548 suggests that, while keeping all other variables fixed, the delivery of real estate projects will fall by 0.548 for every unit increase in interest rate. Due to the high cost of financing, real estate project delivery diminishes when interest rates rise. With regard to foreign exchange rate (X₄), the same case can be made.

Testing the Significance of the Derived Model

The Analysis of Variance (ANOVA) in the multiple regression analysis was chosen as the best test to determine the significance of the developed model in predicting the delivery of real estate projects in Nigeria. which is;

$H_0: b_1 = b_2 = b_3 = b_4 = b_5 = 0$

$H_A: \text{not all } b_k = 0; \text{ where } K = 1, 2, 3, 4, 5.$

Table 4 Analysis of Variance (ANOVA) for Multiple Regression

Model		Sum of Squares	df	Mean Square	F*	Sig.
1	Regression	1102.774	5	220.555	11.599	.000 ^b
	Residual	5039.581	265	19.017		
	Total	6142.354	270			
a. Dependent Variable: Y						
b. Predictors: (Constant), X5, X1, X4, X3, X2						

Given that Table 4's F-ratio of 111.599 is significant at the 0.000 level of significance, the model is also significant at the 5% level of significance. As a result, the model developed in this study is important for estimating when real estate developments in Nigeria will be completed. The study has so verified that factors such as fluctuating material prices, interest rates, income levels, currency exchange rates, and limited access to capital all play a key role in real estate project delivery performance.

Testing of Hypotheses

To determine the relevance of each independent component, the dependent factor (Y - Delivery of Real Estate Projects) was regressed on each one. The importance of the independent factors in the tested hypothesis is examined using the t-test results. The t-values in Table 3 become significant; **H₀₁**: Materials price fluctuation does not contribute to poor funding of real estate projects.

Given the p-value of 0.008 and the data from Table 3, the t-calculated value of 3.779 is significant in the prediction of real estate project delivery. We therefore come to the conclusion that materials price fluctuation plays a role in the underfunding of real estate projects and reject the null hypothesis (H₀₁).

H₀₂: The level of effect that interest rate has on funding of real estate projects is not significant.

The t-calculated value of -3.223 is significant in the prediction of real estate project delivery at a p-value of 0.015. We therefore reject H₀₂ and conclude that the level of effect that interest rate has on funding of real estate projects is significant.

H₀₃:Level of income does not significantly contribute to poor funding of real estate projects.

The t-calculated value of 5.162 is significant at 0.002. We therefore reject H₀₃ and conclude that level of income significantly contributes to poor funding of real estate projects.

H₀₄: Currency exchange rate cannot significantly affect funding of real estate projects.

From Table 3, a t-calculated value of -9.534 is significant in the prediction of real estate project delivery in Nigeria, given the p-value of 0.000. We therefore reject H₀₄ with a conclusion that foreign exchange rate can significantly affect funding of real estate projects.

H₀₅: Limited access to funds is not a contributory factor to poor funding of real estate projects.

The t-calculated value of 2.847 in Table 3 is significant in the prediction of real estate project delivery at 0.040 level of significance. The study therefore, reject the null hypothesis (H₀₅)and conclude that limited access to funds is a contributory factor to poor funding of real estate projects.

Implications of Results

From the analyses made, the following can be deduced;

When predicting the degree of delivery of real estate projects, the model created from Table 3 is significant. The result is that real estate project participants can forecast project delivery success or failure provided the developed model's factors are taken into account and handled for fast and adequate funding.

In order to successfully fund and complete real estate development projects in Nigeria, it is important to take materials price volatility into consideration (see Table 3). This outcome reflected the reality of the situation in Nigeria, where the cost of building materials is always fluctuating. The findings of Gilbert (2017); Isyaku, Dzurlikanian, and Usman (2021) support this conclusion that funding is unexpected due to ongoing fluctuations in material costs, which has an impact on the timely completion of building projects. Therefore, it is important to manage and stabilize the variations in the price of building materials to help project planners organize and sufficiently fund construction projects for on-time completion.

As seen in Table 3, interest rates significantly affect how real estate projects are funded. The study of Okafor (2016), who bemoaned the dramatic impact of high interest rates on the financing of real estate projects in Nigeria, contradicted this finding. In the same spirit, Clois and Joan (2009) found that high interest rates are the main obstacle to India's housing projects receiving appropriate funding. In their respective research, Isyaku, Dzurlikanian and Usman (2021) and Kabir (2014) also supported this finding. This suggests that the procurement of funding for real estate developments in Nigeria and most emerging nations has been hampered by high interest rates. It is crucial to effectively control the economic factors that affect interest rates in order to decrease and stabilize the rate of interest on loans.

