



## **Analysis of Housing Development Financing through Crowdfunding in Abuja, Nigeria**

<sup>1</sup>Musa J. Ashen / <sup>2</sup>Ruth M. Ashen & <sup>3</sup>Moses J. Gambo

### **Abstract**

*This study examines the feasibility of crowdfunding as an alternative funding method for housing development projects in Abuja, Nigeria, particularly among micro, small, and medium enterprises (MSMEs). The research focuses on identifying the barriers to the adoption of crowdfunding in financing these projects. A quantitative research design was adopted, utilizing an online survey technique. The study utilized primary data gathered through structured questionnaires distributed to members of Real Estate Developers Association of Nigeria (REDAN) in Abuja Branch, featuring a five-point Likert scale, distributed to a sample of 352 respondents selected via simple random sampling from a population of 2,500 registered members of REDAN in Abuja. The findings highlight the necessity for tailored regulatory frameworks and increased public awareness initiatives to foster trust in crowdfunding as a viable financing option for housing development. It is recommended that policymakers create clear and robust regulations to alleviate concerns about crowdfunding and that educational campaigns be launched to help both investors and developers better understand crowdfunding, thereby encouraging adoption and greater participation.*

**Keywords:** *crowdfunding, developers, housing, finance, barriers*

---

<sup>1</sup> Dept. of Estate Management, University of Jos Nigeria. [ashenm@unijos.edu.ng](mailto:ashenm@unijos.edu.ng). ORCID ID: 0009-0004-7290-8728

<sup>2</sup> Dept. of Building, Plateau State University, Boko, Nigeria. [ruthashen@gmail.com](mailto:ruthashen@gmail.com)

<sup>3</sup> Dept. of Estate Management, A.T.B.U. Bauchi, Nigeria. [mjgambo@atbu.edu.ng](mailto:mjgambo@atbu.edu.ng). ORCID ID: 0000-0002-3938-2005

## Introduction

In order to support their expansion needs, startups, micro, small, and medium-sized businesses in the Nigerian housing sector have historically looked for extra finance from institutional and informal financial sources. However, Banerjee (2017) noted that the limitations of these financing sources vary. As a result, there is a greater need for alternative financing choices. A new market known as real estate crowdfunding has emerged as a result of the rapid growth of crowdfunding in the creative ideas industry and the housing development sector in recent years (Davis *et al.*, 2019; Ashen *et al.*, 2024). In order to support projects for specific purposes, Schwienbacher and Larralde (2010) define crowdfunding as an open call for financial resources, mostly over the Internet, in the form of donations or in exchange for some kind of incentive and/or voting rights. According to Ashen *et al.* (2024), a study by Chao *et al.* (2020) pointed out that crowdfunding is a relatively new phenomenon in Africa and that the company is extremely small, with a combined market value of just \$12 million in 2014. Funds raised on African platforms account for less than 0.1 percent of the global crowdfunding market. Through a variety of tactics, African crowdfunding volumes rose from US \$83 million in 2015 to US \$182 million in 2016, a 118% rise. Financing availability is still a major problem in Nigeria's housing market. From 27.04% of all private sector credit in 1992 to just 0.54% in 2019, it has been noted that loans to micro, small, and medium-sized businesses (MSMEs) have drastically decreased (Obieche & Ihejirika, 2021, Ashen *et al.*, 2024). Lawal (2019) points out that current laws and regulatory structures are among the obstacles that could prevent crowdfunding for projects in Nigeria from being accepted, and studies have also revealed that Nigerians are not familiar with the idea of crowdsourcing.

Previous research has shed light on various aspects of housing finance and crowdfunding in Nigeria. Lawal (2019) highlighted that regulatory and legal barriers pose significant challenges to the adoption of crowdfunding for

housing projects. Similarly, studies have indicated a lack of public awareness and understanding of crowdfunding as a financing mechanism, suggesting that many stakeholders are unfamiliar with its potential applications in the housing sector (Ashen *et al.*, 2025). Moreover, a study by Ochieng (2023) examined the attitudes of potential investors toward alternative financing options, finding a general skepticism about the viability of crowdfunding due to concerns about security and regulatory oversight. While these works provide valuable insights, they primarily focus on individual elements of the crowdfunding landscape without offering a comprehensive analysis of the unique challenges and opportunities that exist specifically for housing development in places like Abuja, Nigeria.

Despite the potential of crowdfunding to serve as an alternative financing mechanism, the regulatory landscape remains largely unfriendly, and many developers and investors still lack adequate knowledge and confidence in this approach. As of 2024, there have been no significant legislative reforms specifically aimed at facilitating crowdfunding in Nigeria housing industry, and awareness levels among potential stakeholders remain low (Ashen *et al.*, 2024). While past research has identified specific barriers to crowdfunding in terms of awareness, there has been a lack of comprehensive, integrated analyses that comprehensively outline and prioritize these barriers as they pertain to housing finance. Little has been done to capture the views and concerns of a broad range of stakeholders—including developers, regulators, and potential investors—regarding the implementation of crowdfunding in the housing sector. There is also a dearth of empirical evidence that measures the potential economic and social impacts of crowdfunding on housing development in Abuja, which limits the understanding of its effectiveness as a financing solution. This study analyses housing development financing through crowdfunding in Abuja, Nigeria with the view of identifying the unique challenges and opportunities that crowdfunding presents in the context of Nigeria's real estate sector. The specific objective of the study is to

identify the barriers to the adoption and utilisation of crowdfunding in financing housing development projects in Abuja.

## **Literature Review**

### **Housing development project financing**

In the development and investment of housing estate, finance is a critical issue, claim Barnett, Serrano, Treleaven, and Knight (2020). Because of the project's complexity and high capital requirements, adequate finance is necessary to see it through to completion. According to Davidsson, Achtenhagen, and Naldi (2010), the development sector is where different forms of investment finance are most frequently used, and each loan must be specially designed for a particular project and all of its phases.

