

**ASSESSING THE IMPACT OF GOVERNMENT POLICIES ON REAL ESTATE  
DEVELOPMENT IN BENIN CITY, EDO STATE**



**BY**

**ISAIAH EDAH KABA**

**ENV1805758**

**UNIVERSITY OF BENIN**

**BENIN CITY**

**FEBRUARY, 2025**

**ASSESSING THE IMPACT OF GOVERNMENT POLICIES ON REAL ESTATE  
DEVELOPMENT IN BENIN CITY, EDO STATE**



**BY**

**EDAH KABA ISAIAH  
ENV1805758**

**A PROJECT SUBMITTED TO THE DEPARTMENT OF ESTATE  
MANAGEMENT, FACULTY OF ENVIRONMENTAL SCIENCES, UNIVERSITY  
OF BENIN, BENIN CITY IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE (B.SC.)  
DEGREE IN ESTATE MANAGEMENT**

**FEBRUARY, 2025**

## **DECLARATION**

I, **EDAH KABA ISAIAH**, certify that this project is entirely my own work and composition.

---

**EDAH KABA ISAIAH**  
(Researcher)

---

**DATE**

## CERTIFICATION

We, certify that the project titled: **ASSESSING THE IMPACT OF GOVERNMENT POLICIES ON REAL ESTATE DEVELOPMENT IN BENIN CITY, EDO STATE** was carried out by **EDAH KABA ISAIAH, ENV1805758**. We, therefore, certify that the work is adequate in scope and quality in partial fulfilment of the requirements for the award of Bachelor of Science (B.Sc.) degree in the Department of Estate Management, Faculty of Environmental Sciences, University of Benin, Benin City, Edo State, Nigeria.

---

**ESV. ERNEST ALOHAN**  
(Supervisor)

---

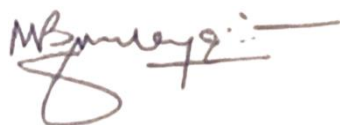
**DATE**

---

**DR. MARKSON KOMOLAFE**  
(Head of Department)

---

**DATE**



---

**PROF. M. B. OGUNLEYE**  
(External Examiner)

---

**DATE**

## **DEDICATION**

I dedicate this work to God Almighty, for his guidance and protection throughout my academic journey; may his name be praised, and to my family for their unwavering support and making this a reality.

## **ACKNOWLEDGEMENTS**

I would like to express my gratitude to God for His kindness, protection, and strength throughout this endeavor.

I am also deeply thankful to my supervisor, Dr. Mr. Ernest O. Alohan for his guidance, patience, and unwavering support during this research. Additionally, I extend my thanks to my lecturers, Dr. Markson Komolafe (HOD), Mr. P. E. Chima, Dr. (Mrs.) P. Iruobe, Prof. Joseph. Oyedele, Dr. M. A. Olukolajo, Dr. Mrs. O. Edionwe, Peter Shakede Ogedengbu, Dr. Ifeanyi Chukwujekwu, and Mrs. Lydia Komolafe for their support and encouragement.

My sincere gratitude also goes to my lovely mom, Mrs. Edah Mabel, for all her support.

I also want to express my sincere thanks to my friends, mentors, and colleagues for their support and constructive feedback. Their willingness to help and share their knowledge has been deeply appreciated.

## **TABLE OF CONTENTS**

<b>TITLE PAGE</b>	-	-	-	-	-	-	-	-	-	ii
<b>DECLARATION</b>	-	-	-	-	-	-	-	-	-	iii
<b>CERTIFICATION</b>	-	-	-	-	-	-	-	-	-	iv
<b>DEDICATION</b>	-	-	-	-	-	-	-	-	-	v
<b>ACKNOWLEDGEMENTS</b>	-	-	-	-	-	-	-	-	-	vi
<b>TABLE OF CONTENTS</b>	-	-	-	-	-	-	-	-	-	vii
<b>LIST OF TABLES</b>	-	-	-	-	-	-	-	-	-	ix
<b>ABSTRACT</b>	-	-	-	-	-	-	-	-	-	x
<b>CHAPTER ONE: INTRODUCTION</b>										
1.1	Background to the Study	-	-	-	-	-	-	-	-	1
1.2	Statement of the Problem	-	-	-	-	-	-	-	-	3
1.3	Research Questions	-	-	-	-	-	-	-	-	5
1.4	Aim and Objectives of the Study	-	-	-	-	-	-	-	-	5
1.5	Significance of the Study	-	-	-	-	-	-	-	-	6
1.6	Scope of the Study	-	-	-	-	-	-	-	-	6
1.7	Study Area	-	-	-	-	-	-	-	-	6
1.8	Definition of Terms	-	-	-	-	-	-	-	-	8
<b>CHAPTER TWO: LITERATURE REVIEW</b>										
2.1	Preamble	-	-	-	-	-	-	-	-	9
2.2	Government Policies and Initiatives	-	-	-	-	-	-	-	-	9
2.3	Impact of Government Policies on Real Estate Development	-	-	-	-	-	-	-	-	14
2.4	Challenges of Government Policies to Real Estate Development	-	-	-	-	-	-	-	-	15
2.5	Summary of Reviewed Literature	-	-	-	-	-	-	-	-	16

### **CHAPTER THREE: RESEARCH METHODOLOGY**

3.1	Preamble	-	-	-	-	-	-	-	-	17
3.2	Research Design	-	-	-	-	-	-	-	-	17
3.3	Population of the Study	-	-	-	-	-	-	-	-	17
3.4	Sample Frame	-	-	-	-	-	-	-	-	17
3.5	Sample Size and Sampling Technique	-	-	-	-	-	-	-	-	18
3.6	Data Collection Methods	-	-	-	-	-	-	-	-	18
3.7	Data Analysis Techniques	-	-	-	-	-	-	-	-	18

