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THE IMPACT OF OPERATING ENVIRONMENT FACTORS ON REITS' DEVELOPMENT AND PERFORMANCE IN NIGERIA

[1]Olusegun Olaopin Olanrele, [2]Rosli Said, [3]Md Nasir Daud and [4] Rohayu Ab Majid

[123]Department of Estate Management, Faculty of Built Environment, University of Malaya, 50603, Kuala Lumpur Malaysia.
[4]Department of Estate Management, Faculty of Architecture, Planning & Surveying, University of Technology MARA, Shah Alam, Selangor, Malaysia.

Corresponding author: olanrele@siswa.um.edu.my

ABSTRACT

In spite of the decades' long global acceptance and adoption of the real estate investment trusts (REITs) as a rewarding investment vehicle with dual advantage of liquidity and market stabilisation for real estate, the pace of REIT adoption and development in the Africa continent is low. Perhaps, the growth and performance of African REITs in term of number of firms, capitalisation and return have made Africa REIT not to feature in Global REIT reports. This paper assess the performance of Nigeria REIT (N-REIT) and the influence of the operating environment on N-REIT The study adopted risk adjusted return analysis based on index computation of REITs weekly trading report for the period July 2010 to May 2014 with Nigerian Stock Market All Share Index (ASI) as benchmark. A questionnaire survey was employed for the effect of operating environment on N-REIT performance. The study found that N-REIT underperforms the ASI. The Informal factors of political risk, infrastructure and security risk are contributing factors to low performance and by extension less developed REIT market in Africa. The study recommends transparency in political leadership and African market, infrastructure development and social security for the growth of the REIT regime in the continent.

Keywords : Factors, Nigeria, Operating Environment, Real Estate, REIT Performance

1. INTRODUCTION

Real Estate Investment Trusts (REITs) are companies similar to mutual funds that hold portfolios of real estate and real estate related financial instruments for the benefit of their shareholders (Oreagba, 2010). REIT is a product of securitisation wherein the originator develops a special purpose vehicle (SPV). REITs as a recent alternative investment medium for real estate have gained more recognition and acceptance in the developed (Western) world for some decades. However, in the emerging economies of Africa and Asia, the adoption of REITs in the modern form is more recent. Following the global acceptance and adoption of REIT as an alternative investment medium in real estate (Dittman, 2010; Sullivan, 2003), there have been records of the success of REIT's operation in the western countries of U.K, USA, Canada Australia, and Germany. Some Asian countries like Japan, Singapore, Hong Kong and Malaysia cannot be left behind in the success story of REITs (Ong, The, & Chong, 2011; Oreagba, 2010). South Africa on the Africa continent is also recording a success story (EPRA, 2012, 2014, 2015). Since the existence of REIT in America in 1960, more countries around the world have established REIT regimes at different times. The spread of the REIT approach to real estate investment around the world has also increased awareness and acceptance of investing in global real estate securities. According to NAREIT (2011) and EPRA (2012), as at mid 2012, the global index of REIT included 414 public (commercial) real estate companies from about 37 countries with market capitalization of about US$1trillion with approximately 68% of the capitalization coming from REITs. By the end of September 2015, the number of REIT companies across 37 countries has grown to 1050 with US$2.18trillion (EPRA, 2015).

