



UNCOVERED!

*The Underground Banks The Rich Keep Their
Money With Vault Breaking Returns On Maturity*

DEBO ADEJANA

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Statement House
6, Adejuyigbe Avenue,
Off Olufemi Peters Street,
Ire-Akari Estate,
Isolo, Lagos.

To contact the author, please use any of the following:

Send emails to:

realtypointceo@nigeria realestatehub.com

and copy: deboadejana@realtypointltd.com

Or send a text to: 08072690950

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CHAPTER 1

Introduction

I co-authored a book about two years ago with a friend of mine titled, *Stock & Real Estate: How The Rich Make The Market & The Poor Play It*.

I don't know if you have read that book, I suggest you get it if you have not, please. I was trying to draw an analogy somewhere in the book that the poor is the very reason the rich will always get richer.

I have heard the saying that how successful you are depends on the type

of friends you keep and the books you read. I will like to add that it also depends on where you bank your money.

Most of us have been taught the importance of savings just that we were told to save simply means to put money aside in the open market banks, piggy bank, or some things like that.

We need to relearn some of that notions quite a bit to achieve our dreams really.

Yes, it is very good to save, and saving has a role to play in our journey to financial freedom but mark my words, you will NEVER get rich by saving in the traditional ways, nobody has ever been rich that way, simple or compound interest.

CHAPTER 2

Observe The Rich Among Us

An elderly man came to see me in the office today for some business partnership possibilities, among all of his numerous investments, and he had a health number of them in a good mix, it is only the ones in the real estate class that have kept faith with what he anticipated.

The rest of the investments, in companies publicly traded stocks and others have completely given way such

that he cannot make anything of them.

Some days back, I was leafing through the Sunday Punch and I stumbled on an engaging article which told the story of a man in his 90's known as Chief Brown Adesanya.

In that article, we were made to know that he built his first house at the age of 33. This feat was achieved in a very popular mainland area here in Lagos known as 'Fadeyi'.

For those who might not be very familiar with the Lagos terrain, Fadeyi is along Ikorodu Road somewhere around the Palmgroove, Onipanu area.

Pa Adesanya as he is fondly called described Fadeyi as a "thick forest" when he built his house in 1953. He then recalled a particular event when he was going for site inspection and he

took a friend of his along. En route the site, there is a railroad and the moment they crossed the railroad, his friend turned back and went home leaving him all alone.

Days later, he gathered that his friend did that because he thought he(Adesanya) was going to use him for rituals.

Reason: Fadeyi where the site was located was a very thick bush as at that time and you can imagine someone taking you for site inspection deep into a forest!

Well, that was in 1953...fast-forward to 2010 and for me it is almost impossible to believe that Fadeyi was once a bush.

In fact, I grew up to know Fadeyi in the 1970's because I schooled in Suru-

lere while we lived in Ketu at a time. In linking both places, Fadeyi was a regular stop-over bus stop for us and even as at that time which now seems ages ago, I never saw Fadeyi as a developing area how much more a bush!

In my formative years which comprises of the late 70's, Fadeyi had always been a hugely populated and already developed part of town.

Now, this is where I am going: as at 1953, when Fadeyi was a thick bush, all it just required was a time limit of say ten, twenty years to be fully developed and it took a man of vision like Pa Adesanya to see this imminent development and cash in on it, hence in 1953 he built his house at the age of 33.

As per his runaway friend, on a personal level, I seriously doubt if he

eventually built a house of his own because if he couldn't escort a friend he is familiar with for inspection in a 'bush', chances are he will not follow a not-too-familiar land agent to inspect a piece of land being offered for sale in any undeveloped place!

Now, if he cannot afford such at the time tell me what will be his fate.

Pa Adesanya goes on to describe Oshodi as a place where after work, (as he had a job there) he slept in a bambooshed whenever he could not return to Ebute-Metta (where he was staying at the time) because the now legendary Oshodi used to be a bush back then.

What a revelation! For the life of me, I'm still finding it impossible trying to conjure pictures of the ever-busy Oshodi as a forest.