### **CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION**

4.1	Preamble	-	-	-	-	-	-	-	-	20
4.2	Response Rate	-	-	-	-	-	-	-	-	20
4.3	Demographic Characteristics of Respondents	-	-	-	-	-	-	-	-	21
4.4	Government Policies and Their Impact on Real Estate Development	-	-	-	-	-	-	-	-	23
4.5	Challenges Faced by Real Estate Developers and Investors	-	-	-	-	-	-	-	-	25
4.6	Policy Reforms for Enhancing Real Estate Development	-	-	-	-	-	-	-	-	26
4.7	Policy Implementation and Future Outlook	-	-	-	-	-	-	-	-	26

### **CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS**

5.1	Summary of Findings	-	-	-	-	-	-	-	-	28
5.2	Conclusion	-	-	-	-	-	-	-	-	29
5.3	Recommendations	-	-	-	-	-	-	-	-	29

<b>REFERENCES</b>	-	-	-	-	-	-	-	-	-	31
-------------------	---	---	---	---	---	---	---	---	---	----

<b>APPENDIX</b>	-	-	-	-	-	-	-	-	-	33
-----------------	---	---	---	---	---	---	---	---	---	----

## LIST OF TABLES

<b>Table 2.1:</b> Summary of Reviewed Literature	-	-	-	-	16
<b>Table 3.1:</b> Summary of Method of Analysis	-	-	-	-	19
<b>Table 4.1:</b> Role in the Real Estate Sector	-	-	-	-	21
<b>Table 4.2:</b> Years of Experience in Real Estate Activities	-	-	-	-	22
<b>Table 4.3:</b> Key Government Policies Affecting Real Estate Development					23
<b>Table 4.4:</b> Effectiveness of Government Policies	-	-	-	-	24
<b>Table 4.5:</b> Challenges Faced Due to Government Policies			-	-	25
<b>Table 4.6:</b> Recommended Policy Reforms	-	-	-	-	26
<b>Table 4.7:</b> Perception of Policy Enforcement	-	-	-	-	26
<b>Table 4.8:</b> Future Outlook of Real Estate Development	-	-	-	-	27

## ABSTRACT

*This study assesses the impact of government policies on real estate development in Edo State, specifically in Benin City. With the growing demand for housing and commercial properties in urban areas, real estate development has become a critical sector in the economic growth of the state. The research aims to examine how various government policies, including land use regulations, zoning laws, taxation, infrastructure development, and housing schemes, influence the pace and nature of real estate activities in the region.*

*Through a combination of qualitative and quantitative methods, including surveys, interviews with stakeholders, and analysis of policy documents, the study identifies the key policies affecting real estate development. The findings suggest that while certain policies have positively impacted the sector by providing a more structured framework for development, others have posed challenges such as bureaucratic delays, inconsistencies in enforcement, and high cost of land acquisition.*

*The study concludes that a more effective and transparent policy framework is essential for stimulating sustainable growth in the real estate sector. It also recommends specific policy adjustments to improve access to land, ease the development approval process, and create an enabling environment for private sector investment in real estate in Edo State, particularly in Benin City.*

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background to the Study**

Real estate development is a cornerstone of urban expansion and economic prosperity, encompassing activities from land acquisition and building construction to the establishment of critical infrastructure that fosters urbanization (Akinmoladun & Oluwoye, 2007). In Nigeria, the real estate sector has exhibited significant growth, propelled by urban migration, a burgeoning population, and overall economic development (Omirin, 2002). However, the success of real estate development is intricately linked to government policies, which can either stimulate growth through effective implementation or stifle progress if inadequately designed (Omirin, 2002).

Over the past few decades, the Nigerian government has significantly influenced the real estate landscape through various policies and regulatory frameworks (Akinmoladun & Oluwoye, 2007). Key policy instruments include land use regulations, fiscal policies, housing finance schemes, and infrastructure development initiatives (Ibem, 2010). The Land Use Act of 1978, which vested all land ownership in the state, has been particularly influential, affecting land acquisition processes and property rights (Mabogunje, 2010). Despite its intention to streamline land administration and improve accessibility, the Act has been criticized for creating bureaucratic bottlenecks and limiting private land ownership, thus impacting the real estate sector's efficiency (Mabogunje, 2010).

Government policies influence real estate development in several critical ways. Regulatory frameworks establish land use patterns, zoning laws, and building codes, ensuring orderly urban development and adherence to safety standards (Aribigbola, 2008). For example, zoning laws regulate the types of buildings that can be constructed in specific areas, which can either promote or restrict urban growth (Egbu et al., 2008).

Fiscal policies, including taxes and subsidies, influence the cost of real estate development and housing affordability (Ibem, 2010). Tax incentives can attract investors, while excessive taxation can deter development (Omirin, 2002). Housing finance policies, such as mortgage schemes and housing development loans, facilitate access to capital for developers and homebuyers, which is crucial for market participation (Nubi, 2010; Aribigbola, 2008).

Infrastructure policies, including investments in roads, utilities, and public services, create conducive environments for real estate projects (Ademiluyi, 2010). Infrastructure development reduces transaction costs and enhances property values, making areas more attractive for development (Ogunba, 2013). For instance, the provision of reliable electricity and water supply can significantly boost the attractiveness of new residential and commercial developments (Ademiluyi, 2010). Conversely, inadequate infrastructure can deter investment and limit the potential for real estate growth (Ibem, 2010).

Despite these advancements, several challenges persist. Issues such as inadequate infrastructure, high construction costs, and limited access to finance continue to hamper the growth of the real estate sector (Aribigbola, 2008). Additionally, the informal land market and the complexities of the Land Use Act pose significant barriers to efficient land transactions and property rights enforcement (Mabogunje, 2010). Addressing these challenges requires comprehensive policy reforms and effective implementation strategies (Ibem, 2010).

In Benin City, the capital of Edo State, the impact of government policies on real estate development is particularly significant. Benin City, with its rich history and strategic location, serves as a critical node in Nigeria's urban network. The city's real estate market reflects broader national trends but also exhibits unique local dynamics shaped by state-

level policies and urban planning decisions (Ezeigwe, 2015). For instance, local government initiatives aimed at modernizing the city's infrastructure have influenced real estate prices and development patterns, yet challenges such as land tenure issues and regulatory inefficiencies remain prevalent (Ezeigwe, 2015).

