The effect of quality market research on the performance / profitability of real estate investment in emerging economies

Nworah, Joseph C.
University of Nigeria, Nsukka, Nigeria

Abstact:

The ever increasing global competition among real estate investment organizations has made it imperative for industry players to continually invest in real estate market research to guide them in investment decisions. The quality of market research report provided by the market research professionals/consultants is expected to reflect on the quality of outcome of investment decisions made by the investors and invariably affects the performance of the investment concerned. This study investigates the effect of quality market research on the marketability and profitability of real estate investment in developing economies taking Lagos-Nigeria, as case study. The summary of the result of the data analysis shows that market research contributes immensely to the Property Investment Performance is major indices such as sales value, rate of return, rental value,, ease of sale, ease of letting and avoidance of loss of capital with mean scores of 4.74, 4.69, 4.69, 4.45, 4,27, 4.22, 3.71 respectively. Subsequently, the study recommended the establishment of real estate market research institute by the Federal Government of Nigeria to operate at all levels of government and such institute to be manned by research minded professionals of not less than twenty-five(25) years experience and not below the academic qualification of Ph.D. in real estate studies. It was further recommended that professional associations in real estate discipline should establish data bank of all real estate performance indices to make relevant information available to research consultants for pre-investment decisions.

Keywords:

Quality research, investment decisions, pre-investment studies, investment performance, emerging economies

INTRODUCTION:
Globalization of real estate investments has brought to the fore the reality that real estate investment decisions must be anchored on sound and quality market research especially in developing economies. This is anchored on the understanding that developing economies do not enjoy guaranteed and stable economic projections as a result of fluctuations in various economic indices. In developed economies of United States and some European countries, there is a defined market research framework; established market research tools and methodologies; and appreciable ability to create a unique and data driven entity. This is contrary to the situation in developing economies where poor market research has consistently hindered investment in the real estate sector and limited international and global attention because market research requirements for cross-border investments have continued to fall below recognized international standards and global best practices (Jones LaSalles, 2008).

Consequently, corporate real estate investment requires quality market research for reliable data needed for pre-investment analysis (Hartfield, 2006). It then follows by Hartfield conclusion, that quality data is imperative in providing reliable and valid information necessary for real estate investment decisions and that the quality of the market research will definitely reflect on the quality of investment appraisals, investment decision and subsequently the investment performance.

Understandably, the fundamental purpose of real estate market research is to inform the developer or investor considering a new venture about the applicable market conditions in relation to the proposed project (Darlow et al 2001). In his study, Darlow emphasized that the main objective of market research is to achieve product positioning so that a new project brought into the market can compare and compete effectively and compliment existing ones instead of merely duplicating them. In corporate real estate investment, it is faulty, inappropriate and fatal to subjectively assume that alternative or complimentary investments can be successfully executed in a market area without the relevant market survey, and market research has the potential to make or break property investment (Ogbuefi, 2011). As important as market research is, it is seen as the most difficult and most consequential part of real estate development and investment planning process and it has been observed that most property investment decisions that were not subjected to investment analysis based on

sound market survey end up being economic waste when carried out which signifies that market research is fundamental to real estate investment decision-making. Greer & Kolbe (2003) argued that market research is an essential element for any rational decision making and concluded that it helps in assessing the quality of existing operations and evaluation of proposed changes for optimum profitability/performance.

Prudent, efficient and effective real estate investment philosophy therefore requires that, prior to undertaking any real estate investment project, the developer/investor should conduct comprehensive in-depth market analysis to estimate whether adequate buyer/user demand exists for the proposed investment project as well as to keep a competitive position which implies that market studies must be made essential part of any business or investment plan (Mackenzie & Betts, 2011). The eventual performance or otherwise of real estate investment project will depend to a great extent on the depth and quality of market research carried out on specific indicators such as sales value, yield or rate of return, rental value, letting rates, capital growth or capital appreciation, demand analysis, competition among others.

LITERATURE REVIEW:
The recent increase in cross-border investments in real estate and continued globalization of real estate market make it imperative that real estate investors will continue to improve in market research to ensure appreciable performance of investments in the sector. Analysis of the market and its environment, customer behaviour, demand and competition, represent the major concentration of a market research if the final product will be marketable and profitable (Chiliya, 2009). The present economic reality especially in developing and emerging economies suggests that investment organizations intending to bring new projects into the real estate market must as a matter of exigency, carry out market research because of the ever changing market and economic conditions occasioned by high rate of inflation and interest rate among others. New investment product or project will usually be more costly because of substantial expenditure arising from variations in finance and economic circumstances and would therefore require detailed market research and data analysis to determine projected values and expected performance of the new project (Poolton & Barclay, 2008).

