Organisational Structure and Performance of Nigerian REITs

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Abstract

With a focus on the organisational structure of Nigerian REIT (N-REIT), the paper examines how returns on N-REIT intertwine organisational structure. We used a mixed research design to first analyse the qualitative aspect by creating semantic networks from the quotations and codes generated, which were accordingly given appropriate interpretations, drawing out inferences by means of thematic content analysis. The quantitative aspect utilised the holding period returns, return-risk ratio, coefficient of variation, and Sharpe Ratio. We found that the organisational structure of N-REIT impacted on its performance by providing a positive risk-adjusted performance throughout the study period (2008 to 2019). Results of this study reveal the peculiar nature of Nigerian REITs; both individual and institutional investors (foreign and domestic) can use this information for informed investment decisions within the context of REIT markets in emerging economies.

Keywords: administrative procedure, emerging markets, real estate, returns, risks.

1. Introduction

The recent past decades have experienced the introduction and growth of indirect real estate investments in the global real estate markets. Specifically, the creation and evolution of the Real

Estate Investment Trust (REIT) had caught the attention of both domestic and foreign investors. This could be due to its investment attributes which comprise ease of transaction, favourable regulatory framework, inflation-hedging characteristics, superior return-risk performance and a good source of liquidity (Lin, et al., 2019; Koelbl, 2020). From its inception in 1960 in the US, REIT has grown and spread all over the world. Presently about 35 countries have adopted the REIT regime (having over 800 REITs) and over $2 trillion market capitalisation (EPRA, 2020; Parker, 2020). The largest global REIT markets include the US, Australia and Japan. In emerging markets of particularly Africa, it was observed that its REIT market is lagging behind other regions of the world. For instance, only few African countries have successfully introduced and operate the REIT regimes; these include South Africa, Nigeria, Ghana, Rwanda, Morocco, Tanzania and Kenya (see Tables 1 and 2). Hence, there is a dearth of information regarding African REITs. The very scanty studies conducted in African emerging markets focused on areas such as performance measurement in terms of return-risk and diversification. None of the previous studies considered the organisational structure of REIT in African emerging markets. However, it is observed that the organisational structure of the said REITs in terms of management strategies have become an essential catalyst in improving performance. As our contribution to the REIT market literature, we examine the organisational structure and performance of N-REIT to provide information for investment decisions.

Table 1: REIT in the African continent

Country	Year of establishment	Number of active REITs	Market capitalisation (USD)	Primary sector
Ghana	1994	1	12.6 million	Residential/commercial
Nigeria	2007	3	136 million	Residential/commercial
Tanzania	2011	1	40 million	Residential
South Africa	2013	32	22 billion	Residential/commercial
Kenya	2013	1	35.5 million	Commercial
Rwanda	2013	1	29 million	Residential/commercial

Morocco	2015	1	n/a	Commercial

Source: Kruger-levy & Dauskardt (2017), EPRA (2020) and authors compilation

Table 2: Nigerian REIT market

REIT	Year of establishment	Market capitalisation (USD)	Primary sector	Management structure
Skye Shelter Fund	2007	6.5 million	Residential/commercial	Internal
Union Homes	2008	40.8 million	Residential/commercial	Internal
UPDC	2013	87.2 million	Residential/commercial	Internal

Source: Authors compilation

The literature on organisational structure and performance include Tran & Tian (2013), which examined the impact of both internally and externally managed structure variables on firms in Vietnam. The methodology adopted involved the use of primary data sourced through the administration of the questionnaire. The Relative Importance Index (RII) was used on relevant variables such as decentralisation of decision making and customer interaction, among others. Findings from the study suggested that both internal and external factors impacts on the performance of firms in Vietnam. However, the results of the study cannot be generalised due to variation in geographical location, type and size of firms. In a study conducted in Asian REIT market comprising Hong Kong, Japan, Malaysia, Singapore, Thailand, South Korea and Taiwan from 2001 to 2012. Findings revealed that the structure of the Asian REITs provide a platform for it to perform better than shares and bonds in terms of risk-adjusted returns as well as diversification benefits (Khoi, 2013). Noguera (2015) examined the correlation between the performance of Real Estate Investment Trusts and the organisational structure of REIT companies as regards the status of their respective CEOs (founder CEO or a non-founder CEO). The methodology adopted for the study involved the use of both descriptive and inferential statistics such as Regression analysis and Pearson Correlation Analysis. The study suggested that founder CEOs can influence the organisational structure of REITs, which in turn affects the performance of REITs. Ajagbe et al. (2015) conducted a study in Nigeria which analysed the impact of organisational structure on the performance of companies. Organisational structure variables identified from the study includes division of work among employees and how activities are coordinated in the organisation, among others. Findings from the study indicated that there is a significant positive relationship between the organisational structure of a company and the performance of the company.