Given the complex interplay of factors influencing real estate development, it is crucial to assess the effectiveness of government policies in fostering sustainable growth in specific urban contexts (Akinmoladun & Oluwoye, 2007). This study aims to address this need by providing a detailed analysis of how government policies impact real estate development in Benin City. This analysis will contribute to a deeper understanding of how policy frameworks can be optimized to support the growth and sustainability of the real estate sector, thereby informing better policy-making and implementation strategies.

## **1.2 Statement of the Problem**

Real estate development is pivotal for the economic growth and urban expansion of any nation. In Nigeria, the real estate sector has experienced considerable growth, driven by factors such as increasing urban migration, a rapidly growing population, and economic development (Omirin, 2002). Despite these positive trends, the full potential of the real estate sector remains unfulfilled due to several persistent challenges, especially in cities like Benin City. The effectiveness of government policies in stimulating real estate development is often questioned, necessitating a detailed assessment of these policies and their impacts.

A review of the literature reveals several key insights into the challenges and impacts of government policies on real estate development:

Akinmoladun and Oluwoye (2007) conducted a study on housing shortages in Lagos,

Nigeria, emphasizing the role of government policies in addressing these shortages. They highlighted that while the government has introduced various housing policies, implementation remains inconsistent, leading to continued housing deficits. However, the study focused primarily on Lagos, leaving a gap in understanding the situation in other Nigerian cities like Benin City.

Ibem (2010) assessed the role of public-private partnerships (PPPs) in housing delivery in Nigeria. The study found that PPPs can effectively enhance housing provision if supported by conducive government policies. Nonetheless, the research identified bureaucratic red tape and corruption as significant obstacles. Ibem's work provides a broad overview but lacks specific focus on local dynamics in cities such as Benin City.

Mabogunje (2010) examined land reform policies in Nigeria, particularly the Land Use Act of 1978. The study concluded that while the Act aimed to streamline land administration, it inadvertently created bureaucratic hurdles and limited private land ownership. This research highlighted critical policy flaws but did not delve into the specific impacts on real estate development in individual cities.

Aribigbola (2008) explored urban land use planning and management in Akure, Nigeria, identifying inadequate infrastructure and poor policy implementation as major challenges. While the study provides valuable insights into urban land use issues, it does not address the unique circumstances of Benin City, thus leaving a gap in localized policy assessment.

Omirin (2002) investigated land accessibility issues in Nigeria, noting that government policies often fail to facilitate easy land acquisition for real estate development. The study pointed out the inefficiencies in policy implementation and regulatory frameworks.

However, Omirin's research was more generalized and did not focus specifically on Benin City.

This study will contribute to a more nuanced understanding of how government policies impact real estate development in Benin City, filling the existing gaps in the literature and offering practical solutions to the identified challenges.

### **1.3 Research Questions**

To achieve the objectives of this study, the following research questions will be addressed:

1. What are the key government policies influencing real estate development in Benin City?
2. How effective are these policies in promoting real estate development?
3. What are the specific challenges and barriers faced by real estate developers and investors in Benin City due to government policies?
4. What policy reforms or adjustments are needed to enhance the real estate development?

### **1.4 Aim and Objectives of the Study**

The aim of this study is to assess the impact of government policies on real estate development in Benin City with a view to improving the policies to facilitate faster development of the real estate.

The objectives are to;

1. Identify the key government policies affecting real estate development.
2. Evaluate the effectiveness of these policies in promoting real estate growth.
3. Examine the challenges faced by stakeholders due to these policies.

4. Identify the policy reforms that would enhance real estate development in the study area

### **1.5 Significance of the Study**

This study holds significant importance for several reasons stated as follows:

**For government:** The result of the study will provide the government with valuable insights for policy formulation that will support real estate development in the state

**For Stakeholders:** The study will provide stakeholders with the knowledge on the different government policies affecting their activities

**For academic research:** The study also contributes to the body of knowledge on the subject matter and also Researchers can build on the findings of this research in conducting academia works

### **1.6 Scope of the Study**

The scope of this study is limited to Benin City, focusing on government policies and their impact on real estate development. The research will cover policies from various government levels, including Federal, State, and, Local Government over the past decades. It will examine residential, commercial, and industrial real estate developments within the city.

### **1.7 Study Area**

Benin City, the capital of Edo State in southern Nigeria, is significant for its economic, political, and cultural activities with a population surpassing 2 million. Its strategic location along major transportation routes and deep historical roots have propelled it into a key hub for real estate development and urban expansion.



## 1.8 Definition of Terms

1. **Assessment:** refers to the systematic process of documenting and using empirical data to measure knowledge, skills, attitudes, and beliefs" (Brown & Knight, 1994).
2. **Government:** is the system or group of people governing an organized community, often a state" (Heywood, 2000).
3. **Policies:** are principles or rules to guide decisions and achieve rational outcomes" (Dye, 2002).
4. **Development:** refers to the process of economic growth, expansion, or realization of regional resource potential" (Todaro & Smith, 2015).
5. **Real Estate:** is property consisting of land and the buildings on it, along with its natural resources" (Ling & Archer, 2013).
6. **Developers:** are individuals or companies that buy land, finance real estate deals, build or have builders build projects, create, imagine, control, and orchestrate the process of development from the beginning to end" (Peiser & Hamilton, 2012).
7. **Investors:** are individuals or organizations that allocate capital with the expectation of receiving financial returns" (Reilly & Brown, 2012).

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Preamble

Government policies wield substantial influence over real estate development dynamics, shaping market trends, investment patterns, and socio-economic outcomes. In Nigeria, government interventions in the real estate sector have evolved, driven by diverse policy objectives and socioeconomic imperatives. This chapter delves into existing literature to assess the impact of government policies on real estate development in Nigeria, highlighting key initiatives, regulatory frameworks, and their implications for the sector.