### **Access to housing development finance in Nigeria**

Insufficient capital base, high interest rates, a lack of an effective secondary mortgage market connected to capital markets and institutional investors, a lack of credit enhancement vehicles for extending mortgages to low-income levels, and a shortage of the skilled labour required for the mortgage market are just a few of the barriers Taiwo and Misnan (2020) listed for accessing housing financing in Nigeria. "Banks and other financial institutions that are expected to provide funding for housing estate development activities exhibit the following characteristics," according to Ogedengbe and Adesopo (2003) and Isibor, Ikpefan, and Okafor (2016) in Ashen *et al.* (2024), operate at high interest or lending rates, with savings interest rates ranging from 3 to 5% and lending rates of 25% and higher. Financial institutions have numerous bureaucratic obstacles to fund access and a strong focus on collateral security. There are also strict requirements for loans, a certificate of occupancy is always required and most loans are short-term.

## **Crowdfunding**

Crowdfunding is defined by Mollick (2014) as the attempts of entrepreneurs and organizations, whether cultural, social, or for business, to generate money for projects by asking many people online for small donations without the use of conventional financial intermediaries. In order to circumvent early-stage liquidity gaps, resource-constrained entrepreneurs use crowdfunding as an inventive capital management tool to pre-fund manufacturing and sales (Frydrych *et al.*, 2014). In recent years, crowdfunding has emerged as a substitute method of financing innovative concepts or endeavours. As of August 8, 2018, 65% of the \$3.4 billion successfully raised on Kickstarter, arguably the largest reward-based crowdfunding platform in the United States, had gone to businesses selling technology, design, or gaming products as noted by Chemla and Tinn (2020) in Ashen *et al.* (2024). However, an average project that was successfully funded raised only \$10,000 in all other categories, while \$93,000, \$63,000, and \$55,000 were raised in technology, design, and gaming, respectively (Chemla & Tinn, 2020 in Ashen *et al.*, 2024). However, compared to other continents worldwide, Africa is lagging behind in the crowdfunding phenomenon (Chao *et al.*, 2020, Ashen, *et al.*, 2024).

While the potential exists due to a growing population of tech-savvy entrepreneurs and a notable increase in internet penetration, challenges such as limited regulatory frameworks, low financial literacy, and inadequate infrastructure hamper crowdfunding growth in Africa (Geraldo, 2021; Moloji, 2024). According to Ogwu *et al.* (2022) the continent's crowdfunding market was valued at around \$90 million in 2020, indicating significant room for growth compared to Europe and America. Nigeria, as one of the largest markets for crowdfunding in Africa, has shown promise. Platforms like NaijaFund have started to make waves by facilitating funding for local projects (Gbadebo, 2024). However, the Nigerian market still faces barriers, including a lack of investor confidence, political instability, and limited awareness of crowdfunding models (Ogwu *et al.*, 2022). A study by Ashen *et*

*al.* (2024) highlights that while Nigerian entrepreneurs are increasingly turning to crowdfunding, the success rate remains low due to these systemic issues.

### **Firm drivers for crowdfunding**

According to Anglin and Pidduck (2022) and Ashen *et al.* (2024), backers are influenced by the credibility of the firm campaigning for funding. Some of the firms' motivations for crowdfunding include among others;

**Raising funds:** The main reason founders take part in crowdfunding campaigns is to presell their items and collect money to further their entrepreneurial aspirations (Ahsan *et al.*, 2018) while both intrinsic (such as rewarding others) and extrinsic (such as rewards) elements influence why backers choose to support a project on crowdfunding platforms (Zhang & Chen, 2019). Creators can promote their work and raise money using crowdfunding platforms in a secure way by utilizing web-based technologies like social media and online payment systems (Jenik *et al.*, 2017; Ashen *et al.*, 2024).

**Form connections:** Creators are driven to participate in crowdfunding in order to connect with people through a long-term connection that lasts much longer than a single financial transaction, in addition to raising money and increasing exposure of their work (André *et al.*, 2017; Bonifacio *et al.*, 2021). Creators can quickly engage with supporters to answer queries and provide project updates because crowdfunding platforms save supporter information and offer online message services (Fam *et al.*, 2021 in Ashen *et al.*, 2024).

**Learn new funds raising skills:** Creators who have influence over a crowdfunding campaign are compelled to develop skills in fields outside of their area of expertise (Piva & Rossi-Lamastra, 2018; Tang *et al.*, 2020). Hossain and Oparaocha (2017) opined that creators are encouraged to take part in crowdfunding to develop fundraising abilities including marketing, communication, management, taking risks, and financial planning. In

addition to offering a venue for implementation, crowdfunding also offers a crucial source of feedback that aids regular people in learning about the originality and utility of their ideas (Brem *et al.*, 2019).

**Achievements of funding target within a short time:** Other benefits of crowdfunding include the quick and flexible funding, the lack of rigid requirements, the ability to test products in the market, positive multiplier effects, positive signaling effects, and the ability to leverage the "knowledge of the public" for completing various business tasks (Bernardino & Santos, 2020; Husin & Haron, 2020) motivate firms into seeking for alternative financing sources through crowdfunding which is viewed as faster and flexible based on research.

**Environment Readiness:** The overall financial stability and growth rate, as well as technological advancement and innovation as well as growth chances, are explained by the environment readiness (Faulks, Song, Waiganjo, Obrenovic & Godinic, 2021). The availability of resources associated to financial institutions' preparedness to give credit, venture capital, and alternative financing sources is referred to as environment readiness (Alhammad *et al.*, 2022). In order to be environmentally prepared, a company needs a trained labor force as well as business intelligence, reasonably priced consulting, and training support.

**Access to investment opportunities:** Crowdfunders are often only allowed to participate in local businesses through traditional procedures for financing early-stage projects (Lukkarinen, 2020). Additionally, rules had until recently limited most prospects for non-family and friends' investments to authorized investors. Crowdfunding "gives ordinary investors the opportunity to get in on the ground floor of the next great idea," according to Savastano (2018).