In Kenya, the correlation between REIT managers risks averseness and credit management efficiency was examined. Results indicated that 71.9% of REIT managers are not willing to take a risk in the company's decision-making process. This impacts significantly on the performance of Kenyan REITs (Tchouadep et al., 2018). Dabara & Ogunba (2019) examined the structure, conduct and performance of REITs; findings reveal that the structure of a REIT impact on its conduct, which consequently impacts on its performance. Australian sector specific REITs were found to enhance the risk-adjusted and diversification benefits in a mixed asset portfolio. Forecast of such performance can be made with certainty (Li et al., 2017; Lin, et al., 2019). Noguera (2020) examines the impact of women directors on US REIT boards, results from the study suggest an improved performance by boards headed by women directors. In consonance with Noguera's study, Parker (2020) in seeking to identify future directions for REITs, proposes a focus on people relevant to the REIT industry (e.g. managers, board directors etc.) rather than properties, which could invariably impact on the performance of the REITs. Furthermore, it was found that in REIT organisations, hiring more than one external managers to manage the underlying properties positively influences the performance of particularly lodging REITs (Gim & Jang, 2020). This contradicts findings of an earlier study conducted on Asian REIT market, where internally managed REITs were preferred over the externally managed ones (Omokhomion et al., 2018).

Nigerian Real Estate Market

Nigeria has about two hundred million people, making it the most populous country in Africa. Its population impacts the real estate market (Chiwuzie & Daniel, 2021), especially places like

Lagos, Abuja, Port-Harcourt, Kano, and Ibadan. Nigeria is adjudged to be the largest and fastest growing economy in Africa (with a GDP of over $515 billion) and the 27th largest in the world in terms of nominal GDP. It has an average GDP growth rate of 2.3%. Despite the negative impact of the COVID-19 pandemic on the real estate sector in 2020, the Nigerian National Bureau of Statistics reported that the sector contributes about 7.5% to the nation's GDP. The JLL and LaSalle Global Transparency Index classified Nigeria under the low transparency tier, with a composite score of 3.74 and a composite rank of 68 (JLL & LaSalle, 2020). Other African countries in this same tier (low transparency) include Egypt, Morocco, Zambia, Rwanda and Ghana. Kenya and Botswana were classified under the semi-transparency tier. The only African country considered by the JLL report as transparent was South Africa, which has a composite score of 2.37 and a composite rank of 24; while others such as Angola, Uganda, Senegal and Tanzania were all in the opaque transparency tier (JLL & LaSalle, 2020). On market maturity, it was observed that the Nigerian real estate market is still immature. Some of the inadequacies identified include lack of market openness/responsiveness, insufficient market information and a thinly distributed real estate professionals (Akinbogun et al., 2014). Part of the Nigerian real estate market is the Nigerian REIT market (N-REIT), modelled after the US REIT. The N-REIT provided the opportunity of expanding the investment space of the Nigerian real estate sector. It also introduced a new dimension in the real estate market by providing flexibility, ease of transaction, transparency, and liquidity. Table 3 presents the regulatory structure of N-REIT compared with that of South Africa (being the two largest REIT markets in Africa).

