



**THE IMPACT OF REAL ESTATE SECTOR TO THE
ECONOMIC GROWTH OF NIGERIA
(A CASE STUDY OF TANKE ILORIN KWARA STATE)**

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HND/23/ETM/FT/0090

**A PROJECT SUBMITTED TO THE DEPARTMENT OF ESTATE
MANAGEMENT,**

INSTITUTE OF ENVIRONMENTAL STUDIES

KWARA STATE POLYTECHNIC, ILORIN

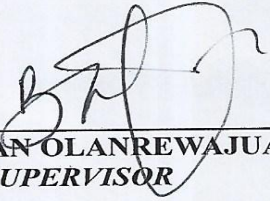
**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD
OF HIGHER NATIONAL DIPLOMA (HND) IN**

ESTATE MANAGEMENT

JULY, 2025

CERTIFICATION

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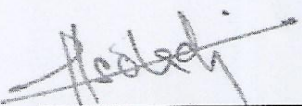
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DEDICATION

This project work is dedicated to the Almighty Allah, the giver of knowledge and understanding and to my parents for the wonderful deeds, support, care and encouragement given to me throughout the course of this project.

ACKNOWLEDGEMENT

Praise, honor, glory and my profound gratitude goes to almighty Allah for his guidance, protection and opportunity he gave to me throughout my staying in Kwara state polytechnic Ilorin.

I express my profound gratitude to my project supervisor, ESV Abdul Olanrewaju Hassan (FNIVS) for his lending efforts, guidance and the time he devoted to me throughout the course of this project

My sincere appreciation goes to my late father Mr Adebayo Abdulraheem may almighty Allah grant him Al- Jannet Fridau and to my supportive mom Mrs Adebayo Omowumi through prayer and support, I was through my program, I pray to almighty Allah the fruit of her labour, untimely death will not come by (Insha Allah) and to my lovely husband, thanks for your support, your love and understanding i really appreciate you, you are the best of the best....,

Many individuals have contributed in various ways to this progress and successful completion to my program and his project in particular, it would be unjust if I failed to express my heartfelt gratitude to them....

Also sincerely appreciate my head of department ESV Abdulkareem Rashidat A. And my project co-ordinator ESV, Dr, N.I uwaezuoke for their incredible support. To my dear family I appreciate you all, and also extend my appreciation to my colleagues and friends, adedayo, ewa, Aishat, Toyin, Alimat and all others im may not have mentioned by name, I can never for my kids too Zeenat and Azeem thanks for your understanding. Thanks you all for your support and for never letting me down finally, I extend my appreciation to friend Olayinka Afeez. Thank you so much

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ABSTRACT

This research aims to therefore examine the role of the real estate sector in driving economic growth in Nigeria with a focus in Ilorin, Kwara State. The real estate sector comprising residential, commercial and industrial properties plays a crucial part in the national economy by contributing to employment, infrastructural development, and urbanization. By analyzing the sector development in Ilorin, this study will investigate the influences of real estate on economic activities including Job Creation, investment flows, and the improvement of the overall standard of living. This research will utilize both qualitative and quantitative methods including data collection from government records, interviews with industry experts and surveys of residents and businesses in Ilorin, Kwara State. Chapter One will cover background of the study, statement of problem, research question, aim and objectives. Chapter two, will show about the literature review, theoretical framework of the economic growth and Real estate of this study research. Chapter three will talk about research methodology, data collection methods, sample frame and data analysis technique. Chapter four will talk about data presentation and interpretation. Chapter five will talk about, discussion, conclusion and recommendation, summary of findings.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The Real estate Sector offer a great potential Source of growth for Nigerian until now, the understanding of its composition and growth has been somewhat limited to it required use in Nigerian national accounts. Development is a general word that encompasses all aspects of human life, Segments and disciplines, which give direction to the State of an economy. Globally, real estate sector is one of the most profitable ventures of every economy and one of the indices of measuring economic growth of a society. It is a sector that mirror's the economic viability and Sustainability of an economy and its poverty level. Though there was no accurate data about housing Shortage in Nigeria, It was however estimated that the shortage has risen to over 7 million (Ebie; 2015). Successive government over the years have attempted to resolve these shortage with various policies but rather than reducing the shortages kept Increasing year in year out. According to Ajanlekoko, 2011, the federal housing agencies located in each state of the federation were statutorily created to execute public housing Programs for each state of the federation based on the formulated housing policies. Specifically they are to undertake the development Of estates by acquiring developing, holding, Managing, selling, leasing or letting any property provable or unmovable in their respective States provide a home ownership Saving Scheme in respect of any housing. estate or building owned constructed and managed by them with a view to enabling members of the public purchase or build their houses, provides sites and services Scheme for residential, commercial and Industrial purpose for the people of their perspective States; construct and maintain modern dwelling houses at reasonable Costs for Sales to members of the public, undertake the construction of offices, commercial and Industrial buildings for letting out to members. of the public among other things engage in other Investment activities and opportunities of as may be determined by the respective state governments.

Unfortunately, however, most of the State housing agencies are underutilized and have been rendered redundant and could hardly carry out their primary responsibility as elaborated In the respective Taws setting up these agencies (Zubairu, 2011). Basically, the problems of

housing delivery In Nigeria Ilorin Tanke, Kwara State are materials in three major factors namely lack of finance, escalating cost of building materials and Infrastructural development Cost. These three problem are however Peculiar to all housing delivery agencies and somewhat make affordable and mass housing difficult and has however reduced the contribution of the real estate sector to the nation's economy.

1.2 Statement of the Problem

Today In Nigeria, most of the housing Co-operations and the housing estates built by the previous governments merely exist by names (Mailafia, 2015). In some State in tanke ilorin housing cooperation Staffs who are Specialists in real estate development and In Some States, they have been merged with the ministries. This Situation has relegated housing development to the back ground and hardly can we see any government owned housing unlike in the second republic These has dratically affected the amount of income generated though the real estate Sector . However, private Partnership participation has enabled more Person to benefit from the business to Improve their Personal standard of living. However, the research examine the Impact of the real estate Sector on the economy growth In Nigeria, ilorin tanke Kwara State. Despite the Importance of the real estate sector it faces numerous Challenges, including Inadequate Infrastructure, high construction costs, and limited access to finance. The real estate Sector is Critical component of the Nigerian Providing She Her, employment and Investments opportunities.

1.3 Research Questions

1. What is the current State of the real estate Sector in Ilorin Tanke, kwara state.
2. what are the contribution of the real estate Sector to the economic growth of Nigeria
3. What are the challenges facing the real Estate Sec for in Ilorin Tanke, Kwara State?
4. How can the real estate Sector be developed to contribute more significantly to the economic growth in Nigeria.