Real estate investment organizations venturing into new investment projects require detailed and quality market research to ensure that the investment project guaranteed acceptable performance. This is because the new project being introduced will usually have some innovations and improvements aimed at overcoming industry competition and market research will help in dealing with potential investment risks associated with such investments and provide

necessary data to control the usually high failure rates associated with new investment projects (Poolton & Barclay, 2008).

A typical real estate investor is always mindful of the relationship between demand for accommodation and supply because any inefficiency allowed in market research affecting supply and demand indices will affect the performance and growth of the investment because the investor is mindful of the matching process between supply and demand and will not allow any mismatch (Simon et al, 1995). Again, Harris (2009) observed that quality market research provides valuable guide as to the likely trends in premises requirements noting that like normal products, real estate can also be likened to a product defined by a consumer buying space and time and only efficient and quality market research can help the investor to define who the actual client is and what he values or needs. Harris further noted that the fundamental objective of market research is to keep the investor considering a new investment project properly informed about prevailing and proposed project. This is to say that real estate investment thrives on quality market research and therefore, real estate investors and investment organizations need to invest in market research to maintain competitive edge, enhance the performance of the investment project and improve the rental and sales potentials of the investment project.

Statement of Problem
Nigerian economy which has severally been adjudged among the largest, if not the largest, has consistently depended on oil sector revenue which is currently being threatened by the recent crisis in the oil sector resulting in dwindling oil prices/revenues. The major fall back however is the real estate sector. However, real estate investment in major cities such as Lagos has not attained the expected level despite the huge investment potentials because the real estate market lacks the standard market research framework and documented market indicators such as rental growth, capital growth, yields, returns etc which will attract cross-border investment.

Market Concept
The general understanding of a market is a representation of a physical place where goods and services are exchanged between potential buyers and sellers at a particular price. In common parlance, it refers to an area over which buyers and sellers negotiate the exchange of a well defined and identified goods, products or services implying a defined place where buyers and sellers meet to bargain ad possibly exchange goods, products and services at negotiated prices (Lipsey, 2013). However, a broader and more encompassing definition by Economists sees the term Marketing as not just a physical place for exchange of goods and services but the entirety of a region where buyers and sellers of goods, products and services freely relating to one another. In other words,

economists see market as representing a set of buyers and sellers of goods, products and services who though geographically separate from one another but are still in communication to conclude particular transaction of goods, products or services, and in this context, market could be local, regional, national, or international. Again, depending on characteristics and competition, market could be classified as purely competitive, perfectly competitive and imperfectly competitive.

However, in real estate development and investment context, market is not just a place where transaction take place but represents a sub group of a general population considered to contain or accommodate potential buyers or users of a particular property type and may include some demographic consideration as age, income, household size, education etc(Miles et al, 2007). Consequently, real estate market research will naturally include studies relating to not just the location but inclusive of the property type and the demographic considerations. Effective efficient ad quality market research which has the marketability and profitability of the investment project as major consideration will there take cognizance of accurate meaning of market in real estate parlance which entails understanding the meaning of market in terms of competition, dynamics, workings and characteristics (Pindyck, 2014). In other words, real estate market research is not just about investigation of market as a physical place but also research involving aggregate or composite of the market participants, actors, institutions, infrastructures, processes, trends terrain and the environment under which the proposed investment is to be undertaken as well as the aggregate of the factors of demand and supply , risks, competition, economic, financial, legal, political and socio-cultural considerations (Hodgson, 2018).

Investment Concept

The general economic understanding of investment is the purchase of the subject matter which are not for today's consumption but for purpose of future creation of wealth. Similarly, in finance, the term investment refers to purchase of a monetary asset with the expectation of future flow of income generation from the asset or future sale of the asset at higher price with intention of profit generation. Investment is simply the giving up or forfeiture of present consumption in exchange for future benefits which also implies sacrificing something now for the prospect or in expectation of later benefits (Mackenzie et al, 2011). Investment implies the giving of a capital sum at the present in exchange for benefit to be received in the future ad such benefits could come by way of income flow and /or capital gain.