Nigerian REIT market

Table 3: Regulatory structure of N-REIT compared with SA-REIT

Regulatory requirements/ procedures	N-REIT	SA-REIT
Year of commencement	2007	2013
Management	Internal Management	Interna and external

Minimum Capitalisation	NGN1bn (US$5m)	R300 million ($19.7 million)
Property Investment	At least 75% on real estate assets for close end and &0% on real estate assets for open end	At least 75% in real estate
Overseas Investment	No	Yes
Property Development	Yes, only for inclusion in portfolio	Yes
Distribution	At least 90%	At least 75%
Capital gain tax	Exempted	Exempted
5/50 rule of ownership	Applicable	Not applicable
Unit Holder	Minimum of 100	No restriction
Market transparency	Low transparent tier	Transparent tier
Listing	Nigerian Stock Exchange (NSE)	Johannesburg Stock Exchange (JSE)
Regulatory body	Securities and Exchange Commission (SEC)	JSE
Legislation	Investment and Securities Act (ISA) 2007	Section 25BB of the Income Tax Act
Risk monitoring committee	Not mandatory	Mandatory
Debt profile	Not applicable	below 60% of gross asset value
transferability of shares	Transferable	Transferable
Market capitalization	$136 million	$22 billion

Source: Dabara (2021)

In the last decade, Nigerian REIT (N-REIT) has become an essential investment outlet in the Nigerian market where three REITs were introduced into the market as investment alternatives. The three active REITs introduced comprise Skye Shelter fund (created in 2007), Union Home REIT (introduced in 2008) and the UPDC REIT (which started in 2013). All three active REITs are internally managed. The Nigerian REIT market has a combined market capitalisation of approximately $136 million (Dabara & Ogunba, 2020). In a recent comparative study conducted by Dabara (2021), it was found that N-REIT outperformed some financial assets (in terms of risk-adjusted performance) such as the shares. However, other financial assets such as the bond was observed to outperform N-REIT within the same study period. To sustain N-REIT's relevance in the market, the quality of its organisational structure concerning its management becomes imperative. This has necessitated conducting studies in this direction. Hence, stimulating the researcher's motivation for this study. Furthermore, the researchers have observed that none of the previous research work explores the linkage between the organisational structure and return-risk performance of REIT in emerging economies. The themes that emerge from literature tend towards REIT performance in terms of its returns, risk-adjusted, inflation-hedging and diversification benefits. This study is the first to explore the linkages between the organisational structure and risk-adjusted performance of the Nigerian REIT market as an African case study. Therefore, this study contributes to the emerging market REIT literature by providing information in the context of African REIT (specifically, Nigerian REIT) which is generally lacking. Findings of this study will be a useful guide for investment stimulation/ decisions. Hence, the study examines the organisational structure and performance of N-REIT with a view to providing information for investment decisions. We seek to answer the following research questions: What is the organisational structure of N-REIT? And what is the return-risk performance of N-REIT from 2008 to 2019? The remaining part of the paper is structured as follows: after the introduction, the next section presents the methodology adopted for the study; this is followed by the result and discussion section, and the paper closes with concluding remarks.

2. Theoretical Framework and Methodology

The theoretical base underpinning this study is the Bain' (1951) Structure, Conduct and Performance (SCP) model as well as the Capital Asset Pricing Model (CAPM) comprising of Sharpe Ratio (Sharpe, 1964). Bain (1951, P.304) defines structure as "Characteristics of an organisation which seems to influence strategically on the nature of competition and pricing within a particular market". While Performance represents "the economic results from the influence of the structure of a firm which could be in the form of profitability, returns or product efficiency". Edward Mason initially postulated the SCP theory in 1939. However, Joseph Bain in 1951, adopted and modified the theory which subsequently became the theoretical framework for analysing the structure, conduct and performance of firms, industries, cooperation, businesses, organisations, companies etc. According to Cook (2020), in the finance literature, the theories underpinning research work in stock returns of listed investment assets are the Capital Asset Pricing Model (CAPM) comprising of Sharpe Ratio (Sharpe, 1964) and Fama & French three-factor model (Fama & French, 1994). The Bain and CAPM theoretical framework underpinning this present study were used to determine the organisational structure and return-risk performance of N-REIT. The choice of these models was informed by its ability to explain the organisational structure as well as the relationship between return and risk explicitly.

