

LEAD DEBATE ON THE REAL ESTATE REGULATIONS AND DEVELOPMENT BILL, 2021 (SB. 540).

Sponsor: Sen. Wamakko, Aliyu Magatakarda (Sokoto North).

Mr. President, Permit me to lead the debate on the general principles of the Bill for an Act to Promote and Regulate the Real Estate Sector and other matters connected therewith.

The Bill was read the First Time on Wednesday, 28th April, 2021.

This Bill seeks to provide a regulatory framework, which will regulate and promote the real estate sector and ensure that sale, lease or rent of buildings and other landed properties are done in a transparent manner. This will generally protect the interest of consumers in the real estate sector.

In summary, the major objectives of this Bill are to:

- Provide an enabling law in the real estate sector which hitherto has been largely unregulated;
- Protect the interest and investments of investors and participants in the sector;
- Ensure that transactions are done in transparent manner, which will in turn boost confidence in the sector; and
- Engender speedy development in the sector, as investors would no longer entertain fears arising from lack of enabling legislation to cater for the sector and the multiplier effect thereof.

While the real estate sector has grown significantly in recent years, it has been largely unregulated with absence of professionalism, thereby leaving consumers at the mercy of fraudsters. For instance, our courts and police stations in major cities in Nigeria and the Federal Capital Territory have been inundated with cases of fraudulent sales of land and landed properties by fraudsters. These unscrupulous land agents and promoters defraud unsuspecting persons irrespective of social status.

The sector has also been infiltrated by fake and unregistered estate promoters who approach government employees and privileged individuals to buy into real estate projects, which usually end up as charade. Regrettably, majority of the victims are vulnerable Nigerians, who play into the hands of these fraudsters,

while attempting to sup the accommodation challenges prevalent in our major cities

Mr. President my respected Colleagues recall the crisis between the Nigerian Labour Congress and subscribers to the proposed Nine Hundred and Sixty Billion Housing Scheme. The proposal, which was originally created to solve the housing challenges of Nigerian workers across the country was characterized by scam, when about three years after the idea was conceptualized, the project neither took off nor was their contributions refunded, contrary to the agreement between the parties.

The proposed Bill would therefore, guarantee legitimate transactions in lands and landed properties and completely discourage the involvement of charlatans in the real estate dealings. To that end, the Act mandates appropriate government (Federal, State and Local Government) to establish the Real Estate Regulatory Authority in existing land registry to enforce the proposed Act, with a view to protect the interest of customers in real estate sector and provide mechanism for ensuring compliance.

Interestingly, this Bill is abreast of the present economic crisis in the country, thus, there is no further financial implication attached to the passage of this Bill, as the Real Estate Regulatory Authority established under the proposed Act would thrive on the already existing structures. On the other hand, the Bill sets up revenue generation mechanism for the appropriate government. Such revenue will be generated from registration of promoters, agents and penalties from default. Both promoters and agents are expected to pay certain sum as registration or accreditation fee and fines for non-compliance with any provision of the proposed Bill.

To ensure accountability in the use of money generated by the Authority, the Bill provides for periodic oversight by the National Assembly, States House of Assembly and the Local Government Authority as the case may be.

In addition to strengthen the independence of our Federating State, the Bill provides that where a state has enacted a law for regulation of the real estate sector and such law is not inconsistent with the proposed Act, then the State Government, to that extent, may not apply the proposed Act in the State.

The real estate sectors in such countries as Canada, Australia, India, New Zealand and South Africa, have been successfully promoted and regulated due to the presence of similar enabling legislation.

Accordingly, it is imperative to enact this enabling legislation in the interest of effective consumer protection so as to ensure uniformity and standardization of business practices and transaction in the real estate sector.

I therefore urge you my distinguished colleagues to support the passage of this Bill.

Thank you.