

MARCH EDITION

# THE REBOUND

Economic Overview

Growth Projections

Project Updates



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The image features a night-time aerial view of a city skyline with illuminated buildings and roads. In the foreground, the Nigerian flag (green, white, and green vertical stripes) is draped across the bottom right. The title 'Nigeria's Economy: A Mixed Recovery in 2025' is overlaid in white text on a dark blue background in the top left corner.

# Nigeria's Economy: A Mixed Recovery in 2025

The Nigerian economy is currently in a recovery phase, demonstrating resilience though still requiring significant fiscal hard work. Recent data shows the economy is growing with real Gross Domestic Product (GDP) expanded by 3.98 per cent year-on-year in the third quarter (Q3) of 2025, higher than the 3.86 per cent recorded in Q3 2024, confirming a continued recovery.

The non-oil sector, led by services, remains the main driver, contributing over 96 percent of the total output.

Inflation remains a major constraint to people's purchasing power, despite the NBS reporting a lower rate of 18.07% in October 2025. This has made it harder for the average Nigerian to afford both housing and everyday essentials.

The Central Bank of Nigeria (CBN) reforms have stabilized the FX market, boosting investor confidence, while foreign reserves have rebounded significantly, reaching \$46.7 billion as of mid-November 2025, providing strong import cover. Diaspora remittances have also surged by 66.7 percent in recent months.

The growth recorded in Q3 2025 was largely driven by Crop Production, ICT, Real Estate, and the Financial Services Sector. The manufacturing sector, however, remains a weak link, struggling with high energy costs and

dependence on imported inputs. Nigeria's total public debt continued its upward climb. As of June 30, 2025, the total public debt stock reached approximately N152.40 trillion, up from N149.39 trillion in Q1 2025 (a 2.01% increase quarter-on-quarter).

Key drivers of this debt include new domestic and external borrowings to fund the budget deficit, high interest costs on existing loans, and the significant impact of the Naira's depreciation on the external debt component. This debt burden signals continued pressure on interest rates and market liquidity.

The Central Bank of Nigeria (CBN) has continued to maintain an aggressive, tight monetary policy to anchor inflation and stabilize the foreign exchange (FX) market. This has helped the Naira achieve a period of relative stability, which is a major positive. This stability is vital for the real estate sector, as a large portion of construction materials (cement, steel, finishing materials) are imported, meaning stable costs allow for more predictable project budgeting and pricing.

## STRATEGIC POSITIONING: DRIVING REAL ESTATE GROWTH IN 2026

The government's decision to liberalise the foreign exchange (FX) regime initially led to a sharp devaluation of the Naira, temporarily depressing nominal asset values in dollar terms. However, since the initial reforms, stronger policy credibility from the Central Bank of Nigeria (CBN), combined with high interest rates (MPR at 27.5%), has achieved a level of Naira stability.

This has helped restore yield dynamics as Diaspora investors, who view assets in dollar terms, now have clearer visibility on their potential capital gains and rental yields, which were previously obscured by rapid currency depreciation and uncertainty.

State governments, particularly in commercial hubs like Lagos and Abuja, have tightened regulations concerning land titles although forceful land revocation for overriding public interest or title irregularities have become more a bigger challenge to investment.

This improved connectivity immediately converts remote land into viable real estate investment zones.

*Major infrastructure rollouts such as new rail lines, the coastal road, and cross-country road networks are fundamentally improving accessibility to previously underserved areas.*



Persistent insecurity, primarily banditry, kidnapping, and communal unrest in the North and parts of the Middle Belt, remains a tragic accelerator of urbanisation. The growing influx is putting heavy pressure on housing, and cities like Lagos and Abuja have seen rental prices jump by more than 50%..

We believe that this trend will continue in 2026. the commencement of the new national tax policies, the desire by government to broaden credit accessibility and new tenancy laws collectively reinforce our focus across four high-growth, high-resilience verticals:

- Leisure and recreational facilities,
- PropTech / B2B platforms,
- Managed residential communities; and
- Captive Construction.