The study used a mixed research design. The qualitative method was on the constructivist paradigm. The preliminary investigation carried out by the researchers in the three existing REIT companies in Nigeria showed that there are six top management officials in Skye Shelter Fund, eleven in Union Homes REITs and eight in UPDC REITs. However, the researchers were only able to reach out to sixteen of the officials (four, from the Skye Shelter Fund, seven, from the Union Homes and five, from the UPDC). The researchers conducted in-depth interviews (audio-recorded) in February 2020 with the sixteen participants. The organisational structure of N-REITs companies was defined by how hierarchical arrangement of lines of authority, communications, responsibilities, rights and duties of an organisation are assigned, controlled, and coordinated. These were determined by factors such as who makes decisions in the company/chain or line of command, administrative procedures, employees' welfare, staff training and development, etc.

The perceptions of the participants were sought in line with the following (see Table 4): Whether decisions made for the company emanates from the top down through a clear chain or line of command; determining whether the number of staff in the company was adequate; ascertaining whether regular supervision of staff activities was undertaken; whether decisions were swiftly implemented without bottlenecks or bureaucracy; finding out whether the company was departmentalised and determination of each employee' responsibilities; whether administrative procedures were formalised, regularly followed and documented and whether promotion and other staff benefits were given as and when due. These variables were obtained from business and management literature which includes studies such as Tran & Tian (2013), Al-Qatawneh (2014), and Latifi & Shooshtarian (2014). It was envisaged that the structural composition of the N-REITs industry could influence its performance.

All the interview sessions were duly recorded, and the responses of the participants were subsequently transcribed using the Atlas.ti software. From the relevant details offered by the interviewees', the researchers were able to develop themes and patterns from the available data. Similarly, relevant quotes from the interviewees' were included to substantiate the findings of the study. As a prelude to the interviews, the participants were duly informed of the purpose and procedure of the interview. They were also informed about the protection of their confidentiality. A structured interview guide was used to elicit for data that could subsequently be used in qualitative analysis. Most of the interview sessions lasted between 15 to 30 minutes. Analysis of data collected from the field was done in three phases. Firstly, the audio recordings were transcribed verbatim using the Atlas.ti software. These transcripts were coded and categorised. Secondly, the researchers used the coding to establish relationships between and across the transcribed data by creating quotations and appropriate codes which were eventually linked accordingly. Thirdly, the researchers created semantic networks from the quotations and codes, which were thus given appropriate interpretations and drawing out inferences from the analysed data employing thematic content analysis.

Table 4: Interview guide questions and purpose

Interview guide questions	Purpose of the question(s)
How are decisions made in the company?	To determine the management structure in N-REIT, hierarchical arrangement of lines of authority/chain of command as well as a channel of decision making/dissemination.
Are the number of staff in the company adequate?	To determine the number and adequacy of staff in relation to the size of the company as well as the required human resources.
Do you have regular and adequate supervision of staff activities in the company?	To examine supervisory roles and activities in the company and its impact on productivity.
When decisions are made in the company, are they swiftly implemented?	To determine the level of implementation of decisions.
Is the company departmentalised and do each employee has specific tasks/ responsibilities?	To ascertain the various units in the company. Furthermore, to determine the division of labour, assignment of duties to an employee and their level of commitment to duties.
Are administrative procedures formalised, regularly followed and documented?	To examine administrative procedures in the company; to ascertain if they are formal, regularly followed and documented. Determine line of communications, how responsibilities, rights and duties are assigned, controlled, and coordinated.

Are staff promotions and other benefits given to staff as and when due?	To determine the level of staff welfare which could be a source of motivation for performance. These include promotions, staff training and development, payment of salaries etc.

For the quantitative aspect of the study, the secondary data used (quarterly data) from 2008 to 2019 were collected from the respective company's annual reports, journals and online databases. The quarterly data on the Nigerian 90-day Treasury bill rates were collected from the database of the Central Bank of Nigeria. Required data for this aspect of the study consists of the dividend and share prices of the 3 N-REITs companies within the study period. Hence, the data obtained were subsequently used to calculate the holding period returns (HPR) on N-REIT. Similarly, the risk-adjusted returns were also calculated.