#### **Firm's barriers for crowdfunding**

There are various types of crowdfunding concerns that deter people from

becoming project creators. Fear of not being able to get funds is the first deterrent (Lukkarinen *et al.*, 2016). Many business owners are hesitant to crowdfund their ideas because they fear the crowdfunders' group isn't the right market for their products or that they won't be able to deliver enough rewards (Schwienbacher & Larralde, 2010). Second, the dread of public failure discourages creators (Tenca & Franzoni, 2019). They are anxious about the negative consequences of failing to meet financial goals, such as personal embarrassment, reduced opportunities with future investors and consumers, and a ruined professional image (Ho, 2021 in Ashen *et al.*, 2024). Furthermore, entrepreneurs may be hesitant to use crowdfunding because they are concerned about having to reveal sensitive information (Jaziri & Miralam, 2019). Crowdfunding necessitates a lot of public exposure, and competitors might easily steal the creator's concept and implement it first (Cowden & Young, 2020). The next construct is a fear of presenting desperation, which can have detrimental effects on one's image when using crowdfunding (Gleasure, 2015). Many people believe that using crowdfunding will give their brand a "cheap" image or signal that they are unable to attract traditional investors and are in need of finances. Lastly, some investors may view crowdfunding to be inefficient in terms of time and resources (Korzynski *et al.*, 2021). The internet allows entrepreneurs to contact a broad potential investor base, but it also entails a lot of labor in terms of answering, updating, and managing funders on a regular basis, on top of the initial resource commitment to build an appealing project description (Clauss *et al.*, 2018). Further barriers as noted by Turi (2020), Hornuf, Karami and Schweizer (2021) in Ashen *et al.* (2024) include among others;

**Idea and Data Theft:** According to Rey-Martí *et al.* (2019) entrepreneurs must supply the general public with comprehensive information about the crowdsourcing project in order to pique the attention, credibility, and confidence of potential investors and persuade them to contribute money to a particular initiative. Cumming *et al.* (2021) further noted that the risk of

copying is increased by the transparency of the information revealed regarding crowd funding initiatives, especially for those in the commercial entrepreneurship area where imitation may lessen or destroy their competitive edge. To address this concern, Non-Disclosure Agreements (NDAs) can be utilized strategically before discussing proprietary ideas with potential crowdfunding investors or supporters (Tajvarpour & Pujari, 2023). Additionally, crowdfunding entrepreneurs can limit the amount of sensitive information shared publicly while focusing on broader aspects of the project that highlight its uniqueness without disclosing specifics (Cummings *et al.*, 2020). Platforms can also implement measures to help protect creators' intellectual property.

**Unknown financiers:** Turi (2020) noted that crowdfunding campaigns could be affected negatively as a result of backers' lack of in-depth knowledge of the crowdfunding project and the firm seeking for funds or crowdfunding firms exercising fears to venture into crowdfunding campaigns based on poor knowledge of the backers who might be suspected to be money launders. Conducting thorough due diligence on backers can create a sense of trust and transparency (Ferreira *et al.*, 2022). Implementing identity verification measures on crowdfunding platforms can address concerns about potential fraud or financial misconduct (Saluja, 2024). Educating creators about the backgrounds of their supporters and developing a community of committed backers can enhance trust.

**Ethical pitfalls of fundraisers/creators:** According to Shneor and Torjesen (2020), instances of abuse of power may emerge as a failure to keep campaign promises or a misuse of funds raised for reasons other than those specified during the campaign. The supply of subpar goods and services, or those made under morally dubious circumstances to cut money, may be examples of quality being compromised while departing from the campaign's criteria and claims (Ashen *et al.*, 2024). Establishing clear guidelines and ethical standards for campaign creators can help in setting expectations

(Passador, 2023). Crowdfunding platforms can enforce stricter penalties for those who violate campaign standards or fail to deliver on promises (Wade *et al.*, 2024). Regular audits and feedback systems, where backers can report issues, can also help enhance accountability.

**Inefficiency and Resource Concerns:** The time investment involved in managing crowdfunding campaigns can be overwhelming. Creators can address this barrier by employing project management tools to streamline communication and updates for backers. Utilizing automation for tasks like email responses and social media updates can free up time for creators to focus on project development (Marion & Fixson, 2021).

### **Methodology**

In an attempt to comprehend the opinions of housing developers in Abuja regarding the adoption and use of crowdfunding as a financing tool among start-ups and MSMEs in the Nigerian housing industry, a quantitative research design was used to gather data on the various facets of social behaviours. Respondents views were rated according to how much they agreed or disagreed with items provided in a structured questionnaire based on a five-point Likert scale. The survey consisted of a 22-item questionnaire with 2 parts; a demographic section that included questions about the respondents' age, gender, and academic and professional backgrounds and the second section deals with their perspectives on crowdfunding. A sample size of about 352 respondents was determined using the Krejcie and Morgan table (Rohrbach, Anderson & Laube, 2016 in Ashen, *et al.*, 2024) from a sample frame of 2500 registered members of Real Estate Developers Association of Nigeria (REDAN), Abuja Branch. A simple random strategy was adopted in sampling the respondents. Questionnaires were disseminated as in the works of Abdallah and Kajuna (2023) via personal email connections and social media sites like Instagram and WhatsApp. These addressed issues of convenience for feedback by respondents and also addressed the difficulties

in administering questionnaire physically to individual respondent amidst a large sample of respondents that are not located within a specified place. From a total number of 352 respondents that received online messages with a link to google platform questions, only 330 replies were received. The data was analyzed using SPSS version 24, where descriptive statistics and a one-way ANOVA test were conducted to assess the significance of various barriers to crowdfunding adoption based on respondent perceptions and results of Cronbach's coefficient alpha conducted shows a reliability of 0.953 from 142 items that were tested respectively.

