

A Critique of the Capital Market Content in Nigerian Real Estate Education

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ABSTRACT

The Nigerian Stock Exchange (NSE) is taking on an increasing relevance for the Nigerian estate surveyor and valuer as it grows in capitalization and sophistication. This can be seen in the NSE's second-largest status in sub-Saharan Africa, the introduction of property securitization and the listing of property companies. Since these changes have implications for the valuer's professional practice, they necessitate an evaluation of the real estate training curriculum. The capital market content of real estate education in Nigeria is examined in this paper by assessing the knowledge held by recent graduates of estate management. A questionnaire founded on a checklist of pertinent issues which realistically depict a working knowledge of Nigeria's much improved stock market was used to collect data. This was analyzed by simple descriptive tools to provide a basis for evaluation. The results point to a scanty curriculum. In addition, there is a low awareness of the administrative and economic functions of the NSE. Furthermore, respondents have a poor understanding of core issues in equity investment analysis. Again, there is an inadequate grasp of the relationship between the two investment alternatives, although a majority rightly credit property as a better option. Lastly, respondents mainly do not consider an understanding of the market as relevant to their professional function in a modern economy. The study concludes that the demonstrated knowledge of respondents suggests that the curriculum does not have adequate content on the capital market. It is, therefore, recommended that the capital market content of the estate management course be enriched with more depth and detail which adequately reflect the increasing significance of the market to the valuer's practice and his true role as an investment adviser in an increasingly financially interconnected world.

Keywords: Capital market, Estate management, Nigeria, Property market, Real estate

1.0. Introduction

Regardless of the world's linguistic diversity, the language of investment is unarguably universal. This view is increasingly highlighted by the economic impact of globalization. Therefore, profit and loss have the same connotation across borders. Correspondingly, economic activity is motivated primarily by the search for value. This school of thought is reflected by Onwuanyi's (2018) assertion that "*The objective of all economic activity is to obtain value*". The desire to obtain value is guided by price, the defining feature of the market economy. Price leads to value whilst value emanates from price. Price is for makers to ask whilst value is for takers to ponder and rationalise. Value-creation precedes value-realization. The participating actors in value-creation and value-determination span across production, distribution and exchange as well as investment and trading in financial instruments. Since finance and capital govern these economic pursuits, and every member of society participates in the economy either as producer or consumer or both, a degree of financial knowledge for all and sundry is both necessary and important (CFPB, 2022; Bank of England, 2022; IGI Global, 2022).

Internationalization of the world's financial system by the forces of globalization inevitably means that people in possession of investible funds should have adequate knowledge of money, national

financial systems and the world economy. It also means that those whose lot it is to advise investors should possess adequate knowledge for the required guidance which can lead to optimal outcomes. Usually, money has to be saved, and consumption deferred, for investment to take place. But since all investments are not necessarily made from direct savings, credit becomes the major enabler of investment. The financial system and its organs are the main sources of credit in the modern economy. These include the money market and capital market. Money market activities take place in the Commercial Banks (usually termed Deposit Money Banks in Nigeria) whilst capital market activities are run by the NSE. As a class, investors consist broadly of owners of capital and seekers of capital. Those who own capital and those who seek capital are bound by a common desire for commensurate returns. Therefore, it is natural and apposite that those who possess money, control money or have access to money should be aware of the possibilities of increasing their wealth through the astute deployment of money. This situation would obtain if investment advisers possess adequate knowledge of opportunities for investment and possibilities for profitable return in the wide investment market.

Real estate education is offered in Nigeria through the standard route of estate management courses. Training as property valuers, analysts and advisers should enable the graduates produced to function as investment advisers. This requires knowledge of the broad investment market where alternative opportunities, particularly real estate and shares, compete for investment capital. Thus, capital market knowledge is included in real estate education. However, extant curricula mention the stock exchange as a topic with little or no detail. It is not misplaced to say that the relevance of stock market knowledge to estate surveyors is now amplified by the growing capitalization and sophistication of the NSE and by globalization which has internationalized property investment. It is now increasingly apparent that there is a connection between the property market – the natural domain of the estate surveyor – and the capital market, the source of funding for major and minor investments in property. It stands to reason that the property adviser, being *de facto* an investment adviser, should be conscious of events in the investment market as a whole.

The capital and equity markets are counterparts. In the former, investment in equity is offered. Property investment is available as an alternative, but this takes place mostly outside the capital market. However, there are now opportunities for the latter on the stock exchange, both through equity investment in property companies and securitization. These indirect investments in property come through the stocks of property development companies, property management companies, unit and investment trusts, and real estate portfolio investments. In spite of these developments, it is not illogical to say that there is really only one investment market because in a market economy, all investment take place under macroeconomic conditions which do not discriminate between the capital and property sectors. This means that policy measures such as interest rates, exchange rates, taxation and legislation equally affect both sectors (Lean and Goodall, 1981). These two sectors are competitors for the necessarily limited funds which become available for investment within an economy.

