



MORTGAGE
BANK PLC

2ND QUARTER

Market Intelligent Report

A Comprehensive Analysis of Q2 2025 Economic Trends, Real Estate Investments, Competitive Rates, and Emerging Demographics for AG Mortgage Bank.

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"In Nigeria's shifting landscape, the foundation of growth isn't just concrete — it's insight, clarity, and informed financial planning."



Dear Valued Stakeholders,

At AG Mortgage Bank, our nearly two-decade journey has been defined by an unwavering commitment to making homeownership a reality for Nigerians. Since our incorporation in 2004 and commencement of operations in 2005, we have consistently championed innovative mortgage solutions, empowered communities through financial literacy, and fostered sustainable development across the nation. Our dedication to excellence was recently reaffirmed by prestigious accolades in 2023 and 2024, including "Best Customer Centric Mortgage Bank of the Year," a testament to our relentless focus on you, our cherished customers.

The second quarter of 2025 has been a period of both significant achievement and insightful observation for AG Mortgage Bank. We've continued to build on our strong foundation, expanding our reach and refining our offerings to better serve your evolving needs. This progress, even amidst a dynamic economic landscape, underscores our resilience and strategic foresight.

To further empower our collective understanding and chart a robust path forward, I am delighted to present our AG Mortgage Bank 2nd Quarter 2025 Market Intelligence Report. This comprehensive analysis dives deep into Nigeria's macroeconomic environment, the vibrant real estate sector, competitive landscape, and crucial demographic shifts. It offers invaluable insights into GDP trends, real estate investment growth, competitor interest rates, government support programs, and the burgeoning rental market, particularly across key regions like the South-East, South-West, South-South, and FCT.

We encourage you to delve into this report, as it provides the critical data and strategic intelligence necessary to understand the forces shaping Nigeria's housing and financial sectors. Your engagement with these insights is vital as we continue to build a future where every Nigerian can achieve their dream of homeownership.

Thank you for your continued trust and partnership.

Sincerely,

Ngozi Anyogu,
Chief Executive Officer
AG Mortgage Bank Plc



Quick Report Highlights

ECONOMIC MOOD

Cautious optimism

- Nigeria's economy is growing slowly but steadily – GDP growth is projected between 3.4-4.17% in 2025.
- Inflation is easing slightly (22.97% in May 2025), but prices remain relatively high, especially for food and construction materials.
- Currency depreciation and tight monetary policy still pose challenges.

BIGGEST PROBLEM FOR HOME LOANS

Loans remain expensive

- With the Monetary Policy Rate at 27.5%, borrowing costs are high.
- This makes mortgages unaffordable for many low and middle-income earners.
- Despite a ₦250 billion government real estate fund aiming for single-digit interest, access remains limited.

MAIN HOUSING PROBLEM IN NIGERIA

Massive housing shortage

- Nigeria faces a housing deficit of 22-30 million units.
- Urbanization is rapid (over 53% urban population), and the population is projected to reach 230 million in 2025.
- The shortage is worst in urban areas like Lagos, Abuja, and Port Harcourt.

EXCITING NEW CHANCES

Affordable Housing Boom

- Huge demand from low/middle-income earners
- Rise of micro-apartments & co-living models
- Public-private partnerships (e.g., Renewed Hope City)

Sustainable & Green Buildings

- Demand for solar-powered homes, water-efficient systems
- “Green Homes” drive by AU targeting 55% emission cuts by 2030

Tech-Enabled Real Estate

- Blockchain for land titles (Lagos)
- Online mortgage platforms & PropTech on the rise

New City Projects

- Eko Atlantic, Isimi Lagos, Centenary City Abuja, Enyimba Economic City Enugu
- Strong growth in secondary cities like Ibadan, Uyo, Abeok



Commercial & Mixed-Use Developments

- Growing demand for offices, retail, and build-to-rent units
- High rental yields (up to 10% annually in key areas)

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Macroeconomic and Real Estate Sector Overview

Nigeria's economy in Q2 2025 continued to navigate a path of cautious optimism, building on reforms initiated in 2024. While inflationary pressures remain a concern, efforts by the Central Bank of Nigeria (CBN) and government policies are showing signs of moderating some key indicators.



**Q2 2025
continued to
navigate a
path of
cautious
optimism**

GDP Growth & Macroeconomic Trends

GDP Growth Forecast

Central Bank of Nigeria (CBN): Projects +4.17% GDP growth in 2025, underpinned by fiscal and monetary reforms (Nairametrics, 2025).

International Monetary Fund (IMF): Offers a more conservative estimate of 3.0-3.2%, noting structural constraints.

AfDB: Forecasts 3.2% growth in 2025, easing to 3.1% in 2026 (Serrari Group 2025).

Sector Contribution & Market Size

Real estate ~7% of national GDP (~US \$900 billion in 2024), with projections reaching US \$2-2.25 trillion by 2025.

Commercial real estate alone is expected to hit US \$362.3 billion in 2025, growing at a 2.4% CAGR through 2029.

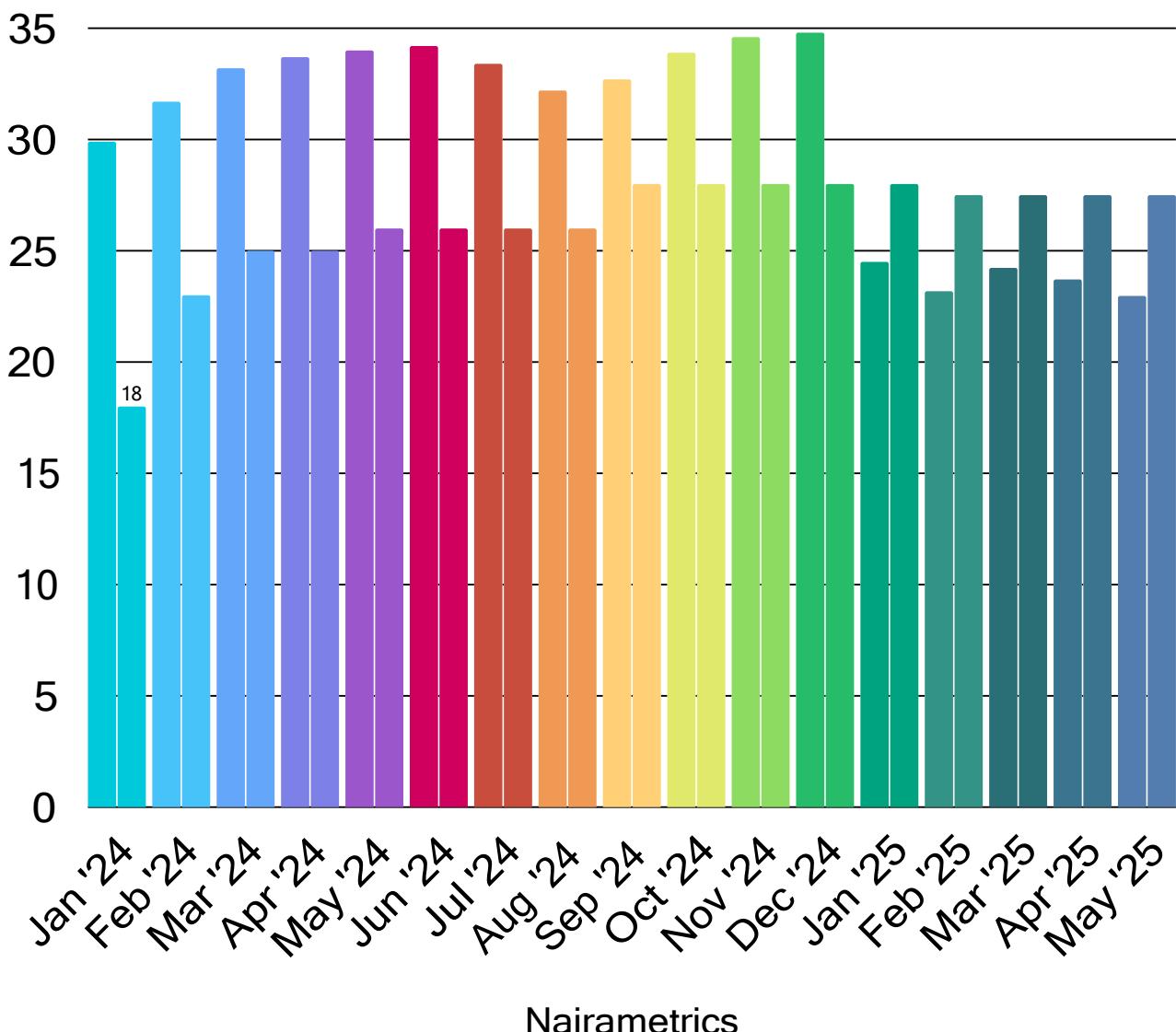
New Data according to Statista & Business Day

What this Means to AGMB:

The projected GDP growth of 3.0-4.17% indicates gradual economic recovery and increasing economic activity, which can support higher mortgage demand and property investments. AGMB should align its loan products with sectors driving growth—especially ICT, trade, and financial services—by targeting professionals and businesses in these sectors for housing and commercial property loans.

Inflation Trends

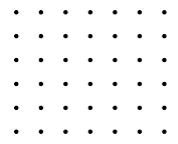
Nigeria's headline inflation rate has shown a slight easing in Q2 2025. In May 2025, the headline inflation rate eased to 22.97% relative to 23.71% in April 2025, marking the second consecutive month of decline. This decline is attributed partly to the recent change in the base year used for calculating inflation by the NBS. Food inflation, while still a major contributor, saw a significant drop to 21.14% year-on-year in May 2025 from 40.66% in May 2024.



What this Means to AGMB:

The easing inflation (from 23.71% to 22.97%) and drop in food inflation suggest improving consumer purchasing power, which can improve mortgage repayment capacity. AGMB should cautiously review interest rate strategies and continue promoting fixed-rate mortgage products to hedge against remaining currency volatility and cost instability.

Gross Domestic Product (GDP) Growth



Q1 2025 Performance

Nigeria's GDP is projected to have grown marginally in Q1 2025, with estimates ranging from 3.2% to 3.5% year-on-year. This growth is primarily buoyed by the non-oil sector, particularly financial services, information and communication technology (ICT), and trade. The oil sector continues to face challenges due to production issues and global price volatility.

**3.2% to
3.5% YoY**

H1 2025 & Full Year 2025 Projections

The Nigerian economy is estimated to have grown by about 3.7% in the first half of 2025, supported by improved business conditions and increased oil production. The World Bank maintains its projection of 3.6% GDP growth for Nigeria in 2025, building on an estimated 3.4% in 2024, as macroeconomic reforms stabilize the business environment. The IMF also revised its projection for 2025 to 3.4%.

3.7% 
GDP Growth,
2025

Monetary Policy Rate (MPR)

The Central Bank of Nigeria (CBN) retained the Monetary Policy Rate (MPR) at 27.50% during its May 2025 meeting. This marked the second consecutive hold in 2025, following a series of hikes in 2024. The CBN's decision aims to allow the effects of previous hikes to manifest and to better understand near-term economic developments.

What this Means to AGMB:

The CBN's decision to hold MPR at 27.5% suggests a pause in rate hikes, giving banks room to reassess lending strategies. AGMB should explore hybrid mortgage models—starting with short-term high-yield instruments and transitioning to longer-term fixed-rate mortgages as rates stabilize.

Currency Performance

The naira rebounded to ₦1,620/\$ in the parallel market in early 2025, but depreciation pressures persist, impacting import costs and construction material prices. As of July 2025, the current exchange rate of the naira is ₦1,522/\$.

Fiscal Policy and Infrastructure Spending

Fiscal Deficit

The fiscal deficit is projected to narrow to 4.1% of GDP in 2025 from 4.3% in 2024, supported by improved oil and non-oil revenues.afdb.org

4.1% 

Infrastructure Budget

of GDP (2025)

The 2025 federal budget allocates ₦4.06 trillion (10% of the total budget) to infrastructure, with Lagos dedicating over 10% of its ₦3.366 trillion state budget to infrastructure projects. These investments, including road and rail developments, enhance real estate connectivity and attractiveness.vanguardngr.com

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Government Reforms

Post-2023 reforms, including fuel subsidy removal, exchange rate unification, and tighter monetary policy, aim to stabilize the economy. The CBN's focus on price stability and single-digit mortgage rates supports real estate growth.

What this Means to AGMB:

With ₦4.06 trillion allocated to infrastructure, AGMB can anticipate increased demand for mortgages and development loans in newly connected urban areas. Strategic partnerships with developers in infrastructure-linked zones can boost AGMB's real estate loan book and unlock long-term value.

Unemployment and Labor Market

Unemployment Rate

The unemployment rate dropped to **4.3%** in Q3 2024, signaling improved labor market conditions. This boosts disposable incomes, supporting demand for housing and rentals. propertypro.ng

Demographic Drivers

Nigeria's population is projected to reach 230 million by 2025, with urbanization rates exceeding 51%. Rapid urbanization in cities like Lagos, Abuja, and Port Harcourt fuels real estate demand. octo5.co

Regional Economic Trends and Analysis

According to [BusinessDay](#), Lagos State dominates, with a GDP of NGN 41.17 trillion in 2024 and projected to be NGN 66.47 trillion in 2025, far surpassing other states due to its role as Nigeria's commercial and financial hub. The LEDU report projects that Lagos' economy will expand from N43.06tn in 2023 to N54.77tn in 2024 and N66.47tn in 2025, driven by services, trade, transport, IT, and finance. ([Punch NewsPaper 2025](#)). Its economy is diversified, with significant contributions from finance, commerce, technology, and entertainment, making it less reliant on oil compared to states like Rivers, Akwa Ibom, Delta, and Bayelsa, which are heavily dependent on the petroleum sector.

The oil-producing states (Rivers, Akwa Ibom, Delta, Bayelsa) benefit from Nigeria's oil wealth, but their economies face challenges such as environmental degradation and infrastructure deficits. Efforts to diversify into agriculture, tourism, and services are noted in Akwa Ibom and Bayelsa, though these sectors are still underdeveloped.

Non-oil states like Anambra, Ogun, and Niger highlight the importance of commerce, manufacturing, and agriculture. Anambra's commercial strength, particularly in markets like Onitsha, and Ogun's industrial estates near Lagos underscore the potential for non-oil economic growth. Niger's agricultural and hydroelectric contributions reflect its strategic role in food security and energy production.

Real Estate Investment Trends



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Key Drivers of Growth

Urbanization

Nigeria's urban population is growing rapidly, with 53% of Nigerians living in urban areas in 2024, up from 54.28% in 2023, according to World Bank data. This trend, with an annual urbanization rate of 3.51%, is fueling demand for both residential and commercial properties, particularly in cities like Lagos, Abuja, and Port Harcourt.

Economic Recovery

The Nigerian economy is showing signs of recovery, with a GDP growth rate of 3.46% in Q3 2024, supported by sectors like telecommunications, banking, and manufacturing. This growth enhances consumer purchasing power and investor confidence, positively impacting the real estate market.

Population Growth

Nigeria's population is projected to reach 230 million by 2025, increasing the demand for housing. The housing deficit, estimated at over 22 million units, continues to drive investment in residential properties.

What this Means to AGMB:

With a housing deficit of 28 million and rising real estate value, AGMB has a critical role to play in financing both supply and demand sides of the market. The bank should expand partnerships with developers, offer bridge financing, and design off-plan home financing products.