## **Results and Discussion**

### **Demographic data**

The demographic features of respondents as shown in table 1 include the gender, age, marital status, Educational qualification, professional affiliation, Status in Company Hierarchy and years of experience of the respondents. Analysis of frequency and percentage was carried out and the result is presented in Table 2 appendix 1. A total number of 220 respondents are males while 110 respondents are Females. The demographic analysis indicates a male-dominated respondent pool, with males constituting 66.7% of the sample, reinforcing findings reported by earlier research (Jwasshaka & Amin, 2019), which noted gender disparities in leadership roles within the Nigerian construction sector. A total number of 147 respondents are between the ages, 40years to 49years; 83 number of the respondents are between the ages, 30years to 39 years, 71 number of the respondents are between the ages 50years and above respectively. The age distribution shows a prevalence of respondents aged between 40 to 49 years (38.5%), illustrating a workforce that may possess adequate experience and stability to influence decisions on financing models in the housing development sector, aligning with studies emphasizing the role of age in professional perspectives (Tal, Lavi, Reiss &

Dori, 2024). On Marital status, 218 respondents are Married while 112 respondents are single. A significant majority (66.1%) of respondents are married, which may indicate a population with established personal and professional responsibilities, potentially impacting their perspectives on crowdfunding feasibility and long-term investment strategies (Hejase, Hamdar, Hejase, Raad & Kobeissi, 2024).

Educational qualifications were the next item computed. A total number of 146 respondents possess HND/Degree certificates, followed by a total number of 121 respondents possessing MSc /PhD and 58 respondents possess NCE/Diploma respectively. The educational qualifications of participants highlight a well-educated respondent base, with 44.2% possessing HND or bachelor's degrees and 36.7% holding postgraduate qualifications. This educational attainment is critical for informed views on crowdfunding methodologies, as evidenced in similar industries (Mazzocchini & Lucarelli, 2023). In terms of Professional Affiliation, members of Nigeria Institution of Estate Surveyors and Valuers (NIESV) were highest with a total number of 64 respondents followed by members of Nigeria Institution of Builders (NIOB) with a total number of 62 and members of Council for the Regulation of Engineers (NSE) were the 3<sup>rd</sup> group of respondents with 45 members. Respondents' status in company hierarchy shows that 95 respondents are Managing Directors/Chief Executive Officers followed by Managers with a total number of 89 and the next group of respondents are Board Members with a total population of 62. The least respondents are Supervisors with a total population of 57 respectively. The data displays a diverse professional affiliation, with NIESV members being the most prominent. This professional diversity may contribute to varying perspectives on crowdfunding adoption, which were echoed in previous research (Brown, Mawson, Rowe & Mason, 2018). Furthermore, with 28.79% of respondents occupying executive roles, their insights into institutional barriers and opportunities for crowdfunding adoption are particularly valuable.

Finally, the years of work experience of the respondents was computed. A total number of 207 respondents have been working for a period of 16yrs to 20yrs followed by a total number of 123 respondents who have been working for a period of 21yrs and above; and a total number of 80 respondents that have worked between 1year and 5years respectively. The least experienced workers are 50 respondents that have worked for a period of 6yrs to 10yrs. The years of experience noted reveal that over half of the respondents have considerable work experience (16 years and above), suggesting potential nuanced understandings of the Nigerian housing finance landscape (Ezennia, 2022). **See appendix for table 1**

#### **Barriers to utilizing crowdfunding in financing housing development projects in Abuja**

The barriers to the utilization of crowdfunding for housing development projects in Abuja is presented in table 2. The 1st barrier in ranking to the adoption and utilization of crowdfunding in funding housing development projects in Abuja is the option that says “in crowdfunding there are fears related to regulatory issues with a mean score of 4.87, Standard deviation of 0.88, Percent contribution to mean as 12.73% while the 2<sup>nd</sup> option in ranking is that most of the general public might not have adequate information about how crowdfunding operates with a mean score of 4.84, Standard deviation of 0.88, Percent contribution to mean as 12.65% respectively. These analyses suggest that the respondents believe that regulatory issues and lack of information about crowdfunding are the most significant barriers to the utilization of crowdfunding in funding housing development in Abuja. The option that ranked 14<sup>th</sup> is the notion that crowdfunding has costs related to preparing campaigns with a mean score of 1.53, Standard deviation of 0.82 and Percent contribution to mean as 4.00% while the last in ranking on number 15<sup>th</sup> is the notion that in crowdfunding it is unknown who will be the campaign’s financiers with a mean score of 1.46, Standard deviation of 0.83

and Percent contribution to mean as 3.81% respectively.

These results suggest that the respondents do not believe that costs related to preparing the campaign and uncertainty about financiers are significant barriers to the utilization of crowdfunding in funding housing development in Abuja. The findings suggest that regulatory issues and lack of information about crowdfunding are the most significant barriers to the adoption and utilization of crowdfunding in funding housing development projects (Montgomery, Squires & Syed, 2018) in Abuja. These findings are consistent with previous research that highlights the importance of regulatory frameworks and awareness in driving adoption of crowdfunding (Di Pietro *et al.*, 2021). The study also suggests that there may be a need for further research on the potential solutions to address these barriers and improve the utilization of crowdfunding in funding housing development in Abuja.

