



The Impact of Lack of Real Estate Market Research on Economic Growth and Development in Southern Nigeria

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ABSTRACT: Most real estate investors, globally, fail to undertake market research to discover the market segments they intend to serve before venturing into them. They employ human intuitions for investment decisions. Often these result in entering saturated markets thereby losing huge investments funds and truncating overall economic development in the process. This paper is set to measure the impact this practice has on the economic development of the areas studied and examines appropriate real estate market researches that need to be undertaken prior to investment decisions and execution. Purposive survey approach was used in three urban centers of southern Nigeria. Housing investors in Uyo, Calabar and Aba were interviewed through 1,050 randomly distributed questionnaires to find out their approach to real estate market research before embarking on housing investments and the investment outcomes. The results from testing the research hypothesis using simple linear Regression Analysis indicate there is a significant marginal impact of investors' mode of investment decision on the economic growth of Calabar, Uyo and Aba. This is because majority of the housing investors studied do not carry out market research before embarking on real estate investment. The study recommends that real estate investors should always carry out market research before embarking on any investment as this will boost economic growth and development.

Keywords: Real estate market research, real estate investors, real estate market segments, supply and gabs, economic return, Nigeria

I. INTRODUCTION

Economic Development primarily embraces the sustained, concerted actions of government (policy makers) and communities on matters that promote the standard of living and economic health of a community or area (IMF, 2012). It can also be referred to as the quantitative and qualitative changes in the economy. Such changes can include development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, security, education, and etcetera. Economic growth is remarkably different from economic development even though the two go hand in hand. Whereas economic development deals with policy evolution by government with the sole purpose of enhancing the socio-economic well-being of the people, economic growth is a phenomenon of market productivity and rise in the Gross Domestic Product of a place. In the real sense of it, economic growth leads to development. Any increase in incomes is spent in some aspects of human development such as education and Medicare. Following from this therefore there is a dependency between the two, and they complement one another. A and Sheffrin, S. M. (2003)

Economic Development By Any Government Will Usually Encompass Three Major Areas Thus:

1. Broad undertakings by government on economic objectives bordering on price stability, high employment and sustainable growth.
2. Provision of infrastructures and services such as quality roads, recreational parks, affordable housing, security and education.
3. Job creation through business finance, real estate development, marketing, neighbourhood development, workforce development, technology transfer etcetera.

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This third aspect is the major concern of economic development professionals. Our concern in this paper is on economic growth which deals with market productivity and its contribution to the GDP of a community. Our aim is to discover what impact investors' mode of decision making has on economic growth and development of the areas studied.

1.1 Statement Of The Problem

Few years back Nigerian economy thrived successfully on oil alone, but with serious dwindling in oil prices internationally and drastic reduction in local production due to militant operations in the Niger delta region, Nigerian economy is seriously stressed and need diversification.

Real estate investment as one of the many avenues of investments opened to investors in the general investment market is capable of generating huge financial benefits to the investors and by extension the country's economy. This expectation will definitely be a mirage if proper and scientific market research is not carried out first to discover the market segment, the strength of demand and market gap in the chosen market place in which the investor intends to invest in. In Nigeria it is a generally observed practice that most real estate investors resort to the use of guess work or rule of the thumb to decide which real estate to develop for investment purposes. This paper seeks to establish the implication of this action on economic development of the study areas and proffer solutions for its amelioration.

II. LITERATURE REVIEW

Whereas economic development involves making policies by government with the sole aim of bettering the economic and social wellbeing of people, economic growth is a phenomenon of market productivity which leads to a rise in the GDP of an economy. Economic growth produces heightened incomes earned by people through market activities. These high incomes are spent in bettering the standard of living of the people through better feeding, Medicare, education, safe drinking water and general human development. Economic growth also produces additional resources which are utilized in the provision of social services for the people. Summarily economic growth and development supplement one another – growth leads to development and vice versa. The activities of real estate investors have potentials to contribute to the economic growth of any nation if carried on in appropriate markets.

2.1 Market Research and Analysis

The terms "Market Research" or "Market Analysis" are used broadly in economics but have a more specific meaning when related to property development. Overall, market research or analysis is the identification and study of the market for a particular economic good or service (Wilkinson and Reed, 2008). Market analysis is the study of a specific market. It is the collection and dissection of data and conversion of that data to information that can be used for analysis and decision making by an appraiser or analyst. With regards to property development, market research provides a sound basis for determining the highest and best use of a property. In other words, an existing or proposed improvement under a specified use may be put to the test of maximum productivity but only after it has been demonstrated that an appropriate level of market support exists for that use (Wilkinson and Reed, 2008).