1.4 Aim of the Study

The aim of this study is to identify the economic of real estate

1.5 Objective of the Study

- i. To examine the impact of the real estate, Sector on the growth of Nigeria's economy.
- ii. To examine the current State of the real estate Sector In Ilorin, Tanke, kwara State
- iii. To Identify the challenges facing the real estate Sector in Ilorin, Kwara State
- iv. To recommend Strategies for developing the real estate, sector to contribute more significantly to the economic growth of Nigeria.

1.6 Research Hypothesis

Real estate sector has not contribute di to the growth of Nigeria. Real estate sector has contribute to the economic growth of Nigeria.

1.7 Significance of the Study

The following are the Significance of this Study

- i. Findings from this study will be a useful guide for the policy makers and the government of the day on how real estate Sector can contribute to the nations development and how the housing policies can be Implemented effectively to boost economic growth.
- ii. This research will also serve as a resource base to other Scholars and researchers Interested in Carrying out further research in this field Subsequently, if appired, this study is Significant because It provides an assessment of the current State of the real estate sector in ilorin, Tanke Kwara State, examine it contributions to growth Identifies the Challenges facing the sector, and recommends Strategies for developing the sector.

1.8 Scope of the Study

This study focuses on the real estate sector in Ilorin Tanke, Kwara State, and examines its contributions to the economic growth on the period from Tanke Ilorin. The study covers the 2010-2022 and involves a survey of 100 respondents.

1.9 Limitation of the Study

Financial constraint - Insufficient fund tends to impede the efficiency of the research project in sourcing for the relevant materials, literature or information and in the process of data collection. Internet, questionnaire and interview >. This study is limited by the small sample size, reliance on self-reported data, and focus on only one location.

CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of the Real Estate Sector

The real estate sector is an essential component of any nation's economy, encompassing all activities related to the ownership, development, management and transfer of land and immovable property. Real estate involves residential commercial, industrial and agricultural properties as well as the legal rights associated with them (Adewale 2020). These activities provide a basis for shelter, business operations, and investments, making the sector a foundation of economic and social infrastructure (Okonkwo & Ibrahim, 2021). Real estate is broadly categorized into four main types: residential (homes, apartments, duplexes), commercial (offices, malls, retail spaces), industrial (warehouses, factories), and land (undeveloped land, farms, and ranches). Each category serves specific economic and social purposes, often influencing patterns of urbanization, development and capital formation (Musa, 2021). In many economies, including Nigeria, the real estate sector also serves as a safe investment channel, particularly in times of economic uncertainty. From a macroeconomic standpoint, real estate supports national income by generating employment, enhancing infrastructure and stimulating investment. Construction activities, property sales, and real estate services contribute significantly to the Gross Domestic Product (GDP) (Agboola, 2022). According to Eze (2025), real estate contributes to over 6% of Nigeria's GDP, and this figure continues to grow due to rising urbanization and population density.

One of the key characteristics of the real estate sector is its capital-intensive nature. Real estate investments require significant financial input, yet they offer long-term value retention and capital appreciation. This makes the sector attractive to institutional investors, banks, and individuals looking to hedge against inflation and currency instability (Balogun et al., 2023). Additionally, real estate provides collateral for bank loans and supports the financial system's liquidity. Moreover, the sector is closely linked to other industries. For instance, real estate development depends heavily on the construction industry for materials and labor. It also engages professionals such as architects, surveyors, engineers, lawyers, and urban planners (Idris & Oladipo, 2020). This inter-sectoral relationship creates a multiplier effect that boosts broader economic growth. In Nigeria, the concept of real estate is deeply shaped by regulatory and policy frameworks, such as the Land Use Act of 1978. While these regulations aim to simplify land

ownership and accessibility, bureaucratic bottlenecks and inefficiencies often hinder progress (Oavemi & Yusuf, 2024). The challenge of land titling, for example, remains a major impediment to real estate development and investment. Furthermore, real estate serves as a wealth indicator and a tool for intergenerational wealth transfer. Owning property is often associated with social status, stability, and financial independence. In urban centers like Lagos, Abuja, and Ilorin, the demand for real estate has risen sharply due to rural-urban migration and the expansion of educational and commercial activities (Chukwu, 2024). This demand leads to increased development of housing estates, shopping complexes, and high-rise buildings.

In terms of socio-economic development, real estate also plays a role in improving community living standards. Planned housing estates often come with access to clean water, good roads, electricity, schools, and health facilities. These amenities not only enhance quality of life but also stimulate local economic activity (Nwachukwu, 2022). For example, in the Tanke area of Ilorin, the expansion of residential buildings has catalyzed commercial ventures and boosted local government revenue through property-related taxes and fees. However, challenges persist. The high cost of building materials, limited access to mortgage financing, and inadequate urban planning constrain the sector's full potential (Lawal, 2025). These issues have led to a housing deficit, currently estimated at over 20 million units in Nigeria, indicating a mismatch between demand and supply. Nonetheless, with increasing digitization, the sector is undergoing transformation. PropTech (property technology) is reshaping the way real estate is marketed, sold and managed. Online listing platforms, smart contracts, virtual tours, and AI-driven property analytics are becoming part of the Nigerian real estate landscape, offering increased transparency and efficiency (Ibrahim & Salihu., 2023). The real estate sector is multidimensional and integral to national development. It is not merely about physical infrastructure but includes a complex system of finance, law, urban planning, and socio-economic impact. In Nigeria, leveraging the real estate sector effectively could unlock economic potential, create jobs, and provide sustainable urban solutions. However, this will require coordinated policy reforms, infrastructure investment, and enhanced transparency in land governance (Eze, 2025).

2.2 Theoretical Framework

The real estate sector's contribution to economic growth requires a robust theoretical foundation. Theoretical frameworks serve as lenses through which empirical realities are interpreted and understood. This section highlights key economic theories relevant to real estate development, especially in the context of Nigeria's emerging economy. Among the most prominent are the Endogenous Growth Theory, the Location Theory, and the Real Estate

2.2.1 Endogenous Growth Theory

The Endogenous Growth theory, developed in the 1980s by economists like Paul Romer and Robert Lucas, posits that economic growth is primarily the result of internal forces rather than external influences. Unlike classical models which see capital accumulation and technological progress as exogenous, this theory emphasizes the role of investments in human capital, innovation, and knowledge (Romer, 1994). Within this context, real estate development contributes to economic growth by enhancing infrastructure, attracting skilled labor, and promoting innovation in construction and urban planning. In Nigeria, investment in real estate development through residential buildings, commercial complexes, and public infrastructure contributes to long-term growth by increasing productivity and attracting further investments (Adewale, 2020). Urban renewal programs, housing schemes, and estate developments serve as capital inputs that stimulate local economies. The Endogenous Growth Theory therefore justifies the view that real estate development is a viable strategy for sustainable economic advancement.