**Table 2: Barriers to adoption and utilization of crowdfunding in funding housing development projects in Abuja**

	Mean	SD	Percent	Rank
In crowdfunding there are fears related to regulatory issues	4.87	0.88	12.73	1
Most of the general public might not have adequate information about how crowdfunding operates	4.84	0.88	12.65	2
Most of the general public might not have adequate information about how crowdfunding operates, hence fear of low participation by backers which may affect the expected funds to be generated	4.66	0.49	12.18	3
Finding the right and most trustworthy crowdfunding platform can be a problem for the investors	3.1	1.33	8.10	4
Finding the right and most trustworthy crowdfunding platform can be a problem for the entrepreneurs	3.05	1.38	7.97	5
In crowdfunding there is a need to provide information about the business in which the idea of the project might be stolen or imitated by other firms	2.55	0.89	6.66	6
Distrust of Housing Estate Development Firms in Use of Funds	2.24	1.29	5.85	7
In crowdfunding there are fears related to administrative	2.17	0.92	5.67	8

	Mean	SD	Percent	Rank
issues				
Crowdfunding creates uncertainty about the ability to pay financing costs and repay the capital	1.58	0.84	4.13	9
Fear of poor implementation of project by firms	1.57	0.89	4.10	10
The risk of not reaching the right target group if the firm choose the wrong platform	1.56	0.84	4.08	11
In crowdfunding there is a need to provide personal information which exposes the entrepreneur credentials	1.55	0.89	4.05	12
There are difficulties related to the preparation of the crowdfunding campaign	1.54	0.79	4.02	13
Crowdfunding has costs related to preparing the campaign	1.53	0.82	4.00	14
In crowdfunding it is unknown who will be the campaign's financiers	1.46	0.83	3.81	15
Grand Mean	2.55			

- Barriers Variation for adopting and utilizing crowdfunding in financing housing development projects in Abuja
- There is no Significant Variation in the Barriers for Adopting and Utilizing Crowdfunding in Financing Housing Development Projects in Abuja

A further study was conducted to determine whether there is a significant variation in the barriers for adopting and utilizing crowdfunding in financing housing development projects in Abuja. The result is presented in ANOVA Table 3.

The one-way ANOVA test reveals that there is a significant variation in the barriers for adopting and utilizing crowdfunding in financing housing development projects where  $F(3, 1316) = 233.025$ ,  $p\text{-value} = 0.000$ ). The between-group sum of squares (851.881) is significantly larger than the within-group sum of squares (1603.658), indicating that there are significant differences in the means of the dependent variables (barriers) across the different groups. The mean values of the barriers range from 3.100 to 4.870, indicating that the respondents generally agree that these barriers are

significant obstacles to adopting and utilizing crowdfunding. However, the ANOVA test reveals that there are significant differences in the means of these barriers. The findings suggest that there are significant differences in the barriers for adopting and utilizing crowdfunding in financing housing development projects. The results indicate that regulatory issues, lack of information about crowdfunding, and difficulty in finding trustworthy platforms are all significant barriers to adopting and utilizing crowdfunding. The high F-statistic (233.025) and low p-value (0.000) suggest that these differences are statistically significant. The means of the barriers range from 3.100 to 4.870, indicating that while respondents generally agree that these barriers are significant obstacles, there are some differences in their relative importance.

The findings of this study are consistent with previous research on the barriers to crowdfunding adoption. For instance, a study by Kumar *et al.* (2024) found that regulatory issues, lack of information about crowdfunding, and difficulty in finding trustworthy platforms were all significant barriers to crowdfunding adoption. Another study by Rizwan *et al.* (2024) in Ashen *et al.* (2024) found that regulatory issues, lack of social connections, and lack of fundraising experience were all significant barriers to crowdfunding adoption. The current study extends this literature by examining the specific context of housing development projects in Abuja, Nigeria. The results also suggest that regulatory issues, lack of information about crowdfunding, and difficulty in finding trustworthy platforms are significant barriers to adopting and utilizing crowdfunding in housing development projects. This is consistent with previous research on crowdfunding adoption, which has found that regulatory issues, lack of information, and difficulty in finding trustworthy platforms are all significant barriers to adoption. Hence, the findings of this study highlight the importance of considering the various barriers to adopting and utilizing crowdfunding in financing housing development projects. The outcome of the study suggests that real estate

developers who are members of Real Estate Developers Association of Nigeria, should be aware of these barriers when deciding whether to adopt and utilize crowdfunding as an alternative financing tool.

**Table 3: ANOVA on variation in the barriers for adopting and utilizing crowdfunding for financing housing development projects**

	Sum of squares	df	Mean Square	F	Sig.
Between groups	851.881	3	283.960	233.025	.000
Within groups	1603.658	1316	1.219		
Total	2455.539	1319			

### Conclusion

The findings of this study indicate that the barriers to the adoption and utilization of crowdfunding for housing development projects in Abuja, Nigeria, are multifaceted. These barriers significantly hinder the potential of crowdfunding as a viable financing tool for housing development in the region. The significance of the study lies in its contribution to the understanding of crowdfunding dynamics within the specific context of the Nigerian housing sector. By illuminating the specific obstacles that hinder the adoption of crowdfunding in Abuja, this research plays a critical role in informing policymakers, practitioners, and academics about the unique context of crowdfunding in a developing economy. It is recommended that Policymakers should engage in developing laws and regulations that create a conducive environment for crowdfunding, ensuring that potential backers have protections in place to mitigate fears associated with regulatory issues. Educational initiatives targeting both potential investors and developers should be instituted to improve understanding and acceptance of crowdfunding mechanisms. Stakeholders in the housing sector, including real estate developers, should explore partnerships with established

crowdfunding platforms to enhance trust and credibility within the process.

Despite its significant contributions, this study has notable limitations. First, the scope was limited to Abuja, Nigeria, which may not fully represent the experience of other regions in the country or in different contexts, thus limiting the generalizability of the findings. Second, the reliance on self-reported data from respondents may introduce biases, as individuals may provide socially desirable responses rather than their authentic opinions. Lastly, the study focused primarily on perceived barriers without exploring the underlying reasons or motivations behind these perceptions, which could provide deeper insights into the phenomenon. On the areas for further study;

(a) Extend the study to include other cities or regions in Nigeria to facilitate comparative analyses and identify additional barriers specific to different contexts (b) Explore qualitative methodologies, such as interviews or focus groups, to capture richer insights into the motivations and fears of stakeholders regarding crowdfunding (c) Investigate the impact of successful crowdfunding campaigns on housing development projects to provide empirical data on the potential benefits and effectiveness of this financing method (d) Examine the role of technology and social media in enhancing awareness and trust in crowdfunding initiatives within the housing sector, potentially identifying innovative approaches to overcoming current barriers.