Challenges for Real Estate Investors

Despite the opportunities, the Nigerian real estate market is not without its hurdles:

Inadequate Infrastructure

Roads, consistent power supply, and water systems are often insufficient, increasing development costs as investors must provide these amenities.

Fluctuating Exchange Rates

The volatility of the Naira impacts the cost of imported building materials, increasing project budgets and reducing returns.

High Cost of Construction

Inflation, import tariffs, and a lack of local manufacturing drive up the prices of building materials and labor.

Limited Access to Financing

High-interest rates and stringent lending requirements make it challenging to secure funding for large-scale projects.

Lack of Transparency

Nigeria's real estate sector suffers from a critical lack of transparency and unreliable data, which can discourage both local and international investment. [NHM Editorial, 2025]

Regulatory Bottlenecks and Land Title Issues

Navigating complex land laws (e.g., Land Use Act of 1978), securing permits, and verifying land titles can lead to bureaucratic delays, disputes, and increased expenses.

Economic Instability and Insecurity

Fluctuations in oil prices impact disposable income and investor confidence. Security concerns like kidnapping and communal conflicts also deter investment in certain areas.



Proximity to business districts, good infrastructure, and secure neighborhoods significantly impact property value and rental yields.

Thorough research on market trends, legal documentation, developer reputation, and financial feasibility is paramount to mitigate risks.

Location is King



Long-Term Perspective

Real estate investment in Nigeria often yields better returns with a long-term strategy, allowing for capital appreciation and steady rental income.

Leverage Local Expertise

Partnering with experienced real estate professionals, lawyers, and valuation experts is crucial to navigate the market complexities.

Key Investment Trends

Surge in Demand for Affordable Housing

The housing deficit, estimated at 22-30 million units, remains a critical driver of investment. The government, through initiatives like the National Housing Fund and the Family Homes Fund, is promoting affordable housing to address this gap. Public-private partnerships (PPPs) are increasingly being leveraged to deliver mass housing projects, with examples like the 3,112-unit Renewed Hope City in Abuja's Karsana District. Affordable housing projects are particularly appealing to developers targeting low- and middle-income earners, supported by government incentives such as tax holidays and reduced land acquisition costs.

Micro-Apartments and Co-Living Spaces

Affordable rental options like micro-apartments and co-living spaces are gaining popularity in urban centers, catering to young professionals and the growing middle class.

Government Initiatives

In November 2024, the Federal Government approved a N250 billion Ministry of Finance Incorporated (MOFI) Real Estate Investment Fund to provide affordable, long-term mortgages, aiming to inject N1 trillion into the mortgage sector. This initiative, known as the Ministry of Finance Incorporated (MOFI) Real Estate Investment Fund, targets single-digit or low double-digit interest rates to make homeownership accessible.

Rise of Luxury and Gated Communities

There is a growing demand for luxury apartments and gated communities, particularly in major cities like Lagos and Abuja. These developments cater to the affluent middle class and expatriates, offering modern amenities, security, and a higher standard of living. Areas like Lekki and Ikoyi in Lagos are seeing high rental yields of 6-10% annually, making them attractive for investors.

Eko Atlantic

This large-scale development in Lagos is a magnet for foreign direct investment (FDI), driving up property prices in adjacent areas. In 2024, Nigeria saw a four-year high of \$3.4 billion in FDI, boosting investor confidence and reshaping market dynamics.

Growth in Commercial and Mixed-Use Developments

The commercial real estate sector is witnessing significant growth due to the expansion of businesses and the entry of multinational companies. Mixed-use developments, combining residential, commercial, and retail spaces, are increasingly popular for their convenience and accessibility.

Tech Hubs and Co-Working Spaces

The rise of tech hubs and co-working spaces reflects the influence of technology and financial services on urban planning. Developers are designing properties with flexible office setups and tech-enabled infrastructure to cater to modern business needs.

Retail and Industrial Properties

The demand for commercial and industrial properties, such as shopping centers and factories, is growing, driven by economic diversification and infrastructure development.

Adoption of PropTech and Blockchain

Technology is transforming Nigeria's real estate market, enhancing efficiency and transparency. PropTech startups are digitizing property listings, mortgage financing, and transactions, reducing reliance on intermediaries. The Lagos State government's integration of blockchain into its land registry system in 2023-2024 has been a significant step toward combating fraud and improving transaction security.

Online Property Platforms

Platforms like PropertyPro offer virtual tours, advanced filters, and market trend insights, making property transactions more accessible.

Tokenization of Real Estate

Blockchain-based tokenization allows fractional ownership of properties, democratizing access to high-value real estate investments.



Focus on Sustainability and Green Building

Sustainability is a growing priority in African construction, driven by rising energy costs and environmental awareness. Developers are adopting renewable energy solutions, such as solar panels and energy-efficient systems, and using locally sourced, eco-friendly materials to reduce costs and environmental impact. The African Union's Agenda 2063 and initiatives like Mission 300, which aims to connect 300 million people to electricity by 2030, promote renewable energy adoption and energy efficiency across the continent.

Water Conservation Systems

Rainwater harvesting and water recycling systems are being integrated into residential designs to address water scarcity.

Climate-Resilient Properties

Properties with climate-resilient features are gaining traction, offering lower insurance premiums and attracting environmentally conscious buyers.

Rise of Real Estate Investment Trusts (REITs) and Fractional Ownership

REITs are gaining popularity as a structured and regulated investment option, allowing investors to earn passive income without directly owning properties. Fractional ownership platforms are also making real estate investment more accessible by allowing individuals to co-own properties with minimal investment.

Shortlet Apartments and Build-to-Rent (BTR) Projects

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Focus on Sustainability and Green Building

Sustainability is becoming a key consideration, driven by rising energy costs and environmental awareness. Developers are incorporating renewable energy solutions, such as solar panels and inverters, and using locally sourced, eco-friendly materials to reduce costs and environmental impact. The African Union's "Green Homes" Directive, aiming to reduce harmful emissions by 55% by 2030, is influencing the adoption of green building practices.

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Investment in Secondary Cities

While Lagos remains the powerhouse, accounting for nearly 45% of real estate investments in 2024, secondary cities like Ibadan, Uyo, and Abeokuta are emerging as investment hotspots due to urban migration and improving infrastructure. These cities offer opportunities for affordable housing and commercial developments, with lower land costs and high appreciation potential.

What this Means to AGMB:

The rise of affordable housing and government-backed funds (e.g., ₦250 billion real estate investment fund) presents major mortgage expansion opportunities. AGMB should leverage this with affordable mortgage products at single-digit interest rates and explore blended financing with government or DFIs.

Challenges Facing the Real Estate Market



Inflation and Rising Construction Costs



Inflation, which reached 33% in 2024, has significantly increased the cost of construction materials. For example, cement prices doubled from ₦4,000 to ₦8,800 per bag, and block prices rose from ₦250 to ₦550-600 each between 2023 and 2024. These rising costs, coupled with high interest rates (expected to stabilize at 15% by 2025), make housing less affordable and reduce developer profit margins.

Limited Access to Financing

High interest rates and limited mortgage access remain significant barriers. The Central Bank of Nigeria raised lending rates from 16.5% in December 2022 to 18.75% in July 2023, increasing borrowing costs for developers and slowing project development. The MOFI Real Estate Investment Fund aims to address this by offering affordable mortgages, but access remains a challenge for many Nigerians.

Infrastructure Deficits

Inadequate infrastructure, including poor road networks, unreliable electricity, and insufficient water and sanitation services, affects property development and value. These deficits are particularly pronounced in suburban areas, making construction challenging and increasing costs.

Regulatory and Legal Hurdles

Complex land ownership laws, property rights issues, and bureaucratic red tape delay project approvals and deter investors. Ongoing reforms to simplify land titling and registration processes are expected to ease these challenges in 2025.

Economic Volatility

Nigeria's reliance on oil makes it vulnerable to global price fluctuations, impacting investor confidence and property values. The depreciation of the Naira has further increased construction costs, as many materials are imported.

Geopolitical Zone	States & Key Locations	Major Recent / Ongoing Projects & Trends	Growth Drivers
South-West	Lagos, Ogun	<ul style="list-style-type: none"> - Eko Atlantic City (reclaimed mixed-use city, Lagos) - Gracefield Island, Lekki Lagos (100 ha reclaimed city) - Alaro City, Lagos Free Zone (eco-friendly mixed urban development) - Isimi Lagos, planned wellness/lifestyle city in Epe, Lagos (~300 ha; 10,000 residents by 2030) - Bloom Towers, Oniru VI; Sapphire Towers, Oniru; Oculus Grande, Banana Island Waterfront, etc. - Lekki Free Trade Zone Residences, Lagos - Infrastructure: Lekki Deep-Sea Port, Dangote Refinery, coastal highway Section in Lagos - Lagos Arena, a 12,000-capacity indoor events arena in Lekki (construction started Feb 2024, complete Dec 2025) 	<p>Economic powerhouse (~30% GDP); land reclamation addressing scarcity; emerging districts like Ibeju-Lekki/Epe with >150% land price growth (2018-2023); mixed-use, luxury, gated community and smart city trends; public-private infrastructure investments.</p> <p>- Ogun and Oyo offer affordable investment opportunities with high returns due to urbanization and industrial growth.</p> <p>- The region benefits from strong private investment and public-private partnerships (PPPs).</p>
South - East	Enugu, Anambra (e.g., Awka)	<ul style="list-style-type: none"> - Presidential-commissioned projects in Enugu early 2025: international conference centre, 90 urban roads, smart green schools, health centres, film village at Akor Nike (~1,500 plots)- Diaspora-driven residential boom in Enugu and Awka, ~60% increase property transactions (2020-2023)- Enyimba Economic City (planned satellite city in south-east aiming scale ~1.5 m residents phase-wise under way as of early 2023) 	<p>Infrastructure upgrades, population growth; diaspora investment; planned charter city development aiming economic diversification</p>
South-South	Cross River (Calabar), Rivers (Port Harcourt)	<ul style="list-style-type: none"> - Summit Hills, Calabar, Cross River: 908 acres (3.7 km²), multi-phase mixed-use with convention centre, hotel, golf, hospital, residential (\$5 b project)- Port Harcourt: strong demand in GRA Phase 1 & 2, Peter Odili Road, Trans-Amadi with rental yields 9-12% 	<p>Tourism-led mixed use; oil/gas-driven commercial demand; high yields attracting investors</p>

North-Central	Federal Capital Territory (Abuja)	<ul style="list-style-type: none"> - World Trade Centre Abuja (mixed-use mega development, ₦200 b project; towers, mall, hotel phases)- Centenary City (planned smart/economic city on ~1,260 ha southwest of Abuja; FTZ status)- Renewed Hope Housing Project: ~3,112 units under development, with ~1,000 units completed end-2024; broader affordable housing push- Land administration reform: FCT minister issued 5,000+ Certificates of Occupancy in 2025 alone (vs 8,400 over prior 13 years)- Emerging districts: Kyami, Kuje, parts of Lugbe highlighted for investor growth- Apo housing: 12% YoY price appreciation Q2 2024; mixed-use development focus 	Land reform accelerating investment; rising housing supply stabilizing rents; smart estate and technology integration; FTZ-driven business district planning
North-East / North-West	North-East: Adamawa, Bauchi, Borno, Gombe, Taraba, Yobe North-West: Sokoto, Zamfara, Kebbi, Katsina, Jigawa, Kano, Kaduna	<ul style="list-style-type: none"> - Real estate development is heavily constrained by insecurity, particularly due to Boko Haram activities. - North East Development Commission (NEDC): Established in 2017, it focuses on rebuilding infrastructure, including housing, in conflict-affected areas like Borno and Adamawa. Projects include affordable housing and community reconstruction initiatives. - Limited private sector investment; most activities are government-led or NGO-supported reconstruction efforts. - Kaduna: Emerging as a real estate investment hub due to its status as a commercial and industrial center. Key projects include residential estates and commercial developments driven by infrastructure improvements like the Abuja-Kaduna railway. The Arla Foods dairy farm project (2021) supports ancillary real estate growth for employee housing. - Kano: Urban renewal projects and commercial developments, including shopping complexes and mixed-use properties, are on the rise due to its large population and commercial activity. - Limited large-scale real estate projects in Sokoto, Zamfara, Kebbi, Katsina, and Jigawa, with focus on small-scale residential and agricultural-related developments. 	Peace and security improvements drawing residents and investors; infrastructure investments, economic revival zones
National / Cross-Zone trends	multiple	<ul style="list-style-type: none"> - Affordable housing and luxury segments flagged as main growth areas over next 3-5 years - 60% of professionals choose affordable housing as biggest opportunity- Peri-urban development, fractional ownership, sustainability innovation key growth drivers- Infrastructure expansion (coastal highway Lagos-Calabar financing, road/airport projects) enabling real estate expansion- Mortgage and mortgage funding: FMBN mortgage loans rose from ₦39.7 b to ₦71.5 b in 2024; new home building targets, funds 	Urbanization, government housing funding, mortgage access, infrastructure investments (roads, highway, ports), shifting buyer preferences toward integrated, sustainable development

Challenges Facing the Real Estate Market



Driver Category	Specific Driver (Details & Impact)	How it Influences Investment in Q2 2025	Relevant Insights / Data Points
Demographic & Urbanization	1. High Population Growth & Urbanization	Creates an enormous and sustained demand for residential, commercial, and industrial properties. Investors are capitalising on the sheer volume of people needing shelter and workspace.	Nigeria's population projected to reach 230 million by 2025, with urbanization rates exceeding 51%. Housing deficit estimated at over 28 million units. Lagos, Abuja, Port Harcourt experiencing significant influx of residents.
	2. Massive Housing Deficit	The colossal gap between housing supply and demand makes almost any new, well-located development attractive, especially in the affordable and mid-income segments.	Nigeria needs around 700,000 new homes each year to bridge the deficit. Supply is expected to lag behind demand (5% vs 8% growth annually).
	3. Youthful Demographic & Household Formation	A large youth population entering working age leads to new household formations, driving demand for rental units, first-time homeownership, and smaller, more flexible living spaces.	Youthful demographic with increasing household formation rates fuels the 8% annual housing demand growth.
Economic & Financial	4. Real Estate as a Hedge Against Inflation & Naira Volatility	In an economy with high inflation (34.8% as of Dec 2024) and currency depreciation, tangible assets like real estate are seen as a stable store of value and a means to preserve wealth.	Property values have surged in nominal Naira terms (Lagos residential prices increased 39.5% in 2024), protecting against currency devaluation. Investors seek physical assets over volatile financial instruments.
	5. Potential for High Capital Appreciation	Despite high entry costs in prime areas, the ongoing demand and limited supply continue to drive property value appreciation, particularly in growth corridors and emerging areas.	Lagos property prices forecasted to rise 5-15% in 2025. Ibeju-Lekki/Epe land prices surged over 300% in the last decade, with 15-20% annual growth expected in 2025.

