



Rewriting the Narrative: Positioning & Strategies for the Future

November 2023

Outline

The year so far

Challenges & opportunities

Will 2024 be any different?



Nigeria: snapshot of the economy- 8 reds, 3 greens

* October 2023

		Indicators	January	November	% Change	
Output	{	Real GDP growth (%)	2.31 (Q1'23)	2.51 (Q2'23)	0.20	↑
		Real estate growth (%)	1.70 (Q1'23)	1.87 (Q2'23)	0.17	
Monetary	{	Crude oil production (mbpd)	1.26	1.35*	7.14	↑
		Headline inflation (%)	21.82	27.33*	5.51	↑
		MPR (%)	17.50	18.75	1.25	↑
		Real rate of return on investments (using 1-yr T/bill -%)	-13.33	-10.58	-2.75	↑
		Petrol price (₦/litre)	206.19	630.00	205.54	↑
		Diesel price (₦/litre)	817.86	1500.00	83.41	↑
External	{	Oil price (\$/barrel)	83.91	80.51	-4.05	↓
		IEFX rate (₦/\$)	461.5	780.14	-40.88	↓
		Gross external reserves (\$bn)	37.11	33.32	-10.21	↓
Fiscal	{	Total debt (₦trn)	46.25 (Q4'22)	87.38 (Q2'23)	88.93	↑

What are the major economic challenges in Nigeria? (1/2)



High inflation environment



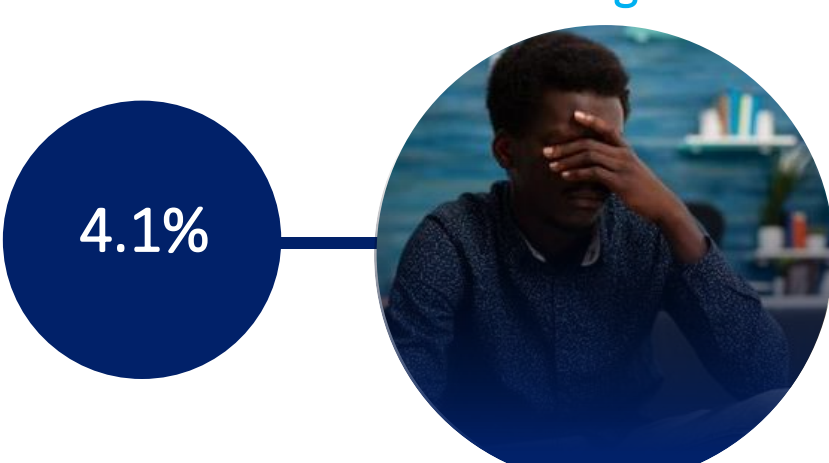
High interest rate environment, cost of doing business & governance



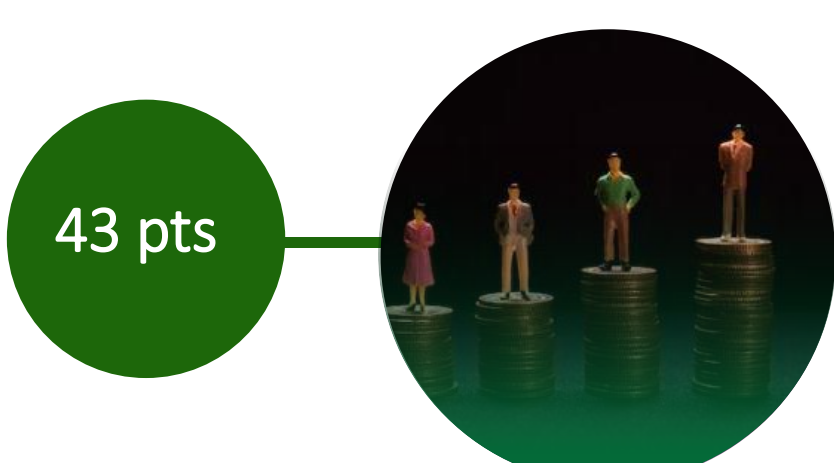
Sluggish economic growth



High poverty rate with a multidimensional poverty rate of



High unemployment



Wide income inequality, with a Gini coefficient index of 43

What are the major economic challenges in Nigeria? (2/2)

Insecurity
(Boko Haram,
Niger Delta, IPoB)