Market Research is the process of assessing the viability of a new product service through techniques such as surveys, product testing or focus groups (Investopedia, 2016). Ogbuefi (2011) is of the opinion that Market research is concerned with the study of the characteristics of the market in order to determine the size and nature of the project that should be executed. Furthermore Investopedia (2016) and Ogbuefi (2011) agree that market research allows a product/service provider to discover who their target market is and what consumers think about the service or product before it becomes available to the public. The aim of market analysis is to ascertain the attractiveness of a market and to understand its emerging opportunities and threats as they relate to the strengths and weaknesses of the firm (David, 2015). Even though scientific market research is expensive, it is better to undertake it rather than complete the production process of a product which the market will eventually reject and losses incurred. Therefore market research is of utmost importance to every investor wishing to commit huge sums of money into real estate investment. This is so because real estate investment is remarkably different from ordinary commodity investment. The latter requires limited amount of funds, whose markets are not only visible but locationalised. Real estate investments on the other hand have local, national and even international markets. These markets are non-localized with operators who cannot ordinarily be identified on the street and rarely come together except pre-arranged. The following variables must be researched into by intending investors before venturing into the market:

The types of property in short supply

The demand/supply gap: In order to establish the gap which a prospective investor must fill, the strength of demand and supply within the market must be studied/established. To do this requires an examination of the demand determinants and their behavioural patterns. These determinants for housing sector

include demographic variables (population size, trends, growth, composition, household composition and sizes, the number of first and second children, net migration, non-family household formation, death and divorce rates, number of marriages/year and number of households in a geographical area. The units used in analyzing housing demand are household and not individual variables. These include: household heads, composition, taste, and income (Okoro, 2012), housing prices (Macus, 2008; Kalu, 2002). Ordinarily, the more people are in the economy, the stronger the demand. But there must be further breakdown to discover the ability and willingness of households to lease what type of housing is in the market, This depends on the availability of employment opportunities: quality/size of income(household) available for housing and market absorption capacity (Ogbuefi, 2002)

Total number of real estate properties (housing) supplied must be measured alongside other investors in the market aspire to fill for profit purposes. In establishing the gap at any onetime the total supply numbers comprising of stock of existing housing and 3% new entrants(new developments and renovated ones) must be known and from this total demand numbers subtracted to arrive at the gap.

The inputs which go to produce housing include land labour, materials and machines. These housing inputs are costly. The supply of new housing in the market depends on the costs of these inputs, the price of existing stock and the technology of production. Usually supply is inelastic in the short run to price or value elasticity. In the long run it is quite high. Fallis (1985) estimates the long- run price elasticity of supply in the region of 8.2. Any investor intending an entrance into any real estate sector must seek to know the major suppliers and their financial strength and activities within the markets. Through this he/she will carve the niche he intends to fill.

Taste and Fashion of Real Estate Consumers:

A prospective investor must of paramount necessity find out the current taste and fashion of the consumers in the market. This is to avoid the property going through void at the completion of its (their) construction. There is nothing as frustrating as committing so much funds into an investment which remain unlet or unsold for a long time after completion. The market must be perused to find out the current design in vogue, materials used in construction, orientation of the building, space requirements, facilities/utilities and furnishings. This can only be achieved by adequate market research.

The Real Estate Market Sectors and their likely yields

Emoh (2004) lists agricultural, residential, offices, shops, industrial (warehouse and warehouses, and special properties as possible real estate market sectors. Other sectors include recreational sector. The different sector have sub-sectors and their possible entrant requirements (financially/legal). Their expected yield depends on some salient factors inherent in the sectors. For instance Emoh (2004) postulates Residential properties have houses (6-8% Tenement buildings (which presently are out of demand) command 9-12% and modern blocks of flat and detached/semi-detached houses - 6-8% , shops of all dimensions range between 6-8% while industrial properties – factories and(warehouses) command 8 – 12%. These yields data are Abuja (Nigeria) based. Regular transactions within the Southern Nigerian property markets will throw up needed yields to guide investors..

Quantum of Expected Returns or Yields:

It is prudent for an intending investor to find out the quantum of return his investment will fetch in the market. This will depend on four major factors – safety of capital and income, liquidity of investment, level of risk and management costs (Kalu, 2001; Ogbuefi, 2011). This is done through market research.

The Briskness of the market:

Another salient factor is the briskness of the market. This consists of three major variables thus:

- (a) The price levels of the properties in question
- (b) Price trends and movements within the market and
- (c) The levels and volume of market activities

Price Levels:

Prices thrown up in the market place for the properties must be examined to deduce the following:

- (a) Their relative relations to costs of new constructions in order to determine the profitability index.
- (b) Whether there are variability of rentals/prices for similar properties at different locations
- (c) The effects of variables like age, design, space and added facilities of similar buildings on rentals/prices.