In Africa, REIT came into existence in Ghana since 1994. The Home Finance Company, now HFC Bank, established the first REIT in Ghana in August 1994. HFC Bank has been at the forefront of mortgage financing in Ghana since 1993. It has used various collective investment scheme as well as corporate bonds to finance its mortgage lending activities. Collective investment scheme of which the REIT is a part, is currently regulated by the Securities and Exchange Commission of Ghana. The Ghana REIT sector is still yet to be developed. In 2007, the Securities and Exchange Commission (SEC) of Nigeria issued the first set of guidelines for the registration and issuance of requirements for the operations of REIT in Nigeria following the enactment of Investment and Securities Act (ISA) of 2007. The first REIT in Nigeria is the SKYE Shelter REIT launched by SKYE Bank Plc in 2007 with NGN2billion. Following this was the launching in 2008 of Union Homes Hybrid REIT by Union Homes (a subsidiary of Union Bank of Nigeria Plc) with a market capitalization of NGN50billion (Oreagba, 2010). Union Homes has been engaging in real estate acquisition, development, financing, leasing and management prior to the launching of its Hybrid REIT. Unfortunately the IPO was under subscribed due to the global economic and financial crisis of 2007/2008. Today, there are three REITs in Nigeria REIT (N-REIT). The latest entrant into Nigeria REIT is the UPDC REIT launched by UAC Property Development Company (UPDC), a major player in the Nigerian real estate sector with NGN30billion entry (Businessday, 2013). The South African National Treasury considered the introduction of the internationally adopted REIT structure in 2013 with a legislation that came into effect on 1st April, 2013 which have transformed the listed fund (PUT) to modern REIT and grow the property market resulting in about 33 REIT companies in South Africa as at the end of 2015 (EPRA, 2015). While most studies have been done on REIT performance in both developed and developing countries, little has evolved in the African continent with South African been the focal point at all times. Although there have been various studies on real estate securities and portfolio management in Nigeria (Amidu, Aluko, Nuhu, & Saibu, 2008; Bello, 2003; Olaleye, 2000), no study has focused on the performance of REIT in Nigeria until 2015, eight years of REIT existence. Nigeria REIT also found no place in the EPRA Global REIT report over the years even till the present moment. Remarkably, none of the previous studies has evaluated the impact of operational environment variables on REIT performance. This is a gap this study intends to fill.

2. LITERATURE REVIEW

REIT performance can be literally explained in terms of its operational success which is revealed in its profitability to the investors. Returns from REITs are primarily derived from dividend yield and share price appreciation of the units. REIT markets have proved extremely successful in U.S. and Australia, as well as REIT markets in Asia and in Europe (Hoesli & Lizieri, 2007). Most REITs invest in income generating real estate assets, most especially commercial properties – office and retail properties. The recent trends however show that equity REITs fund are invested in healthcare and hospitality facilities as well as high rise income yielding residential properties, industrial and agricultural properties (Ling, Naranjo, & Ryagaert, 2000; Mei & Liu, 1994; Newell & Peng, 2012; Newell, Ting, & Archeampong, 2002; Okunev & Wilson, 2008; Ong et al., 2011; Ooi & Liow, 2004).

In general, the performance of REITs is mainly determined by the types of investments, the companies make, which is basically divided into Equity REIT, Mortgage REIT and hybrid REIT (Grupe & DiRocco, 1999). Dividend distribution to investors is thus a measure of performance of REIT as it is for any other investment in the stock/capital market and could be measured in percentages (%) or money units. There are various factors affecting the performance of a REIT. (Baum, 2008; Baum & Murray, 2010) classified them as formal and informal factors. Formal factors are regarded as economic and market factors (including investment attributes such as NAV, FFO, Size, Leverage, Share Price and Asset value and diversification) while informal/external factors are regarded as socio-political factors or operating environment factors (Political risk, infrastructure, investors behaviour, social security). The operating environment (external) factors affect the local economy and local real estate market conditions with great effect on the REIT sector.

The mixed findings of researchers about the effect and contributions of internal factors to REIT performance suggest that other factors outside investment variable could have an effect on REIT return. Daud, Mohd Ali, Sipan, and Wilson (2012) studied the impact of location attributes on REIT return. Their finding revealed a strong correlation between location attributes and REIT return. The argument is supported by the fact that REIT return is strongly determined by income from properties (Alias & Soi Tho, 2011; Gore & Stott, 1998; Hwa & Abdul Rahman, 2007). Any factor that affects property income will in turn affect REIT return. Although there are few literatures available on the operating environment factors' influence directly on REIT return but these factors has a great impact on the income from the underlying asset of REITs which in turn affect the dividend return of REITs. However, these factors are discussed in brief in turn in the following sections.

2.1 POLITICAL FACTOR

A politically stable economy will always create a good and attractive investment market. In a study of 180 emerging markets. Baum (2008) reiterated that political risk may explain the shortage of investment funds in emerging economies. REIT however posit good medium for FDI into emerging economies for easy fund investment in real estate. The political risk is related to policy and transparency to which many African countries are not favourable. The position of Nigeria in the global economic terrain is another possible result of political factor of concern. **Doing Business report** ranked Nigeria 170 out of 189 countries, **Economic Freedom** placed the country at 129 out of 175 nations and **Transparency International**, a corruption watchdog in her 2013 ***Corruption Perception Index*** ranked Nigeria 144 out of 177 countries (David, 2014). The Jones Lang Lasalle (JLL) Global Real Estate Transparency Report, 2014 ranked Nigeria among the top 10 improvers markets (and among the top 5 improvers from Sub-Sahara Africa) but still rated Nigeria '***Opaque'*** in the transparency scale (fig 1 and 2). The various economic ranking reflects the transparency and policy adequacy of Nigeria which is a product of the leadership of the country.