Having received the general meaning of investment, it is obvious that market research is inevitable because from the foregoing, the laying down of capital today in expectation of future benefits may likely involve unprecedented

quantum of risk. Therefore, adequate, quality, effective and efficient market research is imperative to secure the investment. The principle of investment shows that there is a likelihood that expected return might not be achieved in an investment for a number of reasons which introduces element of risk and such risks include but not limited to financial, land cost, construction, timing, sales/rents socioeconomic, political e.t.c. (Otegbulu, 2012).

Market research for real estate investment decisions is extremely necessary because of the nature of real estate and real estate market peculiarities bearing in mind that every investment has intrinsic characteristics, features, and attributes which is capable of affecting pricing and performance in the market place. For an investment project to show good performance on completion, detailed market research is needed. This is because real estate as an investment is unique and distinct from other investment assets in diverse ways especially in its distinguishing attributes and characteristics such as spatial fixity, structural inflexibility, immobility, heterogeneity, relative supply in elasticity, indivisibility and illiquidity which impact on its investment potentials (Kim, 2004). Kim further posited that the performance and profitability of real estate investment project cannot be completely discussed without reference to market research primarily relating to location since property is fixed in location, immobile and cannot be moved from one market to another to take advantage of rise in price in other markets or to mitigate the effects of any slump in price. Kim in his study of the correlation between location and property values finally concluded that the characteristics or attribute of immobility in real property makes the value of property to be closely linked to the economic situation of the region in which the property is located and further posited that real estate is spatially unique and location is an intrinsic attribute that directly affect the quality and market value of the property implying that market research data for appropriate analysis must hinge clearly on location aspect be marketable and profitable.

Market Research for Real Estate Investment in Lagos
Lagos represents a highly and densely populated area in the south-western part of Nigeria, having twenty (20) Local Government Areas. Prior to the formal relocation of the capital of Federal Government of Nigeria to Abuja on 12th December, 1991, Lagos was serving as the nation's capital city. However, despite this relocation, Lagos still remains the nation's economic and commercial capital (Ajibola et al, 2016) and subsequently continues to maintain its economic, manufacturing, financial, commercial relevance and dominance and rated among Africa's top cities along the same considerations. Demographically, Lagos has the highest urban population estimated at about 9,013,534 according to the National Population Commission (NPC, 2006), although Lagos State Government rejected the Population figure, with UN-Habitat, the World Bank and some international development agencies estimating the figure at over 24 million. On the economic

front, Lagos State remains the envy of local/global investors considering the size of its economy and the extent of economic power, strength and influence being highly commercialized and industrialized (Ajibola et al, 2016). Lagos is considered the investment destination of global real estate investors being the country's financial hub and providing commercial home for major players such as Nigerian Stock Exchange and Central Bank of Nigeria as well as headquarter locations for major banks in Nigeria.

In view of the foregoing, real estate investment has huge potentials for investors in the sector despite the recent economic recession which Nigeria just survived although the country is still struggling to overcome the associated high interest rates, high inflation and the general economic difficulties occasioned by the recession. There are also certain other underlining challenges facing real estate investment in Lagos which makes it imperative for adequate market research to be conducted prior to investment decisions. Such challenges include but not limited to the rising and worsening insurgencies, the high cost of title/property registration, official red tapism/bureaucracies/administrative bottlenecks inherent in the process, high cost of construction/building materials, limited/poor access to finance and high finance cost/high interest/mortgage costs.

However, despite the seemingly mountain of challenges, real estate investment in Lagos has very high potentials judging from the limited housing stock and the high population according to the Bureau of Statistics which indicates encouraging demand – supply equation to the potential investors. This is to say that market research report is inevitable for quality real estate investment decisions because it provides veritable tools for assessment of potential opportunities, potential competitors, the target market, supply and demand analysis.

Effect of Quality Market Research on the Performance and Profitability of Real Estate Investment in Emerging Economies
Emerging economies refer to the country's market economy which is tending towards the manifestations of the core characteristics of a developed market economy as a result of steady and progressive development in the direction of rapid growth and industrialization. However, they still lack the basic data on key market economies though they reasonable exhibit certain traits or characteristics of the developed market economies.