Still talking on why the 'bush' is valuable, let's have a little gist about Chief Ashamu. This was a very popular name in my growing-up years and from my assumptions.

My dad built a house in Isolo and from what I gathered about the story of Isolo down to Ikotun, Egbe, Ejigbo and its environs, Chief Ashamu was a 'don' in that area as he owned an unbelievably large expanse of land.

Emmanuel Ashamu

Emmanuel Oyedele Ashamu was a wealthy land owner and Oyo chief who was prominent in the Nigerian business sector during the 60s and 70s.

He was a pharmacist by training and was the owner of Industrial Chemists Ltd, Lagos.

LIFE

Chief Emmanuel Oyedele Ashamu was a wealthy land owner and Oyo chief who was prominent in the Nigerian business sector during the 1960s-80s.

He rose to become one of most prominent businessmen in Africa, with interests in agriculture, banking, transportation and real estate.

A devout Christian, Chief Ashamu was the patriarch of a large extended family and known as a revered leader in his community.

BIO

Chief Ashamu was born on the 14th of August, 1924, to Chief Agbankin Ashamu of Oyo, a Yoruba tribal chief in Western Nigeria. He attended Durbar

School, Oyo, and the Grammar School, Ilesha. He later studied Pharmacy at Yaba Higher College, graduating in 1951.

He started work with the Nigerian government as a pharmacist at the Orthopaedic Hospital, he later left and joined Lion Chemists as a manager.

In 1954, he became the managing director of Industrial Chemists in Lagos. Chief Ashamu was a pharmacist by training and was later the owner of Industrial Chemists Ltd, Lagos, among many other prosperous businesses.

He was board director of Oke-Afa Farms and the Nigerian Explosives and Plastic Company, all of which he had majority shareholding. He was also the owner of Igbeti Marbles: there are two types of marble available in Igbeti; the

pure white marble and the gray white marble. Both are of very high quality with about 98% purity. The marble deposit extends up to 25km sq.

In the 60s, he delved into the real estate sector and was involved in land development including Ire Akari Estate, Isolo, Lagos. His landed property spanned across Nigeria, the United Kingdom and the United States of America.

Leaving behind a vast estate to his children and grandchildren, Chief Ashamu died in 1992.

Estimated net worth at death \$34 Million.

CHAPTER 3

Why Do We Bank At All?

People bank for different reasons at different times. Traditional banking is synonymous to traditional savings.

We bank for the following reasons:

- 1) To keep record of our business/personal transactions
- 2) For safe keeping of our money till

when we will be needing it

- 3) To save up towards a particular expenditure
- 4) As an habit
- 5) To grow our worth (to get rich)
- 6) For retirement planning

While traditional banking or saving methods are very ideal for just the first reason of the six reasons why we bank or save money, it can be a misfit for reasons 2 and 3 depending on the peculiarity of the situation.

It should be a no-no for reasons 4, 5 and 6, a wrong tool for the purposes.

What we should be looking for in reasons 2 to 6 is the best store of value which traditional banking/savings may not give us. For reasons 2 and 3, it depends on what it is that we are work-

ing towards. But definitely cannot give us for reasons 4, 5 and 6.

Reason is traditional banking cannot effectively hedge against value erosion causes like:

- 1) Inflation
- 2) Exchange rate fluctuations
- 3) Increase in production/supply.

There are other alternatives to traditional banking/savings that can serve as better store of value.

Common alternatives that act as stores of value are:

- Real estate
- Gold
- Silver
- Precious stones and precious metals
- Collectibles, e.g. original art by a

famous artist or antiques

- Livestock
- Stock

While these items may be inconvenient to trade daily or store, and may vary in value quite significantly, they rarely or never lose all value.

This is the point of any store of value, to impose a natural risk management simply due to inherent stable demand for the underlying asset.

It need not be a capital asset at all, merely have economic value that is not known to disappear even in the worst situation.

In principle, this could be true of any industrial commodity, but gold and precious metals are generally favoured because of their demand and rarity in nature, which reduces the risk of

devaluation associated with increased production and supply.