## REFERENCES

- Abdallah, J. & Kajuna, J. (2023). Crowdfunding awareness and adoption intentions in Africa: Empirical evidence from Tanzania. \_Master's Thesis, University of Agder.
- Ahsan, M., Cornelis, E. F. & Baker, A. (2018). Understanding backers' interactions with crowdfunding campaigns: Co-innovators or consumers? *Journal of Research in Marketing and Entrepreneurship*, 20(2), 150–167.  
<https://doi.org/10.1108/JRME-01-2018-0010>

- Alhammad, M. M., Tan, C., Alsarhani, N. & Zolkepli, I. A. (2022). What impacts backers' behavior to fund reward-based crowdfunding projects? A systematic review study. *Pacific Asia Journal of the Association for Information Systems*, 14(2), 7. <https://doi.org/10.17705/1pais.14201>
- André, K., Bureau, S., Gautier, A. & Rubel, O. (2017). Beyond the opposition between altruism and self-interest: Reciprocal giving in reward-based crowdfunding. *Journal of Business Ethics*, 146, 313–332. <https://doi.org/10.1007/s10551-015-2940-x>
- Anglin, A. H. & Pidduck, R. J. (2022). Choose your words carefully: Harnessing the language of crowdfunding for success. *Business Horizons*, 65(1), 43–58. <https://doi.org/10.1016/j.bushor.2021.11.002>
- Ashen, M. J., Mohammed, I., Kunya, S., Uthman, N. & Gambo, M. J. (2024). Housing developers' awareness of crowdfunding for housing development project financing in Abuja, Nigeria. *African Journal of Environmental Sciences and Renewable Energy*, 17 (1), 137–158. <https://doi.org/10.34256/ajesre2410>
- Ashen, M.J., Kunya, S. U., Mohammed, I.Y., Nurudeen, U., and Gambo, M. J. (2024). Perspectives of Housing Developers Towards the Utilization of Crowdfunding Initiative for Housing Development Projects in Abuja Nigeria. *International Journal of Civil Engineering, Construction and Estate Management*, 13(1), 1-28, 2025. <https://doi.org/10.37745/ijcecem.14/vol12n3128>
- Banerjee, A. V., Breza, E., Duflo, E. & Kinnan, C. (2017). Do credit constraints limit entrepreneurship? Heterogeneity in the returns to microfinance. *Global Poverty Research Lab Working Paper*, 17-104. <https://doi.org/10.2139/ssrn.2874653>
- Barnett, J., Serrano, W., Treleven, P. & Knight, A. (2020). Real estate data marketplace. SSRN. <https://doi.org/10.2139/ssrn.3745816>
- Bernardino, S. & Santos, J. F. (2020). Crowdfunding: An exploratory study on knowledge, benefits and barriers perceived by young potential entrepreneurs. *Journal of Risk and Financial Management*, 13(4), Article 81. <https://doi.org/10.3390/jrfm13040081>

- Bonifacio, R., Hair, L. & Wohn, D. Y. (2021). Beyond fans: The relational labor and communication practices of creators on Patreon. *New Media & Society*, 23(3), 681–699. <https://doi.org/10.1177/14614448211027961>
- Brem, A., Bilgram, V. & Marchuk, A. (2019). How crowdfunding platforms change the nature of user innovation: From problem solving to entrepreneurship. *Technological Forecasting and Social Change*, 144, 348–360. <https://doi.org/10.1016/j.techfore.2019.04.021>
- Brown, R., Mawson, S., Rowe, A. & Mason, C. (2018). Working the crowd: Improvisational entrepreneurship and equity crowdfunding in nascent entrepreneurial ventures. *International Small Business Journal*, 36(2), 169–193.
- Chao, E. J., Serwaah, P., Baah-Peprah, P. & Shneor, R. (2020). Crowdfunding in Africa: An overview. *International Journal of Entrepreneurship and Innovation*. <https://doi.org/10.1177/1465750320939810>
- Clauss, T., Breitenacker, R. J., Kraus, S., Brem, A. & Richter, C. (2018). Directing the wisdom of the crowd: The importance of social interaction among founders and the crowd during crowdfunding campaigns. *Economics of Innovation and New Technology*, 27(8), 709–729. <https://doi.org/10.1080/10438599.2017.1303313>
- Cowden, B. J. & Young, S. L. (2020). The copycat conundrum: The double-edged sword of crowdfunding. *Business Horizons*, 63(4), 541–551. <https://doi.org/10.1016/j.bushor.2020.01.002>
- crowdfunding. *Finance*, 39(1), 71–105. <https://doi.org/10.1007/s10260-018-0465-0>
- Cumming, D., Hornuf, L., Karami, M. & Schweizer, D. (2021). Disentangling crowdfunding from fraud funding. *Journal of Business Ethics*, 1–26. <https://doi.org/10.1007/s10551-021-04904-6>
- Cummings, M. E., Rawhouser, H., Vismara, S. & Hamilton, E. L. (2020). An equity crowdfunding research agenda: Evidence from stakeholder participation in the rulemaking process. *Small Business Economics*, 54 (3), 907–932. <https://doi.org/10.1007/s11187-019-00243-6>

