

NIGERIA'S REAL ESTATE, CONSTRUCTION, AND INFRASTRUCTURE ROUND UP FOR 2025.

Introduction

Nigeria's construction, real estate, and infrastructure sectors in 2025 experienced appreciable expansion, driven by considerable public investment and dynamic private sector participation, despite the challenges posed by high inflation and currency devaluation.

The year was characterized by a “deliberate design” of the economy to address a national housing deficit exceeding 28 million units, and also to bridge the critical infrastructure gap in areas like transportation and energy.

In 2025, notable real estate, construction, and infrastructure activities in Nigeria were dominated by significant government-led infrastructure financing deals (especially for the Lagos-Calabar Coastal Highway), the launch of new government housing and investment initiatives (like the MREIF fund), and substantial private real estate appreciation in urban centers.

1. Key Trends and Drivers.

Urbanization and Population Growth:

Major cities like Lagos, Abuja, and Port Harcourt witnessed a massive inflow of people from the interior in search of opportunities. With a population expected to reach 230 million people, and urban migration exceeding 51%, the national housing deficit has worsened significantly

Technological and Sustainability Shifts:

There was a notable trend toward the adoption of property technology (PropTech) and other digital innovations for transparency and efficiency in transactions (e.g., blockchain for land registration). Sustainable and eco-friendly building practices, such as the use of solar energy and innovative materials like bamboo, are also gaining traction to address power issues and environmental concerns.

Investment Hotspot with High Returns:

The sector is an attractive asset class for both local and foreign investors, including a significant influx of diaspora capital. Prime areas in Lagos and Abuja offer strong rental yields (6-10%) and consistent capital appreciation, with property prices in major cities expected to rise by 5-15%.

Surge in Specific Areas:

Some areas of the economy witnessed an increase in activities, with acquisition volumes jumping significantly due to mild foreign exchange stability and improved macro conditions.

Rental Market Boom:

The rise in property cost, which was up by 40% to 100% in some areas, led to a surge in the demand for rental properties, as homeownership became more economically challenging. This created a strong demand for rental properties and a steady return for investors in that segment of the market.

Infrastructure Focus:

Government efforts in infrastructure and housing, like the 3,112-housing-unit Renewed Hope City mass housing project in Karsana, Abuja, and the 700-km Lagos-Calabar coastal road, attracted some investments. The continued operation of strategically important private investments like the 650,000-barrel-per-day Dangote Refinery and Petrochemicals Complex has eased the pressure on the Naira in the foreign exchange market and created opportunities for investments in other segments like infrastructure and real estate

2. Market Dynamics.

Rising Prices:

As demand outstripped supply, coupled with the increase in the cost of construction materials, property prices witnessed an upward trajectory, with prices going up by 40% to 100% percent. This development complicated the efforts to reduce the housing and infrastructure deficits.

Economic Resilience:

Despite high inflation and currency devaluation, the sector showed robustness, becoming a large contributor to the GDP (gross domestic product), per the government's GDP rebasing. The sector grew at an estimated 6-8%, fueled by a rising population and urban migration.

Policy Impact:

The new tax regime, as signified by the Nigeria Tax Act 2025, significantly captured the airwaves in the real estate market by promoting transparency, offering specific tax reliefs (in the form of rent relief, mortgage interest deduction, VAT exemption, and Capital Gain Tax exemption) for residential properties and individuals, and imposing stricter compliance for commercial ventures and investors. The new legislation, effective from the 1st of January, 2026, consolidates previous tax laws into a single framework to simplify compliance and boost revenue.

3. Opportunities

Commercial Real Estate:

High returns (15-25%) in strategically located retail and warehouse spaces near ports, major industrial and commercial zones, and upscale parts of major cities and towns. Eko Atlantic City in Lagos State, Guzape in Abuja, and Independence Layout in Enugu are prime examples of locations where significant investments in commercial real estate and ancillary infrastructure were made in 2025.

Short Let Market:

There was a boom in short-term rentals, driven by high demand from business and leisure travelers, attractive higher rental yields, diaspora investment (including the “Detty December” rave), technology adoption, and expansion beyond Lagos and Abuja to cities like Port Harcourt, Ibadan, and Enugu. The focus is shifting to data-driven management, longer stays, and quality guest experiences, with sustainability entering the conversation.

High-Rise and Integrated Projects:

Ahead of the November 2025 go-live date, brokers, dealers, custodians, clearing houses, and fund managers were directed to undertake system upgrades and procedural adjustments to accommodate the new cycle. This involved recalibrating internal workflows, revalidating technology interfaces with the Central Securities Clearing System (CSCS), and reinforcing reconciliation processes to ensure operational readiness.