If the rich made money outside of these seven alternative stores of value, they save (keep or invest) it in any, some or all of these options in proportions they judge appropriate.

And from the true life stories earlier shared and other research works, real estate is about the most appropriate and surest store of value.

If we can say that these stores of value are the underground banks of the rich, then real estate is the surest of them all.

CHAPTER 4

Real Estate, The #1 Underground Bank To Save Your Money

Real estate is seen as very capital intensive and so a reserved play toy of only the rich.

I beg to differ and our works in Realty Point Limited (www.realtypointltd.com) since inception in 2005 has shown that's not really true.

There are ways to get into real estate investments even in the third world

countries without loads of money. One way is what is called Land Banking.

Land banking is the practice of purchasing raw land with the intent to hold on to it until such a time as it is profitable to sell it on to others for more than was initially paid.

The intended increase in value may come from inflation, conversion for use as housing, or potential for extraction of raw materials.

Typically parcels of land desirable for land banking are those that lie directly in the growth path of rapidly developing cities. The initial goal is to buy undeveloped land that will increase in value because it lies in the path of urban growth.

The investment objective is to identify these parcels well in advance of

development and wait for the value to be realised before selling.

What is LAND BANKING?

Land banking is the practice of purchasing raw land with the intent to hold on to it until such a time as it is profitable to sell it to others for more than was initially paid.

It can also be described as the process where an individual(s) gets an expanse of land and holds on to it as stock for future disposal. It can also be called “Land Speculation” in a sense.

The target areas for this practice are areas usually identified as up-and-coming areas.

Land banking, like every other thing on this planet has its advantages and disadvantages. It is not out rightly bad

except when practiced without guidelines or a measure of control.

Let me share some noteworthy things about land banking, you will know why the “bush” is valuable then I believe

You see, most individuals cannot easily afford what it takes to acquire property in an already established community. This tends to dampen their morale as they feel their plans to own property is nothing but a pipe dream.

But I'll make haste to point out that for anybody who finds himself in this situation, all hope is not lost... all they need do is to focus on communities that lie directly in the growth path of rapidly developing cities and they will be able to establish themselves property-wise.

Although, issues pop-up along the

way if you are engaged in large scale land banking especially if you are transacting with traditional land merchants (omo-oniles).

You will definitely face some challenges but the net of your worries is insignificant compared to when you are not doing anything at all.

However, there is an aspect of land banking that you can do just one at a time. I'm shedding light on this because a lot of people say real estate is capital intensive, but my earnest advice to you is that you can start with what you have by buying land from places that development is going to and not places that have already been developed.

Yes, you can purchase land from such undeveloped areas in bits and pieces and hold them for a while until

development starts to get there, which may take a while like six months, one, two, three years or more.

The bottom line is that development must get there. But another golden rule if you must be engaged in land banking is that you must perfect the art of ensuring that you do proper documentation of your transaction and create enough presence by way of physical possession given the society we're in.

These are two very important things you must do if you are trading in land. Once you have these things in place, your land trading business will surely fetch you good money.

There are places that people buy land for a hundred thousand naira and two years down the line, that same land in that same vicinity could be going for

over a million naira. Why? They bought when development was “going there” and sold when development had eventually “gotten there”.

Variables like “development” are factors one should consider if one wants to be a better land banker.

I will suggest you operate cautiously though, and by that I mean you should buy from verifiable and proven sources.

Look out for these three things whenever you are investing (buying land) with anybody or company:

- 1) ***Integrity***: can you hold them by their word. Are they people of honour
- 2) ***Competence***: any prove that they know what they are talking about and can do it. Past achievements in this line will help. Also, composition of their team will tell if they have the knowhow.

3) *The promise*: what is it that they are selling? Their plans and aspirations for the place must be clearly spelt out and understood.

Once these three are in place, go land banking, you are bound to make good returns when you want to cash out.

CHAPTER 5

Don't Wait To Buy Land; Buy Land And Wait

Land Banking Real Stories

I did not pay much attention to this cliché the first time I heard it and not until the realities of it started playing out in my investment life that I can really say I gave it a deep thought.

It was also then I concluded that

nothing can be truer than the truth, this saying is very true.