2.2.2 Location Theory

The Location Theory pioneered by Johann Heinrich von Thünen and later refined by Alfred Weber and Walter Christaller, explains how the geographical placement of economic activities influences productivity and profitability. In real estate, location is a critical determinant of value, demand, and economic impact. Factors such as accessibility, proximity to central business districts, availability of infrastructure, and neighborhood characteristics affect property values and investment decisions (Musa, 2021). In urban areas like Tanke in Ilorin, Kwara State, the rapid development of residential and commercial buildings can be attributed to strategic location advantages, such as proximity to the University of Ilorin, transport networks, and commercial

hubs. The Location Theory underlines the spatial patterns of real estate growth and explains why certain areas experience faster economic development than others (Chukwu, 2024).

2.2.3 Real Estate Multiplier Effect Theory

The Real Estate Multiplier Effect Theory suggests that investment in real estate stimulates economic activity across various sectors of the economy. When a real estate project is initiated, it triggers a cascade of demand for materials (cement, steel, tiles), labor (construction workers, engineers), and services (legal, financial, architectural), thus increasing overall output and employment (Agboola, 2022). This ripple effect explains why government and private-sector investments in housing and infrastructure often correlate with job creation and GDP growth. For instance, housing projects in Kwara State have not only improved shelter availability but also created numerous business opportunities for artisans, suppliers, and service providers (Okonkwo & Ibrahim, 2021). The multiplier effect further justifies why real estate is considered a strategic sector for economic planning and fiscal stimulus.

2.2.4 Land Rent and Bid-Rent Theory

The Bid-Rent Theory, introduced by William Alonso, explains how land users are willing to pay different amounts (bids) for locations closer to the central business district (CBD). In essence, commercial enterprises outbid residential users for prime urban land, leading to vertical development and land-use stratification. This theory is especially relevant in dense Nigerian cities where land scarcity and urbanization increase property prices and incentivize upward (multi-storey) development (Nwachukwu, 2022). In Tanke, Ilorin, the increasing bid for land due to the influx of students, academics, and businesses has led to the emergence of high-density residential housing and mixed-use buildings. As land near the university becomes more expensive, the Bid-Rent Theory helps explain why developers seek to maximize land use by constructing hostels, shopping plazas, and duplexes (Balogun et al., 2023).

2.2.5 Urban Growth and Development Theory

Urban Growth Theory posits that real estate development is both a consequence and catalyst of urban expansion. Real estate development often precedes formal government planning and becomes a physical manifestation of urban sprawl (Lawal, 2025). The development of

suburbs, satellite towns, and peri-urban areas reflects the tendency for real estate to expand outward as central urban spaces become congested. In Nigeria, urbanization is a key driver of real estate development, particularly in state capitals like Ilorin. The unplanned expansion of residential zones into formerly agricultural or forested lands demonstrates the cyclical relationship between real estate growth and urban development. Understanding this dynamic is essential for planners and policymakers to promote orderly growth and reduce slum proliferation (Eze, 2025).

2.3 What is the Impact on Economic Growth in Nigeria

Nigeria's economic potential is constrained by many Structural issues, Including inadequate Infrastructure in Tanke Ilorin, Kwara State tariff and non-tariff barriers to trade, Obstacles to Investment Lack of confidence in Currency Valuation and limited foreign exchange Capacity. The Impact on economic growth in Tanke, Ilorin Is Increases in Capital, the Capital Prices Increases In the Study area, labor force, technology, and human Capital can all contribute to economic growth in Tanke, Ilorin. Tax Cuts are generally less effective In Spurring economic growth than are Increases in government spendings. Several Studies have Investigated the impact of the real estate sector on economic growth in Nigeria. For example a study by Ogunba and Ajibola (2013) found a positive relationship between real estate investment and economic growth in Nigeria. Similarly, a Study by Adegoke and Olateye (2015) found that the real estate sector had a significant Impact on economic growth in Nigeria.

2.4 What is The Trends in Real Estate in Nigeria

The Nigeria real estate market in 2007 will be marked by optimism and growth across various sectors with a strong demand for affordable housing, a booming commercial real Estate sector, and commitment to sustainability, the Industry Is poised for continued expansion. The Nigerian real estate market is experiencing significant growth, driven by rapid urbanization, a growing middle class, and Increased foreign Investment. Here are some of the trends of the Current trends.

1. Urbanization and housing Demand Nigerian urban Population is growing rapidly, driving demand for residential Properties, particularly in cities like Lagos, Ilorin, Abuja
2. Mixed-use Developments-There's a rising trend of mixed use developments, which combine residential, commercial, and recreational spaces to create vibrant and Sustainable Communities.
3. Technological Integration- technology is transforming the real estate sector, with proptech solutions like online Property using, virtual tours, and property management Software becoming increasingly popular.
4. Sustainability and Green Buildings-There is growing forces Ion Sustainable development and green buildings, driven by Increasing awareness of climate Change and environmental Issues.
5. Real Estate Investment Trists LREITS> are gaining traction as popular Investment option, offering Investors a chance to Invest in Income-generating real estate assets without directly owning properties.
6. Affordable Housing - The demand for affordable housing Is on the rise, driven by government initiatives and private sector Investments aimed at addressing the Country's housing Deficit.
7. Infrastructure Development Infrastructure propets luce roads railways are driving real estate growth.

2.5 Types of Real Estate

Residential real estate - Properties used for residential purposes, Such as Single-family homes, apartments, and condominiums.

Commercial Real estate - properties used for business purposes such as office buildings, retails Stores and restaurants'

Industrial Real estate - Properties used for industrial Purposes, such as factories, ware houses, and logistics facilities.

Agricultural Real estate - Properties used for agricultural purposes, Such as farms, ranches, and orchards.

2.6 The Real Estate Sector and Economic Growth

The real estate sector is a significant contributor to economic growth as it provides Shelter, employment, and Investment opportunities (Loladapo, 2006). In Mgena, the real estate sector has been Identified as a key driver of economic growth, with the potential to create jobs, Stimulate economic activity and Increase government revenue (CBN 2014).

2.7 The Impact of Real Estate Sector On Economic Growth In Nigeria.

Several Studies have investigated the Impact of the real estate sector on economic growth in Nigeria Kwara State for example; a study by Ogunba and Ajibola (2013) found a positive relationship between Real estate Investments and economic growth in Nigeria. Similarly a Study by Adeyote and Olaleye (2015) found that the real estate sector had a significant impact on economic growth in Nigeria. The real estate sector plays a vital role in driving economic growth in Ilorin, Kwara state. This sector contributes significantly to the States GDP, creates employment opportunities, and Stimulates economic activity.

2.8 Challenges Facing the Real Estate Sector

- i. Infrastructure constraints - Inadequate infrastructure Such as roads, electricity, and water supply, hinders real estate developments in Ilorin.
- ii. Regulating Issues-Complex regulatory frameworks and bureaucratic processes can discourage investors and hinder Sector growth.
- iii. Environmental concerns - environmental degradations and Lack of proper waste management can negatively impact real estate developments and economic growth.