As distinct from the developed countries of Europe and America, conducting market research in emerging economies is a daunting task and fraught with immense challenges (Nworah, 2019). Nworah (2019) concluded in his study that emerging markets of Africa, Asia and Latin America lack basic data on key development and investment indicators, suffers hindrances and shortcomings as

a result of poor data availability and deficient collection method, and consequently fall short on quality market research details needed for demographic, statistics, demand and supply postulations requires for effective and efficient investment decisions, however, the author in his further study established real estate market research for investment result of the rapid increase in internet and web applications and general technological enhancements which have equally facilitated data collection, analysis and applications.

With the documented improvements on the real estate market research methods and techniques occasioned by increase in technological awareness, real estate market research in key areas of investment indicators have also improved. Usually, the major aim or target of real estate investors is to see his investment project easily marketable and profitable and this requires that the investor will maintain the existing clients'/customers and remain competitive in the real estate market and to reasonably achieve this aim or target, the investor will need to follow established market research order that will enhance dependable and reliable data collection and analysis to confirm where the business stands in relation to other competitors. Quality real estate market research report which will have positive impact on the marketability and eventual profitability of the investment must be of acceptable quality which implies that the data collection, collation, presentation, analysis and final application of the result must have passed acceptable and professional research processes especially in the area of appropriate statistical analysis (Nworah, 2019).

The quality and quantity of data available to the research consultant; the appropriateness of the research instrument and statistical tools/method for data analysis determine to a large extent, the quality of research report produced and subsequently investment decisions embarked upon and finally reflects on the marketability and profitability or otherwise of the investment project. Sherry (2014) & Kotler (2011) in separate studies posited that the major determinants of marketability and profitability of investment projects revolve around the quality of research in the areas of supply and demand analysis, consumer sentiments/behaviours, competition analysis, demographic considerations, risk analysis, and the peculiar and general economic conditions and considerations as they affects the nation's economy and the particular market. The extent to which the important indicators are treated in a market research impacts on the over all marketability and profitability of the investment project. The extent of evaluation or assessment done in a real estate market research on the competence involved in assessment of critical issue such as risk, especially in emerging economies, will greatly influence the final result of marketability and profitability of the investment project (Ogbuefi, 2011). This is because, quality real estate research enables the organization or the investor taking investment

decision to put measures in place towards averting, mitigating or managing the effect of associated risk when embarking on or executing real estate investment decisions, and which ultimately affects the marketability and profitability of the investment.

Methodology
The study area is Lagos metropolis which is arguably the largest real estate market in Nigeria and located in the southwestern part of the country. Lagos was chosen for this study because it is a good representation of real estate investment market in an emerging economy with its steady and consistent growth in real estate activities. This study adopted descriptive, exploratory and expository research designs to describe each of the variables necessary for this study. The study population consists of respondents who are market research consultants, real estate investors or end users of real estate market research within the study area. The sample frame of the respondents who are mainly Estate Surveyors and Valuers was secured from the Directory of the Nigerian Institution of Estate Surveyors and Valuers which indicates there 550 firms and that 270 of the respondent firms are based in the study area. The sample size was derived using the demographic formula for sample sizes: N = P (100 − P) X Z/D^2 where: N = required sample size; P = anticipated prevalence; D = allowable error estimate; Z = appropriate value from the normal distribution for the desired confidence level. For the purpose of this study, a sample size of 125 respondent firms was adopted which represents 46% of the focus population. Random sampling technique was adopted for this study to ensure that every member of the subject within the targeted population had equal opportunity of being selected. Primary data from structured questionnaire and face-face interview with the respondents were collected in addition to secondary data sourced from textbooks, journals, published articles and conference papers. Data so collected was analyzed using simple descriptive statistical tools such as frequency distribution tables, charts, percentages, mean score, e.t.c depending on statistics of interest and data behavior. Validity and reliability of the research instrument were further re-confirmed by discussing the structured questionnaire with experts in the field of real estate research and investment to obtain their views. There was also a pilot survey to ensure that the respondents understand the questions clearly. The criticisms and comments from the trial surveys and professional opinion were reviewed to modify and improve the content of the questionnaire.