3. Results and Discussion

The organisational structure of Real Estate Investment Trusts in Nigeria (N-REIT)

The data on the organisational structure of N-REIT was obtained through structured interviews conducted on the staff of N-REIT companies. The data collected was analysed and presented in the semantic network in Figure 1.

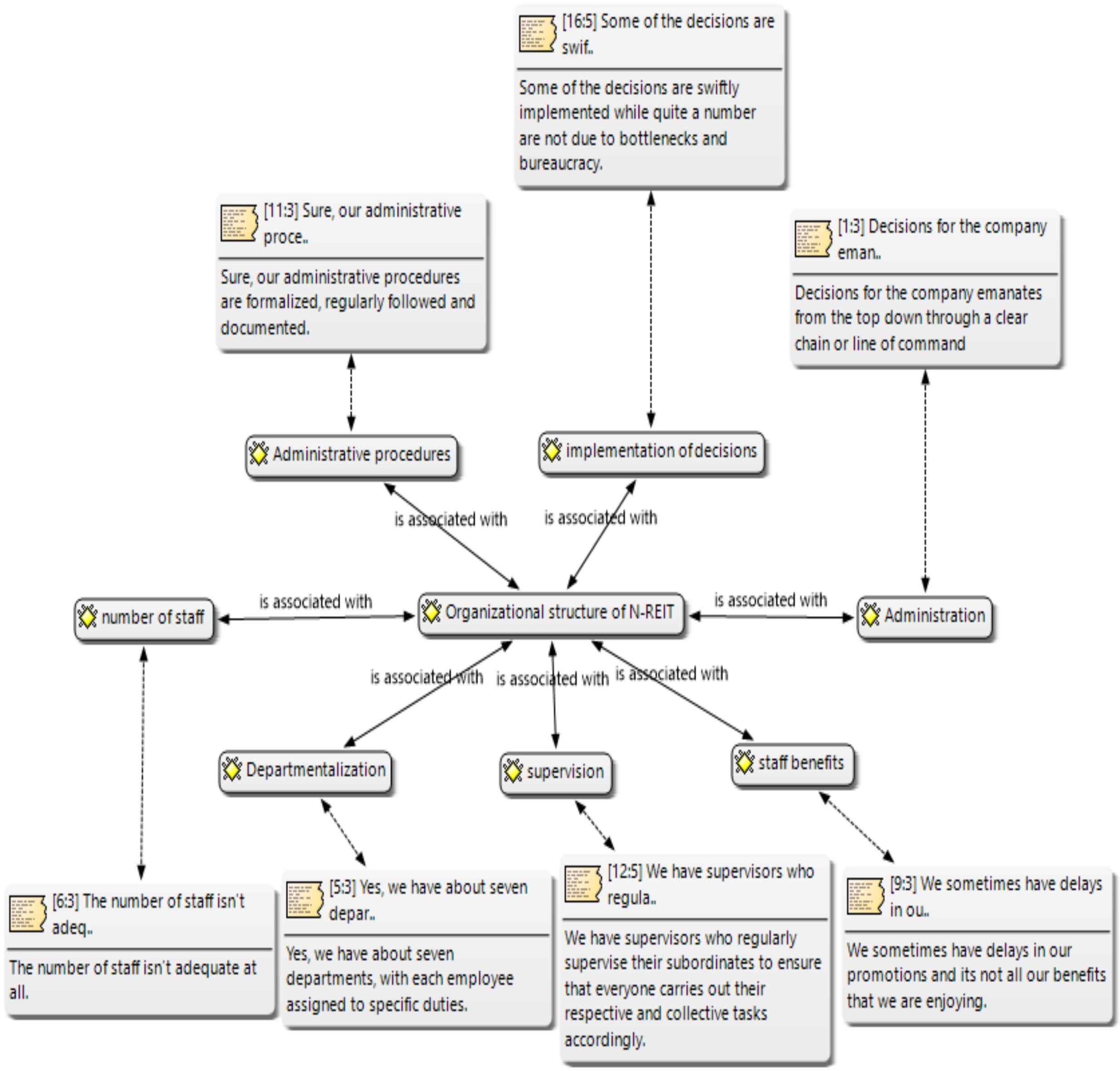

Figure 1: Semantic networks on participants responses relating to organizational structure of N-REIT