	6. Attractive Rental Yields (Especially Short-Lets)	The high demand for rentals, coupled with the rising popularity of short-let and co-living spaces, offers strong recurring income for investors.	Rental yields in prime areas like Lekki, Yaba, and Ikeja GRA range between 6% and 12% annually. Short-let apartments saw over 200% price growth in some prime locations in 2024 due to booming tourism and diaspora visits.
	7. Diaspora Remittances & Investment	Nigerians in the diaspora continue to be a significant source of investment, viewing real estate back home as a secure long-term investment, often fueling luxury and mid-market developments.	Many residential buildings are funded by Nigerians abroad, leading to more creative and high-quality housing solutions.
Government & Policy	8. "Renewed Hope Cities and Estates Programme" & Other Housing Initiatives	Government commitment to addressing the housing deficit through large-scale programs and public-private partnerships (PPPs) directly stimulates development and creates new opportunities for investors.	Aims to deliver over 20,000 housing units annually, with 10,112 units under construction across 14 sites by year-end 2025. Offers flexible options like Rent-to-Own.
	9. Infrastructure Development (Ongoing & Planned)	Investment in roads, rail, deep seaports (e.g., Lekki Deep Seaport), and economic corridors (e.g., Coastal Highway) opens up new development areas and significantly appreciates property values in affected regions.	Lagos-Calabar Coastal Highway and various urban rail projects expected to create new price hotspots, with areas along these corridors seeing 20-30% price jumps. Abuja/Kaduna/Zaria/Kano road rehabilitation to be completed by 2025.
	10. Land Use Act Reforms & Ease of Doing Business	Efforts by some state governments to simplify land acquisition processes, reduce bureaucratic bottlenecks, and digitize land records are making property transactions more transparent and efficient, attracting more investment.	Changes aimed at making land acquisition more straightforward, reducing corruption, and simplifying building permits and registration.

Technological & Innovation	11. PropTech Innovations & Digitalization	<p>The increasing adoption of technology (online listings, virtual tours, blockchain for transactions, AI-driven management) improves market efficiency, transparency, and accessibility, making it easier for investors to engage.</p>	<p>PropTech startups are digitizing property listings and mortgage financing. Virtual tours, online marketplaces, and blockchain transactions facilitating real estate.</p>
	12. Growth in Smart Homes & Green Buildings	<p>A rising demand, particularly among affluent and eco-conscious buyers, for energy-efficient, technologically integrated homes. This niche offers higher value and appeals to modern lifestyle preferences.</p>	<p>Demand for features like automated lighting, security systems, and energy management. Energy-efficient homes saw 35-40% price growth in 2024 due to fuel price surges and power grid unreliability.</p>
Market Dynamics & Investor Strategies	13. Focus on Affordable Housing & Mid-Market Segments	<p>The sheer volume of demand from low to middle-income earners makes affordable housing a high-potential segment for scalable, impactful investment.</p>	<p>Increased investments in low and middle-income housing projects with support from public-private partnerships. Renewed Hope program targets various income levels.</p>
	14. Expansion into Suburban & Secondary Cities	<p>High prices and congestion in major hubs (Lagos, Abuja) are pushing developers and buyers towards more affordable and spacious options in satellite towns and emerging cities.</p>	<p>Areas like Ibeju-Lekki, Epe, Mowe-Ofada, Asaba, Ibadan, Uyo, and Kaduna's satellite towns are experiencing significant appreciation and development.</p>
	15. Real Estate Investment Trusts (REITs) & Alternative Financing	<p>REITs offer a way for smaller investors to gain exposure to the real estate market without direct property ownership, broadening the investment base. The market for REITs is expected to mature.</p>	<p>UH Real Estate Investment Trust (UH REIT) generated N1.28 billion gross revenue in 2024, up from N884.28 million in 2023. REITs provide alternative funding sources.</p>

Market Size

Segment	2025 Value (approx.)	2025–2029 CAGR	2029 Value (approx.)
Total real estate	US \$2.61 trillion	~6.87%	US \$3.41 trillion
- Residential	US \$2.25 trillion	~7.54%	US \$3.01 trillion
- Commercial	US \$362.3 billion	~2.4%	US \$398.3 billion
- Residential leases	US \$247.7 billion (revenue)	~3.64%	US \$285.8 billion

What this Means to AGMB:

The real estate market's projected growth to US \$3.41 trillion by 2029 signals strong long-term investment potential and increased loan demand across housing, infrastructure, and commercial segments. AGMB should position itself as a key real estate lender and capture market share through strategic partnerships with developers and tailored financing instruments.



Key Investment Hotspots and Emerging Markets

Location / Region	Key Drivers & Projects	Investment Appeal
Lagos – Ikoyi, Victoria Island, Lekki Phase 1	Prestigious districts with premium infrastructure and high-end tenants; Eko Atlantic large-scale reclamation project.	Stable appreciation (luxury/residential/commercial), strong rental yields, high ROI (15-20% in Lekki)
Lagos suburbs – Ibeju-Lekki, Epe, Alaro City, Isimi Lagos	Massive projects: Lekki Free Trade Zone, Deep Sea Port, Dangote Refinery, proposed airport; Isimi Lagos planned wellness-tech city	Early-stage land banking; affordable entry; expected rapid appreciation with infrastructure (e.g. double land prices in Epe)
Abuja & satellite towns (Gwagwalada, Kubwa, Lugbe, Gwarimpa, Guzape, Apo)	Government-led infrastructure, Abuja Light Rail, Abuja City Gate, smart-city plans; expansion demand	High demand from expatriates and civil servants; mid-income growth zones; luxury and middle-class housing opportunities
Ogun State corridor - Abeokuta, Mowe, Arepo	Industrial spillover from Lagos; improved roads; Redeemed Christian Church's presence boosting Mowe	Lower land costs (30-50% less than Lagos), commuter towns with rising demand; strong land appreciation
Ibadan (Oyo State)	Lagos-Ibadan Expressway, railway enhancements, large population, Affordable land	Attractive for residential estates and commercial; affordability plus proximity to Lagos
South-East / South-South - Enugu, Asaba, Uyo, Owerri, Calabar, Jos, Warri	Infrastructure investment, tourism growth (Calabar), oil & gas economy (Port Harcourt, Warri), peaceful environments, diaspora flows	Emerging markets with strong ROI potential; increase in gated communities, hospitality assets, mixed-use estates
Port Harcourt (Rivers State)	Oil & gas hub, GRA zones, growing infrastructure	High-affluence tenants, rental yields 9-12%+, strong commercial/residential demand
Kaduna, Kano, Jos	Northern commercial/industrial centers; improved transport (Abuja-Kaduna railway), growing stability	Affordable real estate, rising demand, long-term growth opportunity
Major innovations across Nigeria	PropTech adoption (blockchain land registries, virtual tours), affordable housing drives, industrial/commercial boom, infrastructure-led growth	Greater market transparency, efficiency, scalable commercial investments, income-tiered housing solutions

Key Listed Property Development Companies

Company	Current Project Development Activities	Funders/Partners
UPDC Plc	Development of residential and commercial estates, including the UPDC Victoria Crest in Lagos.	Stanbic IBTC, Access Bank, institutional investors.
Cappa & D'Alberto Plc	Construction of luxury apartments and commercial complexes in Abuja and Lagos.	Nigerian Sovereign Investment Authority (NSIA), Zenith Bank.
Julius Berger Nigeria	Ongoing work on Eko Atlantic City, Abuja Millennium Tower, and other high-profile infrastructure projects.	African Development Bank (AfDB), Nigerian government, private equity investors.
PropertyMart	Affordable housing projects in Lagos, Ogun, and Port Harcourt under the "Homes for All" initiative.	Family Homes Funds (FHF), Federal Mortgage Bank of Nigeria (FMBN).
Persianas Properties	Development of The Wings Towers, a mixed-use project in Lagos, and expansion of shopping malls.	Guaranty Trust Bank (GTB), Stanbic IBTC, private investors.
Mixta Africa	Affordable housing projects in Lagos (Lekki), Abuja, and Ogun State.	Shelter Afrique, International Finance Corporation (IFC).
Brains & Hammers	Development of luxury estates such as "The Hammers" in Lekki and commercial hubs in Abuja.	Polaris Bank, private equity investors.
Eko Hotels & Suites	Expansion of Eko Hotels and construction of new luxury apartments in Victoria Island.	Access Bank, Nigerian Export-Import Bank (NEXIM).

Listed REITs (Real Estate Investment Trusts) in the Property Market

REIT Name	Ticker	Dividend Yield	YTD Return (2025)	Portfolio Composition	Key Funders/Sponsors	Reference Source
UPDC Real Estate Investment Trust (UPDC REIT)	UPDCREIT	8.5% (2024)	+12.3% (YTD 2025)	- Commercial (70%): Office spaces (Lagos, Abuja)- Retail (20%): Shopping malls- Residential (10%)	Access Bank, Stanbic IBTC, Pension Funds	NSE Market Data
Skye Shelter Fund (Now Legacy REIT)	LEGACYREIT	7.2% (2024)	+9.8% (YTD 2025)	- Hospitality (50%): Hotels (Lagos, Port Harcourt)- Office (30%)- Retail (20%)	FCMB, Union Bank, Private Investors	SEC Nigeria
Union Homes REIT	UNIONREIT	6.8% (2024)	+8.1% (YTD 2025)	- Residential (60%): Affordable housing (Lagos, Ogun)- Commercial (40%)	Union Bank, FMBN, Family Homes Funds	Union Homes Reports
Novare Real Estate Africa REIT	NOVAREREIT	9.1% (2024)	+15.4% (YTD 2025)	- Retail (55%): Novare Mall (Lekki, Abuja)- Office (45%)	Novare Equity Partners, AfDB, IFC	Novare Financials
REIT Name	Ticker	Dividend Yield	YTD Return (2025)	Portfolio Composition	Key Funders/Sponsors	Reference Source

LENDING VOLUMES, APPROVALS, AND DISBURSEMENT TRENDS

Nigeria's mortgage and real estate financing sector remains underdeveloped compared to other African countries, with low mortgage penetration and a significant housing deficit estimated at 28 million units, requiring trillions of naira to address. The ratio of outstanding mortgages to GDP was 0.5% in 2020, up from 0.2% in 2019, but still significantly lower than countries like Namibia (18.9%), South Africa (16.2%), and Kenya (2.2%). Despite this, recent years have shown signs of growth in lending volumes, approvals, and disbursements, driven by government initiatives, alternative financing models, and increasing private sector participation.

oxfordbusinessgroup.com

Lending Volumes in Real Estate and Mortgage Financing

■ FMBN Lending Volumes

In 2024, the FMBN approved N71.5 billion in housing loans, nearly doubling the N39.7 billion recorded in 2023. This surge reflects increased access to mortgage finance, supported by improved operational efficiency and leadership at the FMBN. nairametrics.com

Under the National Housing Fund (NHF), the FMBN disbursed N30.5 billion (\$81.4 million) in 2020, contributing to a cumulative allocation of N118 billion (\$315.1 million) from 2017 to 2020.

oxfordbusinessgroup.com

NHF contributions grew from N100 billion in 2023 to N103 billion in 2024, with employer registrations increasing to 658 organizations and 178,619 employees enrolled, up from 556 organizations and 113,577 employees in 2023. nairametrics.com

■ Private Sector Lending

Private banks have shown modest growth in mortgage portfolios. For instance, First Bank's mortgage loans grew from NGN43 billion in 2021 to NGN50 billion in 2022, while Access Bank's portfolio increased from NGN3 billion to NGN6 billion over the same period. [euromonitor.com](#)

The alternative lending market, including peer-to-peer (P2P) lending and real estate crowdfunding, is projected to reach US\$212.9 million in 2023, with a forecast CAGR of 27.4% from 2023 to 2027, reaching US\$560.4 million by 2027. This growth is driven by fintech platforms like EasyBuy and Carbon Zero, which are expanding access to credit for underserved populations. [businesswire.com](#)

■ Consumer Lending Trends

Consumer loans, including mortgages, rose by 37% year-on-year to N2 trillion in October 2021, driven by improved credit appraisal and product diversification. Personal loans, which include some mortgage-related financing, accounted for 78% of this total. [vanguardngr.com](#)

Marketplace lending (consumer) is projected to reach US\$100.7 million in 2025, with significant growth attributed to digital platforms and increasing smartphone penetration. [statista.com](#)

■ Challenges to Lending Volumes

High interest rates (prime lending rate at 17.96% in March 2025, down from 18.35% in February 2025) and inflation (noted as a persistent issue in 2023) limit affordability and constrain lending growth. [ceicdata.com](#) [marketresearch.com](#)

The mortgage market requires an estimated N15 trillion to N20 trillion (\$40.1 billion to \$53.4 billion) to address the housing gap, far exceeding current lending volumes. [oxfordbusinessgroup.com](#)

Loan Approvals

■ FMBN Approvals

The FMBN has introduced new products, such as non-interest ethical mortgages approved by the Central Bank of Nigeria (CBN) in 2024, responding to demand for faith-based financing models. [nairametrics.com](#)

A Diaspora NHF Mortgage Loan product, developed in collaboration with the Nigerians in Diaspora Commission (NIDCOM) and the CBN, aims to enable Nigerians abroad to invest in property, further boosting approvals. [nairametrics.com](#)

The FMBN's loan approvals nearly doubled from N39.7 billion in 2023 to N71.5 billion in 2024, indicating a significant expansion in mortgage access. This increase is attributed to improved governance, including clearing a four-year backlog of unaudited accounts (2018-2021) within nine months. [nairametrics.com](#)

■ Private Sector and Alternative Lending

Private banks and fintech platforms are increasingly approving loans for real estate. For example, the rise of Buy Now Pay Later (BNPL) schemes and P2P lending platforms has facilitated approvals for smaller, more flexible loans, though total gross lending remains low. [euromonitor.com](#)

In 2023, alternative lending approvals were part of the projected US\$212.9 million market, with significant growth expected through 2027. [businesswire.com](#)

■ Denial Rates and Challenges

High denial rates persist due to stringent credit standards and economic uncertainties. While specific denial rates for Nigeria are not detailed in the sources, U.S. data from 2023 shows denial rates for Black and Hispanic applicants at 16.6% and 12.0%, respectively, compared to 9.0% for Asian applicants and 5.8% for non-Hispanic White applicants. Similar disparities may exist in Nigeria due to credit risk assessments and limited borrower creditworthiness. [consumerfinance.gov](#)

Regulatory pressures and inflation further complicate approvals, particularly for lower-income applicants. [besmartee.com](#)

Disbursement Trends

■ FMBN Disbursements

In 2024, the FMBN reported a record operational surplus of N11.5 billion, with N6.5 billion in Q1 2025 alone, reflecting improved financial capacity to disburse loans. [nairametrics.com](#)

Loan recovery efforts have bolstered disbursements, with N18.9 billion recovered from bad loans and N3.1 billion from routine recovery efforts in 2024, enabling the bank to recycle funds into new disbursements. [nairametrics.com](#)

The NHF program provides loans at a 6% interest rate with tenors up to 30 years, with disbursements of up to N15 million (\$40,050) per qualified homebuyer. [oxfordbusinessgroup.com](#)

■ Private Sector Disbursements

Private banks like First Bank and Access Bank have increased disbursements, with mortgage portfolios growing modestly from 2021 to 2022. [euromonitor.com](#)

The NMRC, a public-private partnership, supports disbursements by refinancing primary mortgage banks, though specific disbursement figures are not detailed in recent reports. [oxfordbusinessgroup.com](#)

Alternative Lending Disbursements

Alternative lending platforms, including P2P lending and real estate crowdfunding, are gaining traction. These platforms leverage technology to streamline disbursements, offering faster processing times and more flexible terms than traditional banks.

[statista.com](#)

The projected growth of the marketplace lending market to US\$114.4 million by 2028 indicates increasing disbursement volumes, driven by fintech innovations and demand for alternative financing.