The NSE is colonial in origin. It was set up to raise funds from the public for the development of the colonial economy. This involved providing a source of funds for government; developing a strong private sector so that price would provide a guide to the allocation of investment funds. In addition, it was the intention to develop an efficient financial system (Alile and Anao, 1986; Osaze, 2007). The NSE started as the Lagos Stock Exchange in 1960, but was renamed in 1977 and expanded over the years with trading floors established in 13 other locations starting with Kaduna (1978), Port Harcourt (1980), Kano (1989) and Onitsha (1990). Others include: Ibadan, Yola, Ilorin, Uyo, Abeokuta, Owerri and Benin (now defunct), Yola and Abuja.

Data from the Nigerian Exchange Group (2021) reveal the following aspects of an increasingly important NSE. First, there was an increase in the number of listed companies from 19 in 1961 to the present level of 161. Second, there was a transition from the call over (manual) trading system to automated trading in 1999. Third, an expansion in the trading sectors from 3 in 1961 (3 equities, 6 Federal Bonds and 10 industrial Loans) to 328 as at 2019. Fourth, an increase in capitalization from a relatively insignificant level in 1961 to N 35.90 trillion as at August 2021 (CEIC, 2021) which, in sub-Saharan Africa terms, is second only to the Johannesburg Exchange. Fifth, Nigeria's 2014 emergence

as Africa's largest economy was enabled by the contribution of the stock market to economic growth (Olofin and Afangideh, 2008; Olowe *et al.*, 2011). This is to be expected since the listed companies count amongst the most productive and "have foreign/multinational affiliations and represent a cross-section the economy, ranging from agriculture through manufacturing to services (Olowe *et al.*, 2011). Sixth, the sophistication of the NSE is exemplified by the 2007 Investment and Securities Act which has attuned the market to international and modern standards of operation. Growth and sophistication of the NSE has seen the listing of investment companies (such as UPDC Property Development Company Plc, Real Estate Investment Trust Plc, Sky Shelter Plc and Union Homes Investment Trust Plc) and the introduction of property securitization. These schemes enjoy tax benefits like government bonds and enable the transfer of property assets in a manner which obviates the incurrance of high transfer and transaction costs. These developments indicate a growing connection between the NSE and property investment in Nigeria, and therefore, between the estate surveyor and the NSE. The role of capital markets in global property investment and the internationalization of property investment activity rationally make capital market knowledge capacity essential for property investment advisers. This vital role of capital in property markets is facilitated by the financial system which sets the rules for investment.

2.0. The Financial System and Investment in the Economy

All categories of investment advisers operate within the economy which is a financial system managed by mainly monetary and fiscal policies.

2.1. The financial system

The financial system facilitates the crucial role of capital in economic development, thereby creating the framework within which capital formation takes place. The funds deployed towards investments are raised through the financial system which provides a framework for intermediation between the owners of savings and seekers of funding within the system. In order to perform its intermediation role, the financial system is made up of *primary* and *secondary* institutions.

Odife (1985) explains the system as follows. Primary institutions engage in *new direct investment* and *new lending activity*. The former is done by Issuing houses (for shares and stocks), Mortgage banks (for mortgage lending and deposit accounts) and Banks (for sale of commercial papers and acceptances). The function of these institutions is to create financial claims or assets by standing between the investor and the ultimate user of the funds; bring buyer and seller together in the manner of a broker and, most importantly, the sale of shares through new issues. The primary institutions which engage in new lending are commercial banks, merchant banks, insurance companies and other finance houses, but unlike the former category, institutions in new lending are lending their own funds, not people's savings. Secondary market institutions consist of the Stock Exchange (which provides the framework for investors to trade in shares, stocks, mortgages, or other forms of financial assets to enable continuity of the institutions on whom the assets are a claim. In effect, the financial system is a network of institutions engaged in financial activities which combine to create liquidity and stability within the system. Table 1 displays the structure of the system, the two main categories of institutions and their components and activities. In the footnote to the table, further explanations are given on the functions of these institutions.