The results from the above will assist the investor to know which location to site his investment if (a) above proves a prospective profitability attainment. The third variable will enable the investor to know whether he should provide elaborate facilities or limit them to the barest minimum.

Price Movement

Need arises to know the movement of the prices in the market and how fast they are changing. The direction and speed of price changes will indicate how strong or weak a particular real estate market is. It will also give an indication of the local community's economy. Questions that must be asked and answers proffered are:

- (a) Is the price change speeding up?
- (b) Is the price change slowing down?
- (c) Is the price change stabilizing?

On the whole, if price changes are greater than construction costs changes, it is clear that investors' profit or land prices may be going up. If the reverse occurs then land prices and investors' profit may be under pressure. Real estate prices can be used to compare the trends in general economy. This will provide answers as to whether real estate prices are going up faster than general prices, new construction costs and/or land prices.

Levels of Market activities:

A prudent investor must study to discover the levels of activity in the real estate market he/she intends to explore where prices are generally inelastic to minor shift in supply or demand. They opine that when there is a downward price pressure, buyers will refuse to buy at old prices, sellers refuse to sell at new prices and chose to wait for the bad time to pass thereby causing a fall in sale volume.

Stagnant market presents a decline in sale volume rather than a decline in price. The investor will have to compare the present sales volume with previous periods' volumes to discover whether the current volume in the market is up or down and by how much.

Research into levels of market activities will also involve the length of time properties will change hands in the market. That is the length of time it takes from the listing of a property in the market to the time it eventually get let or sold. Is this marketing time decreasing or increasing, compared to previous periods? Have current prices of properties in the market been cut down to entice buyers into buying? Have owners of listed properties received offers? How high or low were the offers compared to asking prices? What happened to the properties enquirers? Have they returned after their initial visit to view the properties and perhaps settle down to discuss buying or leasing?

Answers to these salient market questions will lay a particular real estate market segment bare for an investor to make his investment decision. Of course a market which does not witness frequent high offers of its listed properties, new viewers of its properties, takes pretty long time in years to dispose of properties listed in it, and cut down on asking prices to propel buyers to even make offers is not a good prospect market to invest in. A good market research will enhance brisk profit-oriented activities in the market which will in turn heightened the levels of private incomes thereby resulting in economic growth and development.

III. RESEARCH METHODOLOGY

The Research uses a survey method in three capital cities in the Southern part of Nigeria. The cities include Calabar, Uyo and Aba. The three cities are cosmopolitan towns with population in millions of 1.2 (Calabar), 3.5 (Uyo) and 4.2 (Aba) (2006 Census). Investors in major planned residential estates of these cities were interviewed as indicated in Table 1 below. The reason for choosing these planned housing estates was purely purposive. The researchers reasoned that investors in planned residential neighbourhoods will be enlightened enough to carry out market research before investing even if their illiterate counterparts may not do so elsewhere due to knowledge deficit. Again in order to measure the level of recouping of investment capital by investors these estates which have been in existence for about 30 years were chosen for study. Each of the estates has not less than 1,000 housing units. 35% of each 1000 units in each Estate were selected for analysis. Therefore three hundred and fifty investors in each of the estates were randomly selected and administered with structured questionnaires for the study. Three hundred of the Questionnaires administered were collected back from each of the estates which were used in the analysis for the study. Secondary data sources included textbooks, journals and internet sources were also utilized.

Table 1

| City | Housing Estate selected | Units of Housing in Estate | Sample taken @ 35% Of 1000 units |
|---------|----------------------------|----------------------------|----------------------------------|
| Aba | Federal Low Housing Estate | 1000 | 350 |
| Calabar | Cross River Housing Estate | 1000 | 350 |
| Uyo | Ewet Housing Estate | 1000 | 350 |
| Total | The three Estates | 3000 | 1050 |