[statista.com](#)

Government Initiatives

The Federal Executive Council (FEC) approved a N250 billion real estate investment fund in November 2024 to address the housing deficit and revitalize mortgage financing, potentially boosting future disbursements.

[@instablog9ja](#)

Government-backed programs, such as expanded FHA loan limits and first-time homebuyer assistance in the U.S. context, suggest similar initiatives in Nigeria could enhance disbursements if implemented effectively.

 MORTGAGE
BANK PLC





Real Estate Capital Sources

**Overview of Debt Financing Sources
(Commercial Banks, Mortgage Banks)**

Debt Financing Sources for Real-Estate Developers in Nigeria

Institution	Type	Loan/Program	Interest Rate	Tenor / Loan Size	Notes / Conditions
AG Mortgage Bank Plc	Primary Mortgage Institution (PMI)	M-REIFHTO	~12% Mortgage Loan	Up to ₦200 million for M-REIF, ₦48 million for HTO with a tenure of 20 Years.	Raises internal capital to support mortgage lending & construction financing
Federal Mortgage Bank of Nigeria (via PMIs through NHF)	Government-backed PMI scheme	National Housing Fund (NHF) loans	~6% p.a.	Up to ₦15 million, up to 30 years	Contributors with ≥6 months NHF contributions eligible, very favorable rate
First Generation Mortgage Bank (FGMB)	Mortgage bank	Individual construction finance	25% p.a.	Up to ₦15 million, up to 5 years	30% equity, fees ~2% flat; available in Abuja & Lagos
FGMB - Shop Ownership Scheme	Mortgage bank	Shop Ownership	22% p.a.	Up to ₦5 million, up to 2 years	20% equity, fees ~2% flat, title held as security
FGMB – Micro-mortgage	Mortgage bank	Micro Mortgage Loan	25% p.a.	Up to ₦2.5 million, 6-12 months	Short-term small facility, rollover option
FGMB - Home Purchase	Mortgage bank	Home Purchase	9.99% p.a.	Tenor: 10 years	For approved houses ("EFAB Selected houses"), equity 25%, fees ~2%
Standard Chartered Bank (Commercial bank)	Commercial bank	Mortgage lending	~15% p.a.	Up to ₦220 million, up to 20 years	Min monthly income ~₦350,000

Access Bank (Commercial bank)	Commercial bank	Mortgage lending	~15-17% p.a.	Up to ₦500 million, up to 30 years	20% equity
First Bank of Nigeria (Commercial bank)	Commercial bank	Mortgage lending	Variable usually ~12-22% p.a.	Up to ₦50 million, up to 20 years	Residential property, down payment depending on location (~20-30%)
United Bank for Africa (Commercial bank)	Commercial bank	Mortgage lending	Variable	Up to ₦40-70 million, up to 20 years	Up to 80% property value; cap for certain cities
Guaranty Trust Bank (GTB) (Commercial bank)	Commercial bank	Mortgage lending	Variable	Up to ₦150 million, up to 20 years	Various repayment schedules, monthly repayment ≤50% salary
Stanbic IBTC (Commercial bank / merchant bank)	Commercial bank	Mortgage lending	Prime ~20.5%, max ~38.4%	–	Competitive prime; high ceiling depending on risk
Nova Merchant Bank (Merchant bank)	Merchant bank	Real estate lending	Prime ~12%, max ~20%	–	One of lowest prime rates for real estate sector
SunTrust Bank Nigeria (Commercial bank)	Commercial bank	Real estate lending	Prime ~7%, max ~10%	–	Lowest prime rate in top-10 list
Union Bank (Commercial bank)	Commercial bank	Real estate lending	Prime ~19.65%, max ~33%	–	Wide spread
Citibank Nigeria (Commercial bank)	Commercial bank	Real estate lending	Prime ~19.5%, max ~29%	–	–

Greenwich Merchant Bank (Merchant bank)	Merchant bank	Real estate lending	Prime ~20%, max ~25%	-	-
Guaranty Trust Bank (Commercial bank)	Commercial bank	Real estate lending	Prime & max ~20%	-	Fixed rate, no spread
Zenith Bank	Commercial bank				
Infinity Trust Mortgage Bank Plc	Mortgage bank	Offers commercial mortgage and construction finance	NHF loans: ~6%; commercial mortgages: ~18-20%	-	Serves FCT/North Central; equity 20-30% for commercial mortgages

Key Market Players

Performance Review

Mortgage Bank	Current Portfolio (Loans & Advances)	Market Capitalization	Earnings Report (2023/2024)	Key Performance Metrics	Leadership	Additional Information
LivingTrust Mortgage Bank Plc	N12.991 billion (2023, up from N10.679 billion in 2022)	N16.35 billion (as of Feb 2024)	<ul style="list-style-type: none"> - Gross Earnings: N2.9 billion (2023, +14.22% YoY) - Profit After Tax: N745.80 million (2023, -17.96% YoY from N909.15 million) 	<ul style="list-style-type: none"> - Customer Liabilities: N9.062 billion (2023, up from N5.491 billion) 	Risikatu Ladi Ahmed (MD/CEO)	<ul style="list-style-type: none"> - Filed unaudited Q4 2023 financials with NGX on Jan 19, 2024. - Focus on retail mortgage lending. - Operates primarily in Osun State with a state license.
Brent Mortgage Bank Ltd	Not publicly disclosed (estimated ~N2.5 billion in assets based on capital base)	Not publicly listed	<ul style="list-style-type: none"> - Earnings: Limited public data; private placement raised capital to N2.5 billion (2010) 	<ul style="list-style-type: none"> - Capital Base: N2.5 billion (post-2010 recapitalization) 	Adeola Simon	<ul style="list-style-type: none"> - Formerly Skyfield Savings and Loans Ltd, rebranded in 2010. - State Primary Mortgage Bank License. - Focus on mortgage financing and risk management.
Federal Mortgage Bank of Nigeria (FMBN)	N37.6 billion (2022, loans and advances disbursed by CBN)	Not publicly listed (government-owned)	<ul style="list-style-type: none"> - Earnings: Not publicly disclosed in detail; focus on National Housing Fund (NHF) 	<ul style="list-style-type: none"> - NHF Contributions: Mobilizes funds for residential real estate. - Loan Disbursements: Significant exposure to housing finance. 	Not disclosed in recent reports	<ul style="list-style-type: none"> - Administers the National Housing Fund. - Partners with Nigerian Mortgage Refinance Company (NMRC). - Aims to address Nigeria's 28 million unit housing deficit.

ASO Savings and Loans Plc	Not publicly disclosed	N7.37 billion as of 2024.	- Earnings: Limited public data; repositioning efforts ongoing	- Focus: Retail and corporate mortgage lending	Risikatu Ladi Ahmed (MD/CEO, appointed May 2021)	- Undergoing strategic repositioning to become a leading mortgage bank. - Limited financial data due to private status.
Abbey Mortgage Bank Plc	N7.047 billion (2023, loans and advances)	N14.77 billion (as of Dec 2023)	- Gross Earnings: N3.33 billion (2023, +22.3% YoY) - Profit After Tax: N614.17 million (2023, -33.88% YoY from N928.57 million)	- Total Assets: N16.49 billion (2023) - ROE: ~4.16% (estimated based on profit and market cap)	Mobolaji Adewumi (MD/CEO)	- Listed on NGX. - Focus on mortgage creation and real estate investment. - Challenges with loan book quality due to economic headwinds.
Infinity Trust Mortgage Bank Plc	N10.5 billion (2023, estimated loans and advances)	N13.06 billion (as of Dec 2023)	- Gross Earnings: N2.4 billion (2023, +18% YoY) - Profit After Tax: N512 million (2023, -10% YoY)	- Total Assets: N14.8 billion (2023) - ROE: ~3.92% (estimated)	Sunday Olumorin (MD/CEO)	- Listed on NGX. - Strong focus on affordable housing finance. - Operates in Abuja and northern Nigeria.



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We don't just follow the market;
we understand its heartbeat –
one region, one home, one
opportunity at a time.



MORTGAGE AND CONSTRUCTION FINANCING LANDSCAPE

Infrastructure scale and funding mechanisms

■ Massive infrastructure deficit

Nigeria's infrastructure is ~30% of GDP versus 70% benchmark; huge investment needed (World Bank estimates up to \$3 T over time) [Trade.gov](#).

■ Government & PPPs

- National Integrated Infrastructure Master Plan (30-year vision)
- Senate approved \$22 B in external loans; housing allocated ~11% of that fund.
- Infrastructure Concession Regulatory Commission (ICRC) institutionalizes PPPs, providing oversight, guidelines, and capacity-building.

■ DFIs and multilateral participation

- Africa Finance Corporation (AFC) - Lagos-based DFI, assets ~\$10.5 B, invests across infrastructure sectors; funder and stakeholder in major projects [Wikipedia](#).
- Bank of Industry (BOI) - largest Nigerian DFI, provides term loans, leasing, etc. [Wikipedia](#).

Notable recent financing deals (infrastructure)

- **Coastal highway syndicated loan:** \$747 M led by Deutsche Bank (with First Abu Dhabi Bank, AFEXIM, ECOWAS Bank, Zenith Bank) financing 47 km of Lagos-Calabar coastal highway (part of ~\$11 B plan) [Reuters](#).
- **China Exim Bank road finance:** \$652 M approved for road linking Lekki Deep Sea Port and Dangote Refinery to other southern states [Reuters](#).
- **IFC–CBN naira financing partnership:** Agreement to support local currency financing (IFC aims to scale up over \$1 B), beneficial for housing, SMEs, infrastructure, reducing FX risk [Reuters](#).

Housing-specific construction finance

- **Family Homes Fund (FHF):** ~\$1.57 B fund intended for two million housing units via PPPs; progress impacted by COVID but still a key policy instrument [Trade.gov](#).
- **FMBN developer support:** Provided ₦100 B off-taker guarantees for private developers under Renewed Hope Cities/Estates program, plus financing of federal housing projects in Ibeju-Lekki and Karsana (₦27 B and ₦19.9 B respectively) [Businessday NG](#).
- **Green construction push:** NMRC in partnership with IFC promoting EDGE certification for energy/resource-efficient buildings, aiming to green the construction value chain and increase property value [NMRC](#).

Emerging Trends in Mortgage Product Development



Public Mortgage Institutions: New Products & Digital Shift

Federal Mortgage Bank of Nigeria (FMBN) is expanding its product offerings

Rent-to-own programmes: N15 billion disbursed over two years, helping over 1,140 beneficiaries gain eventual homeownership by paying rent over time. ([Daily Trust](#))

National Housing Fund (NHF) mortgage loans: Over N11.75 billion disbursed to 1,285 beneficiaries at single-digit interest rates, making long-term housing loans more accessible. ([Daily Trust](#))

An upcoming Diaspora mortgage product for Nigerians abroad, enabling them to participate in the NHF scheme and invest in Nigerian housing. ([Daily Trust](#))

Rent assistance loans and home improvement loans, targeting informal-sector workers with non-standard documentation. ([Daily Trust](#))

The Nigeria Mortgage Refinance Company (NMRC) continues to play a vital role by providing long-term funding to lenders and buying mortgages from primary lenders, thereby increasing liquidity in the mortgage market.

Innovative / Alternative Models by PropTech and Fintech

Fintech startups and proptech platforms are disrupting traditional mortgage models

Lower interest rates: Startups offering rates between 15 %-22 %, versus conventional banks at up to 30 %. For example, Estate Intel offers 17.5 %, with flexible terms nearing 25 years. ([Spursmedia](#))

Rent-to-own hybrid schemes: Platforms like RentSmallSmall allow tenants to allocate part of their rent toward ownership at fixed rates. ([Spursmedia](#))

Alternative credit scoring: Tools like HouseMe evaluate applicants using non-traditional data—rent payment history, utilities, social media—to include freelancers and informal workers often excluded by banks. ([Spursmedia](#))

Automated underwriting: Platforms such as CribMD use risk assessment systems to approve mortgages in ~72 hours, accelerating access. ([Spursmedia](#))

PropTech infrastructure

- Blockchain for land-titling verification, reducing fraud (e.g. HouseAfrica)
- Virtual tours, AVMs (automated valuation models), and AI-driven analytics are improving transparency and efficiency in property transactions. ([eystone.ng](#))

- Early tokenization of real estate, enabling fractional property ownership via digital assets, is being piloted, democratizing investment access. [Rest Realty](#)

Flexible Financing Schemes & Targeted Affordability

Flexible payment / micro-mortgages / rent-to-own schemes

- Developers and fintechs introduce installment plans, affordable down payments, and micro-mortgages, especially targeting low- and middle-income earners

Public-private partnerships (PPPs) & government-facilitated funds

- Family Homes Fund (FHF) and other state-led housing initiatives aim to scale affordable housing. [Thisdaylive](#)

Pension-linked mortgage equity

- PENCOM - the Nigerian Pension Commission - issued guidelines (2022) allowing pension contributors with ≥5 years of contributions to use their pension savings as equity for mortgages. Initially limited but gradually expanding. [Oxford Business Group](#)

Green, Sustainable, and Location-based Trends

Sustainable / green housing

- Green structures, solar power, rainwater harvesting, and energy-efficient designs are increasingly preferred—especially amid climate risks like flooding. [nwn.com.ng](#)

Urban decentralization

- Developers push into suburban and secondary cities (Ibadan, Abeokuta, Akure, Uyo, Enugu, Benin City) where land and construction costs are lower, expanding reach and affordability. [eystone.ng+1realtorcentralng.com+1](#)

REITs, Fractional Ownership & Crowdfunding

Real Estate Investment Trusts (REITs)

- We're seeing growth in REIT listings on the Nigerian Stock Exchange, offering indirect investment in income-generating real estate.

Urban decentralization

- Developers push into suburban and secondary cities (Ibadan, Abeokuta, Akure, Uyo, Enugu, Benin City) where land and construction costs are lower, expanding reach and affordability. [eystone.ng+1realtorcentralng.com+1](#)

Regulatory & Institutional Strengthening

Credit guarantee mechanisms:

- Nigeria is establishing a National Credit Guarantee Company (expected May-2025) to share risk and expand credit access, collaborating with entities like the Nigerian Consumer Credit Corporation (CREDICORP).

Legal & capital reforms

- Experts call for recapitalization of FMBN (target N500 billion) and modernization of legal frameworks to sustainably expand mortgage access. [Daily Trust](#)

Land titling reforms

- Reforms aimed at simplifying land registration, reducing bureaucratic delays and improving transparency, are underway. Blockchain-based registries and national mortgage registry support these efforts.



The greatest danger for most of us is not that our aim is too high and we miss it, but that it is too low and we reach it." - Michelangelo.

Competitive Landscape Analysis





AG Mortgage Bank

Overview

Incorporated in 2004 and converted to a public limited liability company in 2007, AG Mortgage Bank is a key player in Nigeria's mortgage sector, celebrating its 20th anniversary in 2025. It is licensed by the CBN as a PMB and accredited for NHF on-lending facilities.

Competitive Strengths

- Actively participates in the M-REIF scheme, channeling funds to provide affordable mortgage loans with favorable terms (e.g., 20% down payment, 12% interest rate, up to 20-year repayment tenure). [businessday.ng](#)
- Partners with Family Homes Funds on the Help-To-Own (HTO) scheme, targeting low-to-middle-income earners. [businessday.ng](#)
- Engages in strategic alliances, such as with Invest Africa, to enhance mortgage product offerings and reshape the African mortgage landscape. [businessday.ng](#)
- Focuses on innovative products and stakeholder engagement, recently convening focus groups to develop new mortgage and real estate financing solutions. [businessday.ng](#)
- Deep understanding of the Nigerian housing market, offering tailored solutions for individuals and corporate clients. [businessday.ng](#)

Market Positioning

Positioned as a forward-thinking institution leveraging government initiatives and partnerships to address Nigeria's housing deficit. Its focus on affordability and innovation makes it a strong competitor.