Table 1: The financial system

Financial Institutions		
Primary Market Institutions		Secondary Market Institutions
Activities		Activities
(i)New Direct* Lending	(ii)New Lending**	Capital Market Activities***
Component Institutions		Component Institutions
Issuing Houses (Shares & Stocks)	Commercial Banks	The Stock Exchange/Stock Market (Trading in financial assets such as shares, stocks, mortgages, etc
Mortgage Banks (Mortgages& Deposits)	Merchant Banks	Stockbrokers
Banks****(Money market activities)-Sale of Commercial Papers/Acceptances/Treasury Bills/Certificates of Deposit/ Banker’s Unit Funds Time Deposits and Call Money	Insurance Companies/Other Finance Houses	The Discount Markets

*These institutions create financial assets or claims which are traded on the Exchange; ** lend their own money, not others’; *** make arrangements for long-term financial assets (debentures, stocks & mortgages); ****The Financial Market consists of the Capital Market & the Money Market (activities which take place in the Commercial Banks & Central Bank)
Source: Authors’ compilation from Odife (1985).

2.2. The investment market

The investment market operates within the financial system. The economic policies operated within the financial system are important to investors’ decisions in both the capital and property markets. This is because stocks and property are affected the same way by the interest rate and other macroeconomic policies. This is why Lean and Goodall (1981) observe that the investment market is one and the same. The view that only one investment market exists is a good reason why participating actors (advisers and investors) in both equity and property must understand the rudiments of both markets. These actors include accountants, bankers, business consultants, economists, stock analysts, stockbrokers and valuers. Table 2 describes the investment market and its components.

Table 2: Structure of the investment market

The Investment Market	
Sections	
Capital Market(&Money Market)	Property Market
Main Investment Sectors	
Equity & Debt Investment	Property Investment
Broad Investment Types	
Government Stock, Company Stock, Bonds, Debentures, & Shares	Development Land for Sale, Land for Lease, Built property for Let/Lease & for Sale

Source: Authors, 2021

The table divides the investment market into two sections: the Capital market and the Property market under which the main investment sectors are respectively Equity and Debt on the one hand, and Property, on the other. The broad investment types under each sector are given. Equity and debt investment in the capital market consist of Government stock, corporate stock, debentures and shares whilst property investment types in the property market consist of undeveloped land (with development value) and built property available for sale (ownership) and lease (tenancy).

There are no barriers between the capital and property markets. Investors in both markets face similar capital costs, although risk levels may vary according to investment type and prospects. This is the case even between different stocks and shares in the capital sector and different property interests (freehold, leasehold, mortgagee’s interests) in property investment.

3.0. Stakeholders' Need for Capital Market Knowledge

According to Whetnall (1985), the Stock Exchange performs vital functions for the business world and it is of such a fundamental importance that every member of society, including non-investors in shares, ought to understand its workings. This is because so much of our future is bound up with what happens at the Stock Exchange. *"Everybody in the country has a connection with the stock exchange in some form or the other"* (Whetnall, 1985:p.9). Examples of connections of ordinary individuals with the Exchange include savings account holders who become veritable interest-holders in banks which, in turn, invest in securities at the Exchange (Rowlatt, 1979). This applies also to holders of insurance policies and workers' pension contributions which go to institutional investors who are heavy participants in the Exchange. Again, the largest producers of consumer goods and suppliers of services are participants in the Exchange. Thus, stakeholders in the stock market comprise the entire society. Although its functions are both administrative and economic, the former facilitating the latter, the essence of the market is that it offers a platform for the trading of shares and other financial securities (Ekiran, 1999; Nurudeen, 2009; Arinze, 2012; Uwajeh, 2013) which involves the various economic actors within the system.

3.1. Knowledge capacity for investment advice

Investors have a right to make their decisions for which they take responsibility. However, the investment market is a place where money can be made as well as lost. The imperfection of investment markets makes knowledge an important asset. Furthermore, the need to mitigate the impact of risk and uncertainty make professional advice a *sine qua non*. Such advice involves not only making information available on the proposed investment, but also, on alternatives which can achieve the investor's motives. This is particularly the case with the stock market where equity investment is intangible in nature, meaning in essence that the investment is essentially in the competence of a company's management rather than in a tangible asset. The investment environment is prone to change and such changes affect expectations, risk and return. Stock prices tend to be more volatile than property prices. But property prices (and values) are tied to location, unlike the case with stock which has no geographical restrictions. It is in the interest of the new investor as well as the experienced, to seek guidance and advice. Professionals in the field have the capacity, by their training and experience, to guide clients appropriately. This is particularly important where a prospective investor in shares believes that the property market holds the solution to his needs. Also, the prospective investor in property may believe that his needs can be met in the stock market. It is the lot of investment advisers in these markets to guide their clients properly. This requires appropriate knowledge and experience.