The Study Areas

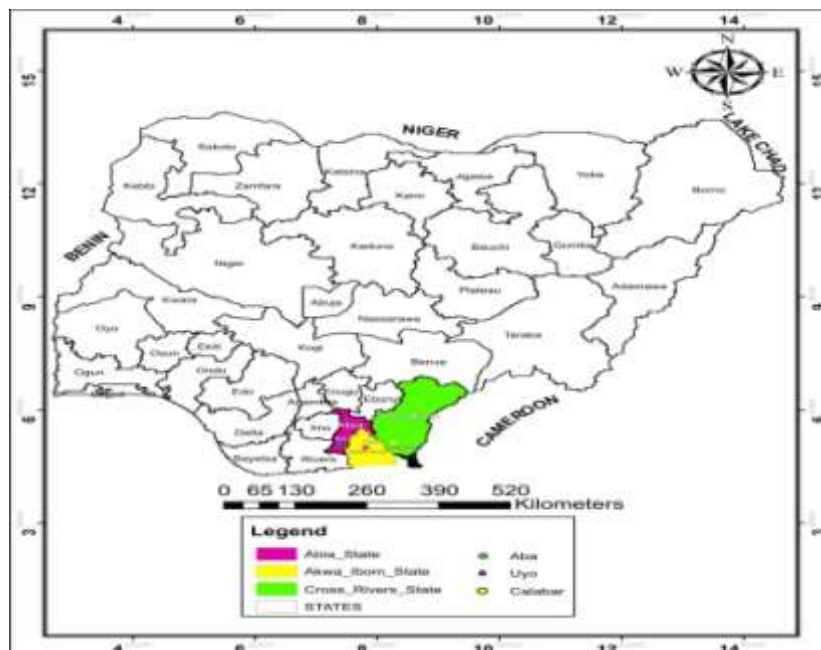
The study areas are located at the southern part of Nigeria. Nigerian profile is as hereunder:

Nigerian Profile

Nigeria is often referred to as the giant of Africa by reason of her land mass, population (above 170 million) and lately economy. It is the 7th most populous country in the world and the most populous in Africa (Lovells, 2013). Its economy rests on a mono product - oil. With the tumbling of global oil prices, Nigerian economy caves and concentration is now shifted to telecommunications and real estate. 14% of the country's investment capital goes into the real estate sector (FDI, 2015). Favela (2015) prospects that by 2021 Nigeria's population will be 40% of the world's and wonders where this enormous population will be accommodated.

One of the problems which come with large populations is deficiencies in infrastructures like housing, electricity, road networks, water, etc. These present a ready platform for real estate investments to thrive.

The three cities which constitute the study area for this study are located at the southern part of Nigeria and are contiguous to one another. Calabar is a relatively quiet environment with prominent tourist attraction, hosting annually beautiful and educative carnivals, Uyo and Aba are commercial nerve centers and have impressive commercial activities in them. All three cities provide good prospective real estate investment opportunities for past, present and future investors to make huge returns.



RESULTS AND DISCUSSION

Table 1: Percentage of Respondents by Gender

| Calabar | | Frequency | Percent | Valid Percent | Cumulative % |
|---------|--------|-----------|---------|---------------|--------------|
| | Female | 80 | 26.7 | 26.7 | 26.7 |
| | Male | 220 | 73.3 | 73.3 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | Percent | Valid Percent | Cumulative % |
| | Female | 230 | 76.7 | 76.7 | 76.7 |
| | Male | 70 | 23.3 | 23.3 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Uyo | | Frequency | Percent | Valid Percent | Cumulative % |
| | Female | 100 | 33.3 | 33.3 | 33.3 |
| | Male | 200 | 66.7 | 66.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |

In Calabar the male gender dominated the study population with 73.3% while the female gender has 26.7%. In Aba the female gender dominated the study population with 76.7% while the male gender has only 23.3%.The gender of the respondents in Uyo shows that the male gender dominated the study population with 66.7% while the female gender has 33.3%.

| Calabar | | Frequency | % | Valid Percent | Cumulative % |
|---------|-------------|-----------|-------|---------------|--------------|
| | 35-45 years | 70 | 23.3 | 23.3 | 23.3 |
| | 46-55 years | 100 | 33.3 | 33.3 | 56.7 |
| | 56-65 years | 100 | 33.3 | 33.3 | 90.0 |
| | Others | 30 | 10.0 | 10.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | % | Valid Percent | Cumulative % |
| | 35-45 years | 60 | 20.0 | 20.0 | 20.0 |
| | 46-55 years | 110 | 36.7 | 36.7 | 56.7 |
| | 56-65 years | 100 | 33.3 | 33.3 | 90.0 |
| | Others | 30 | 10.0 | 10.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Uyo | | Frequency | % | Valid Percent | Cumulative % |
| | 35-45 years | 70 | 23.3 | 23.3 | 23.3 |
| | 46-55 years | 80 | 26.7 | 26.7 | 50.0 |
| | 56-65 years | 100 | 33.3 | 33.3 | 83.3 |
| | Others | 50 | 16.7 | 16.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |

The majority of the investors in Calabar occupy the age brackets of 46 – 65 years (66.6%). The age bracket of the respondents in Aba as represented above shows the age bracket of 46-55 years to be the highest with 36.7%, 56-65 years to be 33.3% while 35-45 years was 20.0% and 10.0% went for other age brackets not indicated above. The age bracket of the respondents in Uyo as represented above shows the age bracket of 56-65 years to be dominant with 33.3%, 46-55 years is 26.7%, 35-45 years is 23.3% and 16.7% for other age brackets not specified.