### Authored by

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# TAX LAW

## **New Tax Policy: Rewriting the Rules of Real Estate Investment in 2026**

The New Nigerian Tax Code (2025) marks a pivotal change, actively reshaping real estate behavior across the country. Policymakers have introduced reforms that both tighten compliance and significantly lower transaction barriers. These changes are not simply administrative adjustments; they are rewriting the rules of demand, pricing, and investment strategy for both local and Diaspora investors. The NTA aims to support homeownership and make structured property investments far more attractive. A major theme of the reform is boosting affordability and encouraging long-term ownership.

**Residential property sales and rent are now VAT exempt directly reducing closing costs for buyers and tenants and lowering transaction costs.**

**Conversely, Commercial property (offices, malls, and warehouses) will retain the standard VAT rate of 7.5% applied consistently.**

Furthermore, the updated Capital Gains Tax (CGT) framework explicitly exempts principal private residences from taxation, which encourages holding property rather than short-term flipping.

**The reintroduction of input vat which will allow recognition of land acquisition costs; construction costs and all related applicable VAT as tax deductibles will further improve the profitability of property development.** Most significantly, distributions from Real Estate Investment Companies (REICs) and REITs are now exempt from additional Withholding Tax.

These incentives will aim to shift the focus from quick speculation to sustained property value appreciation.

Crucially, the NTA 2025 formalizes the market and simplifies investment vehicles. For tenants, a Rent Relief provision allows a deduction of 20% of annual rent (capped at N500,000) from taxable income, provided they submit proper documentation. This promotes transparency in the notoriously informal rental market.

This essential reform eliminates double taxation, boosting investor returns and improving the performance and depth of the structured real estate investment market.

# Market Opportunities and Growth Projections

Nigeria's real estate scene is undergoing a significant transformation, shaped by mass urbanization and relentless growth in specific corridors. The market is currently seeing record-breaking capital appreciation in prime areas- notably, Lagos and Ogun's industrial and border axis, including the Lekki-Epe corridor and the Badagry region, alongside prime Abuja hotspots like Guzape, Katampe, and Jahi, have recorded appreciation well over 40% in the last five years.

Beyond Lagos and Abuja, the search for value is driving developer attention to emerging areas. In Abuja, this includes the expansion along the Lugbe, Lokogoma, Gwarimpa Extension, and Idu/Karmo axis. Simultaneously, we are observing rising housing demand in key secondary cities. Cities like Ibadan, Uyo, Asaba, and Enugu are growing as urban satellites, making them increasingly viable markets for targeted residential and commercial development.



However, the rapid growth also highlights a severe affordability crisis. For middle- and low-income households in prime areas, the cost of housing is crippling. Household spending on rent consumes between 40% and 60% of income in Lagos and Abuja, which is far beyond the globally accepted standard for healthy living. This strain underscores the persistent gap between the wages earned by the majority and the high cost of securing decent, affordable housing.

The root of the problem is a critical supply deficit. Nigeria needs to deliver an estimated 550,000 new housing units annually just to start closing the estimated 22-million-unit housing deficit.. This supply/demand mismatch presents a clear opportunity for investors who are forward thinking.

**The sweet spot is the low- to mid-income housing segment. This market is underserved yet has the most consistent, supported demand.**

Finally, Diaspora investment is playing an increasingly vital role, particularly through structured pathways. Mortgage financing is also being supported by initiatives like the Mortgage Refinance Equity Investment Fund (MREIF) and the government-backed Renewed Hope Homes program. These structured schemes are essential for opening transparent and reliable channels for international capital to engage with the Nigerian real estate sector.

The background of the top half of the advertisement is a photograph of modern, multi-story apartment buildings with white facades and colorful accents in red and grey. The sky is blue with light clouds. A dark car is parked on the street in the foreground.