The capacity of investors to exercise choice would be codependent on awareness of the existence of alternatives and the capacity of investment advisers to guide them appropriately, if consulted for advice. It would, therefore, be apposite for all categories of investment advisers to be knowledgeable about the characteristics of investments in both sectors. The informed capital market adviser could better advise his client as between direct investment in property or indirect investment through the avenue of shareholding in property companies or other avenues. Likewise, the shrewd property investment adviser would be equipped to advise as to how the prospects for property investment compare with those for equity over the short, medium and long-terms. Knowledge of alternatives by investment advisers is crucial in a situation where an investor has funds to invest, but wishes not to own property. This would also be the case where an investor wishes to own property, but has inadequate funds. In these two instances, the stockbroker or valuer, should be able to give appropriate advice. Again, it should be possible also for these professionals to guide appropriately, with valid reasons, an investor who is undecided between investing in the shares or property.

3.1.1. Essential financial knowledge and the valuer

Financial capacity is one's ability to handle his finances in a prudent manner by taking optimal and rewarding decisions. For most people this may involve dealing with daily issues of managing cheque accounts, market transactions and online shopping, income and business taxes, payment of municipal

charges and so on. These capabilities are essential for modern living and should be possessed by every educated adult (Whetnall, 1985).

In the case of the valuer, financial capacity should extend beyond the level just described. This is because the valuer belongs to a numerate profession and has a background in economics. In Table 3 is listed the requirements for adequate financial knowledge for the valuer. For each particular issue, the main reason why the valuer needs such knowledge is given. It is evident from the table that such knowledge is required by the valuer for effective performance of his function as a professional.

Table 3: Essential financial knowledge for the real estate practitioner

Issue	Rationale
Investment Alternatives to Real Estate	Guides investment decision-making
Structure of Interest Rates/The Cost of Money	Guides financial decision-making
Types of Yields Outside Real Estate	Enables comparative assessments/choice-making
The Inflation Rate	Determines the real value of investment income and money
The Unemployment Rate	Impacts aggregate demand in the economy
The Exchange Rate	A guide to state of liquidity in the economy
The Annual Budget	A guide to aggregate demand in the economy/expectations
Taxation Rates	An input to investment decisions

Source: Authors, 2021

The list shows that the issues relate to the macroeconomic environment within which investment takes place and the valuer is required to operate. They also relate to money, business and commerce, buying, selling, production, investment and returns, all of which impact aggregate demand and economic output. The connection of these issues with investment decisions define their financial importance. The valuer’s function requires such financial capacity because it is not always the case that valuers are employed in property companies. Those who are advisers to institutional investors to whom a range of investment alternatives are available, would need the capacity to assess the prospects of alternatives.

3.1.2. Essential capital market knowledge for the valuer

Capital market knowledge is also a part of financial knowledge, but the former is emphasized here because it is specialized knowledge from outside the property sector. Knowledge required by the valuer of the capital market is displayed in Table 4. The list was drawn up to reflect crucial issues of relevance as to the what, why and how of the capital market in regard to the valuer’s investment advisory role in his own section of the wider investment market.

Table 4: Essential capital market knowledge for the modern valuer

S/N	Crucial Areas	Significance/Purpose
1	History of the NSE	Provides understanding of purpose of the market
2	Economic functions of the NSE	Explains NSE’s fundamental economic development role
3	Administrative functions of NSE	Explains how NSE’s duties are performed
4	Types of Capital market securities	Explains the range of available investment opportunities
5	Investment & Unit Trusts	Explains opportunities for small investors & savers
6	Gearing & business profitability	Explains advantages & disadvantages of business gearing
7	Calculation of equity investment ratios	Creates an understanding of equity investment by explaining: Return on Capital Employed/Return on Equity Capital/Earnings per Share/Dividend Cover/Dividend Yield/Earnings Yield & Price Earnings Ratio
8	Stock market yields	Comparison of Real Estate Yields with Equity Returns such as Dividend Yield/Earnings Yield & Price-Earnings Ratio
9	Knowledge of the Price-Earnings Ratio	To explain the particular relationship between Price-Earnings Ratio for Shares & ‘Year’s Purchase’ for Real Estate
10	Comparison of the investment qualities of Equity & Real Estate	To ascertain which is the better investment & why

Source: Authors, 2021

These capital market issues are adjudged to be most pertinent to an understanding of the capital market. Therefore, they form the basis of the investigation in this study.

4.0. The Valuer's Role in the Capital Market

In spite of the fact that the estate surveyor and valuer essentially functions in the property market, he has a role to play in capital market activities. This role, which reveals the relevance of the capital and property markets to each other, can be further explained as follows.