| Calabar | | Frequency | % | Valid Percent | Cumulative % |
|---------|-------|-----------|-------|---------------|--------------|
| | No | 40 | 13.3 | 13.3 | 13.3 |
| | Yes | 260 | 86.7 | 86.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | % | Valid Percent | Cumulative % |
| | No | 110 | 36.7 | 36.7 | 36.7 |
| | Yes | 190 | 63.3 | 63.3 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Uyo | | Frequency | % | Valid Percent | Cumulative % |
| | No | 220 | 73.3 | 73.3 | 73.3 |
| | Yes | 80 | 26.7 | 26.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |

Source: Authors' Field Data 2015/2016

The above result shows that majority of real estate investors in Calabar carry out market survey to enable them discover the market sector to develop. This is shown by the 86.7% 'Yes' responses while only 13.3% of the investors do not carry out any market research. In Aba, the result also shows that majority of real estate investors carry out market survey to enable them discover the market sector to develop. This is shown by the 63.3% 'Yes' responses while 36.7% of the investors do not carry out any market research. Uyo result shows that 73.3% of real estate investors do not carry out market survey to enable them discover the market sector to invest in while only 26.7% do.

| | | | | |
|-----------------------------------|-----------|-------|---------------|--------------|
| Reasons for Development | Frequency | % | Valid Percent | Cumulative % |
| Leasing to tenants for return | 90 | 30.0 | 30.0 | 30.0 |
| For personal occupation | 20 | 6.7 | 6.7 | 36.7 |
| For both | 190 | 63.3 | 63.3 | 100.0 |
| Total | 300 | 100.0 | 100.0 | |
| Reasons for Development | Frequency | % | Valid Percent | Cumulative % |
| For leasing to tenants for return | 200 | 66.7 | 66.7 | 66.7 |
| For both | 100 | 33.3 | 33.3 | 100.0 |
| Total | 300 | 100.0 | 100.0 | |
| Reasons for Development | Frequency | % | Valid Percent | Cumulative % |
| For leasing to tenants for return | 200 | 66.7 | 66.7 | 66.7 |
| For personal occupation | 100 | 33.3 | 33.3 | 100.0 |
| For both | 120 | 40.0 | 40.0 | 73.3 |
| For both | 80 | 26.7 | 26.7 | 100.0 |
| Total | 300 | 100.0 | 100.0 | |

Source: Authors' Field Data 2015/2016

Table 4 above shows that the majority of the investors in Calabar undertake real estate development for investment purpose and personal occupation (63.7%), while 30% undertake it purely for investment purpose and 6.7% develop for personal occupation. In Aba, the major reason is for leasing to tenants for return represented by 66.7% and for both leasing and owner occupation represented by 33.3%. 40% of Uyo investors developed for personal occupation, 33.3% for leasing to tenants for return while 26.7% developed for both reasons.

| Calabar | | Frequency | Percent | Valid Percent | Cumulative % |
|----------------|--|------------------|----------------|----------------------|---------------------|
| | Suggestions by friend and family members | 20 | 6.7 | 6.7 | 6.7 |
| | Personal intuition | 130 | 43.3 | 43.3 | 50.0 |
| | Market survey/analysis of available data | 130 | 43.3 | 43.3 | 93.3 |
| | Others | 20 | 6.7 | 6.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | Percent | Valid Percent | Cumulative % |
| | Suggestions by friend and family members | 50 | 16.7 | 16.7 | 16.7 |
| | Personal intuition | 120 | 40.0 | 40.0 | 56.7 |
| | Market survey/analysis of available data | 120 | 40.0 | 40.0 | 96.7 |
| | Others | 10 | 3.3 | 3.3 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Uyo | | Frequency | Percent | Valid Percent | Cumulative % |
| | Suggestions by friend and family members | 70 | 23.3 | 23.3 | 23.3 |
| | Personal intuition | 150 | 50.0 | 50.0 | 73.3 |
| | Market survey/analysis of available data | 40 | 13.3 | 13.3 | 86.7 |
| | Others | 40 | 13.3 | 13.3 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |

Source: Authors' Field Data 2015/2016

In Calabar 43.3% each of the investors use Personal intuition and market survey/analysis of available data to decide the type of accommodation tenants will prefer to live in. Suggestions by family members and friends and others share equally 6.7% each. In Aba, 40.0% each uses personal intuition and market survey/analysis of available data, 16.7% uses suggestions from friends and family members while 3.3% uses other means. Only 40% of the investors here undertake market survey as against 60% of table 5. From the above, 50.0% uses personal intuition, 23.3% uses suggestions by friends and family members while 13.3% each uses market survey/analysis of available data and other sources of information in Uyo.