4. Notable Real Estate Projects

Government-Backed Projects (Federal Housing Authority):
These projects aim to provide affordable housing to middle-income households nationwide.

Renewed Hope City in Abuja (Karsana): is a 3,112-housing-unit project by the Nigerian government, offering affordable modern apartments and duplexes with amenities like 24/7 power, water, schools, and security for low-to-middle-income earners, featuring flexible payment options like rent-to-own and mortgages, aiming to provide decent, self-contained communities for Nigerians. It is the flagship estate of the Federal Government's Renewed Hope Housing Programme under President Tinubu. Funding for the Renewed Hope City in Abuja and other locations comes from a blend of Federal Government Budgetary Allocations, significant Public-Private Partnerships (PPP), and financial support from the Federal Mortgage Bank of Nigeria (FMBN), leveraging private developers for land/finance, while the government ensures an enabling environment.

Lagos Renewed Hope City, Ibeju-Lekki: This landmark project is expected to deliver a total of 2,000 housing units, with the first phase of over 700 units at 80% completion and ready for inauguration in the latter part of 2025. This development aims to ease pressure on the Lagos mainland and provide housing near major economic hubs like the Lekki Free Trade Zone and the Dangote Refinery. The total private capital attracted through PPP for this and other national projects is estimated at over ₦70 billion.

Renewed Hope Estates (Various States): Groundbreaking for 2,000 units across eight states (Ebonyi, Abia, Akwa Ibom, Delta, Osun, Oyo, Benue, and Nasarawa) was completed in mid-2025, with an assurance of completion within a few months. Another 1,500 units were initiated in northern states (Katsina, Yobe, Gombe, Sokoto, and Kano).

Ongoing FHA Projects: The Federal Housing Authority has ongoing projects such as the Apo Hill and Apo-Guzape projects in Abuja, and estates in Owerri, Abesan (Lagos), Calabar, and Yenagoa.

State-Government-Backed and Private Real Estate Projects:

New Enugu City: This is a flagship, 10,000-hectare smart metropolis project by the Enugu State Government, in partnership with China Communications and Construction Company (CCCC), designed to decongest the existing city. It includes mixed-use zones like Happy Island (residential with medical and sports facilities), Vitality Bay (corporate hub), and Innovation Park (ICT and industrial focus). Critical infrastructure phases are advancing in 2025, with property sales slated to begin soon. Funding for the ambitious New Enugu City project, spearheaded by Governor Peter Mbah, relies on a blend of state resources, private sector investment (PPP), and potentially international partners.

100-Unit Housing Project: A 100-unit housing project at Tabarakallah Modern City, Janguza, Kano, Kano State, initiated under the Cooperative Housing Development Loan (CHDL) program of the Federal Mortgage Bank of Nigeria (FMBN), was scheduled for official commissioning in September 2025.

Peninsula Hills City: A private company, funded by the Federal Mortgage Bank of Nigeria (FMBN), is developing 150 housing units at Peninsula Hills City, Karu Local Government Area, Nasarawa State. Governor Abdullahi Sule is expected to commission these units soon. The Peninsula Hills Estate project is primarily funded through a Public-Private Partnership (PPP) initiative with private developers, primarily the Affinity Continental Royalty Limited (Affinity Group).

The Nasarawa State government contributes the land, while the private partners provide the capital for development. According to the funding structure, Affinity Group will provide the private investment component with an initial N8 billion, with reports mentioning a total investment of up to ₦30 billion. The Nasarawa State government's contribution is in the form of providing the necessary 270 hectares of land and ensuring the enabling environment and logistics, such as constructing access roads. The state government is not directly spending money on the construction itself, as the land serves as its major shareholding equity. The bank financing aspect was provided by the Federal Mortgage Bank of Nigeria (FMBN), which provided home renovation loans to indigenes and funded some of the housing units in the estate.

Graceland Estate: Flagged off in late 2024 by the Minister of Housing, this 10,000-unit development by the COPEN Group is a significant private initiative. It is located on 260 hectares in the Coal City Eastern Extension and is aligned with the federal government's Renewed Hope Cities program, offering affordable two- and three-bedroom bungalows. Funding for Enugu's Graceland Estate comes primarily through private sector partnerships (COPEN Group), supported by the Federal Government's Renewed Hope Housing Programme and state government collaboration (Gov. Mbah), aiming to attract local/international finance and bridge the housing deficit with affordable, modern homes in Enugu.