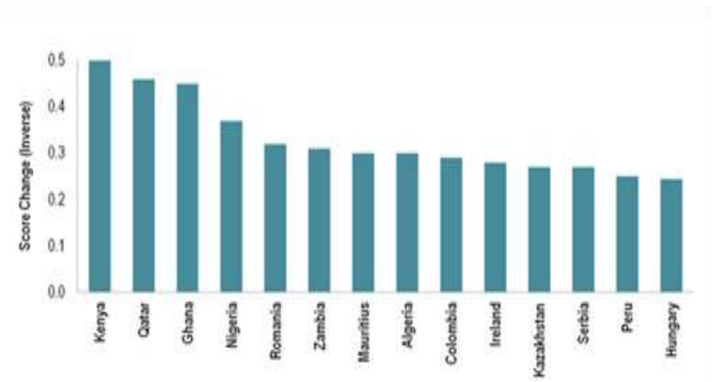

Figure 1: Top Transparency Improvers, *(JLL Global Real Estate Transparency Report 2014)*

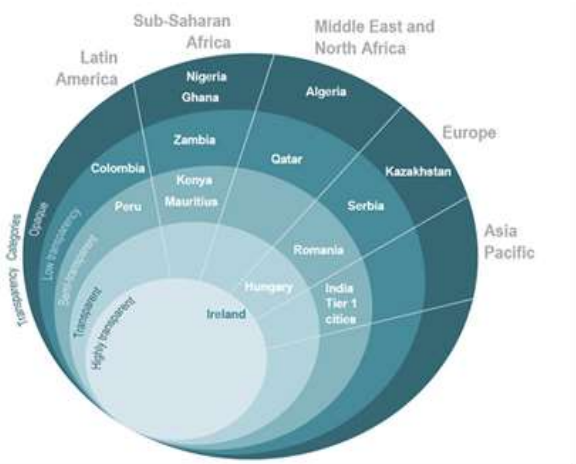

Figure 2: Top improver markets on Regional Basis *(JLL Global Real Estate Transparency Report 2014)*

2.2 INVESTORS' SENTIMENT

Investors' sentiment has to do with the behaviour of the stock market players most especially shareholders and it has been identified as a factor in REIT performance (return). Investors are of two kinds, individual and institutional. While individual investors may not have notable effect on REIT return, institutional investors have significant effect on REIT stock prices and performance (Chan et.al, 2003). Ting (1999) identified poor perception of REITs by institutional investors as another factor that has affected the growth of Malaysia REIT. Downs (1998) studied the effect of 5/50 REIT industry regulation and stated that the rule constitutes a limiting factor for institutional investors in holding REIT stock. The effect of institutional investors on REIT return became prominent by the relaxing of the 5/50 rule through the Revenue Reconciliation Act of 1993 which facilitates the increase in participation of institutional investors in REITs (Lee and Lee, 2003). Because of their knowledge of the market and investment performance analysts, REITs that have a reputable institutional investor on its shareholders book, enjoys credibility and confidence of other investors including individual investors whose investment decision are dependent on their perception and assessment of the investment share price. Chan et.al (2003) posits that price setting of stocks is greatly influenced by institutional investors.

2.3 PUBLIC INFRASTRUCTURE

Poor infrastructure in terms of the transportation network and electricity is a challenge in many African countries. In Nigeria, the mass transit rail system is struggling to come back while there is no good road network. The power system almost gone comatose, generating less than 4000MW for the estimated 170 million people. This challenge increases the cost of operation and service delivery in the real estate sector with the need to provide an alternative power source through power generators with huge running cost. In response to the multiplier effect of the benefit of infrastructure investment in the economy especially in job creation and real estate sector development, there have been calls for a new way of financing system for the development of infrastructure (Adair et al., 2014). Although Nigeria has adopted PPP and concession in the provision of infrastructures such as in the aviation and power sectors, no significant impact has been seen on the Nigerian economy and the road sector has not recorded any success.