In the first place, the capital market has a role in the development of the real estate market whilst the latter also plays a role in the growth of the former. Oteh (2011) stresses the importance of real estate to the development of Nigeria's capital market by stating that *“real estate holdings are one of the four most important asset classes. No portfolio that seeks to achieve diversification as well as hedge against inflation can afford to be underweight or ignore real estate”*. In fact, real estate is the “largest asset class in the world in terms of value (Savills World Research, 2017; Kok *et al.*, 2018). Since real estate investment usually requires large outlays raised from loans sourced from the capital market, the real estate industry is a huge stakeholder in the capital market with the capacity to influence its growth and development, even across international boundaries.

Furthermore, the valuer produces valuations for property which may be used as collateral for transactions in the capital market. These valuations may also be for mortgages which are granted by financial institutions that are part of the financial sector. Valuations are also made for mergers and acquisitions which may be consummated in the capital market for quoted companies or used for the purpose of going public by limited liability companies. Development of Nigeria's meagre mortgage sector cannot take place without the involvement of the capital market. This fact is recognized by the 2013 introduction of the Nigerian Mortgage Refinance Company to strengthen the National Housing Finance Programme.

In addition, the valuer is involved also in speculative and non-speculative housing development undertaken by developers whose source of funds is usually the capital market. Takers of such projects usually raise loans from the financial system. It may well be that some prospective buyers need to dispose of equity to raise some capital for house purchase. In this event, the valuer's advice to such a client would require capital market knowledge.

Lastly, a vibrant capital market is associated with buoyancy in the real estate sector because these two entities are interdependent with the economy. This is why the investment market is one and the same entity. The capital market contributes to the development of the real estate sector just as the latter contributes to the growth of the former. The common connections are capital, the building block of investment, and the financial system and its network of institutions which perform the crucial role of intermediation.

These evaluations reveal as follows.

First, the capital market is important to every member of society because its activities have a comprehensive impact. Therefore, a general knowledge of its operations should be a requirement for the financial literacy necessary for living in the modern world because every member of society, including non-investors in shares, ought to understand its workings (Whetnall, 1985).

Second, investment advice is financial in nature and there are many professions or groups engaged in this activity: accountants, bankers, business consultants, economists, stock analysts, stockbrokers and valuers. These groups all need to have a good knowledge of the capital market as a core component of the financial system and an outlet for investment.

Third, estate surveyors and valuers are investment advisers since valuations constitute advice. A property investment adviser should not only have knowledge of property, but also, opportunities which compete with property for investment capital.

Fourth, financial and capital market knowledge are essential to the valuer's function. Thus, the valuer should have concurrent knowledge of the equity and property investment markets.

Fifth, there is a mutually beneficial relationship between the capital and property markets. This is observed in a growing connection between the NSE and property investment in Nigeria, and therefore, between the estate surveyor and the NSE

Against the outlined background, this study seeks to ascertain whether or not the capital market knowledge of recent estate management graduates is adequate for the role of investment adviser in a modern Nigerian economy which is part of a financially interconnected world. Having outlined the essential contents of an adequate working knowledge of the capital market, the paper sets out to:

- (i) Ascertain the capital market contents of Nigeria's real estate education over the past twelve years; and
- (ii) Evaluate the adequacy of capital market knowledge *gained* by recent graduates of estate management.

After this introduction, the methodology is explained. This is followed by presentation of the results. Then, the discussion follows after which the conclusion and recommendation are stated.

5.0. Methods

The research approach of this study involved a survey of graduates of estate management from Nigeria's universities and polytechnics where the stock exchange is a part of the property valuation module. A close-ended questionnaire was used for the purpose of data collection. This consisted of questions related to a working knowledge of the capital market. These include the functions of the stock exchange and the financial instruments on offer. In addition, the calculation of basic equity investment returns and ratios; the relationship between the capital market and the property market; and whether or not equity investment should be rated as a better investment than property. The target population of the study is estate management graduates of not more than five years' standing. This group was chosen because they are believed to have knowledge of recent trends in estate management education. Although, many tertiary institutions in Nigeria offer estate management as an academic discipline, this study is restricted to public institutions. Currently, estate management is offered in 56 public institutions (33 universities and 23 polytechnics). The study required the administration of the questionnaire to persons who graduated between 2016 and 2021. The following challenges were identified in undertaking this task for the entire population of graduates: first, in physically locating the entire population of the study; and second, in how best to get the questionnaire across to this population. A purposive sampling strategy was adopted. Out of the 56 institutions, 20 institutions (13 universities and 7 polytechnics) were randomly selected to streamline the process. An online approach involving the use of an email link was adopted as in (Ayodele and Kajimo-Shakantu, 2021). The graduating list for the years of investigation was sought from each institution from which the students' email and telephone contact were extracted. The total number of graduands for the 20 institutions was 5,508. This constituted the sampling population. Given the possibility that some of the contacts may no longer be active, the authors decided to use all the population as the sample size. The questionnaire was then dispatched by email to the contacts in the population. A torrent of responses was not anticipated as typifies online surveys (Oppenheim, 1992), but it was thought that a representative outcome would still be possible. Ninety-six questionnaires were retrieved within two months (October-November 2021). Sixty-six were appropriately completed and valid for data analysis. The data was analysed by use of simple descriptive tools such as tables, frequency, mean, pie charts.