Here is one of my numerous experiences in this regard; residential plots in Prime Estate phase 2 started out in October 2007 at N360,000 (Three Hundred & Sixty Thousand Naira) only per plot excluding fees such as survey, documentation and development levy.

In less than a year the plots were selling for N800,000 (Eight Hundred Thousand Naira) Only.

Some guys heard in October 2007 but did not buy simply because they wanted to see if the estate would become something of our dreams as presented in our marketing outings.

Some of those people have had to buy at N500,000 or N800,000 per plot

now realising they have waited enough and the project should do the rest of the waiting going forward. Unfortunately, there are others who are still waiting.

Waiting for what really? While I do not subscribe to just joining the bandwagon of things and playing along, I also realise that it is not just time that does not wait for anyone, opportunities too do not have that patience.

When you loose one, you had better settle for another, because the exact one you lost isn't coming back to you. Once lost, it's gone for keeps. Investment opportunities in landed properties are just that way, particularly good ones.

So, my advice is do all you have to do and ensure you get all the necessary information required to take a prompt decision on a landed property deal

while you have the chance. Your “buy” or “let go” decision has to be prompt and decisive to avoid any regret in the future.

The story of United States one time richest man clearly depict what is possible when you buy land and wait, read this excerpt ...

John Jacob Astor's ancestors were Waldensian refugees from Savoy. He was born in Walldorf, near Heidelberg in the old Palatinate which became part of Baden during the 19th century, Germany (currently in the Rhein-Neckar district). His father (Johann Jacob Astor) was a butcher.

The son John Jacob Astor learned English in London while working for his brother, George Astor, manufacturing musical instruments.

Astor arrived in the United States in March 1784, just after the end of the Revolutionary War. He traded furs with Indians and then he started a fur goods shop in New York City in the late 1780s. He married Sarah Todd and once said of her that she had the best business sense of anyone he knew.

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Astor was once quoted to have said "If I could live all over again, I would buy every square inch of Manhattan." You happen to still be alive, what will you do with these opportunities?

If I were you, I will NOT WAIT TO BUY LAND..... BUT WILL BUY LAND AND WAIT....

“Land is the basis of all wealth”
Adam Smith.

Realty Point Limited's contact

Our offices are open from
08.00 hours to 18.00 hours, Monday to
Friday (except on Public Holidays)

All communication should kindly be
sent to:

**ONIGBAGBO HOUSE (3RD FLOOR)
29, MOBOLAJI BANK-ANTHONY WAY,
P.O.BOX 12404, IKEJA
LAGOS**

TELEPHONE: +234-8059100256

WEBSITES: www.realtypointltd.com

OTHER BOOKS BY THE AUTHOR

1. Tame The Tiger, Nigeria's Entrepreneur's Guide.
100 Ways To Make It In Business Where Others Struggle
2. Stocks and Real Estate: How The rich Make The Market and The Poor Play It (A book co-authored with Sanmi Akindipe).
3. Sack Your Landlord™ *Don't Be Deceived, One Is Destined To Leave The Other Dead Or Alive*
4. The Learn from True Life Series

To Contact The Author:

Send emails to:

realtypointceo@gmail.com,

realtypointceo@nigeriarealestatehub.com

and copy: deboadejana@realtypointltd.com

Or send a text to: 08072690950

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About The Author

GBADEBO ADEJANA is a visionary and Real Estate Entrepreneur and Investment Consultant. A graduate of engineering from the University of Ilorin, Kwara State, and a holder of Masters Degree in Business Administration (Marketing), Debo is listed amongst the about 6,000 Who Is Who In Nigeria recently published by Achievers.



He has authored seven books to date; these 3 best-sellers inclusive: Tame The Tiger, Over 100 Ways To Make It Where Others Struggle and Stock and Real Estate, How The Rich Make The Market and The Poor Play It, Sack Your Landlord! Debo is in high demand as a conference speaker of repute. He is happily married with three lovely children. He runs his personal blog on real estate matters at www.deboadejana.com and also the owner of www.nigeriarealestatehub.com

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