Overview

Established three decades ago, Abbey is one of Nigeria's oldest and most successful PMBs, with a license to operate nationally and accreditation for NHF loans. It was the first mortgage bank in Nigeria to receive foreign equity investment from Africinvest Capital Partners. [privateproperty.com](#). [ngnigerianfinder.com](#) [businessday.ng](#)

Competitive Strengths

Offers a variety of mortgage and investment products, including loans for cooperative societies and blue-chip companies. [privateproperty.com.ng](#)

Strong compliance with international standards (IFRS) and affiliations with the Mortgage Banking Association of Nigeria (MBAN) and African Union of Housing Finance (AUHF). [nigerianfinder.com](#)

Unique products like the "KidzSave" program to encourage savings for future homeownership. [nzepro.com](#)

A market leader due to its longevity, national presence, and diverse product portfolio, appealing to a broad customer base.

While Abbey leverages its three-decade legacy, AGMB has built one of Nigeria's largest primary mortgage banks with assets growing from ₦18.2 bn in 2022 to ₦22.1 bn in 2023 and offers lower-cost 12% fixed interest through M-REIF and HTO tailored for first-time homeowners—options.



Infinity Trust Mortgage Bank Plc

Overview

Incorporated in 2002 and listed on the Nigerian Stock Exchange in 2013, Infinity is a well-capitalized PMB with equity shareholding in the Nigeria Mortgage Refinance Company (NMRC). It has financed over 20 modern estates and serves over 10,000 families. [propertypro.ng](#) [zikoko.com](#)

Competitive Strengths

- Offers loans up to ₦100 million with up to 20-year repayment periods and a 20% equity contribution. [zikoko.com](#)
- Strong financial growth, with shareholders' funds increasing from a negative position in 2004 to over ₦6 billion and a balance sheet of over ₦16 billion. [propertypro.ng](#)
- Focuses on affordable housing solutions for low-to-middle-income earners. [businessday.ng](#)

Market Positioning

A top-tier player due to its financial stability, public listing, and extensive estate financing experience.

AGMB Competitive Advantages

Infinity offers large loans with long tenures for middle-income earners, but AGMB surpasses with innovative government-backed schemes (M-REIF up to ₦200 m, HTO up to ₦48 m at 12% over 20 years) and an ambition to digitize mortgage origination and serve over 300,000 clients in six years.





FBN Mortgages Limited

Overview

A subsidiary of First Bank of Nigeria, FBN Mortgages leverages its parent's extensive financial infrastructure to provide integrated mortgage solutions. It is a leading PMB with a focus on homeownership and real estate development.

propertypro.ng privateproperty.com.ng

Competitive Strengths

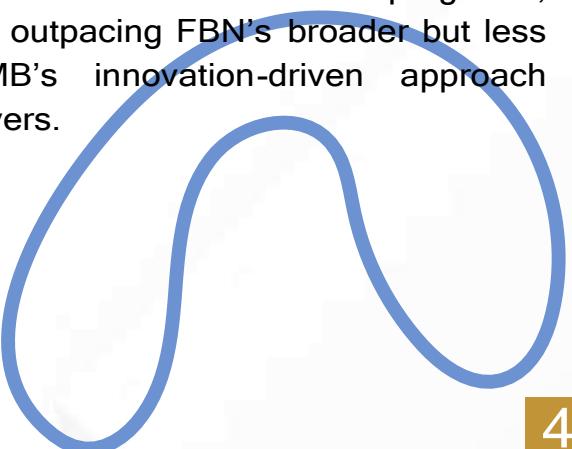
- Offers a wide range of mortgage products tailored to individuals and property investors, with competitive terms. privateproperty.com.ng
- Strong distribution channels and a customer-centric approach, backed by First Bank's reputation. nigerianfinder.com
- Accredited for NHF on-lending facilities, enhancing affordability for clients. propertypro.ng

Market Positioning

Benefits from its parent company's brand and resources, positioning it as a dominant player in the mortgage market.

AGMB Competitive Advantages

AG Mortgage Bank's edge lies in its specialized M-REIF and HTO programs, offering up to ₦200 million at 12% interest, outpacing FBN's broader but less tailored mortgage solutions, with AGMB's innovation-driven approach strengthening its appeal to modern homebuyers.





FirstTrust Mortgage Bank Plc

Overview

Formed from the merger of First Mortgages and TrustBond in 2019, FirstTrust is one of Nigeria's most capitalized PMBs, with over ₦20 billion in capital. It emphasizes technology-driven mortgage solutions. [nzepro.com](#) [businessday.ng](#)

Competitive Strengths

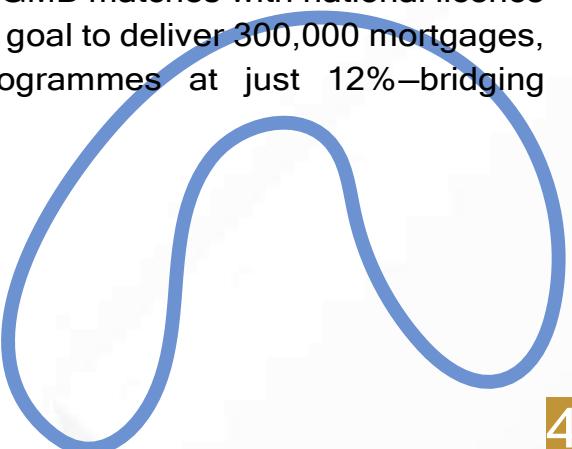
- Leverages disruptive technology to streamline loan processes and enhance customer experience. [nairametrics.com](#)
- Strong capital base supports extensive mortgage lending and real estate financing. [nzepro.com](#)
- Focuses on providing stability through homeownership, contributing to national development. [businessday.ng](#)

Market Positioning

A technology-driven leader with a robust capital base, appealing to tech-savvy customers and large-scale developers.

AGMB Competitive Advantages

FirstTrust is strong on capital and tech, but AGMB matches with national licence scale, partnerships with Invest Africa, a clear goal to deliver 300,000 mortgages, and uniquely structured HTO/M-REIF programmes at just 12%—bridging affordability and innovation.





Platinum Mortgage Bank Limited

Overview

Incorporated in 1992, Platinum is a seasoned PMB with a strong presence in Lagos. It has transformed through recapitalization and technology adoption to remain competitive. [propertypro.ng](#) [businessday.ng](#)

Competitive Strengths

- Offers a range of mortgage products tailored to the Lagos market, with a focus on affordability. [nzepro.com](#)
- Accredited for NHF loans, providing single-digit interest rates to contributors. [propertypro.ng](#)
- Strong recapitalization efforts have bolstered its financial stability. [propertypro.ng](#)

Market Positioning

A regional leader in Lagos with a focus on localized solutions and government-backed financing.

AGMB Competitive Advantages

Platinum is Lagos-focused with NHF access; AGMB, however, operates nationwide, holds a BB+/Bb credit rating for strong capital and funding profile, and brings special loan windows like M-REIF/HTO at fixed 12%—delivering scale and scheme-driven affordability beyond regional confines.



Federal Mortgage Bank of Nigeria (FMBN)

Overview

Established in 1956, FMBN is the apex mortgage institution and regulator of PMBs in Nigeria. It oversees the NHF scheme and partners with entities like Family Homes Funds to enhance affordability. fmbn.gov.ng ngbusinessday.ng

Competitive Strengths

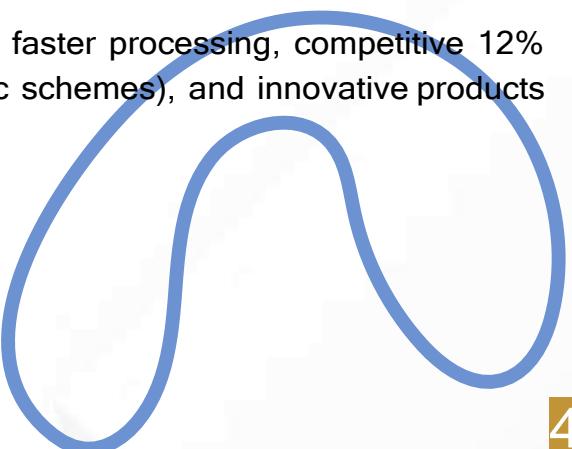
- Offers single-digit interest loans through the NHF scheme and a Rent-to-Own program. nzepro.com businessday.ng
- Acts as a regulator, ensuring compliance and stability in the mortgage sector. fmbn.gov.ng
- Strategic partnerships expand its reach and impact on affordable housing. businessday.ng

Market Positioning

The dominant government-backed institution, focusing on affordability and regulatory oversight rather than direct competition with PMBs.

AGMB Competitive Advantages

AGMB complements FMBN's NHF loans with faster processing, competitive 12% rates (vs. FMBN's single-digit but bureaucratic schemes), and innovative products like M-REIF for high-value borrowers.





LivingTrust Mortgage Bank Plc

Overview

A leading PMB recognized for its impact on MSMEs and affordable housing. It reported a turnover of ₦1.19 billion in the first half of 2022, up 79.19% from 2021. livingtrustng.com

Competitive Strengths

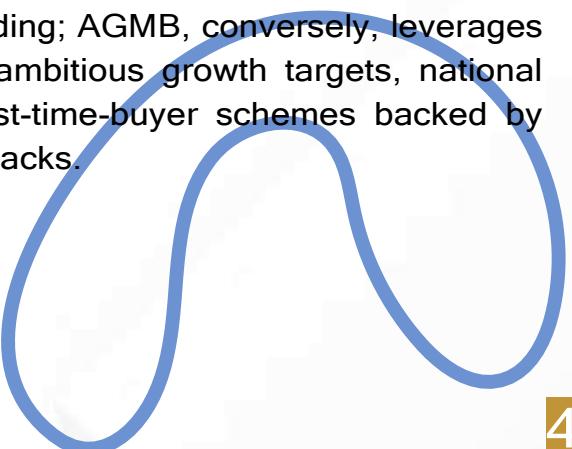
- Offers a variety of mortgage products, including NHF loans, home improvement loans, and remortgage loans. livingtrustng.com
- Received ₦1.6 billion from the Development Bank of Nigeria for MSME lending, enhancing its capacity to support small-scale borrowers. livingtrustng.com
- Strong partnerships with real estate developers like Sim Properties and Homes Limited. livingtrustng.com

Market Positioning

A customer-focused bank with a growing presence, particularly in supporting MSMEs and real estate projects.

AGMB Competitive Advantage

LivingTrust is strong in MSME and NHF lending; AGMB, conversely, leverages robust funding programmes to scale with ambitious growth targets, national reach, digital mortgage processes, and first-time-buyer schemes backed by government funds that LivingTrust currently lacks.



Strategic Insights

AG Mortgage Bank's Position

AG Mortgage Bank stands out for its proactive engagement with government initiatives like M-REIF and HTO, offering competitive terms (12% interest, 20% down payment, 20-year tenure). Its partnerships, such as with Invest Africa, and focus on innovation position it as a forward-looking player, though it may trail larger institutions like Abbey or FBN Mortgages in market share or capitalization.

[businessday.ng](#)

Market Leaders

Abbey, Infinity, and FBN Mortgages dominate due to their longevity, strong capitalization, and extensive product offerings. FMBN holds a unique position as the apex regulator and provider of subsidized loans, but its focus is less on direct competition. [privatproperty.com](#). [ngbusinessday.ng](#)

Emerging Trends

Technology adoption (e.g., FirstTrust, Platinum) and partnerships with government schemes (e.g., AG Mortgage, FMBN) are key differentiators. Banks that can offer lower interest rates, flexible repayment terms, and digital solutions are likely to gain market share. [nairametrics.com](#) [businessday.ng](#)

Challenges for Competitors

High interest rates, economic volatility, and limited liquidity constrain growth. Banks must navigate these challenges while addressing the affordability gap for low-income earners. [zikoko.com](#)

Competitive Strategies and Market Positioning

Competitive Positioning Matrix

Strategic Dimension	AG Mortgage Bank Positioning
Growth Ambitions	High-volume mortgage targets and diaspora linkages
Product Differentiation	Diverse, tailored lending products; affordability features
Customer & Market Engagement	Direct stakeholder forums, national outreach, diaspora media
Organizational Capability	FITC-enabled transformation, recognized leadership and governance
Financial Fundamentals	Strong earnings growth, scaling assets, digital strategy
Sustainability & CSR	Green finance, women/youth empowerment, community engagement
Brand & Reputation	Awards, high-profile acknowledgments, improved credit rating



AG MORTGAGE BANK'S COMPETITIVE STRATEGIES



Affordable and Accessible Housing Solutions

Focus on Low and Middle-Income Earners

A core strategy is to make homeownership attainable for a wider segment of the Nigerian population, including low-income earners. Products like "LEAP INTO MORTGAGE" and "NHF" (National Housing Fund) specifically target this demographic.

Partnerships and Government Initiatives

AG Mortgage Bank actively leverages government initiatives like the National Housing Fund (NHF) and the "Renewed Hope Housing Project" to offer favorable interest rates and longer tenors (up to 30 years). They partner with the Federal Mortgage Bank of Nigeria (FMBN) and the Nigeria Mortgage Refinance Company (NMRC) to access long-term funding and refinance mortgages, thereby increasing their capacity to lend.

Tailored Products

They offer a range of products designed to cater to diverse needs, including mortgage loans, savings, investments (like ASSETBIN and FLEXI), and micro-investments. This diversification allows them to capture various customer segments beyond just traditional mortgage seekers.



Customer-Centricity and Service Excellence

Personalized Service

AG Mortgage Bank emphasizes personalized and excellent customer service. This approach aims to build strong relationships with clients and differentiate themselves in a competitive market.

Financial Literacy and Empowerment

Beyond just providing loans, they focus on empowering individuals and communities through financial literacy training. Initiatives like the ES-TIW Project (Empowering Society Through Investment in Women) provide access to homeownership, micro-loans, literacy training, and health checks, demonstrating a holistic approach to customer well-being.

Efficient and Expert Mortgage Process

They highlight a commitment to a "Best In Class Mortgage Solutions" with claims of "Fast Loan," "Less Fee," "Less Paperwork," and "Less Interest," indicating a focus on streamlining their processes for customer convenience.

Community Engagement and Corporate Social Responsibility

Social Impact Initiatives

Beyond their core business, AG Mortgage Bank engages in community initiatives, including sponsoring tech boot camps and providing financial literacy training for students, and supporting healthcare initiatives. This demonstrates a commitment to social responsibility, which can enhance their brand reputation and attract socially conscious customers.

Strategic Partnerships and Industry Collaboration



Developer and Stakeholder Collaborations

AG Mortgage Bank actively collaborates with real estate developers, housing cooperatives, and other financial institutions. These partnerships are crucial for sourcing properties and extending their reach.

Tech Adoption and Innovation

They recognize the importance of innovation and technology adoption in mortgage lending. While specific details on their tech initiatives beyond social media engagement are not extensively detailed, their overall strategy points towards leveraging technology for efficiency and enhanced customer experience. Their awards for "Best Use of Social Media in the Banking Sector" for educational content and community engagement reflect this.