01

Epileptic
power
supply



02

High
infrastructure
gap



03

High
emigration



04

Widening fiscal
deficit and debt



05

Weak currency
& dollar
illiquidity



06

Challenges in the Real Estate sector

Market regulations



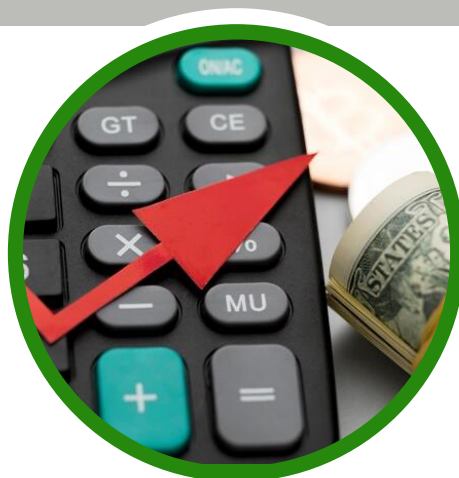
Insecurity



Ownership and title deeds, land grabbers (omoniles)



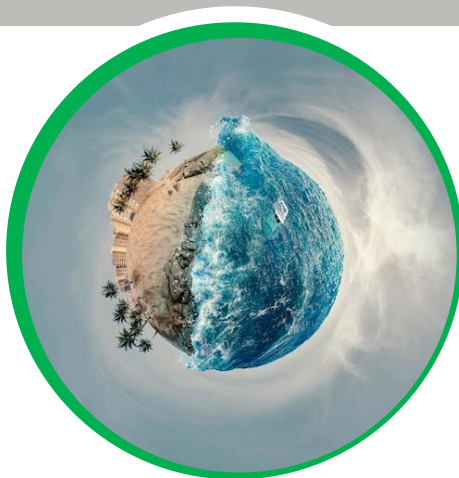
High cost of raw materials



High borrowing costs

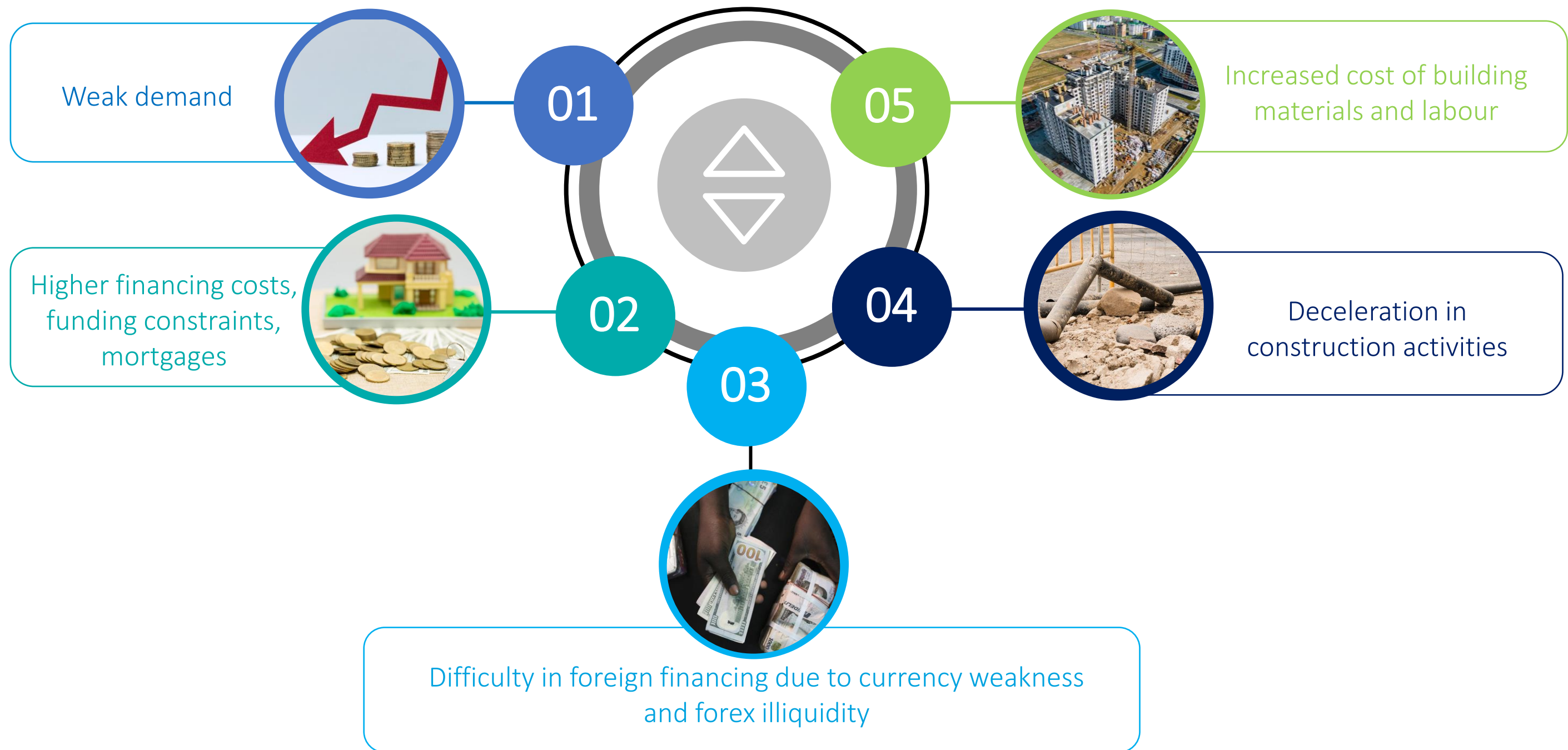


Currency weakness and fx illiquidity

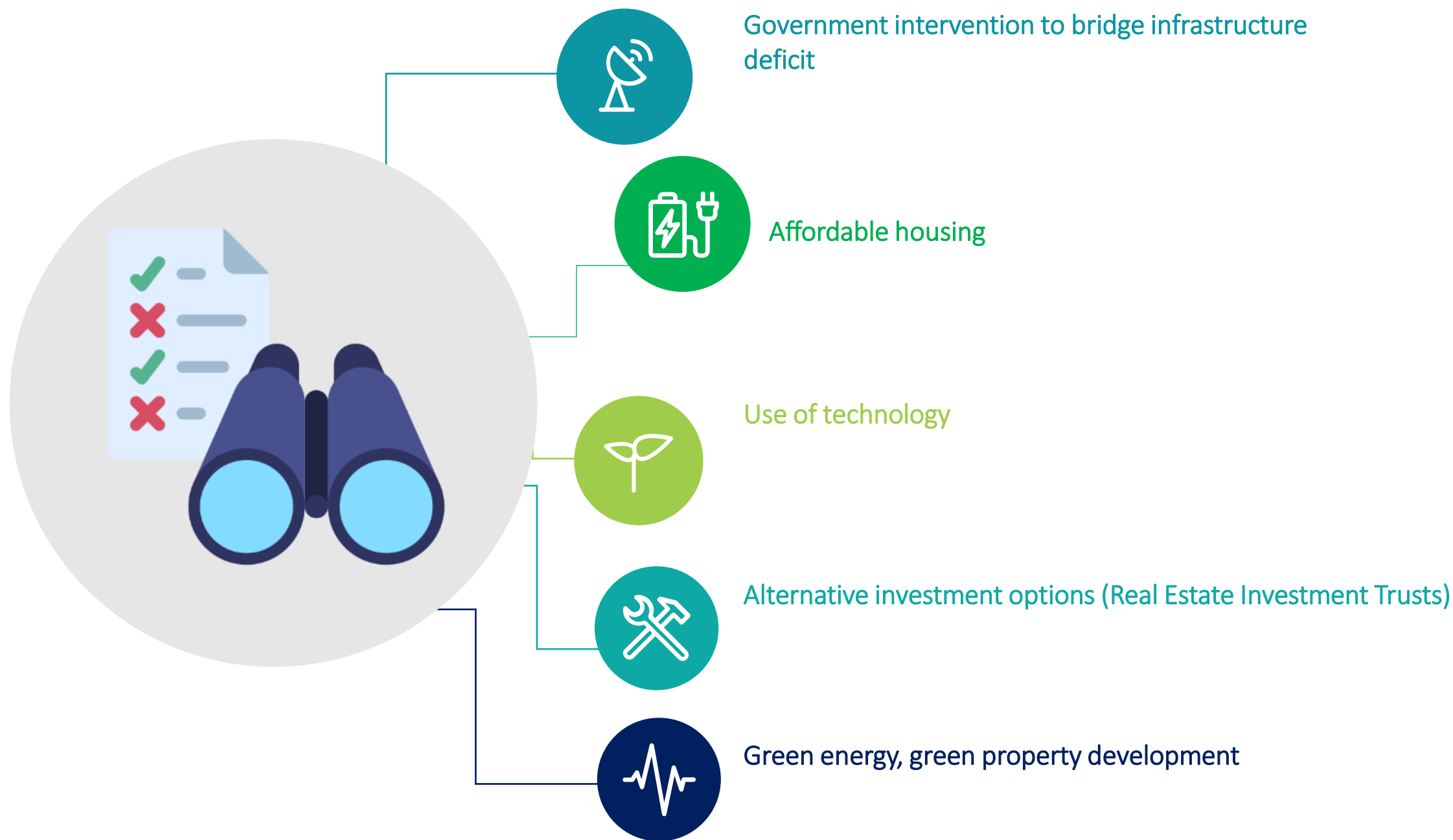


Climate change

Implications for the Real Estate sector



Where are the opportunities for Real Estate?