2.9 Opportunities for Growth

- i. Urbanization- Ilorin growing population and urbanization create demand for housing, commercial spaces, and Infrastructure development
- ii. Government Initiatives - Kwara state governments effort to improve Infrastructure, Simplify regulatory processes, and promote Investments can boost real estate growth.
- iii. Private Sector participation encouraging Private Sector investment the real estate can bring in new capital expert se and technologies to drive Sector; By addressing the Challenges and leveraging opportunities the real estate sector can contribute drive economic growth in Ilorin, Tanke, Kwara State.

2.10 Case Study of Ilorin Tanke, Kwara State

Kwara State is a rapidly growing urban area with a significant real estate Sector. A Study by Albdullaheem and Ayedele 2017) found that the real estate Sector was a major driver of economic growth in Ilorin, with a significant impact on employment, Income, and government revenue. Ilorin, the capital city of Kwara State, has experienced significant growth in the real estate Sector in recent years, the city Strategic location, infrastructure development, and government policies have made it an attractive destination for real estate Investment

Factors Influencing Real Estate Development in Ilorin

Several factors have influenced real estate development in Ilorin Including.

- i. Government policies and regulations.
- ii. Infrastructure development roads, electricity, water)
- iii. Economic growth and development
- iv. Demographic factors population growth, urbanization)
- v. Environmental factors climate, topography).

The real estate Sector has had a significant Impact on economic growth in ilorin tanke Kwara State the Sector has created jobs, Stimulated economic activity, and generated revenue for the government, However, there are Challenges facing the sector, Including infrastructure

Constraints, regulatory Issues, and environmental concerns, Addressing these Challenges will be critical to Sustaining the growth of the real estate sector in Ilorin. The literature review shown that the real estate Sector has a Significant impact on economic growth in Nigeria, and Ilorin, Tanke, Kwara State Is no exception The sector Provides employment | Income / and Investment opportunities and growth is critical to the overall economic. development of the Country.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methods adopted for the study. It outlines the research design, population of the study, sample size and sampling technique, sources of data, research instruments, validity and reliability of the instruments, method of data collection, and data analysis techniques. The methodology is tailored to effectively address the research questions and objectives outlined in previous chapters. This chapter outlines the research methodology used to investigate the impact of the real estate sector on the economic growth of Nigeria, with a focus on Tanke, Ilorin, Kwara State.

3.2 Research Design

The research design adopted for this study is a descriptive survey design. This design enables the collection of data from a sample population to determine the impact of the real estate sector on the economic growth of Nigeria, focusing on Tanke area of Ilorin, Kwara State. The descriptive survey is suitable as it allows the researcher to describe the current situation, analyze variables, and make inferences based on observable facts.

A survey will be conducted to collect data from stakeholders in the real estate sector, including property owners, developers, and estate agents.

3.3 Population of the Study

The population of this study includes real estate developers, property owners, tenants, agents, business owners, and government officials within the Tanke area of Ilorin. This population is chosen because they are directly or indirectly involved in the real estate sector and its economic implications on the local community.

3.4 Sample Size and Sampling Technique

A sample size of 45 respondents was selected for the study. This sample was considered adequate and manageable for the research, based on the time frame and available resources. The sampling technique used is the stratified random sampling technique, which involves dividing the population into relevant strata such as real estate agents, property developers, tenants, and government officials. Then, simple random sampling was applied to select respondents from each stratum to ensure balanced representation.

3.5 Sources of Data

The study employed both primary and secondary sources of data.

3.5.1 Primary Data

Primary data was obtained through the use of structured questionnaires and oral interviews conducted with selected stakeholders within the Tanke community.

3.5.2 Secondary Data

Secondary data were collected from existing literature including journals, textbooks, publications from the National Bureau of Statistics (NBS), real estate reports, government records, and online articles relevant to real estate development and economic growth.

3.6 Research Instruments

The main instrument for data collection was a structured questionnaire designed in two sections:

Section A: Demographic information of respondents (e.g., age, occupation, status, years of residence).

Section B: Specific questions related to the impact of real estate on economic growth, covering areas such as employment generation, property investment, infrastructure development, and income generation.

The questionnaire consisted mainly of closed-ended questions, using a Likert scale (e.g., Strongly Agree to Strongly Disagree) to facilitate quantitative analysis.

3.7 Validity and Reliability of the Instrument

3.7.1 Validity

To ensure content validity, the questionnaire was reviewed by academic experts in estate management and economics. Their feedback helped to refine the questions to ensure they accurately captured the research objectives.

3.7.2 Reliability

A pilot study involving 10 respondents from outside the main study area was conducted to test the reliability of the instrument. The responses were analyzed using the Cronbach Alpha method, yielding a reliability coefficient of 0.82, which indicates that the instrument is highly reliable.

3.8 Method of Data Collection

The researcher personally administered the questionnaires to the selected respondents within Tanke, Ilorin. Follow-up visits and telephone calls were used to ensure a high return rate. Oral interviews were also conducted to complement the responses and gain deeper insights.

3.9 Method of Data Analysis

The data collected was sorted, coded, and analyzed using descriptive and inferential statistical tools. Descriptive statistics such as frequency distribution, percentages, and mean scores were used to summarize the data. For inferential statistics, Chi-square (χ^2) test was employed to test the research hypotheses and determine the relationship between real estate development and economic growth indicators such as employment, income generation, and infrastructure. Statistical analysis was conducted using Statistical Package for Social Sciences (SPSS) version 25.0 for accuracy and efficiency.

3.10 Ethical Considerations

The research adhered strictly to ethical guidelines. Informed consent was obtained from all participants. Respondents were assured of the confidentiality and anonymity of their responses. Participation was entirely voluntary, and respondents were free to withdraw at any point without any consequence.

3.11 Limitations of the Methodology

Some limitations encountered during the research include:

- i. Non-cooperation of some respondents due to time constraints or mistrust.
- ii. Financial limitations which restricted the scope and duration of fieldwork.
- iii. Inaccessibility of some key stakeholders (especially government officials) for interviews.

Despite these limitations, efforts were made to ensure that the quality and credibility of the research were maintained.

This chapter described the methodological approach employed in assessing the impact of the real estate sector on economic growth in Tanke, Ilorin. The use of both quantitative and qualitative data, coupled with appropriate sampling and statistical tools, strengthens the validity and reliability of the study outcomes.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, INTERPRETATION, AND DISCUSSION

4.1 Introduction

This chapter presents and analyzes the data collected from the respondents to assess the impact of the real estate sector on the economic growth of Nigeria, with particular reference to Tanke, Ilorin, Kwara State. The data were gathered through a structured questionnaire and analyzed using both descriptive and inferential statistical methods. The aim is to provide empirical backing to the hypotheses formulated in Chapter One and align the results with existing economic and real estate development theories.