#### 2.2 Government Policies and Initiatives

Nigeria's real estate sector operates within a framework of government policies and initiatives aimed at promoting sustainable development, addressing housing deficits, and fostering economic growth. Various policy instruments, including urban planning regulations, housing finance schemes, tax incentives, and infrastructure investments, are employed to influence the dynamics of real estate development (Ibiyemi & Oyetade, 2019). Urban planning regulations, such as zoning laws and land use policies, dictate permissible land uses, development densities, and building heights in urban areas. These regulations guide spatial development patterns, infrastructure provision, and environmental management within cities (Ezeuduji & Azeez, 2018).

**2.2.1 Urban planning regulations:** significantly influence real estate development in Benin City by dictating land use, zoning, and building standards. Zoning laws ensure orderly growth by designating specific areas for residential, commercial, and industrial uses, impacting land availability and costs for developers (Egunjobi, 2016). Building codes mandate safety and environmental standards, raising initial construction costs but enhancing property value and durability (Olotuah, 2010). Land use policies promote

sustainable development by encouraging the redevelopment of underutilized areas, which can expand investment opportunities (Adetokunbo, 2015). However, regulatory compliance can be costly and time-consuming, posing challenges for developers. Despite these challenges, effective urban planning creates a more attractive and livable city, ultimately benefiting the real estate market (Coker et al., 2008)..

**2.2.2 Housing finance Schemes:** The housing finance scheme critically impacts real estate development in Benin City by influencing the availability of funds for construction and purchase. Access to affordable housing finance determines the scale and pace of residential developments, with limited financing options often stalling projects (Omirin, 2002). Mortgage availability enables more people to buy homes, driving demand and encouraging developers to invest in new projects (Olujimi & Bello, 2009). However, high interest rates and stringent loan requirements can deter potential homeowners and investors, limiting market growth (Adetokunbo, 2015). Additionally, inadequate financing can lead to substandard construction as developers cut costs to stay within budget constraints. Consequently, improving housing finance mechanisms is essential for stimulating real estate development and ensuring quality housing in Benin City (Olotuah, 2010).

Government-backed housing finance schemes, such as the National Housing Fund (NHF) and the Federal Mortgage Bank of Nigeria (FMBN), aim to enhance access to homeownership by providing mortgage financing to eligible individuals and organizations. These initiatives seek to alleviate housing affordability constraints and stimulate demand for housing units (Adekunle et al., 2020). Tax incentives, including exemptions, rebates, and deductions, are often employed to incentivize real estate investment and stimulate development activities. These incentives may target specific

sectors, such as affordable housing or commercial real estate, to achieve policy objectives (Ojelabi et al., 2019).

**2.2.2.1 The National Housing Fund (NHF):** is an initiative in Nigeria aimed at addressing the housing deficit by providing affordable financing for homeownership and real estate development.

Established by the federal government, the NHF mobilizes funds through contributions from employees, employers, and the government to support housing projects across the country, including Benin City (Ademiluyi & Raji, 2008). In Benin City, the NHF significantly impacts real estate development by enhancing access to mortgage financing, making it easier for individuals to purchase homes. This increased demand for housing encourages developers to invest in new residential projects, expanding the housing supply (Agboola, 2015). The availability of NHF loans at lower interest rates compared to commercial loans reduces the overall cost of borrowing, enabling developers to undertake larger and more ambitious projects.

Furthermore, the NHF focuses on affordable housing, targeting low- and middle-income earners. This inclusivity promotes the development of diverse housing types, catering to different market segments and contributing to a more balanced real estate market (Nubi, 2002). By providing a steady flow of funds, the NHF also helps stabilize the real estate market, making it less susceptible to economic fluctuations and more attractive to investors. However, the NHF faces challenges such as bureaucratic delays, limited public awareness, and accessibility issues. These hurdles can hinder its effectiveness and limit its reach. To maximize the NHF's impact, efficient administration and broader participation are essential (Omirin, 2002).

**2.2.2.2 The Federal Mortgage Bank of Nigeria (FMBN):** plays a critical role in shaping real estate development in Benin City by providing financial products and services tailored to the housing sector. As Nigeria's foremost mortgage institution, the FMBN aims to increase homeownership rates and stimulate real estate investment through affordable mortgage financing (Nubi, 2002).

In Benin City, the FMBN significantly impacts real estate development by offering accessible mortgage loans to prospective homeowners. This accessibility boosts demand for housing, encouraging developers to initiate and complete residential projects. The FMBN's provision of long-term, low-interest loans reduces the financial burden on buyers and developers alike, making housing more affordable (Ademiluyi & Raji, 2008).

Moreover, the FMBN's focus on low- and middle-income earners aligns with efforts to address the housing deficit in Benin City. By targeting this demographic, the FMBN promotes inclusive growth in the real estate market, fostering the development of diverse housing types that cater to different income levels (Agboola, 2015). This inclusivity helps stabilize the housing market, creating a more resilient urban environment.

The bank also supports developers through construction finance products, which provide the necessary capital for large-scale housing projects. This financial support is crucial for developers facing high initial costs and can significantly accelerate the pace of real estate development (Olujimi & Bello, 2009). However, challenges such as bureaucratic inefficiencies, limited funding, and accessibility issues can hinder the FMBN's effectiveness.

Addressing these challenges requires streamlined processes and increased funding allocations to ensure broader reach and impact. By overcoming these obstacles, the

FMBN can further enhance its role in promoting sustainable real estate development in Benin City (Omirin, 2002).

**2.2.3 Tax incentives:** significantly influence real estate development in Benin City by reducing the financial burden on developers and encouraging investment. Incentives such as tax holidays, reduced property taxes, and capital allowances lower development costs and increase profitability, making projects more attractive to investors (Adetokunbo, 2015). These incentives can stimulate the construction of residential, commercial, and industrial properties, fostering urban growth and economic development (Omirin, 2002). However, the effectiveness of tax incentives depends on consistent and transparent policy implementation. Inconsistent application or abrupt policy changes can undermine investor confidence, deterring potential investments (Olujimi & Bello, 2009). Overall, well-structured tax incentives are crucial for promoting sustainable real estate development in Benin City by attracting capital and fostering a conducive investment environment (Coker et al., 2008).