Reputation, Stability, and Experience

Long-Standing Presence

Having been in the Nigerian mortgage industry since 2005, AG Mortgage Bank boasts a 20-year track record, which lends credibility and trust to potential clients.

Experienced Mortgage Experts

They highlight their team of experienced mortgage experts, suggesting a focus on deep industry knowledge and professional advice.

Awards and Recognitions

Receiving awards such as "Best Mortgage Bank of the Year" and "Best Customer Centric Mortgage Bank of the Year" (Africa House Awards 2023 & 2024) serve as external validation of their efforts and reinforce their brand image.

AG Mortgage Bank's Market Positioning

AG Mortgage Bank positions itself as a "pillar of stability" and a "leading provider of mortgage solutions in Nigeria," with a clear vision "To be the preferred Primary Mortgage Institution with a commanding presence nation-wide." Their positioning is characterized by

Affordable Homeownership Champion

They are strongly positioned as the bank that makes homeownership accessible and affordable for a broad spectrum of Nigerians, particularly emphasizing the underserved low and middle-income segments. This differentiates them from commercial banks that might offer mortgages at higher interest rates and shorter tenors.

Customer-Focused and Trustworthy Partner

Their emphasis on personalized service, financial literacy, and responsible lending practices builds a perception of them as a reliable and customer-centric partner in the journey to homeownership. Their core values, including "Accountability, Godliness, Integrity, Teamwork, Respect, Innovation, Professionalism (AGITRIP)," further reinforce this positioning.

Experienced and Stable Institution

Their two decades of operation and consistent receipt of industry awards underscore their stability and expertise in the niche mortgage market. This instills confidence in potential borrowers and investors.

Strategic Enabler of Housing Development

By actively participating in government housing schemes and partnering with key industry players (like the FMBN and NMRC), AG Mortgage Bank positions itself not just as a lender but as a crucial enabler of national housing development. This strategic alignment strengthens their relevance in the Nigerian housing ecosystem.

Innovator in Mortgage Products and Services

While the Nigerian mortgage market faces challenges, AG Mortgage Bank aims to position itself as innovative in its product offerings and service delivery, particularly through leveraging social media for engagement and exploring technology adoption.

Emerging Competitors and Market Disruptors

Area	Emerging Players/Innovations	Key Disruption
Refinancing & pipeline funding	NMRC, MWFL	Long-term mortgage matching + construction financing enabled
Credit guarantees	CREDICORP, National Credit Guarantee Co.	De-risking retail lending, enhancing credit availability
Mortgage origination tech	Green Mortgage	Streamlined approval, reduced fragmentation
Rent/investment platforms	Kwaba, SmallSmall, HouseAfrica, etc.	Rent-to-own, fractional investment, rental financing
PropTech infrastructure	Estate Intel, Venco, CutStruct, Bongallow	Data-driven decisions, supply chain, brokerage efficiency
Mortgage institutions upgrading	FMBN, AG Mortgage, Infinity Trust, Refuge	Digital tools, construction-specific products
Blockchain innovation	Proposed registry upgrades	Transparency, speed, inclusion

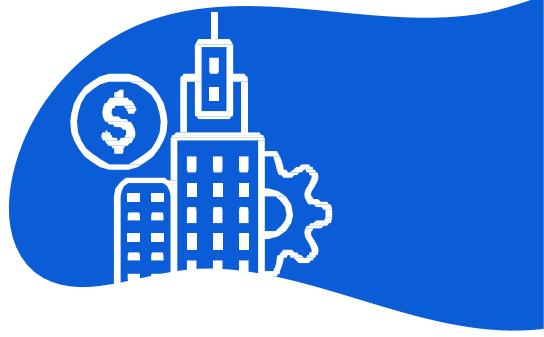
Government Policies and Support Programs

Housing Schemes, Mortgage Subsidies, and Credit Guarantees

Scheme / Initiative	Description	Recent Developments / Figures
National Housing Fund (NHF) via FMBN	A mandatory-contribution fund enabling low-interest mortgages via the Federal Mortgage Bank of Nigeria (FMBN).	FMBN disbursed > ₦11.75 billion in NHF loans to 1,285 beneficiaries (May 2023-early 2025)
Rent-to-Own Scheme (FMBN/NHF)	Enables occupants to gradually acquire ownership through rental payments.	₦15.06 billion disbursed to 1,140 Nigerians over two years .
Home Renovation Loans (FMBN)	Loans to upgrade or renovate existing homes.	₦15.35 billion disbursed to ~27,900 people .
New Housing Stock—Renewed Hope Cities	Government-built affordable housing estates in multiple states.	FMBN financed 2,542 new units (~₦30.91 billion); also advanced ₦19.9 bn for Karsana (Abuja) & ₦27 bn for Ibeju-Lekki (Lagos)—1,500 units in Lagos .
Off-taker Guarantee (FMBN)	Guarantees for buyers of Renewed Hope units.	FMBN provided ₦100 billion guarantee for the Renewed Hope Cities/Estates Programme .
National Mortgage Registry & Social Housing Fund	Centralized registry; dedicated fund for low-income housing.	Approved in Oct 2024 by National Council on Lands, Housing & Urban Development .
MOFI Real Estate Investment Fund	A government-managed ₦250 billion real-estate fund blending public seed capital with private investment.	Provides long-term mortgages at ~11-12% interest over potentially 20+ years .
Nigeria Mortgage Refinance Company (NMRC)	Provides liquidity to mortgage lenders via long-term refinancing.	Secured US \$228 million from U.S. DFC in blended financing to expand capacity .

Diaspora Mortgage Scheme (FMBN/NHF)	Mortgage access for Nigerians abroad.	Subscribers (with ≥6 months NHF contributions) can access up to ₦50 million .
Family Homes Fund (FHF)	A public-private partnership targeting affordable housing and job creation.	Launched ~2017; delivered > 15,000 units in states such as Ogun, Nasarawa, Delta, Kaduna; targets 500,000 homes and 1.5 million jobs by 2024 .
Women-Focused Housing Model ("Women in Housing")	All-women value chain model (from site-clearing to finishing).	FMBN & Ministry of Women Affairs collaborating; products include regular NHF loans, construction, renovation, cooperative housing, rent-to-own, and non-interest products .
Budget Allocation to Housing/slum upgrading	Direct funding for housing infrastructure and slum regeneration.	₦100 billion allocated in 2023 supplementary budget for Renewed Hope Housing Projects and slum upgrading across 30 states .
National Credit Guarantee Company & Consumer Credit Scheme	Expanding risk-sharing instruments to support consumer credit access.	National Credit Guarantee Company to launch May 2025; CrediCorp launched April 2024, extended beyond civil servants; working with banks and fintechs to provide capital lines and guarantees .
Stanbic IBTC Home Loan	A private-sector mortgage solution in partnership with the Ministry of Finance Incorporated (MOFI) Real Estate Investment Fund to support affordable housing.	This mortgage offering is available to salaried individuals or business owners with verifiable income. It covers properties located in key Nigerian cities such as Lagos, Abuja, Ibadan, Ogun, and Port Harcourt. The loan comes with a tenor of up to 20 years and carries an interest rate of 12% per annum. Applicants are required to make a minimum equity contribution of 20%, with the loan-to-value ratio going up to 80%. Repayment options are flexible and can be structured monthly, quarterly, biannually, or annually. Additionally, there are pension-backed mortgage options available to eligible applicants.
Real Estate Developers Association of Nigeria (REDAN) Scheme	A scheme by REDAN to provide housing units for low and middle-income earners, particularly civil servants and first-time buyers.	The initiative is primarily designed to serve low and middle-income earners, especially civil servants, and first-time home buyers who have limited access to conventional mortgage options. It aims to deliver 100 housing units in each Local Government Area, amounting to a total of 77,400 units across the country. The housing types will range from one to four-bedroom apartments or flats, with a strong emphasis on affordability to ensure accessibility for individuals and families within the low-income bracket.

Policy Shifts and Their Impacts on Construction and Mortgage Sectors



National Housing Policy (NHP) Reforms 1

The National Housing Policy (NHP), last comprehensively updated in 2012, provides a framework for addressing Nigeria's housing challenges by promoting affordable and sustainable housing through public-private partnerships (PPPs), housing finance systems, and land reforms. Recent updates and initiatives include

Key Objectives

- Increase access to affordable housing for low- and middle-income earners.
- Streamline land acquisition processes and improve land administration.
- Promote sustainable building practices and local materials.
- Enhance mortgage accessibility through institutions like the Federal Mortgage Bank of Nigeria (FMBN) and the Nigeria Mortgage Refinance Company (NMRC).

Recent Developments (2023–2025)

Family Homes Fund (FHF)

The FHF, with a \$2.5 billion investment, aims to deliver 500,000 homes by 2023 (though delayed by economic challenges and the COVID-19 pandemic). It has initiated projects in states like Yobe and Akwa Ibom in collaboration with private developers like Mixta Nigeria and Shelter Afrique. naijahouses.com

Infrastructure Funding

The Ministry of Works and Housing proposed a ₦10 trillion National Infrastructure Bond to bridge funding gaps for housing and infrastructure projects, signaling increased government commitment to construction. naijahouses.com

Public-Private Partnerships (PPPs)

The government has prioritized PPPs to finance housing and infrastructure projects, such as the Lagos-Calabar Coastal Highway, with a \$100 million loan from the ECOWAS Bank for Investment and Development for its first phase. nigeriahousingmarket.com

Impact on Construction Sector

Increased Project Opportunities

PPPs and infrastructure bonds have spurred large-scale construction projects, particularly in urban centers like Lagos and Abuja, boosting demand for construction services and materials.

Challenges with Bureaucracy

Bureaucratic bottlenecks and delays in project approvals continue to hinder timely execution, increasing costs for developers. nigeriahousingmarket.com

Rising Costs

High costs of compliance with new regulations and the reliance on imported materials (due to limited local manufacturing capacity) have increased construction expenses, impacting profitability. meritabode.com

Impact on Mortgage Sector

Improved Access to Finance

The FMBN and NMRC have introduced more accessible mortgage products with lower interest rates and extended repayment periods, targeting low- and middle-income earners. For example, the FMBN waived the initial 10% payment on mortgages below ₦5 million (\$12,000). thinkmint.ng trade.gov

Limited Penetration

Despite these efforts, mortgage uptake remains low due to high interest rates (often above 20%), stringent eligibility criteria, and limited awareness among potential borrowers. The housing deficit of 28 million units as of January 2023 underscores the gap between policy intent and implementation. trade.gov

Innovative Financing Models

The rise of rent-to-own schemes and micro-mortgages by fintech companies has provided alternatives to traditional mortgages, increasing homeownership opportunities for younger demographics and the informal sector. eystone.ng

Land Use Act Reforms 2

The Land Use Act of 1978 remains the cornerstone of land administration in Nigeria, vesting all land in state governors, who hold it in trust for citizens. Recent discussions focus on reforming this act to address inefficiencies.

Key Policy Shifts

Streamlining Land Acquisition

Ongoing discussions in 2024 aim to reduce bureaucratic delays in obtaining Certificates of Occupancy (C of O), which are required to prove land ownership. thinkmint.ng

Digitization Efforts

States like Lagos have introduced digital platforms for land title registration to improve transparency and reduce fraud, though adoption is uneven across states.

Land Dispute Resolution

Policies to address land disputes, which often delay construction projects, include alternative dispute resolution mechanisms and stricter enforcement of land tenure systems.

Impact on Construction Sector

Delayed Projects

Land disputes and high costs of acquiring land with clear titles remain significant barriers, increasing project timelines and costs. nigeriahousingmarket.commeritabode.com

Urban Development

Reforms promoting efficient land allocation have facilitated large-scale projects in urban areas, but rural areas lag due to weaker enforcement of land policies.

Impact on Mortgage Sector

Title Issues

Unclear land titles deter lenders from offering mortgages, as they require secure collateral. Simplifying the C of O process could boost mortgage lending.

Cost Implications

High land costs, often 20-30% of total project costs, reduce affordability for homebuyers, limiting mortgage demand.

Fiscal and Economic Policies 3

Economic reforms, including tax policies and infrastructure investments, have influenced both sectors.

Key Policy Shifts

Tax Incentives

The government introduced capital gains tax exemptions for long-term real estate investments and deductions for property depreciation to encourage investment.thinkmint.ng

Proposed Tax Administration Bill (2024)

This bill mandates tax identification numbers (TINs) for individuals in banking and related sectors, aiming to increase tax compliance and revenue for infrastructure funding.mondaq.com

Value Added Tax (VAT) Modifications

The VAT (Modification) Order 2024 expanded exemptions for certain real estate transactions, such as distributions to real estate investment trusts, to reduce transaction costs.mondaq.com

Economic Instability

Nigeria's oil-dependent economy faces volatility, impacting investor confidence and disposable income for real estate purchases.meritabode.com

Impact on Construction Sector

Cost Fluctuations

Economic instability and naira depreciation have increased the cost of imported construction materials, which constitute over 60% of inputs, raising project costs.meritabode.com

Tax Benefits

Incentives like VAT exemptions reduce financial burdens for developers, encouraging investment in commercial and residential projects.

Impact on Mortgage Sector

Reduced Affordability

Economic downturns lower disposable income, reducing demand for mortgages despite government incentives.meritabode.com

Revenue for Infrastructure

Increased tax revenue from the Proposed Tax Administration Bill could fund infrastructure projects, indirectly supporting real estate development by improving access and amenities.

Environmental and Sustainability Policies **4**

With growing awareness of climate change, policies promoting sustainable construction have gained traction.

Key Policy Shifts

National Environmental (Construction Sector) Regulations 2011

These regulations aim to minimize environmental hazards from construction activities, such as pollution and waste.dlapiperrealworld.com

Green Building Initiatives

The NHP and NBC encourage the use of eco-friendly materials, renewable energy (e.g., solar panels), and water conservation systems.eystone.ng

Climate-Resilient Designs

Policies mandate flood-resistant designs and sustainable land use to address environmental risks like flooding and erosion.eystone.ng

Impact on Construction Sector

Enforcement Challenges

Weak enforcement mechanisms limit the adoption of sustainable practices, especially in rural areas.buildingpractice.biz

Higher Compliance Costs

Adhering to environmental regulations increases project costs, particularly for small-scale developers in the informal sector.nigeriahousingmarket.com

Innovation Opportunities

The push for green building materials and energy-efficient designs has spurred innovation, attracting institutional investors like pension funds.eystone.ng

Impact on Mortgage Sector

Attractive Financing

Properties with climate-resilient and energy-efficient features may qualify for lower insurance premiums and better mortgage terms, increasing their appeal.eystone.ng

Limited Awareness

Lack of awareness among borrowers about green financing options restricts uptake

Taxation Policies Affecting Real Estate

Taxation policies in Nigeria significantly influence the real estate sector, impacting developers, investors, and homebuyers. Recent reforms aim to enhance revenue generation while offering incentives to stimulate investment.

Key Taxation Policies

● Value Added Tax (VAT)

- The VAT (Modification) Order 2024 exempts certain real estate transactions, such as distributions to real estate investment trusts, reducing transaction costs.[mondaq.com](#)
- Standard VAT rate of 7.5% applies to construction materials and services, increasing project costs.

● Capital Gains Tax (CGT)

- Exemptions for long-term real estate investments encourage holding properties for extended periods.[thinkmint.ng](#)
- CGT rate of 10% applies to profits from property sales, impacting investor returns.