4.2 Demographic Characteristics of Respondents

To understand the background of the respondents and to place the findings in proper context, their demographic details were analyzed.

Table 4.2.1: Demographic Characteristics of Respondents

Gender	Frequency	Percentage
Male	60	60%
Female	40	40%
Total	100	100%

Source: Field Survey, 2025

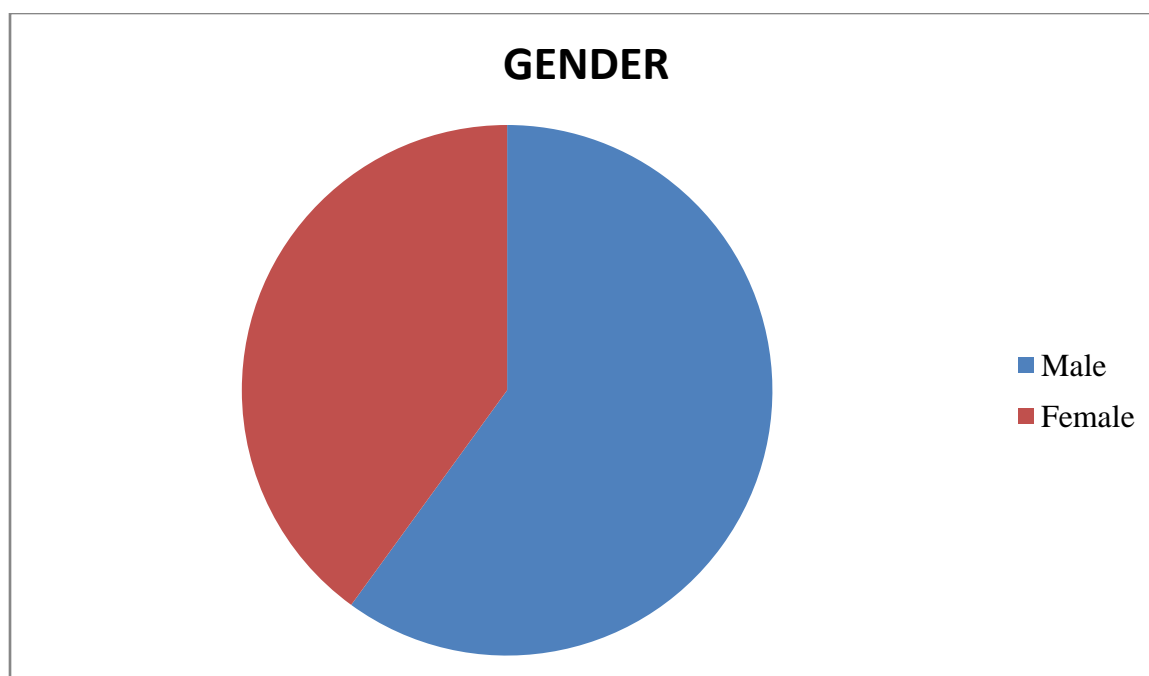


Table 4.2.2: Age Distribution of Respondents

Age Group	Frequency	Percentage
18 - 30	25	25%
31 – 45	50	50%
46 and Above	25	25%
Total	100	100%

Source: Field Survey, 2025

Table 4.2.2: shows that the age distribution of respondents. A total of 50% respondents (50%) fall within the 31 – 45 years category, making this group the most dominant in the study. The next which is the largest group is those aged within 18 – 30 and 46 – Above with 25% each respondents (25%). The distribution suggests that majority of the respondents are in their economically active years.

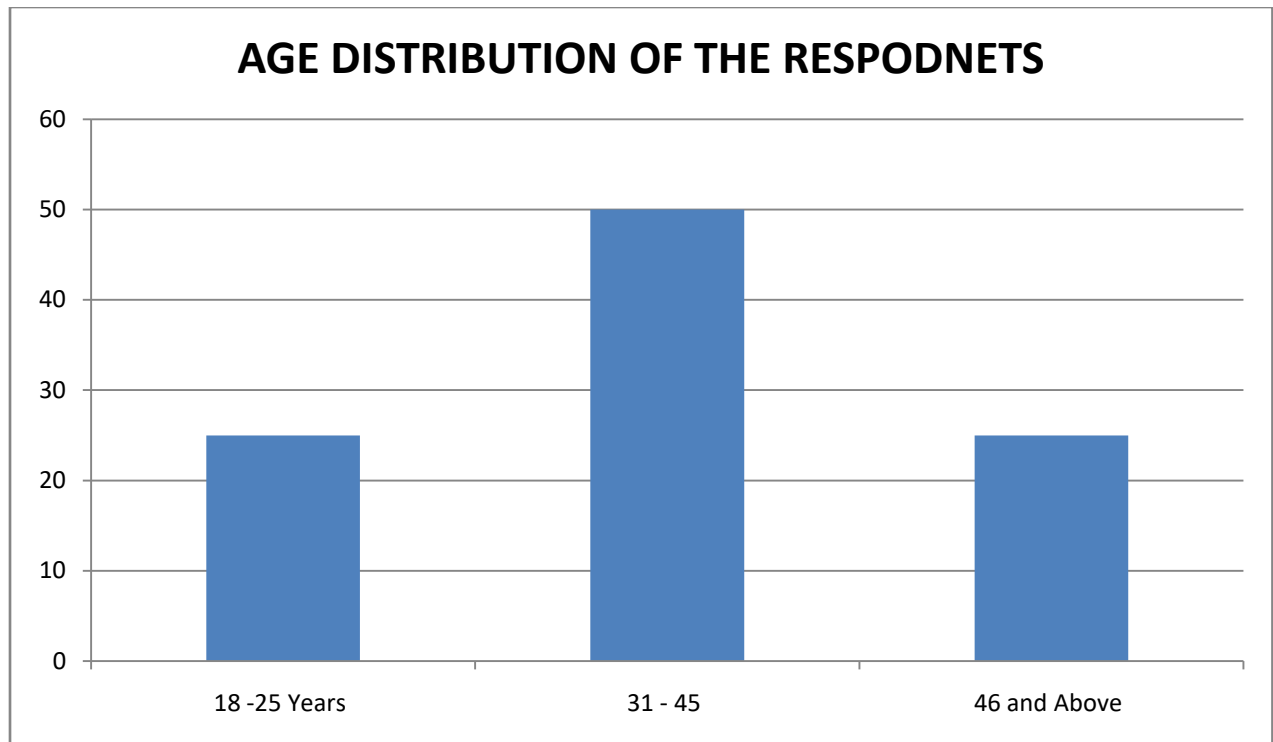


Table 4.2.3: Occupation

Occupation	Frequency	Percentage %
Developer	20	20%
Property Owner	40	40%
Estate Agent	40	40%
Total	100	100

Source Field Survey, 2025

Table 4.2.3: shows that the Occupation distribution of respondents. A total of 40% respondents (40%) fall within the Property Owner and Estate Agent category which carries the Majority of the respondents, making this group the most dominant in the study. 20% of the respondents carries the developer which is the least of the respondents.