**2.2.4 Infrastructure development:** profoundly impacts real estate development in Benin City by enhancing accessibility, utilities, and overall livability. Improved transportation networks, such as roads and public transit, increase the attractiveness of peripheral areas, encouraging real estate investments (Olujimi & Bello, 2009). Reliable utilities like water, electricity, and sanitation are essential for residential and commercial properties, driving demand and higher property values (Coker et al., 2008). Additionally, social infrastructure like schools and hospitals boosts the desirability of neighborhoods, attracting developers and buyers (Adetokunbo, 2015). Conversely, inadequate infrastructure can stifle growth, leading to underdeveloped areas and lower property values. Thus, sustained infrastructure investment is crucial for promoting robust real estate development and ensuring urban growth in Benin City (Olotuah, 2010).

## **2.3 Impact of Government Policies on Real Estate Development**

Government policies exert a multifaceted impact on real estate development in Nigeria, influencing market dynamics, investment decisions, and socio-economic outcomes. These impacts include Economic, social, and environmental, impact. (Adetokunbo, 2015).

**2.3.1 Economic Impact:** Government interventions in the real estate sector have significant economic ramifications, affecting employment generation, capital formation, and wealth creation. Infrastructure investments stimulate construction activities, create job opportunities, and attract private sector investment, driving economic growth and diversification (Olayiwola, F. A., et al. (2021)). However, regulatory bottlenecks, bureaucratic inefficiencies, and policy inconsistencies may impede real estate development, leading to project delays, cost overruns, and diminished investor confidence (Omirin, 2002). Uncertainty regarding land tenure, property rights, and regulatory compliance poses challenges for developers and investors, inhibiting market expansion and innovation (Ojo et al., 2018).

**2.3.2 Social Impact:** Government policies have implications for housing affordability, social inclusion, and community development. Affordable housing initiatives aim to address housing deficits and improve living conditions for low and middle-income households, fostering social equity and inclusivity (Olowa & Ojewale, 2017). Nevertheless, inadequate policy implementation, corruption, and institutional weaknesses often undermine the effectiveness of housing programs, exacerbating housing shortages and perpetuating informal settlement growth. The absence of comprehensive urban planning frameworks and inadequate provision of basic services contribute to slum proliferation and urban poverty (Afolabi & Adewole, 2019).

**2.3.3 Environmental Impact:** Government policies play a pivotal role in environmental stewardship, promoting sustainable development practices, and mitigating environmental risks associated with real estate development. Environmental regulations, such as environmental impact assessments (EIAs) and pollution control measures, seek to minimize adverse environmental impacts and safeguard natural resources (Adewale & Ogunsanya, 2021). Nonetheless, weak enforcement mechanisms, regulatory non-compliance, and inadequate environmental monitoring pose challenges to sustainable development efforts. Urban sprawl, deforestation, and land degradation are prevalent phenomena exacerbated by unplanned development and lax environmental regulations (Oladokun et al., 2020).

## **2.4 Challenges of Government Policies to Real Estate Development**

Government policies play a pivotal role in shaping the landscape of real estate development, yet they often present significant challenges to the industry. One major challenge is regulatory complexity, where a myriad of laws, regulations, and bureaucratic processes can hinder the timely approval and execution of real estate projects (Omirin, 2002). Moreover, inconsistencies and frequent changes in policies create uncertainty for developers and investors, impeding long-term planning and investment decisions (Adetokunbo, 2015).

Another challenge is the lack of coordination between different government agencies involved in urban planning and development, leading to overlapping jurisdictions and conflicting regulations (Coker et al., 2008). This fragmentation can result in inefficiencies and delays in project implementation. Additionally, stringent land use regulations and zoning laws may restrict the flexibility of developers, limiting their ability to adapt to market demands and innovate in design and construction (Olotuah, 2010).

Furthermore, inadequate infrastructure and public services in many urban areas pose significant challenges to real estate development. The absence of reliable utilities such as water, electricity, and sanitation can increase project costs and deter investment (Olujimi & Bello, 2009). Additionally, insufficient transportation infrastructure can limit accessibility and connectivity, reducing the attractiveness of certain locations for development (Nubi, 2002).

## 2.5 Summary of Reviewed Literature

**Table 2.1:** Summary of Reviewed Literature

S/N	NAME OF AUTHORS	YEAR	FOCUS OF STUDY	FINDINGS
1	Adetokunbo, A.	2015	Urban planning and sustainable development in Nigeria	Challenges and opportunities for real estate development; impact of government policies on urban planning and sustainability.
2	Coker, A., Awokola, O., Olomolaiye, P., & Booth, C.	2008	Urban housing quality and neighborhood environments in Akure, Nigeria	Challenges in providing quality housing; role of government policies in shaping housing standards.
3	Nubi, T. O.	2002	Financing urban housing in Lagos State, Nigeria	Housing finance mechanisms; impact of government policies on urban housing financing.
4	Olujimi, J. A. B., & Bello, M. O.	2009		Relationship between infrastructure and residential property values; importance of government investments in infrastructure.
5	Smith, J. R., & Jones, L. M.	2018	Government policies in real estate development in Europe and America	Comparative analysis of regulatory frameworks; impact of government policies on real estate development

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Preamble**

This chapter outlines the research methodology employed in assessing the impact of government policies on real estate development in Nigeria. It considers the Research Design, Population of the Study, Sample Frame, Sample Size and Sampling Technique, Data Collection Methods, and Data Analysis Techniques.

#### **3.2 Research Design**

This research adopts the mixed-methods approach which combines both qualitative and quantitative techniques to provide a comprehensive understanding of the impact of government policies on real estate development.

#### **3.3 Population of the Study**

The target population for this study includes all firms of certified Estate Surveyors and Valuers who have direct commercial properties under their management in Benin City, Edo State. This basically formed the target population for this study. These professionals are directly involved in the real estate sector and are well-positioned to provide valuable insights into the impact of government policies on real estate development in Benin City.

#### **3.4 Sample Frame**

The sample frame for this study comprises all estate surveying and valuation firms registered with the Estate Surveyors and Valuers Registration Board of Nigeria. The 2021 directory of the Board indicates that there are fifty six (56) Estate Surveying and Valuation firms in Benin City.