Figure 1 presents participants responses as it relates to the organisational structure of the N-REIT. 1.3 in Figure 1 indicated that decisions with respect to the company emanated from the top down through a clear chain of command. One of the interviewee said

> *"Decisions for the company emanates from the top down through a clear chain or line of command"* **(Interviewee number 1, February 2020)**

The participants made it clear that decisions are taken from the top-down, suggesting a vertical and centralised structure of management in the company. With regards to the number of staff to the size of the company, there were variations in the opinion of the participants. However, most of them indicated that the number of staff was inadequate.

> *"The number of staff isn't adequate at all"* **(Interviewee number 6, February 2020)**

With regards to the supervision of staff, most of the participants agreed that regular supervision of staff activities was undertaken.

> *"We have supervisors who regularly supervise their subordinates to ensure that everyone carries out their respective and collective tasks accordingly"* **(Interviewee number 13, February 2020)**

On the issue of decisions being swiftly implemented without bottlenecks or bureaucracy, some of the participants had the following to say

> *"Some of the decisions are swiftly implemented while quite a number are not due to bottlenecks and bureaucracy"* **(Interviewee number 17, February 2020)**

With regards to the departmentalisation and determination of each employee' responsibility in the company, all the participants indicated that the company was departmentalised with each employee having defined duties and responsibilities. Similarly, all the interviewees indicated that in the company, administrative procedures were formalised, regularly followed and documented.

> *"Yes, we have about seven departments, with each employee assigned to specific duties"* **(Interviewee number 5, February 2020)**

> *"Sure, our administrative procedures are formalised, regularly followed and documented"* **(Interviewee number 11, February 2020)**

When asked whether promotion and other staff benefits were given to staff as and when due, most of the participants indicated that they do not get all their benefits on time.

"We sometimes have delays in our promotions and it's not all our benefits that we are enjoying" **(Interviewee number 12, February 2020).** This shows that staff of the N-REIT companies were not feeling motivated to put in their best because of some challenges encountered

concerning the promotion of staff as and when due and the need for more staff to help the few who feels overworked in the companies.

It is observed that the organisational structure of REITs have become an essential catalyst in improving performance. An earlier observation (in a study conducted on N-REIT) was made, asserting that different REIT structures/features (such as management style among others) could determine the performance of REIT, hence, suggesting that there is a link between organizational/regulatory framework and performance (Olanrele et al., 2015). This assertion was confirmed in a study conducted in Belgium. It was found that "a series of legislative innovations have transformed the core features that Belgium REIT can offer such as the social dimension aspect as well as the institutional involvement" which led to its "increased efficiency and attractiveness" (Marzuki & Newell, 2019, P. 346). This robust and unique regulatory innovative framework (which was peculiar to Belgium REIT) brought about tremendous development and growth in terms of Belgium's REIT number of participants and its market size. The next section of this paper dovetails from organizational structure to the performance of N-REITs.

Return-Risk Performance of Real Estate Investment Trusts in Nigeria

To obtain the return-risk performance of N-REIT, first, a unit root test was conducted to determine the stationarity status of the datasets. Second, the HPR on N-REIT was obtained, third, the return risk ratio, coefficient of variation and Sharpe ratio were subsequently calculated.