● Withholding Tax (WHT)

- The 2024 WHT Regulation exempts certain transactions, like dividends to real estate investment companies, reducing tax burdens for institutional investors.[mondaq.com](#)
- WHT rates (5-10%) apply to payments for construction services, increasing costs for contractors.

● Property Taxes

- Annual property taxes, such as tenement rates in Lagos, vary by state and are based on property value, affecting homeowners' costs.
- High compliance costs and multiple taxation issues deter investment.[thinkmint.ng](#)

● Proposed Tax Administration Bill (2024)

- Mandates TINs for individuals in banking, insurance, and stockbroking to improve tax compliance and revenue collection.[mondaq.com](#)
- Non-residents earning passive income from real estate investments are exempt from TIN registration but must provide tax authority information.

Role of NMRC, FMBN, and Other Key Institutions

Institution	Main Role(s) / Functions	Notes / Legal Basis
Nigeria Mortgage Refinance Company (NMRC)	<ul style="list-style-type: none"> Provides long-term funding by refinancing mortgages originated by primary mortgage banks/commercial banks Raises long-term funds via capital market bond issuance Deepens mortgage liquidity and extends loan tenors Establishes and promotes uniform underwriting standards Facilitates legal framework (e.g. model mortgage foreclosure law adoption) Develops tech systems: Housing Market System (HMS), Housing Market Information Portal (HMIP), blockchain-based land registry 	Public-Private Partnership; licensed by CBN in Feb 2015; integrates tech infrastructure across housing mortgage value chain
Federal Mortgage Bank of Nigeria (FMBN)	<ul style="list-style-type: none"> Apex mortgage institution; provides long-term credit to mortgage lenders Mobilizes domestic and offshore funds Administers National Housing Fund (NHF) contributory scheme Issues mortgage-backed bonds/securities Encourages growth of mortgage institutions nationwide 	Established via act in 1977 (and earlier origins); NHF Act 1992; regulated primary mortgage institutions
Family Homes Funds Limited (FHFL)	<ul style="list-style-type: none"> Social housing finance institution to provide affordable homes for low-income Nigerians Products: Help-to-Own (10% deposit), Rental Housing Fund, Land & Infrastructure Fund Raises capital via capital market instruments (e.g. Sukuk bond issuance) and partnerships with DFIs and sovereign wealth funds 	Registered 2016, operations from 2018; FG-promoted; first Sukuk issuance in 2021 (~₦30 billion)
Federal Housing Authority (FHA)	<ul style="list-style-type: none"> Proposes national housing programmes Advises government on urban/ estate planning, utilities, transport Executes approved housing programmes; provides sites/services for all income groups Manages government-owned real estate; disposes as needed 	Established by Decree 40 (1973); commercialized in 1988; supervised by FMWH

Federal Ministry of Works & Housing (FMWH)	<ul style="list-style-type: none"> Develops and maintains federal road infrastructure Implements national housing policies and programmes Oversees parastatal agencies (FMBN, FHA, FERMA, SURCON, COREN, etc.) Departments handle development control, slum upgrading, planning/research/statistics 	Mandate per statutory framework; detailed roles in development control & slum upgrading
Federal Ministry of Lands, Housing & Urban Development (FMLHUD)	<ul style="list-style-type: none"> Manages federal land administration, titling, allocation Formulates affordable housing and urban development policies Oversees urban planning, zoning, slum upgrading, real estate investment facilitation 	Responsible for land/housing sectors; ensures sustainable urban growth
Federal Ministry of Budget & Economic Planning / National Planning Commission	<ul style="list-style-type: none"> Provides policy advice, formulates development plans (short-, medium-, long-term) Coordinates plans implementation across federal/state/local levels Monitors projects, mobilizes support, researches development implications 	Established by Decree No. 12 (1992), amended Act 71 (1993)
Nigerian Building & Road Research Institute (NBRRI)	<ul style="list-style-type: none"> R&D for building and road materials; developed low-cost alternatives (e.g. cement-stabilized bricks) Partnered with FMBN to construct housing using alternative materials 	Under Federal Ministry of Science & Tech; partnership for mass housing tech deployment

Roles of Key Housing Finance Institutions in Nigeria

Institution	Primary Role	Key Functions	Target Beneficiaries	Regulatory Framework	References
Nigerian Mortgage Refinance Company (NMRC)	To improve liquidity in the mortgage market and promote affordable housing.	- Provides long-term refinancing facilities to mortgage lenders (Primary Mortgage Banks).- Issues bonds to raise funds for refinancing.- Works to reduce mortgage interest rates.- Promotes standardization of mortgage underwriting practices.	Primary Mortgage Banks (PMBs), Commercial Banks, and Mortgage Institutions.	Incorporated under CAMA, regulated by SEC and CBN.	NMRC Official Web site, CBN Guidelines
Federal Mortgage Bank of Nigeria (FMBN)	To provide affordable housing finance for Nigerians, particularly low- and middle-income earners.	- Administers the National Housing Fund (NHF) Scheme.- Provides mortgage loans to contributors.- Finances mass housing projects.- Offers construction loans to developers.- Partners with state governments on housing schemes.	NHF contributors, low- and middle-income earners, cooperative societies.	Established by FMBN Act (1993), NHF Act (1992).	FMBN Official Web site, NHF Act
Primary Mortgage Banks (PMBs)	To originate and service mortgage loans directly to homebuyers.	- Provide mortgage loans to individuals.- Partner with FMBN/NMRC for refinancing.- Offer home construction loans.- Facilitate loan repayments.	Individual homebuyers, real estate investors.	Licensed and regulated by CBN under BOFIA.	CBN PMB Guidelines

Federal Government Housing Agencies (e.g., Family Homes Funds - FHF)	To deliver affordable housing through public-private partnerships.	- Funds large-scale affordable housing projects.- Works with private developers.- Provides rent-to-own schemes.- Targets low-income families.	Low-income earners, vulnerable groups.	Established under the Companies and Allied Matters Act (CAMA).	FHF Web site
Central Bank of Nigeria (CBN)	To regulate monetary policy and ensure financial stability, including housing finance.	- Issues guidelines for mortgage lending.- Provides intervention funds (e.g., Real Sector Support Facility).- Regulates PMBs and other financial institutions.	Banks, PMBs, and financial institutions.	CBN Act (2007), BOFIA (2020).	CBN Housing Finance Policies
Ministry of Works and Housing	To formulate and implement housing policies.	- Oversees national housing programs.- Collaborates with FMBN/NMRC on housing schemes.- Implements Federal Government housing initiatives.	General public, state governments, developers.	National Housing Policy (2012, 2021).	Housing Ministry



In a market where bricks meet
ambition, AG Mortgage Bank
doesn't just finance homes—we
build futures.



Demographic and Market Segmentation Insights

Age Distribution of Nigeria

Age group	% of total population	Estimated population
0-4	14.4 % (early 2025)	≈ 34.2 million*
5-12	21.2 %	≈ 50.3 million*
13-17	11.9 %	≈ 28.2 million*
18-24	13.9 %	≈ 33.0 million*
25-34	14.1 %	≈ 33.5 million*
35-44	10.2 %	≈ 24.2 million*
45-54	7.1 %	≈ 16.9 million*
55-64	4.2 %	≈ 10.0 million*
65+	3.1 %	≈ 7.4 million*

Population estimates
237.5 million in 2025.

UNFPA / United Nations Population Division (World Population Prospects 2024 revision, 2025 mid-year estimate)

Age bracket	% of population
0-14	≈ 41 %
15-64	≈ 58-59 %
65+	≈ 3 %

AGMB Should:

- Focus on digital mortgage platforms and simplified loan apps tailored to youth (especially 25-34 age group).
- Develop and promote co-living mortgage solutions, rent-to-own schemes, and smart housing options.
- Use influencer marketing and financial literacy campaigns to attract young, first-time home buyers.

Implications of Age Distribution on Housing Demand

Demographic Trend	Housing Demand Implication
Majority young (under 40)	More small-households; demand for smaller units, co-living, flexible spaces
Youth (Gen Z) with tech & sustainability focus	Demand for digital platforms, smart homes, green design, flexible finance
Rapid population growth	Massive shortfall; need for millions of units annually
Urban migration / youthful in cities	Pressure on urban housing, need for mixed-use, amenity-rich developments
Developer supply mismatch	Large houses empty; shortage of affordable small units
Need for sustainable construction	Integrate green design to meet future demand responsibly



URBANIZATION TRENDS AND POPULATION MIGRATION



Urbanization Trends in Nigeria

Rapid Urban Population Growth

1

Nigeria's urban population has grown significantly, increasing from 25% of the total population in 1990 to over 50% in 2020, and reaching approximately 54.28% in 2023. By 2050, projections estimate that 70% of Nigerians will live in urban areas.[statista.com](#) [novatiaconsulting.com](#)

The urban population surged from 15% in 1960 to over 50% by 2020, with an estimated 237.5 million people in 2025, of which 55% live in urban areas.[novatiaconsulting.com](#) [intelpoint.com](#)

Between 1960 and 2010, Nigeria added approximately 62.5 million people to its urban population, with forecasts projecting an additional 226 million by 2050. This makes Nigeria one of the fastest-urbanizing countries in Africa, alongside India and China, which together are expected to account for 37% of global population growth between 2014 and 2050.[link.springer.com](#) [ncbi.nlm.nih.gov](#)

Key Urban Centers

2

Major cities like Lagos, Ibadan, Kano, Abuja, and Port Harcourt are experiencing significant growth. Lagos, the largest city, has a population exceeding 20 million, with an annual growth rate of about 5.8%. Other cities like Kano and Abuja are also expanding rapidly, straining infrastructure.[ncbi.nlm.nih.gov](#) [intelpoint.co](#)

The Southwest region is the most urbanized, hosting 40% of Nigeria's 329 urban centers as of 1991, with cities like Lagos and Ibadan being prominent.[ncbi.nlm.nih.gov](#)



Historical Context and Growth Rates

3

Urban population growth has been notable since the mid-20th century. Between 1952 and 1991, the urban population grew at an average annual rate of 4.5%, increasing from 56 towns in 1952/53 to 359 by 1991. By 1991, one in three Nigerians (36%) lived in cities, compared to one in five in 1960.ncbi.nlm.nih.govncbi.nlm.nih.gov

The urban population growth rate has outpaced rural growth, with urban growth peaking at 5.9% from the 1980s onward, compared to a rural growth rate of 1.6%. The overall population growth rate is about 2.4-3% annually, with urban areas projected to double in population within two decades.sciencedirect.comncbi.nlm.nih.govthecconversation.com

Global and Regional Context

4

Globally, the urban population increased from 13% in 1900 to 49% in 2005, with projections of 60% by 2030. Africa and Asia are urbanizing faster than other regions, with Nigeria's urbanization rate aligning with this trend, projected to reach 70%
2050.ncbi.nlm.nih.govnovatiaconsulting.com

Nigeria's urban transition is considered to be in an accelerated stage, expected to enter a terminal stage by 2030, driven by natural population increase and migration.researchgate.net

Challenges of Urbanization

5

Rapid urbanization has led to challenges such as inadequate housing, with over 60% of urban dwellers living in informal settlements or slums. Issues like traffic congestion, poor sanitation, and insufficient infrastructure are prevalent, particularly in cities like Lagos and Abuja.novatiaconsulting.comnovatiaconsulting.comintelpointnt.com

Urban health crises, including exposure to infectious diseases, poor sanitation, unsafe drinking water, and pollution, disproportionately affect the urban poor.ncbi.nlm.nih.gov

There is a lack of formal urban recognition, with many cities merged with rural areas under Nigeria's 774 local government systems, limiting urban renewal or slum upgrading initiatives.ncbi.nlm.nih.gov

AGMB Should:

- Open or expand branches and digital service points in fast-growing urban corridors like Lagos mainland, Ogun border towns, Abuja satellite towns, and Port Harcourt suburbs.
- Design mortgage packages for new migrants and young workers, such as affordable studio or 1-bedroom home financing.
- Partner with developers of urban affordable housing estates to offer embedded mortgage solutions in key migration hotspots.

Population Migration Patterns in Nigeria



Rural-to-Urban Migration 1

Rural-to-urban migration is a primary driver of urbanization, accounting for nearly 60% of population growth in major cities like Lagos, Abuja, and Port Harcourt. This migration is largely driven by young adults seeking better job prospects, education, and living standards.[novatiaconsulting.comnovatiaconsulting.compubmed.ncbi.nlm.nih.gov](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9514233/)



A longitudinal study in Port Harcourt found that 94% of low-skill workers (e.g., watchmen, laborers) and 98% of clerks migrated to the city for better jobs and increased earnings. All surveyed school leavers also cited job opportunities as their primary motivation.[pubmed.ncbi.nlm.nih.govpubmed.ncbi.nlm.nih.gov](https://pubmed.ncbi.nlm.nih.gov/pubmed.ncbi.nlm.nih.gov)



Insecurity and conflicts, such as clashes between rural dwellers and herdsmen, are significant push factors driving rural-urban migration, exacerbating urban poverty and food insecurity.[sciencedirect.comresearchgate.net](https://www.sciencedirect.comresearchgate.net)



Natural Population Increase 2

While rural-urban migration is significant, natural population increase (more births than deaths) is the dominant contributor to urban growth, particularly as Nigeria's urban areas surpassed 30% urbanization, after which natural increase becomes a larger factor.[theconversation.comgsdrc.org](https://theconversation.com/gsdr.org)



Nigeria's total fertility rate is high at 5.3 children per woman (4.5 in urban areas, 5.9 in rural areas), compared to replacement-level fertility of 2.1. In Lagos, the fertility rate is 3.4. Low contraceptive prevalence (12% nationally, 18.2% in urban areas) sustains high birth rates.[theconversation.comworldometers.infotheconversation.com](https://theconversation.com/worldometers.infotheconversation.com)



Regional Disparities

3

Migration patterns show regional differences, with southern Nigeria (particularly the Southwest and South-South regions) experiencing higher urban migration due to economic opportunities, compared to slower migration in the North due to security challenges and economic underdevelopment.novatiaconsulting.com

The Southwest is projected to host nearly 50% of Nigeria's population by 2050 due to migration patterns, as noted by Senator Gbenga Daniel. The South East and South West also have higher built-up areas, indicating greater urbanization.