6.0. Results and Discussion

The 66 (sixty-six) valid responses were spread across 8 (eight) universities and 5 (five) polytechnics. This represents a total of 13 (or 65%) of the twenty (20) tertiary institutions in the study. The respondents included graduates of the three oldest universities and polytechnics where the estate management course is offered. Therefore, it was considered reasonable to treat the responses as indicative of the situation regarding teaching on the capital market. The data obtained from the questionnaires are summarized in the bar charts and pie charts shown in Figures 1 to 8.

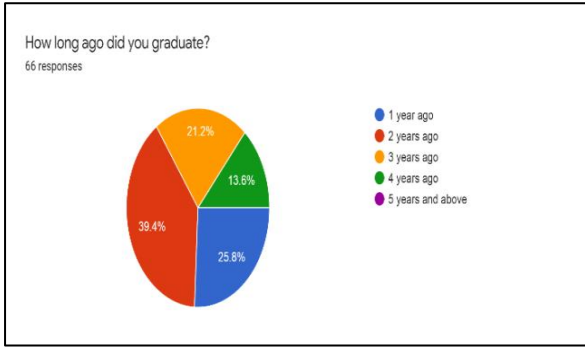


Figure 1: Year of graduation

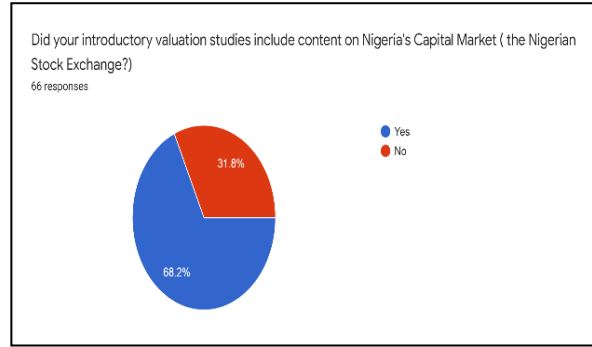


Figure 2: Capital market content

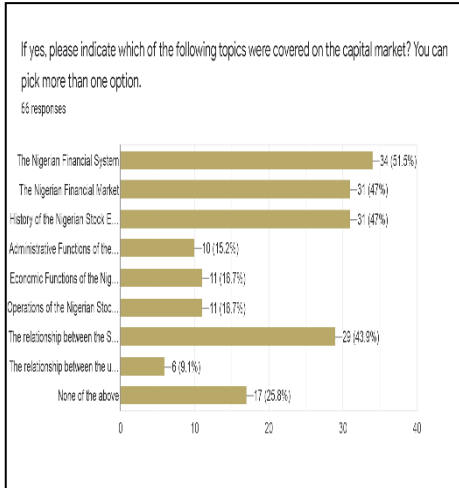


Figure 3: Topics covered

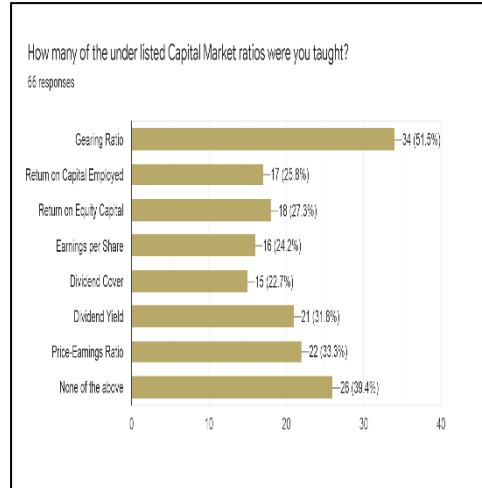


Figure 4: Equity investment analysis

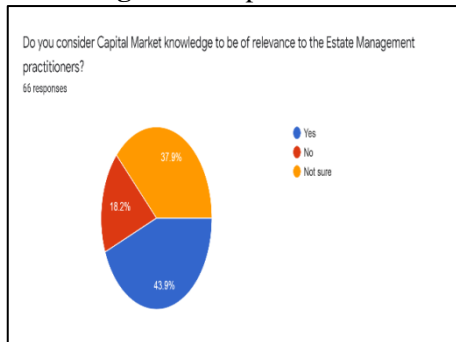


Figure 5: Capital market relevance

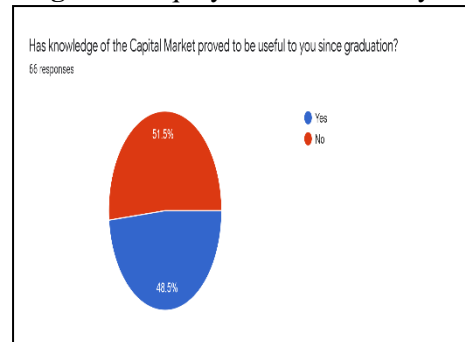


Figure 6: Usefulness of capital market knowledge

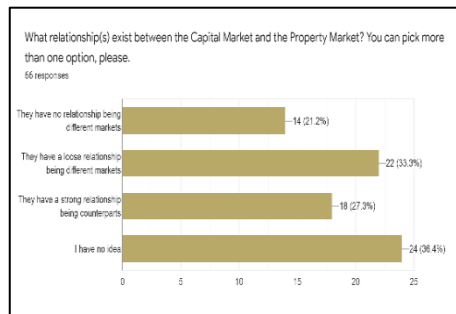


Figure 7: Equity and capital market relationship

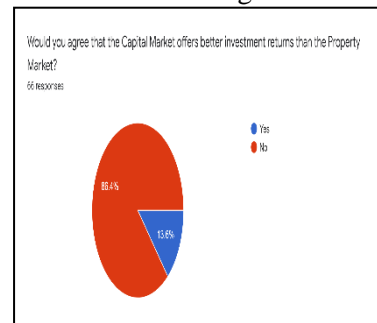


Figure 8: Comparative Performance

The discussion is structured to follow the two aims of the study.

6.1. Study Aim No.1

It is apt that the discussion should start with findings on the first aim of the study. The first aim requires an ascertainment of the capital market contents of Nigeria's real estate education over the period (estimated to be 12 years) during which the respondents were undergoing their 5-year course of study. The situation is that the National universities Commission (NUC)-approved estate management course curriculum commonly mentions the stock exchange as a module, but without expatiation. This suggests an indeterminate, and therefore, potentially inadequate content. However, the richness or adequacy of the content can possibly be discernible from the demonstrated knowledge of respondents in this study. This would be in consonance with Pezaro's (2016) assertion that the true effectiveness of teachers' actions is measurable by the educational value or learning gained by those who they teach or have taught. Such educational value should be reflected in knowledge held as was investigated in the second research aim. Thus, the findings from the second research aim are contributory to achieving the first research aim.

6.2. Study Aim No.2