| Calabar | | Frequency | % | Valid Percent | Cumulative % |
|----------------|--------------|------------------|----------|----------------------|---------------------|
| | None | 20 | 6.7 | 6.7 | 6.7 |
| | Wide | 30 | 10.0 | 10.0 | 16.7 |
| | Undetermined | 250 | 83.3 | 83.3 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | % | Valid Percent | Cumulative % |
| | None | 60 | 20.0 | 20.0 | 20.0 |
| | Wide | 90 | 30.0 | 30.0 | 50.0 |
| | Undetermined | 140 | 46.7 | 46.7 | 96.7 |
| | Others | 10 | 3.3 | 3.3 | 100.0 |
| Uyo | | Frequency | % | Valid Percent | Cumulative % |
| | None | 30 | 10.0 | 10.0 | 10.0 |
| | Wide | 40 | 13.3 | 13.3 | 23.3 |
| | Undetermined | 160 | 53.3 | 53.3 | 76.7 |
| | Others | 70 | 23.3 | 23.3 | 100.0 |

Source: Authors' Field Data 2015/2016

The above result shows 83.3% of the investors in Calabar did not determine the supply gap before they entered the market, while 10.0% believed the gap was wide and 6.7% believed there was no gap at all. Table 6 result shows the true situation of investors' knowledge of and probing the market before investing in it. Clearly none of the investors carried out market research. The essence of market research is determined the gap and the

need to invest in the market. The result in Aba shows that 46.7% of the investors did not determine the supply gap before they invested in the market while 30.0% believed the gap was wide, 20.0% believed there was no gap at all while 3.3% are for others. As in Calabar, the results for Aba reveal the true situation on investors' market research status – none carried out scientific market research prior to investment. In Uyo, the result shows that the supply gap that existed in the market was undetermined as represented by 53.3%, others was 23.3% while 13.3% of the respondents believed the gap was wide and 10.0% believed there was no gap at all.

| Table 7: Did the timing of the lease meet investors' expectation? | | | | | |
|---|-------|-----------|-------|---------|--------------|
| Calabar | | Frequency | % | Valid % | Cumulative % |
| | No | 120 | 40.0 | 40.0 | 40.0 |
| | Yes | 180 | 60.0 | 60.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | % | Valid % | Cumulative % |
| | No | 100 | 33.3 | 33.3 | 33.3 |
| | Yes | 200 | 66.7 | 66.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Uyo | | Frequency | % | Valid % | Cumulative % |
| | No | 120 | 40.0 | 40.0 | 40.0 |
| | Yes | 180 | 60.0 | 60.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |

Source: Authors' Field Data 2015/2016

Table 7 seeks to present if the completion and eventual leasing of the finished development met the investors expectation. 60.0% of the investors said the timing met the expectation while 40.0%'s expectation was not met in Calabar. For Aba, 66.7% of the investors say the timing of the lease meets their expectation while 33.3% say theirs were not met. In Uyo also, the timing of the lease meets investor's expectation. This can be seen from the 'Yes' response of 60.0% while 40.0% expectation was not met in timing of the leases.

| Table 8: Opinion on what was responsible for untimely lease of the property | | | | | |
|---|---|-----------|-------|---------|--------------|
| Calabar | | Frequency | % | Valid % | Cumulative % |
| | Non-availability of strong demand for the property | 10 | 3.3 | 3.3 | 3.3 |
| | Lack of fund in the economy | 140 | 46.7 | 46.7 | 50.0 |
| | Unfitting accommodation for enquirers | 150 | 50.0 | 50.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | % | Valid % | Cumulative % |
| | Non- availability of strong demand for the property | 120 | 40.0 | 40.0 | 40.0 |
| | Lack of fund in the economy | 90 | 30.0 | 30.0 | 70.0 |
| | Unfitting accommodation for the enquirers | 30 | 10.0 | 10.0 | 80.0 |
| | Others | 60 | 20.0 | 20.0 | 100.0 |
| Uyo | | Frequency | % | Valid % | Cumulative % |
| | Non availability of strong demand for the property | 50 | 16.7 | 16.7 | 16.7 |
| | Lack of fund in the economy | 80 | 26.7 | 26.7 | 43.3 |
| | Unfitting accommodation for the enquirers | 70 | 23.3 | 23.3 | 66.7 |
| | Others | 100 | 33.3 | 33.3 | 100.0 |