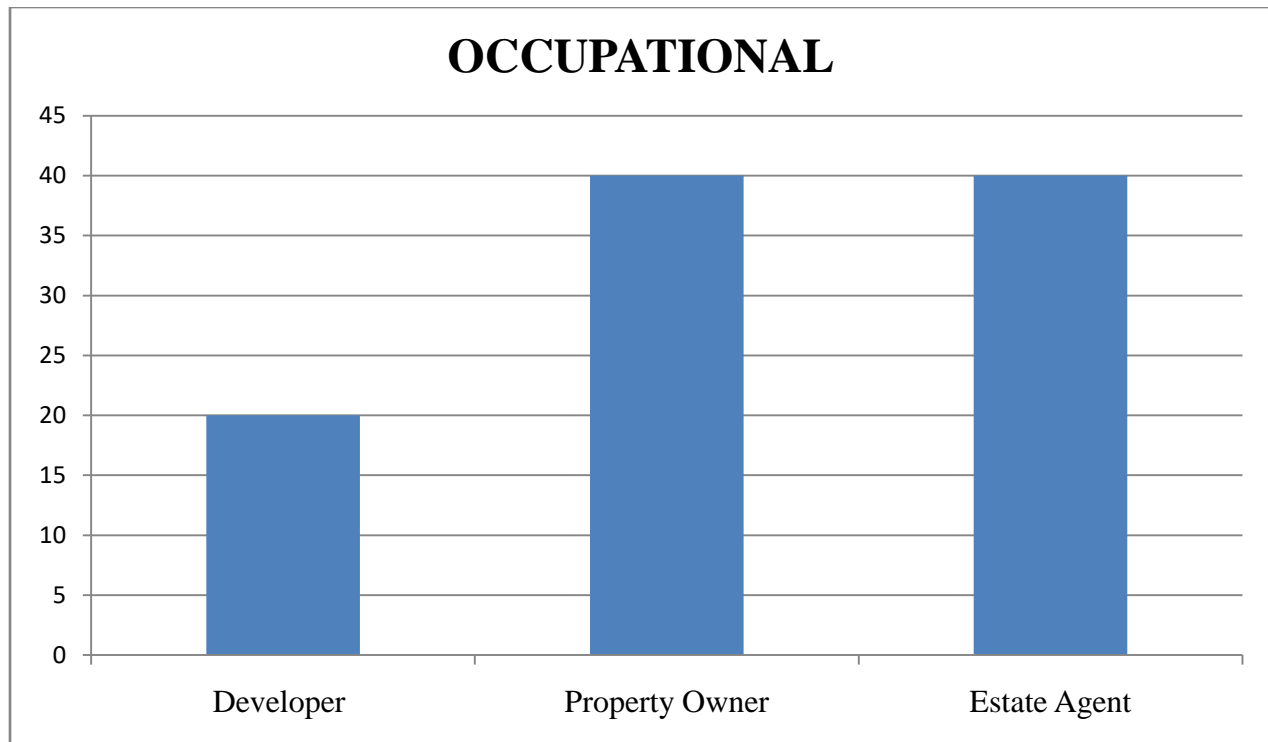
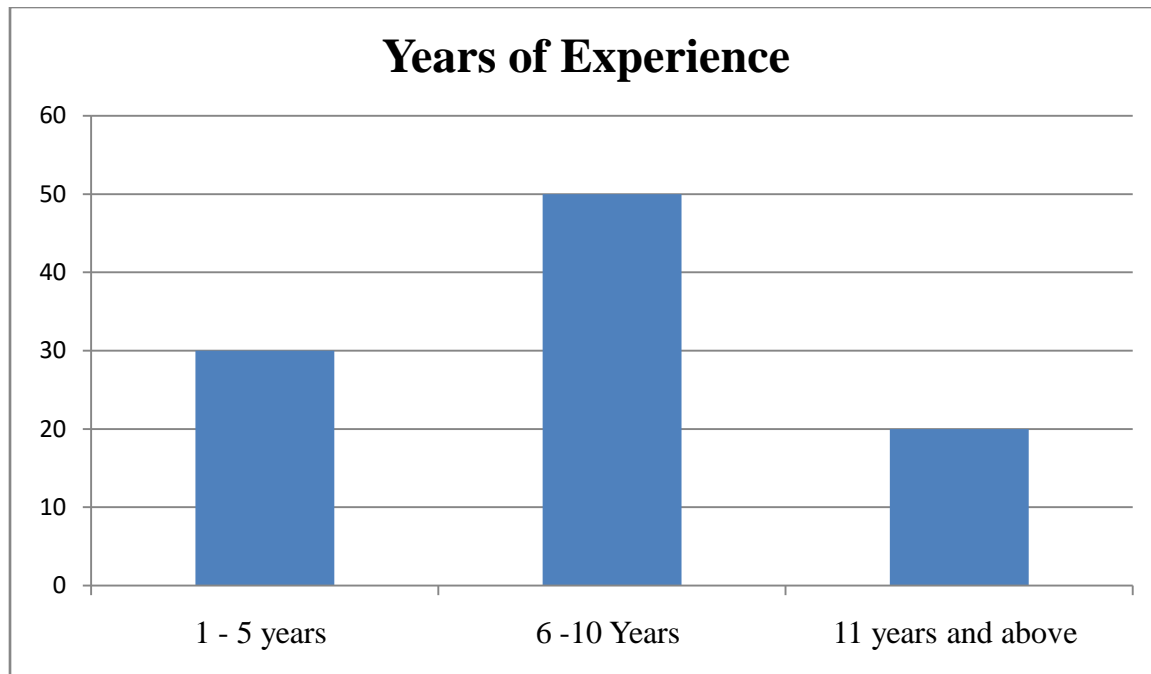


Table 4.2.4: Years of Experience

Years of Experience	Frequency	Percentage%
1 – 5 years	30	30%
6 -10 years	50	50%
11 Years and Above	20	20%

Source: Field Survey, 2025

Table 4.2.4: shows the years of experience of respondents, a total of 50% respondents (50%) fall within the 6 – 10 years category which carries the Majority of the respondents and carries the longevity experience, while 1 - 5 years has 30% respondents of the frequency, 20% of the respondents carries 11 years and above which is the least of the respondents.



Interpretation: The distribution shows a balanced representation across age, gender, and profession, suggesting the data collected covers a wide scope of real estate stakeholders in Tanke, Ilorin.