RESULTS AND DISCUSSIONS
Analysis and interpretation of the data obtained from field survey conducted for this study indicates that samples were drawn from registered Estate Surveyors and Valuers working in reputable real estate firms and development companies in Lagos metropolis. A total of 125 questionaire were distributed and 90

questionaire representing 72% response rate were retrieved and used for the analysis. All the responses from the questionnaire were analyzed with Statistical Package for Social Sciences (SPSS) version 25. Various descriptive statistics such as frequency distribution, Likert scale, and mean scores were used to present the data obtained from the field, supported by pie and bar charts.

The findings from this study are presented and discussed below:

Characteristics of the respondents

Figure 1 (See Appendix) indicates that academic qualification of the respondents from the data obtained and analyzed, the respondents who carry out real estate market research have the requisite academic qualification. 67% of the respondents have B.A/BSc/B.Tech while 20.5% hold HND certificate. 11.4% and 1% have M.Sc and Ph.D respectively. This implies the real estate investors in the study area are mindful of the quality of research report that will guide sound investment decision and eventually the marketability and profitability of the investment.

Table1 indicates the job description of the respondents. The analysis shows that 93.3% of the respondent j are full time professional estate surveyors and valuers in the study area while 6.7% practice both as estate surveyors and valuers as well as estate/property developers. Again, the result indicates that 43% of the respondents were Head of Operations/Branch Managers of their respective firms while 33.7% were Senior Estate Surveyors/Directors and the remaining 22.9% occupied the position of Managing Partners/Managing Directors. In other words, all the respondents occupied senior management positions in their respective organizations which imply that the respondents were in a position to take decision bothering on the marketability and profitability of their respective organizations.

Again, 50% of the respondents possess professional qualification of Associate cadre as MBA/ANIVS/RSV while 6.1% are fellows of their professional bodies as FNIVS/FCA. 43.9% of the respondents were probationers/research executives/officers.

Again, regarding the working experience of the respondents, 36.8% have 1-5 years experience and 27.6% have working experience of 6-10 years while the remaining 36% of the respondents have worked for between 11-21years. Summarily, 63.6% of the respondents have acquired working experience of between 6-21 years. It was also discovered from the analysis that 40.4% have been in operation for a period of between 10-20 years and 14.6% of the organizations have been in operation for a period of 21-30 years and above. This shows that majority of the firms representing 55% have operated for a period of 11030 years while 45% of the respondents' firms have operated for a period

below 10 years. The whole essence of analyzing the respondents' job description, professional qualification, position in firm, and respondents' working experience is to ascertain the characteristic qualifications, experience, exposure and professionalism which will eventually rob off on the quality of research report and subsequently on the marketability and profitability of the investment.

Table 2 (See Appendix) contains the summary of findings on the application, relevance, quality, correlation and impact/effect of quality market research on the marketability and profitability of real estate investment. From the result of the analysis majority of the respondents (98.8% indicated that they actually conduct market research prior to embarking on real estate investment decisions. Similarly, 83% of the respondents strongly agree that market rese3arch is relevant in real estate investment decisions and with regard to the correlation between market research and marketability/profitability of real estate investment, 49.4% and 39.8% respectively strongly agree. 51.3% of the respondents indicated that the quality of market research conducted is good while 11.6% shows the quality is below average and 2.6% believe the quality is poor.

The table 3 (See Appendix) covers the essential elements or factors considered by real estate investment market research consultants in the study area. This shows the extent or depth of the market research and goes a long way in determining the quality of real estate market research conducted. Using the Likert scale of rarely, occasionally, frequently and very frequently. The analysis shows that the current and projected rented or sales value is mostly is mostly frequently covered in real estate market research with the highest mean score of 3.38; followed by forecast of future demand and supply with 3.32; locational, structural and neighbourhood considerations has mean score of 3.27 while trend analysis has 3,17. Similarly, stage of property cycle with mean score of 2.73, associated risk with 2.69 and demographic consideration with mean score of 2.49 are occasionally covered in market research in the study area.

Table 4 (See Appendix) shows the contributions of market research to the marketability and profitability of real estate investments in the study area. Analysis shows that 4.8% of the respondents believed that market research has no impact on the marketability and profitability of the investment while 9.5% indicated slight contributions of market research. Similarly, 65.5% of the respondents reported that market research for real estate investment highly contributes to the marketability and profitability of real estate investment. Also, 20.2% of the respondents believed that market research for real estate investment decision extremely contributes to investment project marketability and profitability.