International and Internal Migration

4

Internal migration is significant, with 34.9% of urban Nigerians and 22.4% of rural Nigerians expressing a desire to move to another country in 2023/24, particularly from the Southwest (43.3%) and South-South (41.3%) regions. intelpoint.co

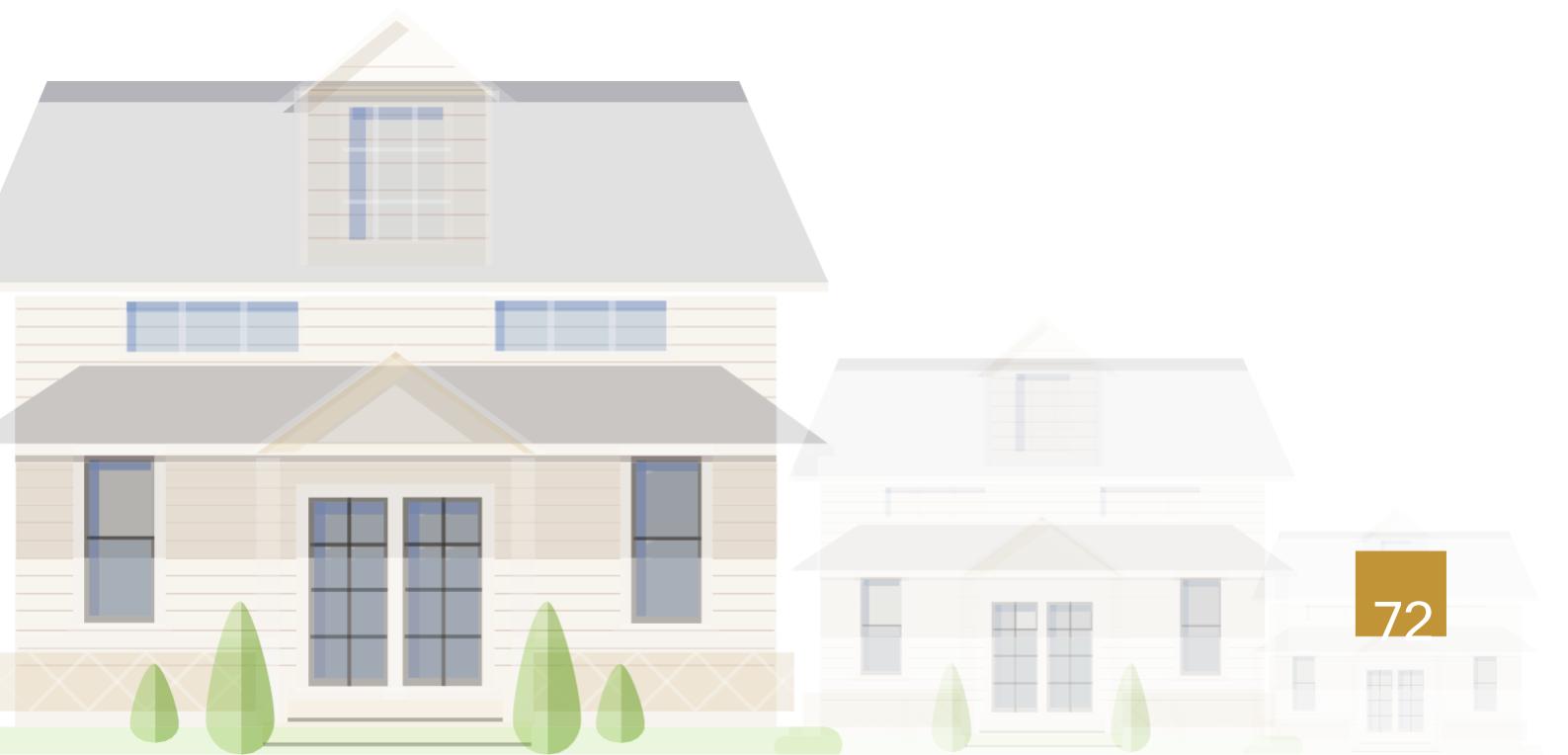
International migration data at the urban level is limited, but Nigeria's youthful demographic and high unemployment (33% nationally, over 40% for youth) drive both internal and international migration.intelpoint.co

Environmental and Social Impacts

5

Migration contributes to land degradation due to urban expansion, particularly in the savannah region, necessitating sustainable urban planning.ouci.dntb.gov.ua

Urban migration has led to overcrowding, exacerbating communicable diseases, pollution, and housing disparities, with a significant gap between the urban poor and wealthy.pubmed.ncbi.nlm.nih.gov



Developments in the Rental Market

Rental Price Trends by Region

South-West Lagos Oyo Ogun Osun Ondo Ekiti

Lagos State (Most Expensive) ■

High-End Areas Ikoyi Victoria Island Lekki Phase 1

3-Bedroom Apartment ₦5M - ₦15M/year

1-Bedroom Apartment ₦1.5M - ₦4M/year

Middle-Income Areas Surulere Gbagada Yaba

3-Bedroom Flat ₦1.5M - ₦3.5M/year

Low-Cost Areas Ikorodu Ajah Alimosho

2-Bedroom Flat ₦400K - ₦1.2M/year

Other South-West States (Cheaper than Lagos)

Ibadan (Oyo) 3-bedroom ₦600K - ₦1.5M/year

Abeokuta (Ogun) 3-bedroom ₦400K - ₦1M/year

Akure (Ondo) 3-bedroom ₦300K - ₦800K/year

Trend: Lagos remains the most expensive, but satellite towns (Ogun) are becoming alternatives due to lower costs



South-East

Abia

Anambra

Ebonyi

Enugu

Imo

Enugu & Anambra Most Expensive in SE

3-Bedroom Flat (Enugu GRA): ₦1.2M - ₦3M/year

2-Bedroom (Awka): ₦500K - ₦1.2M/year

Imo & Abia (Moderate Pricing)

3-Bedroom (Owerri): ₦700K - ₦1.8M/year

2-Bedroom (Aba): ₦300K - ₦800K/year



Trend: Lagos remains the most expensive, but satellite towns (Ogun) are becoming alternatives due to lower costs

South-South

Rivers

Delta

Edo

Bayelsa

Akwa Ibom

Cross River

Port Harcourt (Rivers) - Oil Boom Impact

High-End (GRA Phase 1-5) ₦3M - ₦8M/year

Middle-Class (Rumuola, Woji) ₦1M - ₦2.5M/year

Uyo (Akwa Ibom) & Calabar (Cross River)

3-Bedroom ₦800K - ₦2M/year

Warri (Delta) & Benin (Edo)

3-Bedroom ₦600K - ₦1.5M/year



Trend: Port Harcourt remains expensive due to oil companies, while Calabar/Uyo are growing moderately

North-West

Kano Kaduna Katsina Sokoto Zamfara Kebbi Jigawa

Kano (Commercial Hub) ■■■

3-Bedroom (GRA) ₦1M - ₦3M/year

2-Bedroom (Nasarawa) ₦400K - ₦1M/year

Kaduna (Moderate Pricing) ■■■

3-Bedroom (Barnawa) ₦700K - ₦1.5M/year

Katsina, Sokoto (Lowest Prices) ■■■

3-Bedroom ₦200K - ₦600K/year



Trend: Security issues in Zamfara/Sokoto reduce demand, keeping rents low.

North-East

Borno Yobe Adamawa Bauchi Gombe Taraba

Most Affordable Due to Insurgency Impact ■■■

Maiduguri (Borno)... Limited Demand..... ■■■

3-Bedroom ₦200K - ₦500K/year

Bauchi & Gombe (Stable but Low)..... ■■■

3-Bedroom ₦250K - ₦600K/year



Trend: Economic decline & insecurity keep rents the lowest in Nigeria.

North-Central Abuja Niger Kogi Benue Plateau Nasarawa Kwara

Abuja (Most Expensive in Nigeria)

High-End (Asokoro, Maitama, Wuse 2) ■

3-Bedroom ₦6M - ₦20M/year

Middle-Class (Gwarimpa, Kubwa) ■

3-Bedroom ₦1.5M - ₦4M/year

Satellite Towns (Nyanya, Mararaba)

₦800K - ₦2M/year



Other North-Central States

Jos (Plateau) ₦500K - ₦1.5M/year Lokoja (Kogi) ₦400K - ₦1M/year

Makurdi (Benue) ₦300K - ₦800K/year

AGMB Should:

- Develop rental-to-mortgage conversion products targeted at tenants in satellite towns (e.g., Mowe, Ifo, Nyanya, Lugbe) who can't afford city-center prices.
- Launch home financing for 1-2 bedroom units priced under ₦10 million, particularly in middle-income and low-cost areas.
- Focus marketing in rent-heavy states like Lagos, Rivers, and the FCT, especially targeting young renters ready to own.

Shifts in Residential vs Commercial Rental Demand

Segment	Demand Trend (2024–25)	Key Drivers / Notes	Segment
Residential (urban)	Very strong; renting dominates	Housing deficit, inflation, urban migration	Residential (urban)
Residential (short-let, co-living)	Growing rapidly	Business travel, expatriates, convenience	Residential (short-let, co-living)
Secondary cities	Strong; yields 7-10%	Affordability, student/young professional demand	Secondary cities
Commercial (offices)	Declining traditional; shift to grade-A / flexible	Hybrid work, firms downsizing, ESG/flexibility	Commercial (offices)
Co-working	Growing; ~15% share of office leases	Startups, remote work culture	Co-working
Retail	Mixed; high-end resilient, smaller centers ~90% occupied	Consumer demand, mall convenience	Retail
Logistics	Rising demand	E-commerce expansion	Logistics

AGMB Should:

- Expand into short-let and co-living project financing or mortgages for modular/shared apartments for tech workers and business travelers.
- Provide mortgage support for developers of co-living hubs, student housing, and compact studio apartments in tech and university districts.
- Offer commercial mortgage support to developers focusing on e-commerce fulfillment centers and flexible office spaces.



Risk Assessment

Risk Category	Specific Risk	Impact Level (High/Medium/Low)	Mitigation Strategies	References
Economic Risks	Inflation & Currency Fluctuations	High	Use of inflation-indexed contracts, hedging against forex risks.	CBN Monetary Policy Reports (2023)
	High Interest Rates	High	Negotiate fixed-rate loans, seek government-backed financing.	World Bank Nigeria Development Update (2023)
Political & Regulatory Risks	Unstable Government Policies	Medium	Engage in policy advocacy, diversify investments.	PwC Nigeria Real Estate Outlook (2023)
	Land Title Disputes & Litigation	High	Conduct thorough due diligence, verify land titles with registries.	Nigeria Land Use Act (1978)
Market Risks	Low Demand & Oversupply	Medium	Conduct feasibility studies, target affordable housing.	Nigerian Bureau of Statistics (2023)
	High Construction Costs	High	Source local materials, negotiate bulk purchase discounts.	Building Materials Report (2023)
Financial Risks	Liquidity Shortages	High	Secure long-term financing, partner with REITs.	SEC Nigeria Capital Market Report (2023)
	Loan Defaults & Bad Debts	Medium	Implement strict credit checks, use escrow accounts.	NDIC Banking Report (2023)
Operational Risks	Project Delays & Cost Overruns	High	Hire experienced contractors, enforce strict project timelines.	FIDIC Construction Risks Report (2023)
	Poor Infrastructure (Power, Roads)	High	Invest in alternative power (solar), choose well-located sites.	World Bank Infrastructure Report (2023)
Legal Risks	Fraud & Scams (Omo-Onile Issues)	High	Engage legal advisors, work with reputable developers.	Lagos State Property Protection Law (2016)
	Unclear Zoning Laws	Medium	Verify land use approvals before purchase.	Urban & Regional Planning Laws

Strategic Outlook and Recommendations

Macroeconomic & Real Estate Sector

Economic growth

Nigeria showing cautious optimism in 2025 with GDP growth in the 3-4% range, supported by non-oil sectors and reforms.

Fiscal and infrastructure spending

Fiscal deficit narrowing; strong infrastructure allocations at federal (~10%) and Lagos state (~10%+) budgets.

Inflation

Slight moderation—May 2025 headline inflation ≈ 22.97%, down from ~23.7% in April; food inflation still elevated but dropping.

Monetary policy

CBN MPR steady at 27.5%, maintaining tight financial conditions.

Demographics & urbanization

Population ≈ 230 million, urbanization >50%; housing deficit huge (20-30 million+ units), driving structural long-term housing demand.

Q3 2025 Forecast

GDP growth

Expect ~3.5-4% year-on-year, building on H1 momentum.

Mortgage demand

Steady rise in affordable housing segment and rental demand (build-to-rent, short-let)

Inflation

Gradual continuation of easing; headline inflation may dip toward 22-23%, with food inflation slowly declining.

Rates environment

MPR likely held or adjusted slightly downward late in Q3, depending on inflation trajectory.

Property values

Continued appreciation in prime corridors (Lagos-Lekki, Abuja, Port Harcourt)—growth in double digits in key micro-markets; mid-income/peri-urban areas seeing catch-up pockets.

Financing

Uptake from schemes like MOFI Real Estate Investment Fund increases, but banks' mortgage book still constrained by cost of funds.

TACTICAL RECOMMENDATIONS

Pilot a MOFI-aligned affordable housing mortgage product: Single-digit or low double-digit fixed rates subsidized through the Ministry-linked Fund.

Develop and launch a Build-to-Rent / co-living mortgage product: tailored to long-term rental developers and institutional partners.

Establish regional outposts or partnerships in high-potential secondary cities (e.g. Enugu, Abeokuta, Uyo, Kaduna, Kano) to tap emerging market growth.

Deploy a PropTech-based origination platform with online applications, document verification using blockchain-backed land registries (e.g. Lagos State's digital land records), virtual tours, and automated credit scoring.

Green mortgage scheme: offering preferential rates for energy-efficient or climate-resilient homes (solar readiness, water harvesting), linked to sustainability criteria.

Inflation and currency-linked risk pricing mechanism: offer index-linked interest rate adjustments or foreign-exchange-hedged mortgage instruments for developers using imported inputs.

Strategic developer partnerships / PPPs: collaborate with major affordable housing developers and infrastructure agencies to bundle mortgage financing into master-planned projects (e.g. Renewed Hope City, Eneye etc.).

Marketing & financial literacy campaigns targeted at urban youth and new households—promoting co-living and micro-apartment solutions via digital/social channels.

Data & market intelligence unit: institutionalize ongoing tracking of regional land, price, demographic, rental yield data to guide product and geographic prioritization.

Regulatory engagement team: engage with FCT land reforms, other state registries, and MOFI to streamline title issuance and coordinate infrastructure linkages.

CONCLUSION

AG Mortgage Bank is operating in a uniquely favorable yet complex environment. The structural demand for housing, driven by population growth and urbanization, and backed by government policy and infrastructure investment, opens substantial opportunity. However, high inflation, interest rates, construction costs, regulatory complexity, and regional disparities pose real risks.

To succeed, AG Mortgage Bank must focus strategically on affordable housing and rental products, expand geographically, leverage technology for efficiency, and embed risk-adjusted innovation into its product design. Tactical execution—through targeted products, partnerships, and digital platforms—will enable AG Mortgage Bank to capture growth, mitigate risk, and enhance its leadership in making homeownership and sustainable real estate solutions a reality across Nigeria.

This roadmap positions the Planning & Strategy Group to guide AG Mortgage Bank through Q3 2025 and beyond, ensuring resilience, relevance, and market impact.



“

A younger Nigeria isn't just renting
—they're rewriting homeownership,
and AG Mortgage Bank holds the
pen.

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<https://www.everythingproperty.ng/sell/guides/current-real-estate-trends-in-nigeria> (Offers insights into key trends like affordable housing, short-lets, smart homes, and Lagos boom)
- The Africanvestor: <https://theafricanvestor.com/> (Check their real estate section for investment trends and regional analysis)
- Estate Intel: <https://estateintel.com/> (Leading African real estate data and analytics platform; look for their market reports and development pipeline insights.)
- Nigeria Housing Market (NHM): <https://www.nigeriahousingmarket.com/> (Provides news, analyses, and data on the housing sector across Nigeria)
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<https://articles.connectnigeria.com/category /real-estate/> (Good for regional investment insights, e.g., Northern Nigeria locations)
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- Sujimoto Group: <https://sujimotonig.com/> (Website of a luxury real estate developer with projects in Lagos and Abuja)
- REDAN (Real Estate Developers Association of Nigeria):
<https://redanonline.org/> (Official body, provides insights into industry activities and challenges across zones)
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