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# PROJECT REPORT

## MARCH 2026

### Infrastructure / Site Update



**300KVA Transformer**

24/7 Power Supply has been officially signed for the Estate. We now have guaranteed power in the Estate.



**Outdoor Panel**

Outdoor panel connection installation has been completed for **Block A, C, D, E, and F.**



**Control Room**

Box bar changeover and switchgear connections completed.



**Meter Connection**

Last-mile connection and meter installation have been completed for residents who have paid the connection fees.



**Backup Power**

Backup power has been connected within the estate, covering the common areas, gatehouse, and estate office.



**Borehole Water**

The water borehole has been drilled to a depth of 210 feet and is about 92% complete. It should be fully ready before the second week of December. Installation of Water tank and Water treatment to commence after drilling.

### Finished Units



**Block A**

Fully completed and finished.



**Blocks C & D**



**Blocks E & F**



**Blocks G & H:** Tiling is completed in all units in Block H and POP work completed, Painting is ongoing.

### Ongoing Construction Units



**Block B:** Tiling works are currently ongoing in the balcony areas, while balustrade installation for the balconies is in progress. Electrical works in the common areas have been completed.



**Block I:** Tiling works are currently ongoing, and the units are expected to be fully completed on or before the second week of April 2026.



**Block J:** Roofing works are about to commence, after which screeding will follow, then tiling and other finishing works.

### Key Challenges

We continue to face material increases challenges. The cost of reinforcement is up by 62.2%, cement is up by 60.6%,



We are pleased to share this Report on the works at Congress Park.

Please, contact client services on:



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Block 12 Plot 3A Ikogosi Close, Osborne Foreshore Estate, Ikoyi, Lagos

#### Regional Office:

Suite 310, Holbon House, Franca Afegbua Crescent, Apo Legislative Quarters Abuja.

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Developer Owned Plots

# Playa Bonita

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Regional Office: Suite 310, Holbon House, Franca Afegbua Crescent, Apo Legislative Quarters Abuja.



**ARTHUR'S PLACE**

50, James Robertson, Surulere

**March 2026**  
**Infrastructure/Site Update**

**Fully Completed**



# UPDATE: THE COASTAL ROAD IMPACT AND PLAYA BONITA ADJUSTMENTS

The ongoing Coastal Road construction while having positive impact on property values has also slowed document perfection and development for many landowners, including Playa Bonita Estate. Announcement of the government's adjustment to the road alignment pushed several land assets into its pathway, and this affected 3.4 hectares of land being compulsorily excised from Playa Bonita. Unfortunately, this was done with no compensation under the pretext that it was mostly unimproved property.



Subsequently, the office of the Surveyor General of the Federation after the road's commissioning by President Bola Ahmed Tinubu, introduced a requirement for compulsory clearance for properties along the alignment.

This procedural step requires all property owners to seek and process a clearance/no objection

letter from the office of the Surveyor General of the federation. On our part, we ensured full compliance with subsisting law which demands a setback of 45 meters from the highway median and have also submitted an official request for the clearance letter which will enable us resume development works. The discordant messaging from Government impacted investor interest but has now stabilized and will continue to abate.

We have constructed a new perimeter fence using the now adjusted boundary, while pursuing clearance

to resume development on site.

We have redesigned the Playa Bonita layout to accommodate those displaced by the compulsory acquisition.





# ARE YOU READY TO BE PART OF SOMETHING EXTRAORDINARY?

#Swoosh Sports Park, the arcade, is to be located at the lakeside of Ocean Bay Estate. It is a mixed-use development designed to cater to the growing demand for premium sports and recreational facilities within the Orchid Road, Chevron, and Ikota parts of Lagos.

The park will feature two lawn tennis courts, A standard swimming pool, a fully equipped gym, a 5-a-side football pitch, a banquet hall and events spaces, and luxury one and two-bedroom apartments overlooking the lake. This project aims to create a unique destination that combines fitness, recreation, and hospitality offering a retreat from the hustle and bustle of Lagos.





Octo5<sup>®</sup>

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