2.4 SOCIAL SECURITY

The recent trend of insecurity as a result of the terrorist insurgency is another worry for risk averse investors. September 11 bombing of World Trade Centre in America in 2001 resulted in a recess in the Dubai fast growing real estate sector before it regained its track in 2004 and after the 2007 global economic crisis. The Boko Haram threat to national security in Nigeria is a great challenge to a profitable real estate investment in many viable cities. The recent herdsmen and farmers clashes in the middle belt region of Nigeria has made real estate investment unattractive in the region. On the global scene, the incessant threat to lives and properties as a result of terrorism and various attacks is a threat to global diversification in real estate sector.

3. METHODOLOGY

This research adopted quantitative technique for N-REIT performance evaluation. This involves the analysis of financial data relating to the REIT transaction and performance in the Nigerian Stock Exchange. Newell and Osmadi (2009) in a similar study computed the REIT index for M-REITs and assessed the risk adjusted return of M-REIT. Newell and Peng (2012) did a similar assessment. Newell, Pham, and Ooi (2015) also used the risk adjusted return on their study of S-REIT performance in a mixed asset portfolio while Pham (2011) adopted same method in his study of Asian REIT performance in a mixed asset portfolio. This study adopted the same methodology to assess N-REIT performance. In the situation of a non-existent index series for Nigeria REIT, the authors computed a market weighted REIT index of weekly returns for the period July 2010 to June, 2014 (205 weeks observation). Treasury bill yield of the Central Bank of Nigeria for 91 days tenure is adopted as the risk free rate which is 10.2%. The data were collected from the websites of the Nigerian Stock Exchange and the Central Bank of Nigeria. The computation formula is stated below:

$$\text{Index} = \sum_{i=1}^{n} (PcQc)/(PbQb) \times 100 \qquad (1)$$

Where :

Pc = Current market price of an ordinary share as at the base.

Qc = Current number of listed ordinary shares.

Pb = Market price of an ordinary share as at the base date.

Qb = Number of listed shares as at the base date.

i = 1, 2, ……. n

n = Number of REITs to be included in the index.

For the effect of the operating environment factors on N-REIT performance, the study adopted a questionnaire survey approach and used descriptive statistics and correlation matrix to analyse the responses. The questionnaire was divided into four (4) sections A, B, C and D. Section A asked about the respondents' demographic profile to assess their relevance and knowledge of the study objectives. Section B dwelt on the respondents' awareness of REIT, REIT market and assessment of REIT performance. Section C and D focussed on respondents perceived level of agreements to factors affecting REIT performance and growth both internal and external factors respectively. The questions were given options ranked on a Likert scale of 1 to 5 (strongly disagree to strongly agree) with provision for other options that might have been left out by the researcher. Responses were recoded and transformed as may be necessary for analysis in the SPSS package. Each of the main external factors has different number of sub-factors (items) to measure their respective influence on the REIT performance. A correlation matrix was used to identify the significance of the influence of these sub-factors. 120 questionnaires were administered to the sampled stakeholders who are the estate valuers, stockbrokers and shareholders purposively. The population for the study is the entire number of stakeholders in Nigeria, with a sample frame of those operating in Lagos (Nigeria economic/business capital). The sample was based on a statistical number of twenty times the number of independent variables (4 IVs in this study) for a relationship studies (Chua, 2009). 83 were filled and returned and 6 were discarded for incompleteness leaving 77 (64.2%) for analysis.

4. RESULTS

In respect of the secondary data, the assumption of normal distribution was tested for, using skewness statistics. Both NSE market return and REIT returns are normally distributed with values greater than -1.96 and less than +1.96, the normal distribution range. The Skewness values are -0.264 and 0.434 for the NSE and N-REIT respectively. (Table 1)

Table 1: Statistics for normal distribution test

		ASI	N-REIT
N	Valid	204	204
	Missing	1	1
Mean		.2678	.0019
Std. Deviation		2.10329	.60590
Variance		4.424	.367
Skewness		-.264	.434
Std. Error of Skewness		.170	.170
Minimum		-7.65	-4.16
Maximum		5.91	4.34

The instrument of survey was tested for reliability and validity. The Cronbach's Alpha for internal consistency of the survey instrument in respect of the sub-factors of main external factors is 0.7. This value falls within the reliability value of 0.65 – 0.95 at $P < 0.05$ (Table 2). The instrument is adjudged reliable for the study.