Table 5 Phillips-Perron unit root test on the performance of N-REITs

			ASI	FGB	REITS
	With Constant	t-Statistic	-11.2615	-2.4282	-11.6745
		Prob.	***0.0000***	***0.1359***	***0.0000***
			***	n0	***
At Level	With Constant & Trend	t-Statistic	-11.2624	-2.807	-11.961
		Prob.	***0.0000***	***0.1973***	***0.0000***
			***	n0	***

	Without Constant & Trend	t-Statistic	-11.294	-0.3667	-11.4096
		Prob.	***0.0000***	***0.5510***	***0.0000***
			***	n0	***
			d(ASI)	d(FGB)	d(REITS)
	With Constant	t-Statistic	-59.9734	-10.9406	-45.1815
		Prob.	***0.0001***	***0.0000***	***0.0001***
			***	***	***
<u>At First Difference</u>	With Constant & Trend	t-Statistic	-58.1839	-10.9319	-47.186
		Prob.	***0.0001***	***0.0000***	***0.0001***
			***	***	***
	Without Constant & Trend	t-Statistic	-60.4079	-10.9846	-45.5952
		Prob.	***0.0000***	***0.0000***	***0.0000***
			***	***	***

Notes

Null Hypothesis: the variable has a unit root

a: (*)Significant at the 10%; (**)Significant at the 5%; (***) Significant at the 1% and (no) Not Significant

b: Lag Length based on SIC

c: Probability based on MacKinnon (1996) one-sided p-values.

Table 5 presents the unit root test (test of stationarity) of the datasets used in the study. The Philip-Perron (PP) stationarity test model was used in conducting the analysis. The choice of the PP model was in line with previous studies such as Arltová & Fedorová (2016), which posited that the PP test is more suitable for testing short time-series data sets. The unit root analysis was used to test the null hypothesis of a unit root (stationarity properties) for the entire dataset. The PP test-statistics are integrated of order I(0), computed with the trend and intercept. The results revealed that all the data sets are statistically significant stationary series at 1st Difference. Therefore, we can reject Ho for all the data sets. This means that the data series are all stationary at 1st difference (significant at 1% critical values) and are integrated of order I(0).

Table 6: Descriptive statistics

N-REIT	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
Skye Shelter REITs	-7.1	21.6	1.58	4.1	1.9	1.6
Union Homes REITs	-4.5	3.87	0.89	1.9	-0.3	0.1
UPDC REITs	-4.4	9.4	0.78	2.1	1.2	1.8
T-Bill Rates	1.71	14.7	9.2	3.5	-0.5	-0.6

Table 7: Return-Risk performance of N-REITs companies

N-REIT Company	Total Return	Total Risk	Return Risk Ratio	Coefficient of Variation	Sharpe Ratio
Skye Shelter Fund REITs	1.58	4.1	0.39	2.59	-1.75
Union Homes REITs	0.89	1.9	0.47	2.13	-2.14
UPDC REITs	0.78	2.1	0.37	2.69	-2.18

Mean	1.08	2.7	0.40	2.50	-2.02

Table 6 presents the minimum, maximum, mean, standard deviation, as well as skewness and kurtosis values for each of the N-REIT company within the investment period. The returns obtained from the Skye Shelter Fund was seen to have ranged between -7.1% and 21.6% with a mean value of 1.58% within the study period. For the Union Homes REIT, its returns ranged between -4.5% and 3.87% with a mean value of 0.89%. The UPDC REIT had a return value that was between -4.4% and 9.4% with a mean value of 0.78%. It was observed that the mean returns provided by the respective N-REIT companies were all positive throughout the study period. When compared to REIT industries of other countries that started in the same year with Nigeria (2007) such as the UK, Malaysia and Germany, it was observed that the later outperformed the Nigerian REITs (Edionwe et al., 2017; Dabara et al., 2018).This result implies that the performance provided by N-REIT cannot be generalised neither can it be presented as a time-based phenomenon; other REITs industries (e.g. U.K and Malaysia) did better within the same time frame.