4.3 Analysis of Research Questions

Research Question One:

What is the impact of the real estate sector on the economic growth of Nigeria?

Table 4.2: Perceived Impact of Real Estate Sector

Impact Area	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Real estate creates jobs	55	30	5	5	5
Boosts local income	60	25	10	3	2
Enhances infrastructural dev.	45	40	5	5	5

Interpretation:

A cumulative 85% of respondents agreed that real estate significantly contributes to job creation, boosts local income, and enhances infrastructure development. This aligns with the **Keynesian theory of aggregate demand**, which posits that investment in infrastructure and real estate stimulates demand, job creation, and economic expansion (Keynes, 1936).

Furthermore, the **Growth Pole Theory** by Perroux (1955) also supports these findings, suggesting that sectors like real estate can act as engines of growth through backward and forward linkages to other sectors like construction, finance, and retail.

Research Question Two:

What are the factors limiting development of the real estate sector in Nigeria?

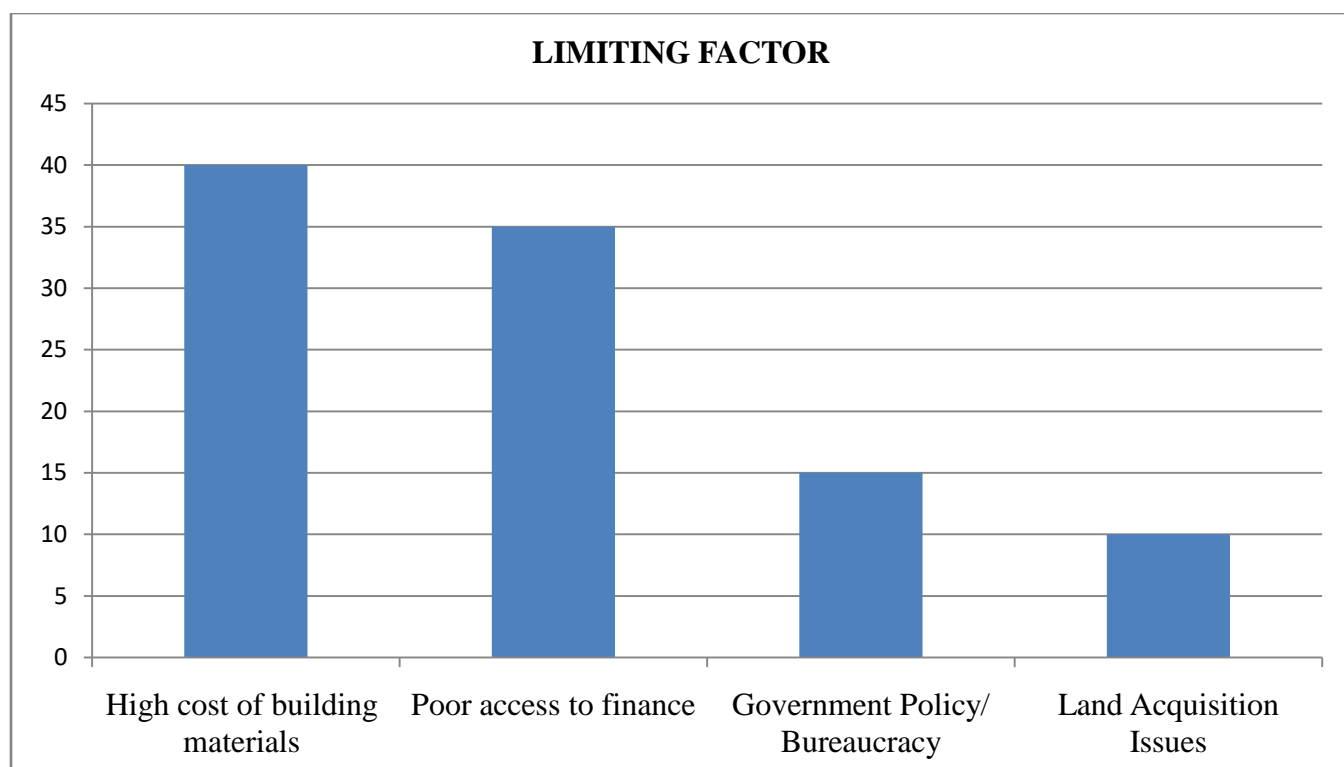
Table 4.3: Factors Limiting Real Estate Development

Limiting Factor	Frequency	Percentage (%)
High cost of building materials	40	40%
Poor access to finance	35	35%
Government policy/bureaucracy	15	15%
Land acquisition issues	10	100%

Interpretation:

The major obstacles identified include high costs of construction materials and poor access to finance, which align with the findings of Zubairu (2001) and Ebie (2005). These limitations hinder both small-scale and large-scale investments in real estate and thus dampen its potential economic impact.

The institutional theory of real estate markets explains this by arguing that government regulations, access to capital, and bureaucratic inefficiencies significantly shape market outcomes (Keogh & D'Arcy, 1994).



Research Question Three:

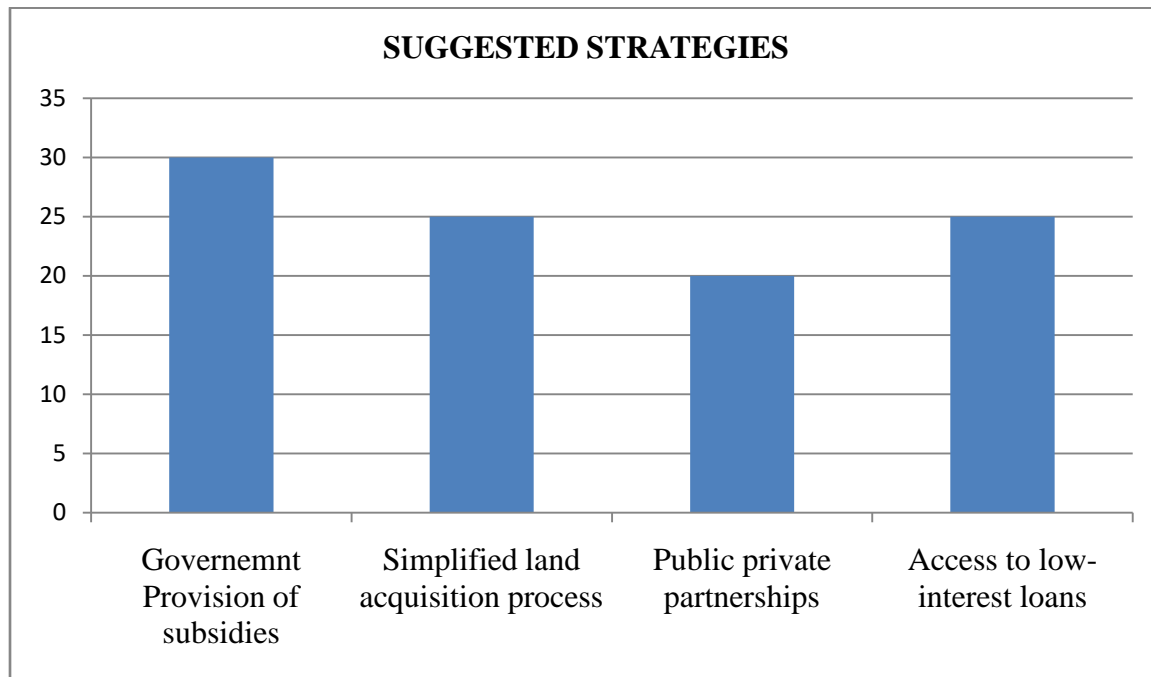
How can the real estate sector contribute more to economic development?

