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Twelve

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FROM BARELY AFFORDING IT TO BECOMING REAL ESTATE INVESTORS

6 success stories from everyday women who smashed their financial goals and conquered barriers to invest in premium real estate in Nigeria & the United Kingdom.

Introduction

Hi, I'm Tomie Balogun.

Co-founder, Twelve.

I have had the privilege of working with multiple investment groups and thousands of individuals in their quest to build asset-rich portfolios. My experience has taught me that when women set goals, they can achieve anything they set their minds to.



Today, the current economic environment is rife with inflation, currency devaluation and uncertainties. This is not a season to be cash-rich but to be asset-rich. Real estate remains one of the few assets that provides a hedge against inflation, provides cashflow and sets the foundation to create generational wealth.

As we celebrate women this month, March 2023, our goal is to share success stories from everyday women who have conquered the odds and overcome barriers to invest in real estate profitably. Success stories are valuable learning tools for society as they inspire and motivate us to believe our dreams are valid.

To every woman reading this, my sincere hope is these stories inspire you to stop thinking small, set big goals, collaborate, and consider adding real estate as an asset to your investment portfolio. Your financial independence depends on your financial decisions today.

To your wealth

Tomie

Morenike Molehin

Superstar Mum, Business
Entrepreneur, CEO, Oak &Teak

I took advantage of an investment opportunity even when I could not afford it and today, I own a property due to my determination not to settle for less.



What inspired you to invest in real estate?

I have always been inspired by the biblical principle to own a portion of the earth. Based on this principle, I always planned on owning real estate as an asset in my investment portfolio. I also saw real estate as a proven way to preserve wealth and create an additional stream of income.

Prior to owning my first property, I owned land. I decided to push myself into owning my first property because I saw additional value in owning property.

Morenike Molehin

Superstar Mum, Business Entrepreneur, CEO, Oak &Teak

Honestly, when I set the goal to own property, I didn't have all the cash available, so I decided to look for options that offered flexible payment plans. I made the first commitment and continued to meet all the obligations as at when due. At the beginning, I didn't know how I would meet all the payment obligations, but I stepped forward in faith and it stretched my faith to think creatively and step out of my comfort zone.

I was also inspired to take this step because I know the cost of real estate is going to keep rising. Instead of waiting till I could afford to have all the money required, I decided to take the first step and make the down payment. The rest is history as I now own prime real estate in Lagos. It is a dream come true.

My immediate plan is to set up this property as a short-let apartment and earn rental income. My goal is to build a real estate portfolio that comprises 30% local real estate and 70% in international markets. This plan may evolve over time

Would you consider collaborating with others to invest in real estate?

I'm open to collaborating with others to invest in owning assets but it is very important I know the people I collaborate with. They must be close friends I can talk money with openly and work seamlessly with to define terms and conditions for payment and exits.

Morenike Molehin

Superstar Mum, Business Entrepreneur, CEO, Oak &Teak

Key lessons

1. Be very clear on why you want to invest in real estate. Avoid the herd mentality and stick to your goals
2. Do your due diligence on the real estate development company. Don't take information provided for granted. Seek street intelligence as well
3. Don't let your income limit your investment goals. Set a goal, stretch your mindset to earn more income and work towards achieving your goal instead of simply concluding that you can't afford it. Once you decide, the universe aligns.



Morayo Oyeleke

Astute Real Estate Investor.
Director, Blue Square Ltd

From owning stock to building a diverse real estate portfolio in Nigeria and the UK

What inspired you to invest in real estate?

My mum inspired me to start my investment journey. I started my investment journey by investing in stocks in Nigeria because I did not have a lot of money and was quite young at the time. After a couple of years of actively buying stocks, a friend told me about an opportunity to buy land in Alpha beach, a growing area of Lagos. I decided to sell my stocks to invest in real estate. Real estate has always represented a proven asset that will increase in value over time. Selling my stocks provided about 60% of the cost of purchasing the land and I raised the balance from my husband.



Morayo Oyeleke

Astute Real Estate Investor. Director, Blue Square Ltd

4 years later, there was an opportunity to purchase apartments in 1004 estate, VI. I sold the land I owned at Alpha beach and bought an apartment in 1004 estate, VI, Lagos. One of the principles that has helped me on my investment journey is educating myself and nurturing relationships where I get access to information on good investment opportunities at the right time. When I get wind of information about an interesting investment opportunity from my circle of friends, I typically liquidate an existing investment or raise the money to take advantage of the investment opportunities. This helped me build a profitable investment portfolio over time.