Table 2: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.700	.670	15

The KMO and Bartlett's test also confirms sample adequacy with KMO value of 0.667 while the Bartlett's show significance at $P < 0.05$ (Table 3)

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.667
Bartlett's Test of Sphericity	Approx. Chi-Square	71.590
	Df	6
	Sig.	.000

Discriminant validity test using non parametric correlation among the factors confirmed the validity of the instrument. The intercorrelations among the factors are less than 0.85. There is no multi-collinearity problem with the data (Table 4).

Table 4: Correlations for Validity test of the Survey Instrument.

			Political Leadership	Investors Perception	Social Amenities	Social Security
Spearman's rho	Political Leadership	Correlation Coefficient	1.000			
		Sig. (2-tailed)	.			
		N	77			
	Investors Perception	Correlation Coefficient	-.167	1.000		
		Sig. (2-tailed)	.146	.		
		N	77	77		
	Social Amenities	Correlation Coefficient	.511**	-.061	1.000	
		Sig. (2-tailed)	.000	.599	.	
		N	77	77	77	
	Social Security	Correlation Coefficient	.549**	.000	.607**	1.000
		Sig. (2-tailed)	.000	1.000	.000	.
		N	77	77	77	77

**. Correlation is significant at the 0.01 level (2-tailed).

The study finds that there is little or no trading on N-REIT shares with a nearly constant index over the study period as presented in figure 3 below. The REIT sector constitutes 0.25% of the stock market in 2010 and experienced a decline over the period to 0.11% by April 2014 (figure 4).

Figure 3: Stock Market Index and N-REIT Index (July 2010 – May, 2014)

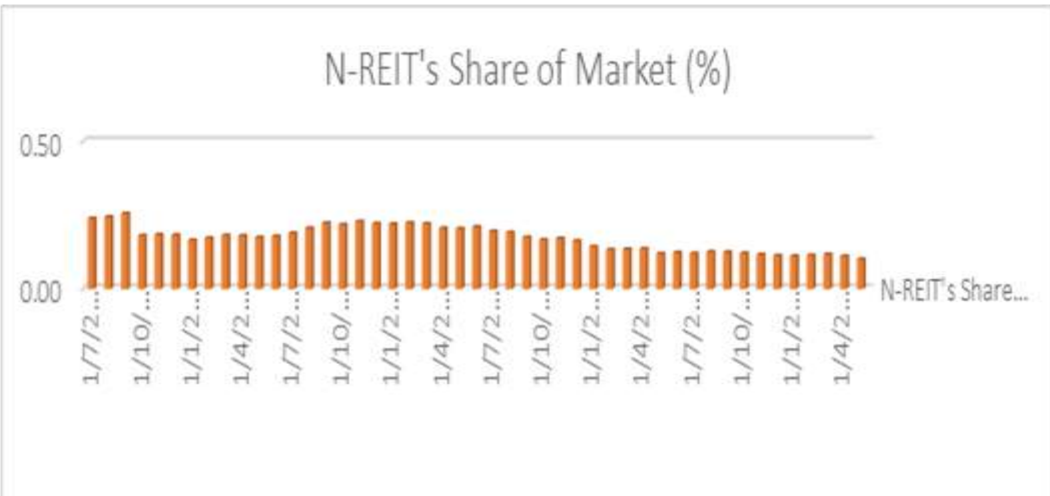

Figure 4: N-REIT Share of the Nigerian Stock Market (%)

The average return for the Stock Market and REIT is 0.27% and 0.002% respectively (Table 1). The annual risk is 2.1% for the Stock Market and 0.61% for REIT. The adjusted risk return (Sharpe Ratio) was calculated, Market outperformed REIT with -4.73% to -16.72%.

Figure 5 is the frequency and percentage distribution of the respondents' agreement to the effect of external factors on REIT performance in Nigeria. 58.5% agreed that political leadership affects REIT performance and 41.6% were undecided. 78% agreed that investors' sentiment also has effect on REIT performance and 22% were undecided. The respondents (100%) agreed that infrastructure and social security have an effect on REIT performance. This suggest that all the elements of external factors studied affect REIT performance with political leadership having least, but significant effect (58%).