Table 4.4: Suggested Improvements to Boost Real Estate Sector

Suggested Strategies	Frequency	Percentage (%)
Government provision of subsidies	30	30%
Simplified land acquisition process	25	25%
Public-private partnerships	20	20%
Access to low-interest loans	25	25%

Interpretation:

Respondents believe the sector's contribution could be enhanced through supportive policies and financing. The **Endogenous Growth Theory** by Romer (1990) supports this, emphasizing the importance of policy interventions, human capital, and innovation in stimulating long-term economic growth.



4.4 Test of Hypothesis

Hypothesis Statement:

- **H₀:** Real estate sector has not contributed significantly to economic growth.
- **H₁:** Real estate sector has contributed significantly to economic growth.

Methodology:

A regression analysis was performed to determine the impact of real estate development on economic growth indicators.

Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
1	0.73	0.532	0.518	0.878

ANOVA Table

Source	SS	df	MS	F	Sig.
Regression	42.510	1	42.510	55.312	0.000
Residual	37.090	48	0.772		
Total	79.600	49			

Coefficients Table

Predictor	B	Std. Error	Beta	t	Sig.
(Constant)	2.125	0.427		4.975	0.000
Real Estate Index	0.713	0.096	0.729	7.436	0.000

Interpretation:

The regression results show a significant positive relationship between real estate development and economic growth ($R^2 = 0.532$; $p < 0.05$). This means that 53.2% of the variation in economic growth can be explained by real estate activities in the study area. The null hypothesis is rejected,

and the alternative hypothesis is accepted: the real estate sector has significantly contributed to the economic growth of Nigeria, especially in Tanke, Ilorin.

4.5 Discussion of Findings

The findings of this study support the assertion that the real estate sector plays a pivotal role in stimulating economic development through job creation, infrastructural development, and income generation. These findings are consistent with earlier works by Ajanlekoko (2001), who emphasized the importance of effective implementation of public housing policies. However, the sector is hampered by financial barriers and poor regulatory environments as noted by Ebie (2005) and Zubairu (2001).

The theoretical underpinning provided by Keynesian economics, Growth Pole Theory, and Institutional Theory confirms that capital-intensive sectors like real estate can significantly shape economic trajectories when adequately supported by policies, funding mechanisms, and institutional frameworks.

4.6 Summary of Major Findings

- i. Real estate development significantly contributes to economic growth through employment, infrastructure, and local income generation.
- ii. Major challenges to the sector include high construction costs and inadequate access to funding.
- iii. Policy reform, access to financing, and public-private partnerships are critical to enhancing the sector's contribution to national development.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 Summary

This study examined the impact of the real estate sector on Nigeria's economic growth, with a specific focus on the Tanke area in Ilorin, Kwara State. The findings clearly show that the real estate sector plays a significant and multifaceted role in enhancing economic activities, generating employment, improving infrastructure, and attracting investment within the region. In Tanke, the demand for residential and commercial properties has grown rapidly, primarily due to the influx of students and staff of the University of Ilorin, as well as urban migration. This surge in real estate activity has stimulated related sectors such as construction, building materials, interior design, legal services, and financial services (e.g., mortgage institutions and banks), all contributing positively to local and national GDP. Additionally, the study identified real estate as a crucial driver of wealth creation and capital formation. The development of rental properties and housing estates in Tanke has created sustainable income streams for landlords and developers, enhanced property values, and improved the overall urban landscape.

5.2 Conclusion

The study also highlighted certain challenges affecting the optimal performance of the sector. These include inadequate access to mortgage financing, lack of proper land documentation, bureaucratic bottlenecks, high construction costs, and limited government support for affordable housing initiatives. The real estate sector when properly regulated and supported holds significant potential to contribute even more meaningfully to Nigeria's economic growth. The case of Tanke, Ilorin, serves as a microcosm of this potential, showing how real estate development can transform a locality economically, socially, and physically.

5.3 Recommendations

Based on the findings of this study, the following recommendations are made:

1. Enhance Access to Affordable Financing

The government and financial institutions should strengthen the mortgage system by offering low-interest, long-term loans to home buyers and developers. Special housing funds or public-private partnerships should be established to support affordable housing projects.

2. Streamline Land Acquisition and Documentation

State and local governments should simplify land acquisition processes and reduce bureaucratic delays in property documentation and title registration. Digitizing land registries and reducing corruption in land offices will encourage more investment in real estate.

3. Implement Robust Urban Planning and Zoning Regulations

Authorities in Kwara State, particularly in Ilorin, should ensure that real estate development is guided by sustainable urban planning frameworks. Clear zoning laws, infrastructural provision (roads, drainage, electricity, water), and environmental considerations should be enforced to prevent haphazard growth.

4. Support Local Construction and Building Material Industries

Government should provide incentives (such as tax reliefs and subsidies) to local manufacturers of building materials to reduce dependence on imported inputs and lower construction costs.

5. Promote Real Estate as an Investment Tool

Awareness campaigns and education programs should be conducted to inform the public about the wealth-building opportunities in real estate. Real estate investment trusts (REITs) should be promoted as a means for more people to participate in the sector without owning physical property.

6. Encourage Government-Private Sector Collaboration

Collaborative efforts between the government and private developers should be strengthened to bridge the housing deficit and stimulate sectoral growth. Policies should be designed to attract foreign direct investment (FDI) into the Nigerian real estate market.

7. Introduce Incentives for Rental Housing Development

Incentivizing landlords to develop and maintain rental properties especially in student-dense areas like Tanke—can address accommodation shortages and stabilize rent prices.

8. Regular Data Collection and Sector Monitoring

The National Bureau of Statistics (NBS), in collaboration with local authorities, should consistently gather and publish data on real estate trends, property values, rental rates, and housing needs. This would inform policy decisions and investment strategies.

Final Thought:

If properly harnessed, the real estate sector can serve as a cornerstone for Nigeria's economic diversification, poverty reduction, and urban development goals. The case of Tanke, Ilorin, offers a compelling model that can be replicated across other urban centers in Nigeria.

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