I owned the apartment in 1004 estate, VI for a few years until again, I got wind of real estate investment opportunity in the UK. The Naira was beginning to lose value in 2015 and those in my circle started to consider offshore investment opportunities to protect the value of their investment portfolios. Based on the economic outlook, I made the conscious decision to sell the apartment in 1004 estate and invest in an offshore real estate opportunity.

Did you always have all the money required to invest in real estate?

When I made the commitment to invest in the real estate investment opportunity in the UK, I didn't have all the money required but encouraged by my circle of friends, I made the initial commitment.

Morayo Oyeleke

Astute Real Estate Investor. Director, Blue Square Ltd

It was an off-plan project with a 3-year payment plan. Looking back now, I know that I was able to complete the payments over the 3-year period because I didn't tell myself I couldn't afford it and because I had friends who encouraged me to invest. I made the commitment and the universe aligned with making the funds available for me to complete the investment payment plan successfully.

Today, I have over time, added to my real estate portfolio thus giving me the freedom to make life decisions such as taking a break from an active 9-5 career and pursuing work in other areas because I earn rental income from my real estate investment portfolio. Some decisions are hard to make when you don't have a passive or guaranteed stream of income.

My mum remains a great example of a financially independent woman to me. She earns rental income from her real estate portfolio and does not depend on us, her children, for her financial upkeep. I started investing with a basic income, continued to build as my income increased and plan to keep on building my real estate portfolio to grow my rental income. I believe every woman can do the same thing.

Morayo Oyeleke

Astute Real Estate Investor.
Director, Blue Square Ltd

Key lessons from my investing experience

1. I think women underestimate their financial capacity and their ability to achieve personal economic stability. They need to encourage themselves to actively pursue, have conversations about and be aware of tools that allow them to invest profitably. Form circles with friends where you discuss money and encourage yourselves to take advantage of opportunities when they come up.
2. Make investment decisions quickly when the investment opportunity ticks the due diligence box. There's a timeliness to investment decisions that determines how well you can maximize capital growth in the value of your real estate investment.
3. Maintain your real estate assets consistently. This is very important to ensuring the desirability of those properties. My real estate properties are always in demand because they are well maintained.
4. Credit can be expensive in an inflationary environment. My experience has taught me it's cheaper to collaborate with others to invest in real estate when you must grapple with inflation. I co-own a few real estate investments with friends successfully. What has helped me collaborate effectively is having clear aligned objectives with my investment partner.

Mojisola Afolayan

Real estate professional.

Mum and Women advocate

I collaborated with 13 people to buy a N200m property in 2021. The property is now valued at N250m



Why did you decide to invest in real estate?

I am a real estate professional and I have always been inspired from helping my clients buy prime real estate. My clients earn cashflow from real estate which they use to pay school fees and meet their family expenses. This experience inspired me to think differently about owning real estate. Real estate is a great asset and will continue to increase in value, but we can't keep waiting till we can afford it ourselves,

In 2021, I was informed about a piece of real estate in a growing area in Lagos.

Mojisola Afolayan

Real estate professional. Mum and Women advocate

When I found out the cost of the property was N200m, I decided to create a group of investors who could collaborate to invest with me instead of simply moving on thinking that I cannot afford it. We successfully raised the funds and completed the purchase of the real estate property within a period of 3-6 months

What are your investment plans for the future?

Our goal is to build 52 units of apartments on the real estate property which will be allocated to each investor based on the amount of money invested at the inception stage.

Key lessons from my investing experience

1. Be fearless. Stop waiting and collaborate with others to take advantage of opportunities when they come up. This will also help you share your risks. The secret of getting ahead is getting started early. A lot of the wealthy clients I work with collaborate to take advantage of opportunities, it's time for women to collaborate more.

Mojisola Afolayan

Real estate professional. Mum and Women advocate

2. Seek out your co-investors carefully. Tick all the boxes and dot the I's on your legal documentation, title documentation and terms of investment
3. Expand your thinking by getting into circles that force you to think out of your comfort zone. Always ask questions and work with professionals. Do your due diligence and site visits to ensure you are investing your hard-earned money in a good real estate project.



Ivie Osula

Ex-Banker, Avid Investor,
Fashion Entrepreneur

I collaborated with my colleagues at work to purchase real estate for N56m in Lagos. We sold for N320m 7 years later.