This section reviews and explains the results presented in Figures 1-8. Firstly, figure 1 shows that the respondents' years of graduation all fall within the five-year range of the study. Figure 2 displays the percentage of respondents who had capital market studies. This happens to be only 68.2% rather than the expected 100% for a core module, whilst 31.8% had none. There is no doubt that the percentage of those who had no such studies is disturbingly high. It indicates that the capital market was not part of these respondents' real estate management education. The chances are that this outcome is unlikely to be due to a fault on their part, but rather more likely that of teachers of the curriculum.

In the second place, the issues covered in capital market studies by those who had the experience is shown in Figure 3. There is a high awareness of four issues which, starting from the highest, were: the Nigerian Financial System (51.5%); the Nigerian Financial Market (47%); history of the NSE (47%) and the relationship between the stock market and the property market (43.9%). Conversely, the least scoring issues, starting from the lowest, were: the relationship between unit trusts and investment trusts (9.1%); Economic functions of the Stock Exchange (11.1%); Operations of the Stock Exchange (11.1%); Administrative functions of the Stock Exchange (15.2%). These figures reveal that respondents have more knowledge of the NSE's history, rather than its operation which is more important. There is also a low level of knowledge on the functions of the NSE, which as mentioned, are economic as well as administrative. A low knowledge is conveyed also by the low (9.1%) score on the relationship between the unit price of a company's shares and the total market value of its equity. This relationship is particularly important to the valuer because it is directly comparable to the Year's Purchase applied in the Investment Method of Valuation. The deficiencies revealed here support the finding on the first study aim that there is an inadequacy of content.

Thirdly, knowledge of, and the ability to calculate, basic equity investment returns and ratios is shown in Figure 4. The highest level of awareness (51.5%) (51.5%) is in respect of Gearing (or Gearing Ratio). There were comparatively low scores on Return on Capital Employed (25.8%); Return of Equity Capital (27.3%); Earnings per Share (24.2%); Dividend Cover (22.7%); Dividend Yield (31.8%); and Price-Earnings Ratio (33.3%). This level of knowledge does not reflect the fact that property and equity compete for investment capital. Frankel (2022) highlights that the ability to analyze shares enables the investor to take the best decisions. The disquietingly notable (39.4%) of respondents who were not taught any of these essential equity investment evaluation ratios, the inexorable submission is that the respondents mostly do not possess a working understanding of the stock exchange. This finding particularly reveals the inadequacy of content and so serves to achieve the first study aim.