Will 2024 be any different? (1/2)

Currency pressures to persist until supply dynamics improve

- Oil proceeds remain the major source of forex in the short run and will remain crucial to the prospects of the wider economy

Inflation will remain elevated above 20% with moderation expected towards H2'24

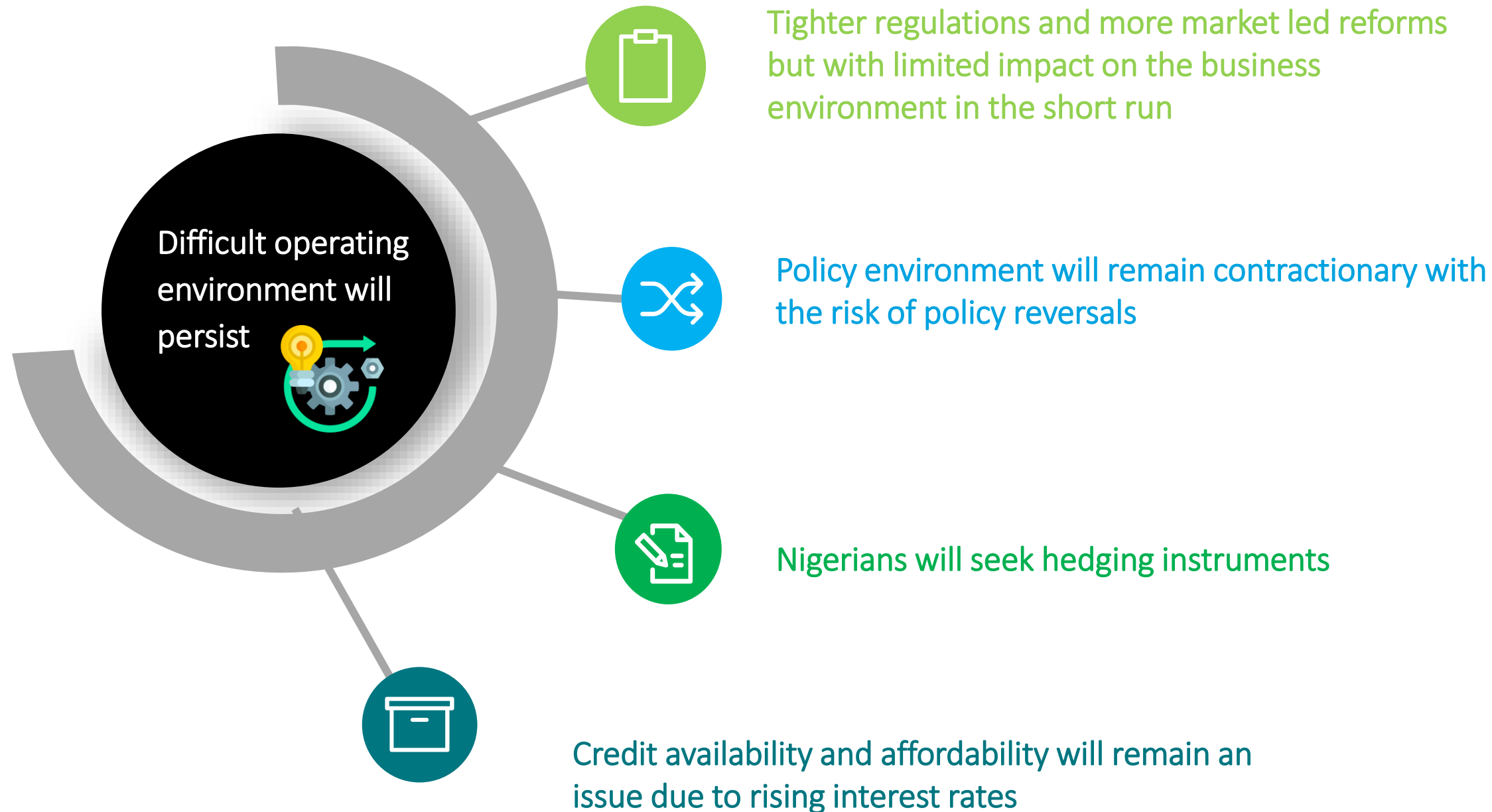
- Base effects
- Monetary tightening effect
- Consumer resistance

GDP growth will remain sluggish (2.4%- 2.5%)

- Impact of monetary tightening
- Low consumer spending and high inflation
- Forex scarcity
- Burgeoning debt



Will 2024 be any different? (2/2)





Thank You



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