Infrastructure and Construction

In 2025, Nigeria's construction and infrastructure sector was characterized by a push for fiscal decentralization, rapid rail modernization, and a shift toward climate-resilient urban planning. The industry was projected to maintain a steady growth rate of approximately 3.1% to 3.2% through 2029, supported by a federal budget increased to N54.2 trillion (\$36.1 billion) from which capital projects were funded. The industry contributed 4% to Nigeria's GDP in 2025.

Key Projects, Drivers, and Market Dynamics.

Cost Challenges

Builders faced a 40-60% surge in the price of materials since 2023. By late 2025, cement prices reached N9,500-N10,500 per 50kg bag, and iron rods cost up to N1.25 million per ton.

Strategic Projects:

Infrastructure & Construction Projects:

The primary focus in the infrastructure and construction sectors was on major road projects and financing for national development plans, often through innovative public-private partnerships (PPPs) and international funding.

- **Lagos-Calabar Coastal Highway Financing:** The Nigerian government secured substantial financing for the flagship 700km highway project:
 - July 2025: \$747 million in funding was closed for Phase 1, Section 1.
 - December 2025: An additional \$1.126 billion financing was secured for Phase 1, Section 2, underwritten by the First Abu Dhabi Bank and the African Export-Import Bank (Afreximbank), with risk mitigation from the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC). Hitech Construction Company Limited is the construction executor.
- **World Bank Infrastructure Loans:** The World Bank approved several financing packages, including \$500 million for the Building Resilient Digital Infrastructure for Growth (BRIDGE) Project to expand the national fiber network and another \$250 million for a Health Security Program.
- **Federal Executive Council (FEC) Project Approvals:** The FEC approved numerous road and bridge projects nationwide in 2025, with a total value of trillions of Naira. These include:

- The Abuja-Kaduna-Kano (AKK) Road project, now a full reconstruction, involves a significant investment nearing ₦777 billion for the entire 700km stretch, with recent contracts totaling around ₦761-~~₦777~~ billion to finish the remaining 282km sections (Sections I, II, & III), aiming for completion by mid-2026 under Minister David Umahi's push for accelerated work, including adding solar lights and airport links, with phased tolling planned. The primary contractor for the Abuja-Kaduna-Zaria-Kano (AKK) expressway reconstruction is Infioquest International Ltd. (also known as Infioquest (Nig.) Limited), taking over sections previously handled by Julius Berger due to cost disputes and delays, with the Nigerian government pushing for swift completion under the "Renewed Hope Agenda.
- The Sokoto-Badagry Superhighway is a massive, multi-billion dollar, 1,068 km concrete highway project spanning seven states (Sokoto, Kebbi, Niger, Kwara, Oyo, Ogun, Lagos) aimed at boosting trade, connecting North-South, and creating jobs, with significant recent FEC approvals in 2025 for sections totaling over N2 trillion, using durable concrete paving and awarded primarily to Hitech Construction, with progress on Kebbi and Sokoto sections noted. This massive infrastructure will prove critical in connecting the Northern and Southern regions of Nigeria through the western economic corridor.
- Evaluation works were approved for the third Mainland and Carter Bridges in Lagos (~~₦~~₦3.571 billion).
- The evaluation project was necessitated by a need to ensure that the aged structures remain safe for commuters, and to put the wheels in motion for a possible replacement of the structures if economic exigencies permit. With significant support and budgetary contribution of the Federal Government of Nigeria, Lagos State kicked off its major Green Line rail project, a \$3 billion, 68km metro line from Marina to Lekki Free Trade Zone, connecting with the existing Blue Line at Marina, with construction slated for December 2025 after agreements with China Harbour Engineering Company (CHEC) and MOFI (Ministry of Finance Incorporated), alongside continued development for the Blue Line's second phase.

Funding is secured through a federal allocation and an MoU for design, financing, and operation, aiming to drastically cut travel times and boost capacity in the Lekki corridor.