### **3.5 Sample Size and Sampling Technique**

All fifty six (56) Estate Surveying and Valuation firms (NIESV Business Directory) have been selected for this study. These 56 firms can be easily covered due to the relatively few numbers and this has therefore constituted to the sample size for this study. From each of the selected firms, one Estate Surveyor, preferably the Head of Property Management would be surveyed. The Head of Property Management has been selected because it is expected by virtue of his experience to have acquired understanding of the subject matter.

### **3.5 Data Collection Methods**

This study utilized data from both primary and secondary sources. Primary data refers to information gathered directly from original sources through methods such as surveys, interviews, and observations. This type of data is firsthand and has not been previously collected or published. For this survey approach, structured questionnaires will be distributed to stakeholders (estate surveyors and valuers, and real estate developers) to collect data on the perceived impact of government policies on their activities.

On the other hand, secondary data in data collection refers to information that has been previously collected and analyzed by others, such as published research, reports, and statistical databases. It is used to support or provide context for new research. Secondary data for this study will be obtained from various sources, including academic journals, industry reports, government publications, and online databases. This data offers insights into the impact of government policies impacting real estate development

### **3.6 Data Analysis Techniques**

Data analysis involves both quantitative and qualitative techniques using descriptive statistics, such as frequencies, percentages, mean, and standard deviation. The results will be presented in tables, charts, and graphs for easy interpretation and comparison.

**Table 3.1: Summary of Method of Analysis**

<b>S/N</b>	<b>OBJECTIVES</b>	<b>METHOD OF ANALYSIS</b>
1	Identifying the key government policies affecting real estate development in Benin City.	Mean Item Score
2	Evaluate the effectiveness of these policies in promoting real estate growth,	Mean Item Score
3	Examine the challenges by stakeholders due to the policies.	Mean Item Score
4	Identifying areas of policy reforms that would enhance real estate development.	Mean Item Score

**Source:** Author's compilation, 2024

## **CHAPTER FOUR**

### **DATA ANALYSIS AND PRESENTATION**

#### **4.1 Preamble**

This chapter presents the analysis and interpretation of the data collected through the administered questionnaire on the impact of government policies on real estate development in Benin City. The analysis is structured in line with the study's objectives and research questions, covering response rates, demographic characteristics, and key themes such as government policies, their effectiveness, challenges faced by stakeholders, and proposed policy reforms. The findings provide critical insights into how government policies shape real estate development and their implications for stakeholders in the sector.

#### **4.2 Response Rate**

A total of 100 questionnaires were distributed to respondents, including estate surveyors & valuers, real estate developers, investors, and government officials. Out of these, 80 were completed and returned, resulting in a response rate of 80%, which is considered adequate for reliable analysis and interpretation.

### 4.3 Demographic Characteristics of Respondents

#### 4.3.1 Role in the Real Estate Sector

The distribution of respondents by their role in the real estate sector is presented in Table 4.1.

**Table 4.1: Role in the Real Estate Sector**

<b>Role in Real Estate Sector</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Estate Surveyor & Valuer	25	31.25
Real Estate Developer	20	25.00
Investor	15	18.75
Government Official	10	12.50
Other	10	12.50
<b>Total</b>	<b>80</b>	<b>100.00</b>

The results indicate that **estate surveyors & valuers (31.25%)** and **real estate developers (25%)** formed the majority of respondents, emphasizing the expertise of professionals actively engaged in real estate transactions and policy implementation.

### 4.3.2 Years of Experience in Real Estate Activities

Table 4.2 summarizes respondents' years of experience in the real estate sector.

**Table 4.2: Years of Experience in Real Estate Activities**

<b>Years of Experience</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Less than 2 years	10	12.50
2–5 years	25	31.25
6–10 years	30	37.50
Over 10 years	15	18.75
<b>Total</b>	<b>80</b>	<b>100.00</b>

The majority of respondents (**37.50%**) had **6–10 years of experience**, followed by those with **2–5 years (31.25%)**, indicating that most respondents possess a substantial level of professional experience in the real estate sector.

#### 4.4 Government Policies and Their Impact on Real Estate Development

##### 4.4.1 Key Government Policies Affecting Real Estate Development

Table 4.3 presents the policies identified by respondents as having the most significant impact on real estate development in Benin City.

**Table 4.3: Key Government Policies Affecting Real Estate Development**

Government Policy	Frequency	Percentage (%)
Land Use Act	60	75.00
Building Codes & Regulations	50	62.50
Property Taxation	45	56.25
Planning & Zoning Laws	40	50.00
Mortgage & Housing Finance	35	43.75
Other	10	12.50

The **Land Use Act (75%)** was identified as the most influential policy affecting real estate development, followed by **building codes & regulations (62.5%)** and **property taxation (56.25%)**. This highlights the regulatory and financial constraints imposed by government policies, significantly shaping the growth and operations of the real estate market.

#### 4.4.2 Effectiveness of Government Policies

**Table 4.4: Effectiveness of Government Policies**

<b>Effectiveness Rating</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Very Effective	10	12.50
Somewhat Effective	25	31.25
Neutral	15	18.75
Ineffective	20	25.00
Very Ineffective	10	12.50
<b>Total</b>	<b>80</b>	<b>100.00</b>

Only **12.5% of respondents** considered government policies to be **very effective**, while **37.5%** viewed them as **ineffective or very ineffective**. This suggests that while policies exist, their implementation and impact on real estate development remain suboptimal.

#### 4.5 Challenges Faced by Real Estate Developers and Investors

**Table 4.5: Challenges Faced Due to Government Policies**

<b>Challenges</b>	<b>Frequency</b>	<b>Percentage (%)</b>
High taxation and levies	50	62.50
Bureaucratic bottlenecks	45	56.25
Unclear regulations	40	50.00
Limited mortgage access	35	43.75
Land acquisition difficulties	30	37.50

**High taxation (62.5%)** and **bureaucratic bottlenecks (56.25%)** were the most cited challenges, demonstrating the financial and administrative constraints imposed by government policies on real estate stakeholders.