Table 5 (See Appendix) shows the contributions of selected seven real estate performance indices to real estate investment outcomes. From the table, it was observed that market research contributes highly to the sale value of investment project with a mean score of 4.74, rate of return and rental value have equal contributions with mean score of 4.69 each respectively while averting loss of capital has a mean score of 3.71.

SUMMARY OF FINDINGS/CONCLUSION AND RECOMMENDATION
This study can be summarized as follows:
1. The result from data analysis arising from survey questionnaire feedback shows that real estate investors in Lagos, Southwest Nigeria, engage academically and professional qualified and experienced market research consultants for market research reports prior to real estate investment decision.
2. Real estate investors not only engage professional market research consultants but also apply extensively the research reports so prepared in making investment decisions.
3. The study also revealed that real estate market research contributes immensely to the performance and profitability of real estate investment in the study area.
4. The study also shows that market research contributes more to final outcome of the investment in relation to sales value, rate of return, rental value, vacancy rate, ease of sale, ease of letting, aversion of loss of capital in that order.

CONCLUSION
From the analysis of the findings in this study, it is conclusively submitted that real estate investors in the study area usually budget appreciably to engage the services of research consultants who are academically and professionally qualified. Market research conducted in the study area contributes immensely to the profitability of real estate investment and extensively to the general investment performance.

Recommendations
After critically analyzing the result of this study, the following recommendations are hereby presented;
1. This study recommends that a standard real estate research manual or template should be consummated and adopted by real estate market research consul ants in the study area to ensure standardization of research contents and quality.
2. The real estate investment stakeholders should sponsor the establishment of real estate research institute, which is not in existence at the moment, to give access to necessary data required for investment decisions.
3. Relevant professional bodies in the built environment industry should establish requisite data bank necessary for real estate investment decisions.
4. There is urgent need to encourage regular Mandatory Continuous Professional Development Programmes and Seminars in core areas of real estate market

research for training and retraining of professionals in the real estate investment sector to enhance professional, technical and technological Know-how relating to modern market research processes and methods.

APPENDIX

*Figure 1: Academic qualification of the respondents.*
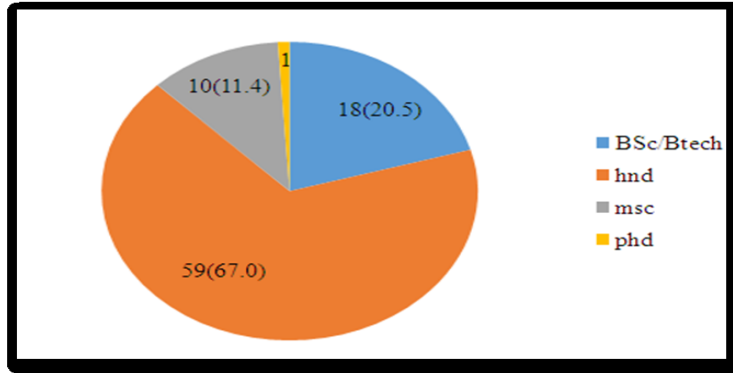
Source: Author's field survey 2018.

Table 1: Characteristics of the Respondents.

	Frequency	Percentage
Category of respondents		
Estate surveyors	84	93.3
Estate surveyors/Developers	6	6.7
Total	90	100
Position in firm		
Managing partner	19	22.9
Branch manager	36	43.4
Senior surveyor	28	33.7
Total	83	100
Professional affiliation		
ANIVS/RSV	41	50.0
FNIVS	5	6.1
Others	36	43.9
Total	82	100
Working experience		
1-5 years	32	36.8
6-10 years	24	27.6
11-15 years	16	18.4
16-20 years	9	10.3
21 above	6	6.9
Total	87	100.0

Source: Author's field Survey 2018.

Figure 2: Number of Years in Operation.
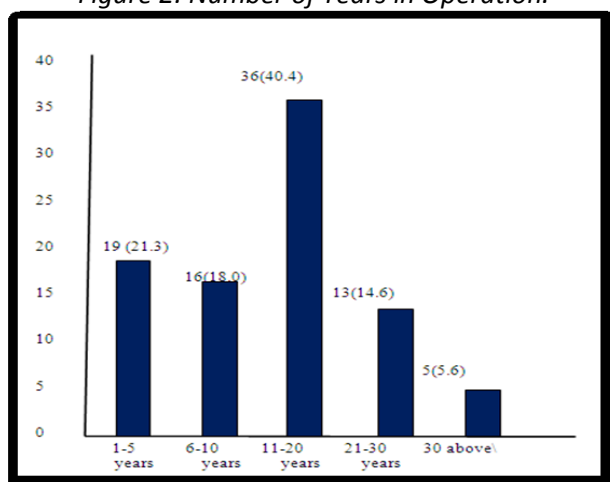
Source: Author's field Survey 2018.