- The \$650-million ANOH Gas Project in Imo State, Nigeria's biggest investment in gas development, is a 50/50 joint venture between Seplat Energy and the NNPC Gas Infrastructure Company. Commercial operations began in May 2025. The plant is located in the Assa North-Ohaji area of Imo State and processes 300 million standard cubic feet of wet gas daily, producing dry gas, condensate, and LPG. It is a cornerstone of the Nigerian government's "Decade of Gas" strategy and is expected to supply gas to industrial hubs within the region and beyond, including Anambra, Enugu, and Ebonyi states.
- The Second Niger Bridge access road (Phase 2A/2B) is a major Nigerian infrastructure project, a 17.55 km link connecting Delta and Anambra States, designed to ease traffic, boost trade by linking South-South to South-East, and bypass Asaba/Onitsha congestion, with ongoing construction involving significant earthworks and interchanges for better connectivity to major expressways like the Benin-Onitsha expressway. This project is part of the N336-billion Second Niger Bridge development, which began in 2018, with funding primarily from Nigeria's Federal Government via the Presidential Infrastructure Development Fund (PIDF) and public-private partnerships (PPP). Work continued significantly on this project in 2025.
- The Bodo-Bonny Road in Rivers State, Nigeria, is a significant 37.9km, N280-billion federal road project connecting the mainland to Bonny Island, home to NLNG, ending decades of water travel reliance for residents, featuring innovative concrete sections for durability in swampy terrain, and co-financed by NLNG and the Federal Government, with temporary opening for light vehicles in December 2025, targeting full completion by March 2026.

- In 2025, the Federal Government of Nigeria made an additional N166.004 billion allocation for the second phase of the Makurdi–9th Mile dualization project, which is a project for the dualization of a 200-km stretch of road linking the North-Central and the South-East of Nigeria. The \$950-million Makurdi–9th Mile Road dualization project is a joint funding initiative between the Nigerian Federal Government and the Export-Import Bank of China (China Exim Bank), which is providing a Preferential Buyer's Credit loan.
- In 2025, the Federal Executive Council approved N305 billion for the Abuja-Lokoja-Benin Road project, which involves the reconstruction of significant segments, focusing on concrete pavement for durability. The Obajana to Benin section is under the Infrastructure Development Tax Credit Scheme (RITCS) with BUA Group financing parts, aiming for completion by early 2026 or sooner for some sections, despite past delays and cost increases, aiming to link the Northern and Southern regions of Nigeria.
- Work progressed on the N51-billion Abuja Bus Terminal Project, which involves the construction of three terminals with support facilities in Mabushi, Kugbo, and the Central Business District. The contract was awarded to Planet Projects Limited to modernize intracity transport in Abuja with amenities like restaurants and cinemas, with Mabushi and Kugbo commissioned by mid-2025. The project, completed ahead of schedule in 2025, brings modern infrastructure to Abuja's transport system, integrating technology and improved facilities for commuters.
- The magnificent N68.5-billion NUPRC Tower (“The Barrel”) is nearing completion. The project, being handled by Julius Berger Nigeria Plc, upon completion, will serve as the headquarters of the newly created Nigerian Upstream Regulatory Commission (NUPRC) in Abuja. It was funded by the DPR (the predecessor of the NUPRC) internally, not the federal budget, with payment terms split as 65% in foreign exchange (forex) and 35% local component.

- **State-Level and Private Projects:** State governments across the Federation also initiated significant projects. The Gombe State Executive Council, for instance, approved over ₦35 billion for road construction and infrastructure upgrades in January 2026, while the Kwara State SEC approved ₦11.9 billion for the construction of a four-story administrative building for KWSUED in September 2025.
 - Work continued on the Zamfara State International Airport project. The project, which includes the construction of a 3.4-km-long runway, control tower, and ancillary facilities, is estimated to cost N62.8 billion. The contract was awarded to Triacta, with a completion date set in 2026.
 - The multi-billion-naira Umuahia Ultra-Modern Central Bus Terminal witnessed a steady pace of development in 2025. The massive project, conceived as a unified transport hub for Umuahia, integrating all existing motor parks and the railway terminal, was awarded to Planet Project, the builder of the Oshodi BRT terminal. The project includes the development of electric bus services with charging infrastructure (10 stations planned across Aba and Umuahia) and mapping routes. The project will position Umuahia as a key logistics node in the region.
 - Funding was secured for the second phase of the Lagos Blue Line through a combination of the state's budget and financing approvals from the African Export-Import Bank (Afreximbank) and Access Bank, with paperwork being finalized as of April 2024. The total project cost for the entire 27km Lagos Blue Line, an intracity light rail system, is estimated at around \$1.2 billion. With the addition of six new stations, Phase 2 spans 14 kilometers, extending the line from the operational Mile 2 station to the final terminus at Okokomaiko.
 - Work progressed on the previously abandoned International Conference Center, Enugu, a massive complex comprising a 3,000-seater main auditorium, a 1,500-seater secondary auditorium, a 500-seater dome, a 380-room 5-star ICC Hotel, and ancillary facilities.