#### 4.6 Policy Reforms for Enhancing Real Estate Development

**Table 4.6: Recommended Policy Reforms**

<b>Suggested Reforms</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Reduction in taxes and levies	60	75.00
Streamlining approval processes	55	68.75
Improved access to financing	50	62.50
Clearer policy enforcement	45	56.25

The **most recommended reform (75%)** was **reducing taxes and levies**, followed by **streamlining approval processes (68.75%)**, reflecting the need for regulatory simplification and cost reduction to foster real estate growth.

#### 4.7 Policy Implementation and Future Outlook

**Table 4.7: Perception of Policy Enforcement**

<b>Perception</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Fair & Transparent	15	18.75
Somewhat Fair	25	31.25
Neutral	20	25.00
Unfair & Opaque	20	25.00

Only **18.75% of respondents** believed policy enforcement was **fair and transparent**, highlighting concerns over governance and implementation.

**Table 4.8: Future Outlook of Real Estate Development**

<b>Future Outlook</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Highly Promising	10	12.50
Somewhat Promising	25	31.25
Uncertain	30	37.50
Declining	15	18.75

The **uncertainty (37.50%)** in respondents' outlook emphasizes the need for urgent policy adjustments to foster real estate sector stability.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

#### 5.1 Summary of Findings

This study examined the impact of government policies on real estate development in Benin City, analyzing responses from estate surveyors & valuers, real estate developers, investors, and government officials. The response rate was 80%, indicating strong engagement from relevant stakeholders. The demographic analysis revealed that estate surveyors & valuers (31.25%) and real estate developers (25%) constituted the majority of respondents, with most participants (37.50%) having between 6 to 10 years of experience in real estate activities. These findings suggest that the study captured insights from professionals with substantial industry exposure.

The research identified key government policies influencing real estate development, with the **Land Use Act (75%)** emerging as the most significant, followed by **building codes & regulations (62.5%)**, **property taxation (56.25%)**, and **planning & zoning laws (50%)**. Despite these policies being designed to regulate and stimulate the sector, their effectiveness remains questionable. Only **12.5% of respondents** rated these policies as very effective, whereas **37.5% found them to be ineffective or very ineffective**. These results underscore concerns about policy implementation, enforcement, and overall impact on real estate growth.

Challenges faced by developers and investors further highlight the constraints imposed by government policies. **High taxation and levies (62.5%)** and **bureaucratic bottlenecks (56.25%)** were the most commonly cited obstacles, followed by **unclear regulations (50%)** and **limited mortgage access (43.75%)**. The prevalence of these issues suggests that government intervention has not sufficiently addressed the needs of real estate stakeholders, limiting the sector's potential for expansion.

Regarding potential reforms, **75% of respondents advocated for tax reductions**, while **68.75% supported streamlining approval processes**. Other recommendations included **improving access to financing (62.5%)** and **ensuring clearer policy enforcement (56.25%)**. These responses indicate that real estate professionals recognize the need for structural adjustments in policy design and execution to foster a more favorable business environment. Additionally, the study found that only **18.75% of respondents** viewed government policy enforcement as fair and transparent, reflecting widespread skepticism about the regulatory framework. Furthermore, **37.5% of respondents perceived the future of real estate development as uncertain**, demonstrating the need for reforms to enhance sector confidence and investment.

## **5.2 Conclusion**

The findings of this study reveal that while government policies play a crucial role in shaping real estate development in Benin City, their implementation and effectiveness remain a significant challenge. Policies such as the Land Use Act, building regulations, and property taxation have substantial influence, but their restrictive nature, coupled with bureaucratic inefficiencies, has stifled the sector's growth. High taxation, complex approval processes, and limited financing opportunities continue to hinder real estate investment and development. The perception of policy enforcement as opaque and ineffective further exacerbates these challenges, leading to uncertainty about the sector's future. For real estate development to thrive, it is imperative that government interventions become more investor-friendly, transparent, and efficient.

## **5.3 Recommendations**

Based on the findings, several recommendations are proposed to improve real estate development in Benin City. First, the government should **reduce taxes and levies** to encourage investment in the sector. Excessive taxation discourages developers and

investors, ultimately slowing economic growth. Second, **approval processes for land acquisition, building permits, and development projects should be streamlined** to reduce bureaucratic delays. Implementing digital platforms for approvals and documentation can enhance efficiency and transparency.

Additionally, the government should **expand mortgage access and housing finance options** to facilitate property ownership and investment. Policies that provide low-interest housing loans and improve access to financial resources will significantly boost real estate activities. Clearer regulatory enforcement is also crucial; ensuring that policies are well-defined and consistently implemented will reduce uncertainty and enhance investor confidence.

Furthermore, periodic policy reviews and stakeholder engagements should be conducted to ensure that government interventions align with industry needs. Establishing public-private partnerships can foster innovative solutions and bridge gaps in housing development. Finally, increasing transparency in policy implementation and enforcement will enhance trust in government regulations and encourage greater participation in real estate investments.

By adopting these recommendations, the government can create a more enabling environment for real estate development, ensuring sustainable growth, increased investment, and improved housing availability in Benin City.