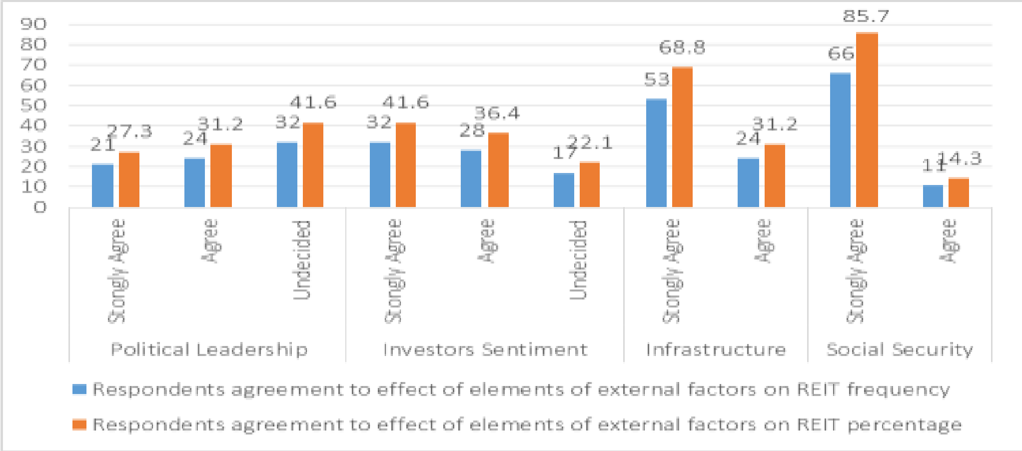

Figure 5: Respondents agreement to effect of external factors on REIT

From figure 6 the mean score (2.26) of the response to the level of agreement of REIT performance indicates that REIT performance in Nigeria is low. Respondents were to indicate their agreement to a statement that REIT performance is high. The histogram shows the distribution of the responses.

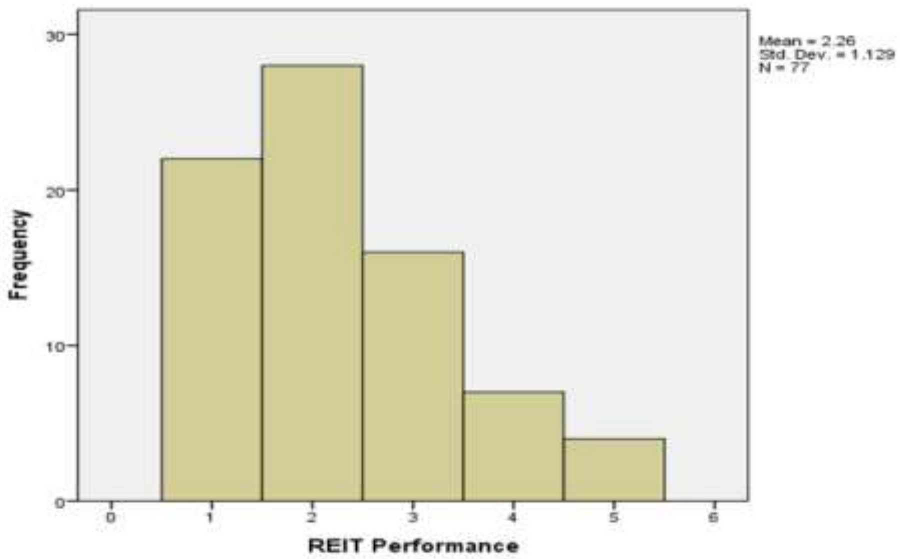

Figure 6: Histogram distribution of REIT Performance in Nigeria

Table 5 shows the correlation between REIT performance and the elements of external factors. Only terrorism has a significant correlation with REIT performance with a correlation coefficient of -0.248 (-24.8%). Political violence, protest, policy and transparency also have negative correlation with REIT but not significant. This suggests that the leadership policy in terms of fiscal, regulation and framework is not favourable to REIT growth in Nigeria. As reported by different economic transparency report (JLL, 2014; TI, 2013), Nigerian economy is not transparent, this is exerting a negative effect on REIT performance, growth and development in Nigeria. Acceptability and willingness of investors towards REIT as an investment option show positive but insignificant correlation to REIT performance. All the items under infrastructure have low insignificant positive correlation. The positive correlation can be attributed to the recent effort of the government to improve infrastructure through privatisation as seen in the power sector following the success been recorded in the telecommunication sector.