It was a normal day at work in 2014 until my colleagues and I got wind of an upcoming real estate development in Orange Island, the latest prime real estate development in Lagos at the time. When I learnt the cost of owning a plot of land in this development was N56m, I initially thought; wow! That's very far reaching and way above my pay grade. But then I stopped to think about it and decided not to let the opportunity pass. Myself and 2 other colleagues who I had identified to go on this journey with me decided to carefully identify and reach out to a few other colleagues and share the opportunity for us to collaborate to invest in this real estate opportunity.



Ivie Osula

Ex-Banker, Avid Investor, Fashion Entrepreneur

We strategized on a co-investment plan and the first thing on our checklist was to define the type of people we wanted to co-invest with. These people had to have financial capability to embark on that project and have integrity and be willing to work together with others to achieve the investment objective which was to pool funds together to purchase real estate and with an exit plan to either build on the land or sell for a profit at a future date.

In a short time, we built a team of 8 people who were interested in co-investing in this project and we set up the investment group and proceeded to sign legal agreements based on the investment objective. We assigned roles to the 8 investors and made sure to include legal counsel and a few senior colleagues in the group to provide balanced counsel, if required, while making the investment.

We decided to register a company with equal shareholding for each member of the group and made equal individual contributions on a quarterly basis for 7 quarters. We also set up a structure which ensured a quorum of 5 members could make definite decisions on actions to be taken by the group in the future. Due to getting in early on the real estate investment project, our real estate purchase was a great waterfront property in Orange Island, Lagos.

Why did you decide to sell in 2022?

We held on to the investment for 7 years and decided to sell for N320m based on the quorum's decision to sell in 2022. Personally, my life has also evolved significantly in 7 years, and I thought it was a wise decision to sell and hedge against continuous currency devaluation.

Ivie Osula

Ex-Banker, Avid Investor,
Fashion Entrepreneur

Key lessons from my investing experience

1. This experience taught me that a lot of working professionals, especially women, are not prepared to take advantage of investment opportunities when they come up. My advice is for more professionals to prepare their minds and personal finances to take advantage of opportunities when they come up, so they don't keep working so hard and missing out on opportunities to create wealth.
2. When you collaborate with others to invest, it is important to have a clear investment objective, create a clear structure and sign legal agreements with clear default or exit clauses. There should be no sentiments when it comes to making decisions on how to exit the investment and this conversation should be had and settled at the inception of the project.
3. People. People. People. The people you collaborate with can make or mar your investment project. I have worked with investment groups which didn't work out as good as this project and the key difference has been the composition of the people that make up the group.
4. Don't let bad investment experiences stop you from being an avid investor. I have had some bad investment experiences but decided to use them as lessons to help me make better investment decisions in the future.

Rachel Lawal

Accountant, Real Estate Investor

I collaborated with my sister to buy our first home in the UK at 265k. Our home is now valued at £344k



Why real estate?

My first thought was real estate is expensive, but I knew I wanted to own my place in the UK. I decided to not let the overwhelming cost or barriers discourage me. I took the steps to speak to real estate experts and ask my sister to collaborate with me to co-own our first property. After a lot of research, we settled on buying a home in the Kent, UK.

We thought all we had to do was figure out what we wanted, our budget, choose the right location until the reality of having a good credit history hit us.

Rachel Lawal

Accountant, Real Estate Investor

While we knew that you get a good credit score if you meet your credit payments on time, it was a shock to us to learn that details such as the description of transactions on your bank statements can affect the banks assessment of your creditworthiness. The banks want to see a good track record of managing funds effectively, meeting your credit obligations as at when due and using a vague description on your financial transactions can be misinterpreted.

The banks want to know if you're fundamentally going to be able to meet your obligations if they give you a mortgage. You might think that missing a \$10 payment is not a big deal but what the bank sees is a track record of a missed payment and that affects your ability to buy a home.

In our case, the bank had to look at I and my sister's financial track record to consider if we're able to manage money and meet our future credit obligations. This made us work together and hold ourselves accountable on our financial transactions, paying off credit loans on time, building up our credit scores as none of us wanted to be the reason we couldn't buy a home.

What do you think helped you stay focused on your goal?

Most people find it difficult to go through the home buying process because it requires grit. You might cover all the bases and then your lender pulls out unexpectedly. There are so many things that can happen that can deter you, but you have to stay focused on your goal.

Rachel Lawal

Accountant, Real Estate Investor

I strongly believe if I had gone on this real estate journey myself, I wouldn't have been as deliberate in my financial decisions.

What are your investment plans for the future?

