

# Presentation on Nigeria Real Estate

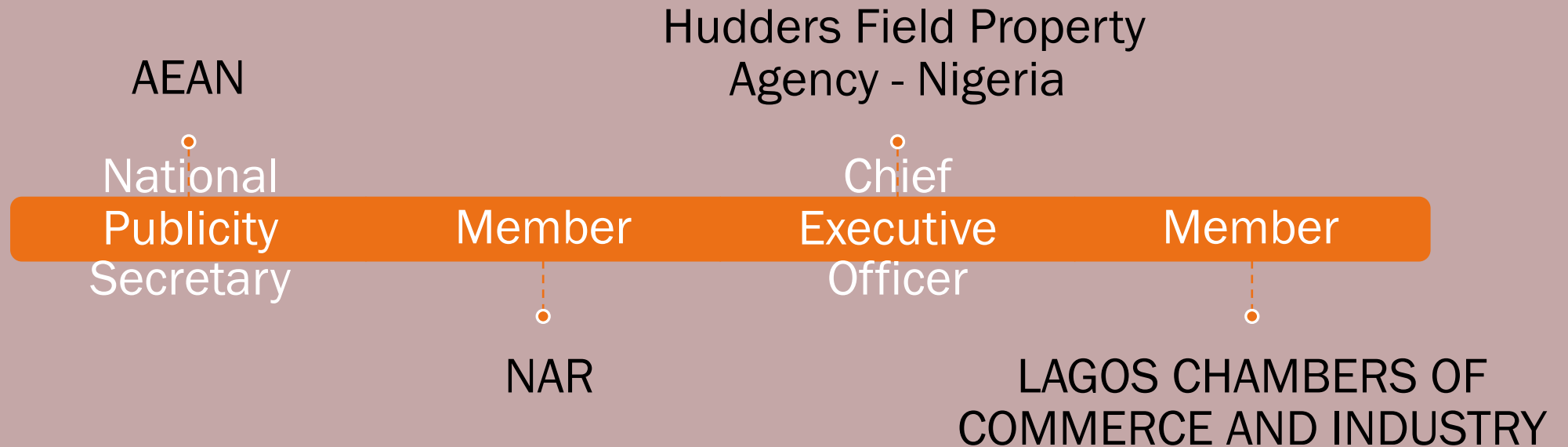
---

ADENIYI TINUBU CIPS CSC



# ABOUT ME AND MY NETWORK

---



# Nigeria

---

Nigeria is a country in the continent of Africa,

Quick facts about Africa

- ❖ Land Area: 30,370,000 sqkm
- ❖ Population : 1,413,720,184
- ❖ Countries : 54

Quick facts on Nigeria

- ❖ Land Area : 923,770 sqkm
- ❖ Population: 217,751,684   Lagos is the most populous city in Africa
- ❖ State: 36 and a Federal Capital Territory



# Focus on Nigeria Real estate and Fiscal legislation

---

- THE PURCHASE OF THE PROPERTY
- THE OCCUPATION OF A PROPERTY
- THE SALE OF A PROPERTY
- LAWS AND PROJECTED LAWS



# PURCHASE OF THE PROPERTY

---

## LEGAL ASPECT

- All sales must be registered in a public registry
- We do not sign promissory notes and we do not need to sign the contract before a notary.
- Foreigners can buy property without authorisation but subject to the state Governors consent
- A foreigner can also buy even if not resident within the country.



# Fiscal and Financial: Taxes

---

- The buyer does not pay any taxes but will have to pay the following :

- Consent fee 1.5%
- Stamp Duty 0.5%
- Registration 0.5%
- Survey fee : This is based on land size.

The rates may vary according to state legislation.



# FEEES

---

- No Notary fees
- Agency fee will range from 2.5% to 10% depending on value. So any any amount over \$50k will start at 5% whilst below this figure will be 10%
- Agents get paid when value or consideration is received and contracts have been signed.

# Occupation of the Property

---

## Legal aspect

Leases are mostly 1 year but we have had leases in multiple years 2 or 3 years. The current economic state has forced leases to **1 year** and in some rare cases 6 months.

Leases are not **regulated** and you may decide your own preference

Recovery and repossession is through the courts and via legal process

## Fiscal aspect

The owner is liable to pay a Land Use Charge **which** varies depending on your neighbourhood

The owner also pays taxes on any rental income and WHT is taxed at 10% for corporate.

The tenant does not pay any taxes on the lease but will be compelled to pay association/neighbourhood levy or dues



# FEE ON LEASING

---

Agency fee on letting is between 7.5% to 10%

The same rate will apply for management of the property.

# SALE OF A PROPERTY

---

## LEGAL ASPECT

The tenant has a first right of refusal if the property is put up for sale in occupancy.

## FISCAL ASPECT

CGT applies for all sales at 10%

Owner occupied property is exempted from CGT.

No time consideration for holding of property .

Roll over consideration is however considered.

# Fiscal contd

---

Recent case law confirmed that all form Real estate transaction is exempt from VAT.

Apart from CGT consideration no other tax is applicable. So for all sale , you must show evidence of

- ❖ Income tax

- ❖ Land use charge payment

# FEEES

---

The seller is usually the party that pays the transaction fee.

The fee is as previously covered from 2.5% to 10%

Agents are not to represent 2 parties that is an agent shall not represent both buyer and seller without their mutual consent.

The Lagos state law however says where there are 2 agents representing the seller the maximum fee is 15%

# Repatriation of Funds as a Foreigner

---

You may as a foreigner return your capital without restrictions BUT!  
Currently today with the our forex reserve challenge only limited amounts may be transferred.

# Further information sources

---

- GOOGLE IS YOUR FRIEND
- NIGERIA BUREAU OF STATISTICS WEBSITE [www.nigerianstat.gov.ng](http://www.nigerianstat.gov.ng)
- Lagos state real estate regulatory website [www.lasrera.lagosstate.gov.ng](http://www.lasrera.lagosstate.gov.ng)
- Federal Inland revenue service WEBSITE [www.firs.gov.ng](http://www.firs.gov.ng)
- ESVARBON WEBSITE [www.esvarbon.gov.ng](http://www.esvarbon.gov.ng)
- AEAN WEBSITE [www.aean.org.ng](http://www.aean.org.ng)