Table 5: Spearman rho Correlations between REIT performance and Sub-factors

Main External Factors	Sub-factors		REIT Performance
Political Leadership	Leadership	Correlation Coefficient	.140
		Sig. (2-tailed)	.223
	Policy	Correlation Coefficient	-.070
		Sig. (2-tailed)	.543
	Fiscal	Correlation Coefficient	.022
		Sig. (2-tailed)	.851
	Transparency	Correlation Coefficient	-.018
		Sig. (2-tailed)	.878
Investors' Sentiment	Acceptability	Correlation Coefficient	.070
		Sig. (2-tailed)	.543
	Willingness	Correlation Coefficient	.090
		Sig. (2-tailed)	.436
Infrastructure	Electricity	Correlation Coefficient	.161
		Sig. (2-tailed)	.161
	Transport	Correlation Coefficient	.099
		Sig. (2-tailed)	.392
	ICT	Correlation Coefficient	.070
		Sig. (2-tailed)	.543
	Accessibility	Correlation Coefficient	.151
		Sig. (2-tailed)	.190
Security	Neighbourhood	Correlation Coefficient	.084
		Sig. (2-tailed)	.466
	Protest	Correlation Coefficient	-.057
		Sig. (2-tailed)	.621
	Communal Clash	Correlation Coefficient	.083
		Sig. (2-tailed)	.474
	Political/Election violence	Correlation Coefficient	-.075
		Sig. (2-tailed)	.519
	Terrorism	Correlation Coefficient	-.248
		Sig. (2-tailed)	.030

5. DISCUSSION OF FINDINGS

This paper appraises the performance of N-REIT in the face of index computation and risk adjusted return using the Nigerian stock exchange's All Share Index as a benchmark. Christopherson et al. (2009) stated that investment performance measurement through index comparison has been found acceptable in the investment market and portfolio management. This study found that N-REIT has low average return (0.002%) than the market index (0.27%) but a lower risk of 0.61% compared to 2.1% of the market. The N-REIT underperforms the Market having a risk adjusted return of -16.72% to the markets risk adjusted return of -4.73%. This finding is in contrast with the findings of previous studies of REIT performance in other emerging markets where REIT outperforms the market (Lean and Smyth, 2011, Lee and Ting, 2009, Newell and Osmadi, 2009, Newell and Peng, 2012, Newell et al., 2002, Ooi and Liow, 2004, Ting, 1999).

The market index indicated growth from September, 2012 and consistently. N-REIT index gave a constant low value throughout the 205 weeks. This suggests that N-REIT has not experienced price appreciation beyond the IPOs and therefore no growth but a gradual fall in capitalisation. This finding presents a total lack of trading of N-REIT stock. However, this may not mean total illiquidity of Nigeria market but an expression of investors' sentiment towards the REIT industry in Nigeria. The market share of the N-REIT is 0.25% to 0.11% during the period in a diminishing pattern. The finding of a low performance REIT sector in Nigeria agreed to positive correlation between size and return (Alias and Soi Tho, 2011, Ambrose and Linneman, 2001, Brounen and Sjoerd, 2012) confirming the investment return principle of the higher the risk, the higher the return.

A closer check on the low performance revealed that Nigeria REIT is affected other (operating environment) factors of political leadership, investors' perception, infrastructure and security. Political leadership was found to be positively related to REIT performance. This indicates that a good and high performing political leadership will lead to high REIT performance in agreement with Baum and Murray (2010). Among the sub-factor of Political leadership, leadership vision has the highest correlation with REIT performance and it is positive, a strong positive and significant correlation with infrastructure and security showing direct link between the sub-factors of political leadership and REIT performance. The state of infrastructure is also a factor that relates directly with REIT performance in Nigeria. Electricity and transportation infrastructures shows that poor state of Nigeria infrastructural facilities contributes to low REIT performance through the correlation analysis.