The amount of money makes a big difference in how well real estate projects are funded. This outcome is not unexpected given that poverty means not having access to the resources needed for successful project planning and execution, particularly in the real estate sector. Egunjobi (2017) expressed dissatisfaction over the fact that the majority of low-wage earners have trouble obtaining loans or other forms of help for home construction. This conclusion that low income levels in India and Nigeria, respectively, correlate to low levels of funding is shared by Clois and Joan (2009) and Kabir (2014). Therefore, it is important to maintain a stable economy that supports a good quality of life and self-esteem while also improving the wage scale for citizens.

The funding of real estate developments in Nigeria is significantly impacted by foreign exchange rates (see Table 3). Unfortunately, Nigeria is currently experiencing a high rate of inflation and a high rate of foreign exchange, making building supplies unaffordable for the majority of the population. a circumstance that makes it challenging to finance real estate developments. This finding is consistent with those of Isyaku, Dzurlikanian and Usman (2021); Egunjobi (2017); Okafor (2016) and; Clois and Joan (2009). Therefore, in order to stop the rising foreign exchange rate crisis that is devouring Nigeria and other emerging nations throughout the world, economic stability is required.

Lastly, poor finance of real estate developments is a result of limited access to capital (see Table 3). This outcome is not unexpected. This is based on the results of previous studies in the field and the widespread perception that access to capital is a key element in project funding. According to authors like Burtlar (2017), the implementation of real estate projects in Nepal is being hampered by the difficulty in obtaining funding from financial organizations. Additionally, it has been suggested by Okafor (2016) and; Young and Evans (2015) that the inability of banks to issue credit and the difficulty in obtaining loans are important barriers to financing real estate projects in Nigeria. This outcome may have been the result of the problem of insufficient finance, which continues to plague the completion of real estate projects even though real estate corporations may have devised solutions for funding them. The sourcing of loans to carry out real estate (housing) projects should have been handled through a partnership agreement between the clients and the real estate developers. In a stable economy, favorable exchange rates and higher income levels might also reduce the need for loans to complete real estate developments.

5.0 Conclusion

Despite the difficulties that Nigerian real estate development faces, the sector offers a lot of job opportunities, investment prospects, and guarantees good returns on investments. The report makes the following recommendations after analyzing and discussing the difficulties associated with financing and completing real estate projects: The government should create and implement a framework that will halt Nigeria's rising inflationary tendency. This will aid in reducing the steadily rising cost of construction materials, promoting proper finance and completion of real estate projects.

In order to effectively manage them and lower the level of interest rates on loans, the government and financial institutions urgently need to separate and study the key economic factors that affect interest rates. To control interest rates on loans for real estate projects, a dedicated agency and lower interest rate should be established. In order to finance the construction of real estate developments at government-regulated interest rates, mortgage institutions should be strengthened.

In order for Nigeria's income earners to be able to afford good housing, both public and private organizations should reassess their pay scales in light of the country's existing conditions. Additionally, the sector needs to attract overseas investors. These investors can be persuaded to collaborate with regional landowners and real estate developers to finance and complete real estate projects. Economic stability is encouraged as a way to stop the naira's depreciation caused by rising foreign exchange. Additionally, entities engaged in real estate development ought to be permitted to operate in several currencies. This will enable companies to carry out transactions in foreign currencies and gain access to monies in those currencies for project delivery. A partnership agreement between the clients and the real estate developers would make it considerably simpler to make money available to finance real estate projects all the way to completion. It is advised that funding mechanisms similar to the trade credits gained through off plan advance payments (brand equity) be used by Periwinkle Residences Ltd. and other Nigerian real estate development enterprises. This arrangement will lessen the challenges brought on by limited financial access. It is nearly hard to contest the possibility that real estate development will offer a favorable environment for the growth of Nigeria's economic operations. As a result, government at all levels must work tirelessly to encourage and promote the growth of the real estate sector in order for it to reach new heights and aid in the nation's economic development.

The government, financial institutions, and real estate developers would be able to fund real estate projects adequately and complete them successfully, which will contribute to Nigeria's and other developing nations' economic development.