Table 2: Market Research Findings: To ascertain the application of market research by real estate investors in investment decisions.

	Poor	Average	Good	Very Good	Excellent	Mean Score	Ranking
Trend Analysis of demand and supply	1(1.2)	5(6.0)	21(25.0)	43(51.2)	14(16.7)	3.76	1st
Locational, structural attributes of proposed development	…..	11(12.9)	23(27.1)	32(37.6)	19(22.4)	3.69	2nd
All feasibility and viability indicators covering physical economic financial legal political cultural indicators		8(9.5)	24(28.6)	38(45.2)	14(16.7)	3.69	3rd
Current level/sources of demand	1(1.2)	6(7.1)	28(32.9)	38(44.7)	12(14.1)	3.63	4th
Customers tastes and preferences	…..	7(8.5)	32(39.0)	32(39.0	11(13.4)	3.57	5th
Current and projected rental/ sales value	…..	12(14.1)	26(30.6)	35(41.2)	12(14.1)	3.55	6th
Existing supply or competition	…..	9(10.6)	34(40.0)	38(44.7)	4(4.7)	3.43	7th
Forecast of future demand and supply	….	14(16.5)	37(43.5)	26(30.6)	8(9.4)	3.33	8th
Stage of the property cycle	….	15(18.5)	37(45.7)	23(28.4)	6(7.4)	3.25	9th
Demographic data of target market such as age, income, marital status etc	2(2.4)	16(19.0)	34(40.5)	26(31.0)	6(7.1)	3.21	10th
Associated risks	….	20(24.7%)	40(49.4%)	14(17.3%)	7(8.6%)	3.09	11th
State of the economy	2(2.4%	23(27.1%)	37(43.5%)	16(18.8%)	7(8.2%)	3.03	12th

Source: Author's field Survey 2018.

152

Table 3: Elements covered in Market Research to determine the quality of Market Research Conducted for Real Estate Investment.

	Rarely	Occasional	Frequent	Very Frequent	Mean Score	Ranking
Current and projected rental or sales value	3(3.6)	4(4.8)	35(41.7)	42(50.0)	3.38	1st
Forecast of future demand and Supply	1(1.2)	9(10.6)	37(43.5)	38(44.7)	3.32	2nd
Locational, neighborhood attributes of proposed Development	3(3.6)	8(9.6)	36(43.4)	36(43.3)	3.27	3rd
Trend analysis of demand and Supply	1(1.2)	16(18.6)	36(41.9)	33(38.4)	3.17	4th
All real estate investment indicators Indicators	2(2.4)	11(12.9)	43(50.6)	29(34.1)	3.16	5th
Current level/sources of Demand	……	12(14.8)	48(59.3)	21(25.9)	3.11	6th
Customers tastes and Preferences	3(3.7)	16(19.8)	38(46.9)	24(29.6)	3.02	7th
Existing supply or competition	4(4.8)	13(15.7)	47(56.6)	19(22.9)	2.98	8th
State of the economy	2(2.6)	24(30.8)	35(44.9)	17(21.8)	2.86	9th
Stage of the property cycle	3(3.8)	24(30.4)	43(54.4)	9(11.4)	2.73	10th
Associated risks	2(2.4)	36(43.3)	31(37.3)	14(16.9)	2.69	11th
Demographic data	11(12.6)	27(31.0)	44(50.6)	5(5.7)	2.49	12th

Source: Author's field survey 2018.

Table 4: Contributions of Market Research to the Marketability and Profitability of Real Estate Investment.

Extent to which market research contribute to Profitability and marketability	Frequency	Percentage
None	4	4.8
Slightly	8	9.5
Highly	55	65.5
Extremely	17	20.2
Total	84	100.0

Source: Author's field survey 2018.

Table 5: Contributions of Market Research in Terms of Real Estate Investment Performance Indices.