Security especially in the wake of terrorist insurgency in Nigeria was found to have the highest, negative and significant correlation with N-REIT performance in support of Baum and Murray (2010); David (2014) and Khan, (2014). The study did not investigate the institutional investors' participation on REIT but look at the individual investors and found insignificant effect on REIT performance. Unlike the findings of Clayton and Mackinnon (2001) on noise theory of investors' sentiment supported by Ong et al (2011), the institutional investor's behaviour was found to have significant impact on REIT performance (Badrinath et al., 1995; Chan et al., 2003; Hiriyappa, 2008). Unexpectedly and despite the global economic ranking of Nigeria in terms of transparency, the study found no significant relationship between transparency and N-REIT performance corroborating David (2014) that Nigeria market presents a quantum of return on investment irrespective of its global economic image. Generally it was found that a favourable operating environment will enhance REIT performance and growth (fig. 7).

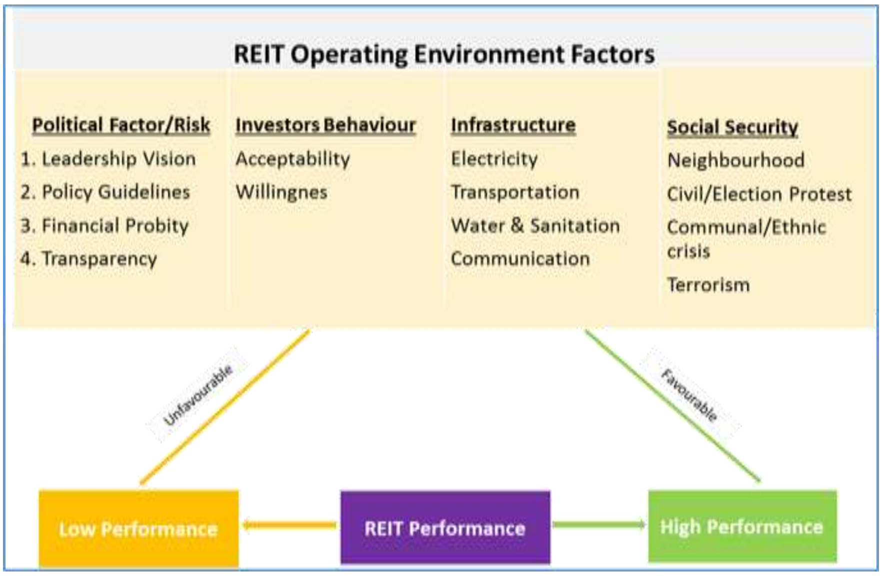

Figure 7: REIT performance and Operating Environment Factors

6. CONCLUSION

While the benchmark ASI outperforms the N-REIT, the fall in capitalisation over the period of study is a reflection of a non performing stock. N-REIT is also a low capitalised stock with no significant contribution to the market index. The unimpressive performance of the N-REIT may not be heralded by the market economic factors alone, but other (external) factors of infrastructure, political risk, investor sentiment, transparency and social insecurity that seems to be having their grip on N-REIT market. There is urgent need to increase infrastructural development, adequate security and more transparency with no political manipulation to grow the REIT sector. The investors confidence in N-REIT has to be assured for their proper participation and attraction to foreign investors. The study that Nigeria REIT grossly underperforms the market in term of risk adjusted return and this could be a disincentive to investors. The operating environment factors of political leadership, infrastructure and security definitely have impacted on REIT performance. 25% negative correlation of security (or insecurity) in the country can lead to total collapse of the real estate investment market. No one in Nigeria is interested in real estate investment in whatever form in the security threatened area of Kaduna, Kano and most especially Jos and Maiduguri which would have

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ordinarily be a hot spot of real estate market activity. Perhaps, the established (and some emerging) REIT markets has overcome the challenges of operating environment relating to political risk in terms of policy and transparency; infrastructure relating to social amenities and social security with established social infrastructure and effective security operatives; the investors' sentiment to equity investment remains with all markets. Therefore evaluating the REIT performance and development will be incomplete without a look into these operating environment factors especially in emerging markets of Africa, South America and Asia which have been under-investigated in the past. However, despite the challenges of insecurity, lack of infrastructure and unfavourable global economic and transparency rankings, Nigeria still portrays a good investment return. The strength of Nigerian population coupled with about 16million housing deficit is a strong factor for good real estate investment return. The study concludes that the operating environment factors of Political risk, non transparency of the economy, infrastructures and social insecurity are the bane of REIT growth in Nigeria. The recent improvement in the transparency rating in some countries and the Nigeria renewed onslaught on corruption will no doubt improve the confidence in real estate investment and foster the growth of the REIT in particular for a vibrant real estate sector.

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