Contributions to Knowledge

The study has added the following knowledge to the corpus of research on funding and real estate project delivery:

- a.) A predictive model for predicting real estate project success in the face of a confluence of recognized funding determinants.
- b.) This study was able to demonstrate that the foreign currency rate is the most important factor limiting the finance of real estate projects delivery in Nigeria, which is in contrast to the conclusions of previous comparable studies.

References

1. Anuolam, M.O. (2016) *Project Finance and Contract Management*, Alvan Global Publications, Owerri, Imo State, Nigeria, 120-125.
2. Awofeso, O. (2010). *Public Sector Housing Projects in Nigeria*, Adessa Printing Press, Ikeja, Lagos State, 115-119.
3. Burtlar, H. U. (2017) *Critical Factors that inhibits funding of housing projects in Nepal*, *Journal of Applied Scientific Research*, 2(4), 90-96 (www.jasr.com).

4. Clois, S. and Joan, E. (2009). *Factors that Influence Funding of Real Estate Projects in India*, *Journal of Engineering and Technological Studies*, 3(9), 12-19. (www.jets.com)
5. Cynthia, S.H. (2021) *Low Cost Housing Projects in Developing Countries: Theory and Practice*; Johnson Publishing Company, Benin, Edo State, Nigeria, 78-80.
6. Efina, S.Y. (2010) *Report on Land Tenure Problems in Nigeria*; Federal Ministry of Lands and Natural Resources, Abuja, 43-50.
7. Egunjobi, A.A. (2017) *Factors that inhibit financing of real estate projects in IbadanMetropolis*, *Journal of Engineering and Management Sciences*, 3(1), 67-71.
8. Gilbert, G.A. (2017) *Financing factors associated with delivery of real estate projects in developing countries: a study of India*, *International Journal of Development and Social Studies*, 3(5), 54-67.
9. *Global Housing Conference (2014). Achieving the Millennium Development Goals in Africa. Recommendations of the MDG steering group*, 34-41 (www.indgafrica.org.pdf)
10. Isyaku, I., Dzurlikianian, D., and Usman, B.S. (2021) *Real Estate Finance in Nigeria: Sources and Its Effect on Property Development Review*, *International Journal of Scientific & Technology Research* 10(5), 231-234 (www.ijstr.com)
11. Kabir (2014) *Funding Related Factors for the Realization of Residential Estate Projects in Nigeria*, *International Journal Development and Economic Review*, 5(3), 101-107, (www.ijder.com.)
12. Nworuh, G.E. (2007) *Fundamentals of Applied Quantitative Techniques for Management Decision*, Bon Associates – HRDC, Nigeria, 90-94.
13. Okafor, O.F. (2016) *Private Sector Initiative in Real Estate Development in Nigeria – How Viable? Nigeria Institute of Quantity Surveyors*, 1(6), 21-26 (www.niqs.com)
14. *World Bank Report (2008) Milestones in the Evolution of Human Settlement Policies. 1976-2006. State of the*
15. *World Cities. Report 2006/2007. The MDGs and Urban Sustainability. 30 years of shaping the Habitat Agenda. Earsthean*, 245-251
16. Young, F and Evans, L.P. (2015) *An Analysis of the Challenges and Prospects in the Real Estate Development in Nigeria*, 23-33

About the Authors



Echeme, Ibeawuchi Ifeanyi is a Senior Lecturer in the department of Project Management Technology, Federal University of Technology, Owerri. Echeme has a B.Tech, MSc, and PhD in Project Management Technology and have published more than twenty-five (25) articles in both international and national reputable journals. Dr. Echeme has published a textbook on Project Time, Cost and Quality Management. He is a Chartered Member; (CIPMN), Certified Project Director (CPD) and a member of International Project Management Professionals (IPMP). Dr. Echeme has presented papers in conferences and workshops within and outside the Nigeria.



Moneke, Uchenna Ugochi is a lecturer in the department of Project Management Technology, Federal University of Technology, Owerri. An Associate Professor of Project Management. She has a bachelor degree in Polymer Engineering, an MSc and PhD in Project Management Technology. Engr. Dr. Moneke has more than twenty-five (25) international and national publications in reputable journals. She is a certified member of the Nigeria Society of Engineers. A professional registered engineer with COREN and an international and local member of Project Management Institute (PMI).