In the fourth place, the relevance of the stock market to the valuer and vice versa, is considered in Figures 5 and 6. A low 43.9% see a relevance; 18.2% are not sure whilst a high 37.9% are surprisingly unsure. This is a highly unsatisfactory outcome in view of the arguments presented in Section 4.0 on the valuer's role in the capital market and growing connection between the NSE and property investment in Nigeria, and therefore, between the estate surveyor and the NSE. If the respondents who see no relevance (18.2%) were to be added to the unsure (37.9%), there would be a

majority of 56.1% who do not see any relevance. This relatively high figure may well be a reflection not only of an inadequate curriculum, but also, inadequate delivery. Much should not be made of the 48.5% of respondents who have not found stock market knowledge of importance since graduation because their employment status and work exposure may be responsible.

Lastly, regarding the relationship between the two markets (Figure 7), 27.3% see a strong relationship; 33.3% believe that there is a loose relationship whilst 21.2% do not believe that there is any relationship. The first two categories may be grouped together since they are admitting the existence of a relationship. This suggests that a majority of 60.6% believe in a relationship. However, the sizeable 21.2% who believe there is no relationship and the 36.4% who have no idea, produce a relatively high total of 57.6% who are not knowledgeable on this important issue. However, as shown in Figure 8, an overwhelming majority of 86.4% rightly agree that property is potentially a better investment vehicle than shares. Although the reasons for this potential were not a part of the survey, the response rate is resounding. Given that differences exist between investing in real estate and stocks (Kennon, 2022), it is necessary to understand the relationship between both markets. The odd fact that 13.6% consider shares a better investment underscores the need for improvement in knowledge of their similarities and dissimilarities.

In addition to the reasons which connect the valuer to the stock market as mentioned in Section 4.0, Nigeria's status as Africa's largest economy and the NSE as second largest in Sub-Saharan Africa make necessary and important the Nigerian valuer's understanding of the capital market. Property is a vital and growing sector in the enlarged Nigerian economy which is poised to continue to play a prominent part in the African and World economies. What should be the Nigerian valuer's attitude to real estate investment trusts (property securitization) as an investment avenue? This is essentially investment in property carried out on the NSE. Does it represent property investment or equity investment or both? Can the valuer comprehensively advise on such investments in the absence of knowledge of the stock and property markets? The answer should be obvious. Since Nigeria is not exempt from the impact of globalization on investment markets, particularly property which is the largest asset class by value (Savills World Research, 2017; Kok *et al.*, 2018), the valuer's professional vision should broaden. This requires that it extends beyond the local scene and become decidedly international to reflect the international statuses of the NSE and the Nigerian property market. The former features a high level of foreign participation (Olowe *et al.*, 2011). It is regulated according to international standards by the Securities and Exchange Commission (SEC) in order to command global investor confidence. In the case of the latter, an international character has developed through the activities of foreign investors in leisure malls, Grade 'A' offices, hotels and other real estate. This includes the Eko Atlantic City which offers prime real estate of international quality. This scenario is indicative of a promising future for these two investment vehicles. Therefore, it is necessary, important and apposite for the valuer's professional property market capacity to be supported by a functional knowledge of the NSE and its activities. An inadequate knowledge in this regard means that the valuer would be challenged to explain convincingly to the curious investor whether and why property is a better investment than shares.

7.0. Conclusions and Recommendations

The study reveals an overall low level of capital market knowledge amongst respondents. This leads to the conclusion that the capital market content in the curriculum is inadequate. Thus, it does not adequately prepare graduates to function as comprehensive investment advisers in a world where investment markets are becoming increasingly interconnected.

The findings are that a large gap in knowledge exists amongst recent graduates. This occurs in regard to the functions of the NSE; its operations; the capacity to analyse equity investments for comparison with property yields; and the relationship between property and equity investments.

The findings mean that capital market studies are poorly integrated in estate management education; inadequate in content; perhaps inadequate in delivery; and yet inadequate in terms of the demands of modernity and Nigeria's growing capital market and economy.

The study recommends a review of the capital market content in the estate management course to include requisite issues which adequately reflect the changes necessitated by an enlarged Nigerian economy, a modernised NSE and the impact of globalisation on the world's investment markets. The review should be guided by the need for the estate surveyor and valuer to operate more as a comprehensive investment adviser than just a property investment adviser.

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