From Table 7, it was observed that the Skye Shelter Fund provided a higher return (1.58%) with a consequent higher level of risk (4.1). The UPDC REIT provided the lowest return (0.78%), while the Union Homes REIT presented the lowest risk (1.9%). The Skye Shelter Fund provided a return-risk ratio of 0.39 with a coefficient of variation of 2.59 and a Sharpe-ratio of -1.75. The Union Homes provided a return-risk ratio of 0.47, a coefficient of variation of 2.13 and a Sharpe-ratio of -2.14. The UPDC provided a return-risk ratio of 0.37, a coefficient of variation of 2.69, and a Sharpe-ratio of -2.18. The mean return values obtained withing the study time-frame were 1.08, 2.7, 0.40, 2.50 and -2.02 for the total return, total risk, return-risk ratio, coefficient of variation and Sharpe-Ratio respectively. It is important to note that, all the return values in all the 3 N-REITs companies were positive except for the Sharpe-ratios. The implication of these findings for both domestic and foreign investors is that they need to weigh both returns and risk of N-REITs to guide their investment decisions. This is not farfetched as investors have varying levels of risk tolerance due to their difference in risk averseness. The results found in this study disagrees with findings from other REIT industries of emerging markets such as South Africa and Malaysia (Jackson, 2008; Edionwe et al., 2017; Dabara & Ogunba, 2020) which suggest a better Sharpe-ratio. This is expected because the REIT markets in, for example, Belgium and Mexico have better operational market environment/organisational structure than Nigeria. In African emerging markets, South Africa has a better organizational structure (see Table 3), little wonder it provides a better performance index when compared to N-REIT. Organizational structure impacts performance in many ways such as its management strategies as observed in Vietnam (Tran & Tian, 2013), in Asia, it was found that the organizational structure of the Asian REITs provided a platform which makes it outperform shares and bonds (Khoi, 2013). Noguera (2015) found a link between the performance of REITs and the organisational structure of REIT companies as regards the status of their respective CEOs. Dabara & Ogunba (2019) found that the structure of a REIT impact its conduct, which consequently impacts its performance. Parker (2020) in seeking to identify future directions for REITs, proposes a focus on people relevant to the REIT industry (e.g. managers, board directors etc.) rather than properties, which invariably impact on the performance of the REITs.

4. Implications for practice and Conclusion

The Nigerian REIT (which is at its nascent stage) is an increasingly prominent and essential REIT market both in the African region and the emerging REIT market block. As one of the pioneering and very few active REIT markets in the African continent, N-REIT provides an investment platform for both domestic and foreign investors to partake in the vast investment opportunity inherent in the Nigerian property market. N-REIT has positively transformed the Nigerian property market by bringing in advantages such as ease of transaction, liquidity, transparency and flexibility. This has significant implication for practice in the N-REIT market. All these were pivotal and fundamental in the development and growth of the market. The study has addressed two primary research questions regarding the organisational structure of N-REIT and its return-risk performance. Findings from the study present a case for investment stimulation in the N-REIT market, which has potentials for growth and investment benefits.

Even though it is evident that N-REIT's market is still small in comparison to that of the Mexico, Belgium, Malaysia, and South Africa among others, its favourable organisational structure provides a platform for excellent progress in the right direction. Results were observed to suggests the performance of N-REIT concerning holding period return and risk-adjusted return as positive throughout the study period. Similar results were observed in the REIT industries of other climes in emerging real estate markets (Jackson, 2008, Marzuki et al., 2019; Lin et al., 2019; Marzuki & Newell, 2020).

Ways by which the N-REIT development can be accelerated include: firstly, improving the N-REIT legislations. Similar steps were taken by the Belgium REIT market with profound results (see Marzuki and Newell, 2019), it is imperative that the Nigerian SEC and the N-REIT players come up with innovative regulatory framework (peculiar to the Nigerian REIT market) to stimulate the development and growth of the N-REIT industry. This agrees with the submissions of Olanrele et al. (2015) where the authors asserted that different REIT structures/features could determine its performance. Secondly, as observed by Dabara (2021), "it is also imperative that the N-REIT market's primary property sector be expanded to include other property types like health care, hotels, etc. This could reduce the level of competition in the core property market and open new investment horizon, which could increase the market capitalisation of the industry". Thirdly, the perception of investors regarding N-REIT could be improved through intensive advertisement and creation of public awareness about N-REIT. The study revealed the following limitations: Nigeria has only three REITs which started operations in 2007, 2008 and 2013 respectively, a larger sample, with divers property types and longer time-frame, could have provided a better view of the industry. Therefore, the findings in this study was not a reflection of the performance of REITs in the global markets; neither was it a time-frame phenomenon nor emerging market phenomenon, but very specific to Nigerian REIT.

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