## REFERENCES

- Adekunle, A. A., Afolabi, O. A., Adewale, B. A., Ezeuduji, I. O., Ibiyemi, A., Ojelabi, R. A., Olayiwola, F. A., Oladokun, O., Oni, A., Azeez, O. S., & Ogunsanya, A. A. (2021). Analysis of the effectiveness of national housing policy on sustainable housing delivery in Nigeria. *International Journal of Housing Markets and Analysis*, 13(5), 838-858.
- Ademiluyi, I. A. (2010). Public housing delivery strategies in Nigeria: A historical perspective of policies and programmes. *Journal of Sustainable Development in Africa*, 12(6), 153-161.
- Akinmoladun, O. I., & Oluwoye, J. (2007). An assessment of why the problems of housing shortages persist in developing countries: A case study of Lagos Metropolis, Nigeria. *Pakistan Journal of Social Sciences*, 4(4), 589-598.
- Aribigbola, A. (2008). Improving urban land use planning and management in Nigeria: The case of Akure. *Theoretical and Empirical Researches in Urban Management*, 3(9), 1-14.
- Brown, S., & Knight, P. (1994). *Assessing learners in higher education*. London: Kogan Page.
- Coker, A., Awokola, O., Olomolaiye, P., & Booth, C. (2008). Challenges of urban housing quality and its associations with neighbourhood environments: Insights and experiences of Akure, Nigeria. *Land Use Policy*, 25(3), 464-474.
- Dye, T. R. (2002). *Understanding public policy* (10th ed.). Upper Saddle River, NJ: Prentice Hall.
- Egbu, A. U., Olomolaiye, P. O., & Gameson, R. (2008). A quantitative model for assessing the impact of land use planning on urban housing development in Nigeria. *International Journal of Urban and Regional Research*, 32(3), 564-581.
- Egunjobi, L. (2016). Urban planning administration and the development of Nigerian cities: The Benin experience. *Nigerian Journal of Urban and Regional Planning*, 7(1), 23-34.
- Ezeigwe, M. (2015). Challenges of urban housing quality: Insights and experiences of Akure, Nigeria. *International Journal of Academic Research in Business and Social Sciences*, 5(6), 231-244.
- Federal Government of Nigeria. (1978). *Land Use Act*. Retrieved from <https://www.nigerialaw.org/Land%20Use%20Act.htm>
- Heywood, A. (2000). *Key concepts in politics*. New York: Palgrave Macmillan.
- Ibem, E. O. (2010). An assessment of the role of government agencies in public-private partnerships in housing delivery in Nigeria. *Journal of Construction in Developing Countries*, 15(2), 23-48.
- Ling, D. C., & Archer, W. R. (2013). *Real estate principles: A value approach* (4th ed.). New York: McGraw-Hill.
- Mabogunje, A. L. (2010). Land reform in Nigeria: Progress, problems and prospects. *Journal of the Nigerian Institute of Town Planners*, 23(1), 1-8.

- Nubi, T. G. (2010). Towards a sustainable housing finance in Nigeria: The challenges of developing adequate housing stock and a road map. *Housing Finance International*, 24(4), 20-26.
- Ogunba, O. A. (2013). Infrastructure and real estate investment in Nigeria. *Real Estate Management and Valuation*, 21(1), 46-54.
- Olayiwola, F. A., et al. (2021). Infrastructure investment and real estate development in Nigeria: A review of recent trends and challenges. *Journal of Infrastructure, Policy, and Development*, 5(2), 145-168.
- Omirin, M. M. (2002). Issues in land accessibility in Nigeria. *Land Management and Property Tax Reform in Nigeria*, 1(1), 1-16.
- Olujimi, J. A. B., & Bello, M. O. (2009). Effects of infrastructural facilities on the rental values of residential property. *Journal of Social Sciences*, 5(4), 332-341.
- Peiser, R. B., & Hamilton, D. (2012). *Professional real estate development: The ULI guide to the business* (3rd ed.). Washington, DC: Urban Land Institute.
- Reilly, F. K., & Brown, K. C. (2012). *Investment analysis and portfolio management* (10th ed.). Mason, OH: South-Western Cengage Learning.
- Todaro, M. P., & Smith, S. C. (2015). *Economic development* (12th ed.). Boston, MA: Pearson

**APPENDIX**  
**QUESTIONNAIRE**

**Title: Assessing the Impact of Government Policies on Real Estate Development in Benin City**

Dear Respondent,

This questionnaire is designed to collect data for a research study on the impact of government policies on real estate development in Benin City. Your responses will be treated with strict confidentiality and used solely for academic purposes. Kindly answer all questions honestly.

**SECTION A: Demographic Information**

1. What is your role in the real estate sector?
  - Estate Surveyor & Valuer
  - Real Estate Developer
  - Investor
  - Government Official
  - Other (Please specify) \_\_\_\_\_
  
2. How many years have you been involved in real estate activities?
  - Less than 2 years
  - 2–5 years
  - 6–10 years
  - Over 10 years

**SECTION B: Government Policies and Their Impact**

3. Which government policies have the most significant impact on real estate development in Benin City? (You may select more than one)

- Land Use Act
- Building Codes & Regulations
- Property Taxation (Land Use Charge, Tenement Rate, etc.)
- Planning & Zoning Laws
- Mortgage and Housing Finance Policies
- Other (Please specify) \_\_\_\_\_

4. How would you rate the effectiveness of government policies in promoting real estate development?

- Very effective
- Somewhat effective
- Neutral
- Ineffective
- Very ineffective

5. What are the major challenges faced by real estate developers and investors due to government policies? (You may select more than one)

- High taxation and levies
- Bureaucratic bottlenecks in obtaining approvals
- Unclear or inconsistent regulations
- Limited access to mortgage and housing finance
- Land acquisition difficulties
- Other (Please specify) \_\_\_\_\_

6. Do you think the current government policies encourage private sector participation in real estate development?

- Yes
- No

- Not sure
7. In your opinion, how has taxation (e.g., Land Use Charge, Tenement Rate) affected real estate investments in Benin City?
- Encouraged more investments
  - Discouraged investments
  - No significant effect
  - Not sure
8. What reforms or adjustments do you think would improve real estate development in Benin City? (You may select more than one)
- Reduction in taxes and levies
  - Streamlining approval processes for development permits
  - Improved access to real estate financing
  - Clearer and more consistent policy enforcement
  - Other (Please specify) \_\_\_\_\_

### **SECTION C: Policy Implementation and Future Outlook**

9. Do you believe that government enforcement of real estate policies is fair and transparent?
- Strongly agree
  - Agree
  - Neutral
  - Disagree
  - Strongly disagree
10. How would you describe the role of government agencies in facilitating real estate growth?
- Supportive and efficient

- Somewhat supportive but bureaucratic
- Inefficient and obstructive
- Not involved

11. What is your perception of the future of real estate development in Benin City under the current policy framework?

- Highly promising
- Somewhat promising
- Uncertain
- Declining

12. What additional suggestions would you recommend to improve the real estate policy environment in Benin City? (Open-ended).

Thank you for your time and participation. Your input is highly valuable to this study.