The multi-billion-naira contract for the ICC Hotel was signed with China Communications Construction Company (CCCC) for the timely delivery of the major infrastructure development aimed at bolstering Enugu's economic diversification and connectivity as of 2025, and positioning Enugu as a regional tourism and business hub.

- The \$120-million Afreximbank African Trade Centre (AATC) in Abuja was completed and commissioned in April 2025 as a landmark trade facilitation hub. It is the first of seven such centers planned across Africa. It is a mixed-use "Trade Ecosystem" consisting of two interconnected nine-storey towers, comprising 6,500 square meters for Afreximbank and other corporate tenants, a 148-key 4-star hotel (Onomo Allure Abuja AATC), an exhibition center, conference facilities, and other ancillary facilities. Designed by SVA International and built by Cappa & D'Alberto Nigeria, the building achieved the LEED Platinum Certification in December 2025, the highest global standard for green building. Features include electric vehicle charging stations, water-saving systems (30% reduction), and vertical green walls. The center serves as a "one-stop shop" to bridge trade information gaps, provide finance, and foster collaboration under the African Continental Free Trade Area (AfCFTA).
- Construction work on "The Ark" project enters its final phases. The Ark is a massive 109,000-seat church auditorium and complex in Ota, Nigeria, developed by the Living Faith Church Worldwide (Winners' Chapel) and built by the contractor LaraLek Construction Company. The total cost is estimated to be over N160 billion (over \$200 million USD). The Ark comprises a main auditorium with the world's longest roof span (318 meters) and largest diagrid structure/dome, 1,200 toilets, a 20,000-capacity children's church, twin 12-story administration towers, and 129 vertical transport systems (elevators, escalators, travelators).

Policy and Regulatory Developments:

The decision was made for decentralized public-private partnership (PPP) approvals. As of June 2025, government ministries began to independently approve PPP projects up to ₦20 billion, and agencies up to ₦10 billion, bypassing previous Federal Executive Council bottlenecks.

New tax laws effective January 1, 2026, simplify administration but include a phased VAT increase to 10% for 2025/2026 and a 4% development levy on assessable profits, potentially increasing construction costs.

There was a move for strict building enforcement. Following high-profile collapses, states like Lagos are strictly enforcing new building codes and physical planning laws as of 2025.

Budgetary Commitment:

The 2025 "Budget of Restoration" allocated ₦4.06 trillion specifically for infrastructure development, the largest in the nation's history.

The government secured ₦1.7 trillion from the African Development Bank (AfDB) to support power projects, aiming to provide electricity to five million people by 2026. Renewable targets for 2025 included 2GW from small hydropower and 500MW from solar PV.

The AfDB also launched a ₦970.1 billion Special Agro-Industrial Processing Zones (SAPZ) program across eight states to boost industrialization.

The Federal Executive Council (FEC) approved over ₦203.6 billion for major road rehabilitation and infrastructure projects in Abuja.

Emerging Construction Trends

Smart & Sustainable Cities:

The Revised National Urban Development Policy (2025–2035) promotes "15-minute cities" and climate-resilient infrastructure featuring renewable energy and flood mitigation.

Technological Integration:

Increased adoption of Building Information Modeling (BIM), drones for site surveys, and AI-powered project management to combat rising costs and labor shortages

Modular & Green Construction:

To address the housing deficit, developers are moving toward prefabrication, modular units, and alternative materials like compressed earth blocks to reduce waste and timelines.

Diaspora Investment Frameworks:

New Diaspora Bonds and non-residential BVN systems allow Nigerians abroad to invest directly in major housing and transport projects

Conclusion

Infrastructure development is a primary catalyst for real estate growth, with major projects like the Lekki Deep Sea Port and the Lagos-Calabar Coastal Highway driving property value appreciation in surrounding areas. The government's National Development Plan 2021-2025 allocated substantial funds to infrastructure, underscoring its importance.

The infrastructure, real estate, and construction sectors in Nigeria in 2025 presented a dynamic landscape of immense opportunity driven by fundamental demographic needs and targeted investments. High inflation and currency fluctuations are significant challenges, leading to rising costs for construction materials, which in turn affect property prices and project timelines. While systemic challenges related to the economy and regulation persist, the push for innovation, public-private partnerships, and sustainable development indicates a sector poised for continued, albeit challenging, expansion.

Attention: The information provided above is a retrospective summary of industry developments based on reported events and public policy updates. It is intended for informational and educational purposes only and does not constitute financial advice, investment recommendations, or economic projections.

EDITORIAL TEAM



Rilwan I. Idris
Managing Partner
Transadivisory Legal



Oluwafemi Maduka
Senior Associate
Transadivisory Legal