- Davidsson, P., Achtenhagen, L. & Naldi, L. (2010). Small firm growth. *Foundations and Trends in Entrepreneurship*, 6(2), 69–166.  
<https://doi.org/10.1561/03000000023>
- Davis, E., Wiberg, M. & Magnusson, D. (2019). Raising capital in the real estate industry: Crowdlending as a financing source. *DIVA*. <https://www.diva-portal.org/smash/record.jsf?pid=diva2%3A1400109>
- Di Pietro, F., Bogers, M. L. & Prencipe, A. (2021). Organisational barriers and bridges to crowd openness in equity crowdfunding. *Technological Forecasting and Social Change*, 162, Article 120388.  
<https://doi.org/10.1016/j.techfore.2020.120388>
- Ezennia, I. S. (2022). Insights of housing providers on the critical barriers to sustainable affordable housing uptake in Nigeria. *World development sustainability*, 1, 100023.
- Faulks, B., Song, Y., Waiganjo, M., Obrenovic, B. & Godinic, D. (2021). Impact of empowering leadership, innovative work, and organizational learning readiness on sustainable economic performance: An empirical study of companies in Russia during the COVID-19 pandemic. *Sustainability*, 13(22), Article 12465. <https://doi.org/10.3390/su132212465>
- Ferreira, V., Papaoikonomou, E. & Terceno, A. (2022). Unpeel the layers of trust! A comparative analysis of crowdfunding platforms and what they do to generate trust. *Business Horizons*, 65(1), 7–19.  
<https://doi.org/10.1016/j.bushor.2021.08.002>
- Frydrych, D., Bock, A. J., Kinder, T. & Koeck, B. (2014). Exploring entrepreneurial legitimacy in reward-based crowdfunding. *Venture Capital*, 16(3), 247–269.  
<https://doi.org/10.1080/13691066.2014.934379>
- Gbadebo, A. D. (2024). Utilizing crowdfunding for infrastructural development in Nigeria. *Pakistan Journal of Life and Social Sciences*, 22 (2), 1006-1021.  
<https://doi.org/10.1016/j.pjlss.2024.03.001>

- Geraldo, S. F. (2021). Fintech landscape in Sub-Saharan Africa: The case of Mozambique: Assessing the implementation of crowdfunding models (Master's thesis, Universidade NOVA de Lisboa, Portugal). <http://hdl.handle.net/10362/124375>
- Gleasure, R. (2015). Resistance to crowdfunding among entrepreneurs: An impression management perspective. *The Journal of Strategic Information Systems*, 24(4), 219–233. <https://doi.org/10.1016/j.jsis.2015.06.002>
- Hejase, H. J., Hamdar, B., Hejase, A. J., Raad, H. & Kobeissi, K. (2024). Factors that influence the attitude of young people to participate in crowdfunding campaigns. *Asian Journal of Social Sciences and Management Studies*, 11 (4), 107-132. <https://doi.org/10.18488/journal.11.2024.114.107.132>
- Hossain, M. & Oparaocha, G. O. (2017). Crowdfunding: Motives, definitions, typology, and ethical challenges. *Entrepreneurship Research Journal*, 7(2), 1–20. <https://doi.org/10.1515/erj-2016-0084>
- Husin, M. M. & Haron, R. (2020). Financial sustainability of SMEs through Islamic crowdfunding. In *Handbook of Research on Theory and Practice of Global Islamic Finance* (pp. 321–337). IGI Global. <https://doi.org/10.4018/978-1-7998-3707-2.ch015>
- Jaziri, R. & Miralam, M. (2019). Modelling the crowdfunding technology adoption among novice entrepreneurs: An extended TAM model. *Entrepreneurship and Sustainability Issues*, 7(1), 353–366. [https://doi.org/10.9770/jesi.2019.7.1\(26\)](https://doi.org/10.9770/jesi.2019.7.1(26))
- Jenik, I., Lyman, T. & Nava, A. (2017). Crowdfunding and financial inclusion (CGAP Working Paper No. 41). Consultative Group to Assist the Poor. <https://www.cgap.org/research/publication/crowdfunding-and-financial-inclusion>
- Jwasshaka, S. K. & Amin, N. F. (2019). Gender discrimination in the building construction industry in Nigeria: Threat to achieving goal 5 of Vision 2030. *World Journal of Engineering and Technology*, 8 (1), 33-41. <https://doi.org/10.4236/wjet.2019.81003>

- Korzynski, P., Haenlein, M. & Rautiainen, M. (2021). Impression management techniques in crowdfunding: An analysis of Kickstarter videos using artificial intelligence. *European Management Journal*.  
<https://doi.org/10.1016/j.emj.2021.09.002>
- Kumar, J., Rani, M., Rani, G. & Rani, V. (2024). Crowdfunding adoption in emerging economies: Insights for entrepreneurs and policymakers. *Journal of Small Business and Enterprise Development*, 31(1), 55–73.  
<https://doi.org/10.1108/JSBED-05-2023-0134>
- Lawal, K. (2019). Prospects and challenges of crowdfunding financing model for housing delivery in Lagos, Nigeria. SSRN <https://doi.org/10.2139/ssrn.3500107>
- Lukkarinen, A. (2020). Equity crowdfunding: Principles and investor behaviour. In *Advances in crowdfunding* (pp. 93–118). Palgrave Macmillan, Cham.  
[https://doi.org/10.1007/978-3-030-36412-0\\_6](https://doi.org/10.1007/978-3-030-36412-0_6)
- Lukkarinen, A., Teich, J. E., Wallenius, H. & Wallenius, J. (2016). Success drivers of online equity crowdfunding campaigns. *Decision Support Systems*, 87, 26–38. <https://doi.org/10.1016/j.dss.2016.05.003>
- Marion, T. J. & Fixson, S. K. (2021). The transformation of the innovation process: How digital tools are changing work, collaboration, and organizations in new product development. *Journal of Product Innovation Management*, 38 (1), 192–215. <https://doi.org/10.1111/jpim.12507>
- Mazzocchini, F. J. & Lucarelli, C. (2023). Success or failure in equity crowdfunding? A systematic literature review and research perspectives. *Management Research Review*, 46 (6), 790–831. <https://doi.org/10.110>
- Mollick, E. (2014). The dynamics of crowdfunding: An exploratory study. *Journal of Business Venturing*, 29(1), 1–16.  
<https://doi.org/10.1016/j.jbusvent.2012.06.001>
- Moloi, G. T. (2024). Funding challenges encountered by technology startups in South Africa (Doctoral dissertation, Regenesys Business School).