Source: Authors' Field Data 2015/2016

From the above responses, 50% of the investors say unfitting accommodation is responsible for late lease of properties, 46.7% say it is lack of fund in the economy while 3.3% say it is non-availability of strong demand for the property in Calabar. If market research was undertaken prior to investment, 50% of the accommodation would not have been unfit for the market. In Aba, non-availability of strong demand for the property is a major factor responsible for untimely lease of properties. This is represented by 40.0% and closely followed by lack of fund in the economy with 30.0%, others with 20.0% and 10.0% for unfitting accommodation for enquirers. No strong demand for the finished development indicates that demand for the development was not established before the investors invested in the market. In Uyo, other means was a major

factor responsible for untimely lease of properties. This is represented by 33.3% and followed by lack of fund in the economy with 26.7%, unfitting accommodation for enquirers with 23.3% and non-availability of strong demand for the property with 16.7%.

| Calabar | | Frequency | % | Valid % | Cumulative % |
|---------|-------|-----------|-------|---------|--------------|
| | No | 200 | 66.7 | 66.7 | 66.7 |
| | Yes | 100 | 33.3 | 33.3 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | % | Valid % | Cumulative % |
| | No | 120 | 40.0 | 40.0 | 40.0 |
| | Yes | 180 | 60.0 | 60.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Uyo | | Frequency | % | Valid % | Cumulative % |
| | No | 190 | 63.3 | 63.3 | 63.3 |
| | Yes | 110 | 36.7 | 36.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |

Source: Authors' Field Data 2015/2016

The result in Calabar shows that 66.7% of the investors have not recouped invested capital while 33.3% have recouped theirs and made profit. 60.0% of Aba real estate investors have recouped their investment capital and made profit while 40% have not nor made profit. The result on whether the investors have recouped the capital invested and made profit in Uyo shows that 63.3% real estate investors in Uyo have not yet recouped their capital while 36.7% have and made profit.

| Calabar | | Frequency | % | Valid % | Cumulative % |
|---------|----------|-----------|-------|---------|--------------|
| | No | 210 | 70.0 | 70.0 | 70.0 |
| | Yes | 90 | 30.0 | 30.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | % | Valid % | Cumulative % |
| | Not sure | 70 | 23.3 | 23.3 | 23.3 |
| | No | 60 | 20.0 | 20.0 | 43.3 |
| | Yes | 170 | 56.7 | 56.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Uyo | | Frequency | % | Valid % | Cumulative % |
| | No | 40 | 13.3 | 13.3 | 13.3 |
| | Yes | 140 | 46.7 | 46.7 | 60.0 |
| | Not sure | 40 | 13.3 | 13.3 | 73.3 |
| | Others | 80 | 26.7 | 26.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |

Source: Authors' Field Data 2015/2016

The result from table 10 confirms those of table 9. 70.0% of the investors in Calabar do not realize their prospect while 30% do. The result from Aba shows that 56.7% of the investors have met their investment outcome in terms of return, 20.0% have not met theirs while 23.3% are not sure. 46.7% of Uyo investors say the investment outcome in terms of return meet their prospects, 13.3% each did not meet their expectation and are not sure while 26.7% go for other opinions.

| Calabar | | Frequency | % | Valid % | Cumulative % |
|---------|------------|-----------|---------|---------------|--------------------|
| | Impressive | 50 | 16.7 | 16.7 | 16.7 |
| | Negligible | 30 | 10.0 | 10.0 | 26.7 |
| | Marginal | 220 | 73.3 | 73.3 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | Impressive | 60 | 20.0 | 20.0 | 20.0 |
| | Negligible | 40 | 13.3 | 13.3 | 33.3 |

| | | | | | |
|------------|------------|------------------|----------------|----------------------|---------------------------|
| | Marginal | 180 | 60.0 | 60.0 | 93.3 |
| | Others | 20 | 6.7 | 6.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Uyo | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | Impressive | 200 | 66.7 | 66.7 | 66.7 |
| | Negligible | 30 | 10.0 | 10.0 | 76.7 |
| | Marginal | 70 | 23.3 | 23.3 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |

Source: Authors' Field Data 2015/2016

In Calabar, 73.3% of the respondents say the contribution to economic development is marginal, 16.7% feel it is impressive while 10% feel it is negligible. The contribution of real estate investment in Aba has been seen to be marginal by 60.0% of the respondents, 20% feel the contribution is impressive, 13.3% say it is negligible while 6.7% is for others. For Uyo, the contribution of real estate investment has been seen to be impressive represented by 66.7% of the respondents, 23.3% feel the contribution is marginal while 10% feel it is negligible.

| Calabar | | Frequency | % | Valid % | Cumulative % |
|---------|-------|-----------|-------|---------|--------------|
| | No | 30 | 10.0 | 10.0 | 10.0 |
| | Yes | 270 | 90.0 | 90.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |
| Aba | | Frequency | % | Valid % | Cumulative % |
| | Yes | 300 | 100.0 | 100.0 | 100.0 |
| | No | 0 | 0 | 0 | 0.0 |
| | Total | 300 | 100.0 | 100.0 | 100.0 |
| Uyo | | Frequency | % | Valid % | Cumulative % |
| | No | 120 | 40.0 | 40.0 | 40.0 |
| | Yes | 180 | 60.0 | 60.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |

Source: Authors' Field Data 2015/2016

The majority (90.0%) of the investors sampled in Calabar have heard about real estate market survey. Result from Aba shows that many real estate investors have heard of real estate market survey as represented by 100.0% 'Yes' response. Also result from Uyo shows that 60.0% have heard of real estate market survey while 40.0% have not heard of it at all.

| Calabar | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------|-----------|---------|---------------|--------------------|
| | No | 0 | 0 | 0.0 | 0.0 |
| | Yes | 300 | 100.0 | 100.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | 100.0 |
| Aba | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | No | 0 | 0 | 0.0 | 0.0 |
| | Yes | 300 | 100.0 | 100.0 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | 100.0 |
| Uyo | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | No | 70 | 23.3 | 23.3 | 23.3 |
| | Yes | 230 | 76.7 | 76.7 | 100.0 |
| | Total | 300 | 100.0 | 100.0 | |

Source: Authors' Field Data 2015/2016

All the respondents in Calabar and Aba representing 100.0%, affirm that it is necessary for a market survey to be carried out before embarking on any real estate investment. In Uyo, 76.7% affirm that it is necessary for a market survey to be carried out before an investor embarks on any real estate venture while 23.3% do not feel so.

4.1 Testing the Research Hypothesis

Ho: There is no significant impact of investors' modes of investment decisions on the economic growth of the area within which they operate.

Hi: There is significant impact of investors' modes of investment decisions on the economic growth of the area within which they operate.

To test the stated hypothesis, simple linear regression analysis was carried out with investors mode of decision making as independent or predictor variable and economic growth as dependent variable, The results are presented in the table below.

Regression

| Model Summary | | | | | | | |
|---------------|---------------------------------------|-----------------------------|-----------------|-------------|----------------------------|-------------------|------|
| Model | R | R Square | Adjusted Square | R | Std. Error of the Estimate | | |
| 1 | .769 ^a | .592 | .591 | | .60879 | | |
| Model | | Sum of Squares | Df | Mean Square | F | Sig. | |
| 1 | Regression | 482.732 | 1 | 482.732 | 1302.469 | .000 ^b | |
| | Residual | 332.824 | 898 | .371 | | | |
| | Total | 815.556 | 899 | | | | |
| Model | | Unstandardized Coefficients | | | Standardized Coefficients | T | Sig. |
| | | B | | Std. Error | Beta | | |
| 1 | (Constant) | .167 | | .060 | | 2.770 | .006 |
| | Investors Mode Of Investment Decision | .885 | | .025 | .769 | 36.090 | .000 |

a. Dependent Variable: Contribution to Economic Growth

The correlation coefficient (R) = 0.769
 Coefficient of Determination (R²) = 0.592
 P < 0.05

4.2 Discussion of Findings

The R-square value of .592 means that about 59.2percent of the total variation in economic growth is accounted for by variation of real estate investors’ mode of decision, leaving about 40.8 percent to be accounted for by some other factors or variables not considered in the model. The p-value (.000) associated with the computed F-value (1302.469) is less than the chosen level of significance (.05) As a result the null hypothesis was rejected,. This means that the regression of economic growth on investors’ mode of decision is highly significant. It means that investors mode of decision making has a significant influence on economic growth in the study area. The p –value (.006 & .000) associated with the computed t-values (2.770 & 36.000) for the regression constant and co-efficient are all less than .05 .This means that both the regression constant and co-efficient make significant contribution to the prediction of economic growth in the study area.. The results of the study also indicate that real estate investors within the three cities of Calabar, Uyo and Aba have heard about real estate market survey and affirm that it is necessary for investors to carry out market research before engaging in any real estate business venture.

V. SUMMARY, CONCLUSION AND RECOMMENDATIONS

The study examined real estate market research and its contribution to economic growth and development. Many real estate investors embark on real estate development without carrying out a market survey to determine the gap in the existing stock of housing and know which sector to provide accommodation for. This study conducted in Calabar, Uyo and Aba has shown that it is necessary to carry out a market research before embarking on any business venture. Though many of the investors have heard about real estate market research, majority of them never embarked on it. The study has also shown that real estate market research if properly carried out and carefully analyzed, contributes positively to the economic growth of a nation. The study recommends that investors in real estate should always carry out market survey before embarking on housing development. The benefits of this are numerous including identification of market gap and sector, determining the strength of the demand and rentals, major suppliers and prospective tenants and buyers, the briskness of the market and availability of funds for stakeholders and eventual contribution to the national GDP in improved standard of living for the people.

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