	Nil	Very low	Low	Moderate	High	Very high	Mean score	Ranking
Sale of value	….	1(1.2)	4(4.7)	25(29.1)	42(48.8)	14(16.3)	4.74	1st
Rate of return	….	….	6(7.1)	28(33.3)	36(42.9)	14(16.7)	4.69	2nd
Rental value	3(3.5)	….	2(2.3)	27(31.4)	38(44.2)	16(18.6)	4.69	3rd
Vacancy value	2(2.4)	1(1.1)	12(14.1)	24(28.2)	34(40.0)	12(14.1)	4.45	4th
Ease of sale	….	6(7.1)	8(9.4)	37(43.5)	25(29.4)	9(10.6)	4.27	5th
ease of letting	4(4.7)	1(1.2)	9(10.5)	37(43.0)	28(32.6)	7(8.1)	4.22	6th
Loss of capital	7(8.1)	9(10.5)	23(26.7)	18(20.9)	21(24.4)	8(9.3)	3.71	7th

Source: Author's field survey 2018.

153

References :
1. Ajibola, M.O; Adeleke, A.M; and Ogungbemi, O.A 92016). An assessment of wetland loss in Lagos metropolis, Nigeria. Developing Countries Study. Vol. 6 Issue 7, P. 1 – 7.
2. Chiliya .N. (2009). The impact of marketing strategies on profitability of small grocery shops in South African Townships. African Journal of Business Management 3(3), 70 -79.
3. Darlow .N. Bainess, T& Swamidass .P. (2001). The Role of Manufacturing and Marketing Managers in Strategy Development. Researchgate.
4. Greer .G. & Kolbe .P. (2003) Investment Analysis for Real Estate Decisions (5th Edition) Keplan Publishing.
5. Hartfield, .G. (2006) The Quality of Data and Data Availability for Property Research. School of Built Environment, United Institute of Technology, New Zealand, 1-2.
6. Hodgson .g. (2018). Taxonomic Definitions in Social Science with Firms, Markets and Institutions as case studies. Journal of Institutional Economics.
7. Jones LaSalles (2008). Global Real Estate Transparency Index.
8. Kim .A. (2004). A market without the "right property rights". JOURNAL OF Economics of Transition and Institutional Change Vol. 12 Issue 2 https://doi.org/10.1111/jo967-0750.2004.001279x.
9. Kotler .P. (2011) Strategic Market Segmentation. European Journal of Business and Management. Vol.3 No9,2011.
10. Lipsey .P.(2013). The Politics of Financial Crisis Response in Japan and the United States. Japanese Journal of Political Science 14(3).
11. Mackenzie .D & Betts .R. (2011). Essentials of Real Estate Economics. (3rd Edition). Centage Learning, 2011. Business & Economics.
12. Mckenzie .D. & Betts .R. (2011): Essentials of Real Estate Economics (3rd Edition). Centage Learning, 2011. Business& Economics.
13. Miles .M.; Berens .C.; Eppli .M. & Weiss .M. (2007) Real Estate Development Principles and Process. Washington, Urban Land Institute 13-14.
14. Nworah J.C (2019). Examination of the Quality of MARKET Research Conducted for Real Estate Investment in Emerging Economies: case study of Lagos, Nigeria. International Journal of Innovative Research in Science, Engineering and Technology. Vol 8, Issue 9, September 2019. ISSN (online): 2219-8753 ISSN (PRINT):2347-6710.
15. Ogbuefi J.U. (2011). Aspects of Feasibility and Viability Studies. Institute for Development Studies, Enugu, 45-48.
16. Otegbulu .A.; Mohammed .M. Babawole .G. (2011). Survey on Risk Assessment Techniques Applied in Real Estate Development Projects in Nigeria. Journal of Contemporary Issues in Real Estate 1(1), 101-195.
17. Pindyck .R. (2014). Risk and Return in Design of Environmental Policy. Journal of Association of Environmental and Resources Economics. 1(3); 395-418. September, 2014.

18. Poolton .J. & Barclay .I. (1998). New Product Development from Past Research to future Application. Industrial Marketing Management, 27(3): 197-212.
19. Simon .G. & Harris .R. (1995). Property in a Global Risk Society: Towards Marketing Research. University of Newcastle, 1-32.
20. Sherry L. (2014). Encouraging Sustainable Consumption: An exploration of Consumer Behaviour. The marketing Review: Vol 14, No 2. Pp189-203; 2014.