- Montgomery, N., Squires, G. & Syed, I. (2018). Disruptive potential of real estate crowdfunding in the real estate project finance industry: A literature review. *Property Management*, 36(5), 597–619. <https://doi.org/10.1108/PM-06-2017-0045>
- Obieche, P. N. & Ihejirika, P. O. (2021). Bank credit and SMEs financing in Nigeria. *Journal of Economics and Sustainable Development*, 12(14), 35–44. <https://doi.org/10.7176/JESD>
- Ochieng, D. O. (2023). Crowdfunding and growth of agricultural small medium enterprises in Bura irrigation scheme, Kenya (Doctoral dissertation, University of Nairobi).
- Ogwu, K., Hickey, P., Okeke, O. J. P., Haque, A. U., Pimenidis, E. & Kozlovski, E. (2022). An integrated online/offline social network-based model for crowdfunding support in developing countries: The case of Nigeria. *Sustainability*, 14 (15), Article 9333. <https://doi.org/10.3390/su14159333>
- Passador, M. L. (2023). Crowdfunding regulation. In *The Palgrave Encyclopedia of Private Equity* (pp. 1–10). Springer International Publishing. [https://doi.org/10.1007/978-3-030-37653-3\\_11](https://doi.org/10.1007/978-3-030-37653-3_11)
- Piva, E. & Rossi-Lamastra, C. (2018). Human capital signals and entrepreneurs' success in equity crowdfunding. *Small Business Economics*, 51(3), 667–686. <https://doi.org/10.1007/s11187-017-9895-4>
- Rey-Martí, A., Mohedano-Suanes, A. & Simón-Moya, V. (2019). Crowdfunding and social entrepreneurship: Spotlight on intermediaries. *Sustainability*, 11(4), Article 1175. <https://doi.org/10.3390/su11041175>
- Saluja, S. (2024). Identity theft fraud—Major loophole for FinTech industry in India. *Journal of Financial Crime*, 31(1), 146–157. <https://doi.org/10.1108/JFC-02-2023-0029>
- Savastano, M. (2018). Equity crowdfunding and treatment effect on professionalization of innovative start-ups.

- Schwienbacher, A. & Larralde, B. (2010). Crowdfunding of small entrepreneurial ventures. In *Handbook of Entrepreneurial Finance*. Oxford University Press. <http://www.ssrn.com/abstract=1699160>
- Shneor, R. & Flåten, B. T. (2020). Crowdfunding education: Objectives, content, pedagogy, and assessment. In *Advances in Crowdfunding: Research and Practice* (pp. 475–497).
- Taiwo, O. S., Hakan, A. C. E. T. & Savaş, Ç. (2022). Modeling the impacts of MSMEs' contributions to GDP and their constraints on unemployment: The case of Africa's most populous country. *Studies in Business and Economics*, 17(1), 154–170. <https://doi.org/10.2478/sbe-2021-0105>
- Tajvarpour, M. H. & Pujari, D. (2023). Crowdsourcing and crowdfunding: Emerging approaches for new product concept generation and market testing. In *The PDMA Handbook of Innovation and New Product Development* (pp. 367–384). Wiley. <https://doi.org/10.1002/9781119448663.ch21>
- Tal, M., Lavi, R., Reiss, S. & Dori, Y. J. (2024). Gender perspectives on role models: Insights from STEM students and professionals. *Journal of Science Education and Technology*, 33 (5), 699-717. <https://doi.org/10.1007/s10956-024-10099-7>
- Tang, L., Baker, R. & An, L. (2020). The success of crowdfunding projects: Technology, globalization, and geographic distance. *Economics of Innovation and New Technology*, 1–22. <https://doi.org/10.1080/10438599.2020.1772305>
- Tenca, F. & Franzoni, C. (2019). Crowdfunding: Risk, fraud, and regulation. In *Handbook of Research on Crowdfunding*. Edward Elgar Publishing.
- Turi, A. N. (2020). Crowd-based digital business models. In *Technologies for modern digital entrepreneurship* (pp. 43–86). Apress. [https://doi.org/10.1007/978-1-4842-6105-1\\_3](https://doi.org/10.1007/978-1-4842-6105-1_3)
- Wade, M., Baker, S. A. & Walsh, M. J. (2024). Crowdfunding platforms as conduits for ideological struggle and extremism: On the need for greater regulation and digital constitutionalism. *Policy & Internet*, 16(1), 149–172. <https://doi.org/10.1002/poi3.319>

Zhang, H. & Chen, W. (2019). Backer motivation in crowdfunding new product ideas: Is it about you or is it about me? *Journal of Product Innovation Management*, 36(2), 241–262. <https://doi.org/10.1111/jpim.12490>

**Appendix: Table 1—Demographic Data**

		Frequency	Percent
Gender	Female	110	33.3
	Male	220	66.7
	Total	330	100
Age	18-29	49	14.8
	30-39	83	25.2
	40-49	127	38.5
	50 and above	71	21.5
Marital Status	Married	218	66.1
	Single	112	33.9
Educational qualification	HND /Degree	146	44.2
	MSc/PhD	121	36.7
	NCE/Diploma	58	17.6
	Primary/Secondary	5	1.5
Professional Affiliation	NSE	45	13.6
	NIA	39	11.8
	NIESV	64	19.4
	NILS	35	10.6
	NIOB	62	18.8
	NIQS	39	11.8
	NITP	40	12.1
	Others	6	1.8
Status in Company Hierarchy	Board Member	62	18.79
	Field Support Staff	27	8.18
	Foreman	00	0.00
	Manager	89	26.97
	MD/CEO	95	28.79
	Supervisor	57	17.27
	Others	00	0.00

		Frequency	Percent
Years of Experience	01 _ 05	51	15.45
	06 _ 10	72	21.82
	11 _ 15	80	24.24
	16 - 20	50	15.15
	21 and Above	77	23.33
	Total	330	100