Buying a home with my sister felt great and represents a family home for all my siblings. I look forward to co-owning property with my spouse and buying more investment properties in the next decade. My goal is to build generational wealth

Key lessons from my investing experience

1. Keep your bank statements clean because it's going to show up in the bank assessment of your transactions. I keep my bank accounts separate for income and daily cash spend. My daily spending comes from my cash account, and my income goes directly to my income account. This helps me keep minimum clean direct debits with clear descriptions on my income account. When my bank asks for my financial statements, I give them the financial statements on my clean income account.

Rachel Lawal

Accountant, Real Estate Investor

2. Don't take out too much credit. Stay within your credit limit. Try and stay within 25–30% of your credit limit. Your credit facility usage plays a part in your credit rating. You don't want to be classified as a high credit utilizer. You can have high credit limits but don't use it up all the time, so you don't get classified. Use the high credit for planned obligations if you must but be a low credit utilizer

3. Don't just save for the cost of buying your first home, save an additional 10% to 20% to cover additional fees in the home buying process you might not expect. You can start off with investing in funds to build up your capital base once you set a goal to buy your own home.



Sarah Stephen

Real Estate Professional
and Astute investor

I collaborated with my mum to buy our family home in the UK at age 18

I got inspired to invest in real estate because I detest poverty and I've seen how poverty can affect families over multiple generations. I was also inspired by my mother who purchased real estate from ground zero to amplify the importance of hard work and multiplying even the little you have. She had an audience of one, myself and I watched her closely.

My mother moved to the UK as an immigrant and had to work menial jobs to earn additional income to finance my education. At first hand I witnessed what sacrifice looked like and the challenge that comes with not being part of an elite/privilege class.



Sarah Stephen

Real Estate Professional and Astute investor

This hierarchy however was not a deterrent for my mother as I went to the best schools and fought for a level playing field of opportunities for myself as schools that Whites and Blacks attend back then and even today are still segregated and unequal. The lack of social inclusion in London having lived in Luton (a town in Bedfordshire) for most of my childhood, was a real cultural shock.

My mother and I struggled to find a place to stay and had to rely quite often on the generosity of friends and relatives. Soon my mother decided enough was enough and applied for council/social housing. Overcrowding is very common in London, and we were not given extra priority due to a severe shortage of social housing. My mother took matters into her own hands and one day, we camped outside the council office and slept there overnight. At first, I thought it was a joke but then I realized, she was serious.

This experience gave me a flavor of what life really could look like and the determination of a mother wanting the best for family. That night I vouched that I would never be homeless. Thankfully, the local council gave us a place to stay the next morning and I ended up buying the house from the local council at age 18 with my mother.

There are so many factors that go into getting a good deal when you invest in real estate in the UK. Getting a good interest rate is a key factor.

Sarah Stephen

Real Estate Professional and Astute investor

When I had the first taste of owning my first home, It felt really good and I decided to keep building a real estate investment portfolio over time. I bought my second property at the age of 28, third property at age 29 and fourth property at the age of 30, my fifth property at the age of 32. Today, I own a diverse real estate portfolio across Nigeria and the UK and my goal as the residential director of Rehoboth & Stephen is to help people create generational wealth via real estate.

As a first-time home buyer, I got a high interest rate because then I did not have a good credit score. People of color do get educated on financial literacy or how to build a good credit score. I learnt very quickly from my Asian friends as you really can't start your journey to owning real estate if you don't have a good credit score in the UK. A good credit score is a result of good personal finance habits, and it is important for more women to get educated on this fact.

My real estate investment journey led me into becoming a real estate professional. I worked for Foxtons, one of the top real estate companies in the UK. Working for Foxtons for over a decade taught me the intricate ropes of real estate buying and investing. It was hectic but very enlightening and fulfilling. I'm grateful for that experience as it has empowered me to partner in leading my own real estate company today.

Sarah Stephen

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Key lessons from my investing experience

1. Invest in real estate for the long-term. Wealthy people hardly sell real estate. They never sell because to buy up what they've sold would be more expensive. They invest in real estate as a vehicle to fund something or a business or leave as an inheritance
2. Don't make real estate investment decisions based on budget. I make my real estate investment decisions based on location, development plans, rental income. I also buy real estate close to core infrastructure development such as banks, local supermarkets, stations, schools as these developments drive house prices. For a first-time buyer, you can start with buying in a second-tier or third-tier city.

Sarah Stephen

Real Estate Professional and Astute investor

3. Focus on capital growth. Rental income is good but not my focus when I invest. Based on this, I buy real estate in good locations and ensure my properties are well maintained as this ensures an increase in the value of my property.

4. Finally, you can't rely on a 9-5 job to build wealth. You need to build an asset-rich investment portfolio that provides additional cashflow.



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