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Examination of the Quality of Market Research Conducted for Real Estate Investment in Emerging Economies: Case Study of Lagos, Nigeria

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ABSTRACT: Market research is a critical aspect of real estate development and investment process and plays important role in the investment decisions-making and investment strategy formulation, planning and execution. Emerging economies require quality market research for real estate investment to keep pace with expectations of progressive development. The measure of quality is embedded in the test of reliability and validity of the market research report for the proposed investment and such reliability and validity are measured by the extent of the credibility and accuracy of market research data collection, presentation, analysis and result.

The quality of market research conducted for real estate investment in the study area was assessed by evaluating the depth and level of research conducted for project development/investment in the study area and examining the extent to which the standard elements of market research were covered using the Likert scale. Furthermore, twenty (20) market research reports/investment appraisals prepared by investment advisers/investors were reviewed to ascertain the quality of market research conducted for the developments/investments in the study area. The study revealed a mean score of 3.0 and above on the level and depth of market research on the standard elements of market research based on acceptable research models which implies acceptable level of market research application by real estate investors in the study area. The study also showed that 51.3% of the end users/respondents indicated that the quality of market research conducted was good in relation to the outcome of their investment decisions; 11.6% indicated that the quality of market research was below average while 2.6% indicated that the quality of market research conducted was poor. The study also showed that the pre-investment findings on all the elements of market research as rated by the respondents were relatively accurate with a mean score of 3 and above. The analysis of the reviewed twenty (20) market research reports however indicated that the data content of market research conducted for investment in the study area falls below standard of acceptable models. The study made some recommendations which include the need for standard research manual or standard pre-investment study manual/template stipulating acceptable data content for real estate market research.

KEYWORDS: quality research, Real estate development, real estate investment, investment decisions, pre-investment studies, emerging economies.

I. INTRODUCTION

The quality of market research conducted for real estate investment is a function of its reliability and validity with emphasis on the measurement procedure adopted for data collection, analysis, presentation and result. Ideally, standard market research is done through a survey research which entails the information from appropriate sample of respondents attending to the questions as set by the researcher (Check & Schutt, 2012). The designed survey research could be quantitative, as in the case of use of questionnaire with numerical intents, or qualitative, as in the use of open-

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ended questions, and may also involve mixture of both strategies. Irrespective of the choice of method, typical survey research is not error-proof and research errors could come from various sources (Singleton & Straits, 2009). It is imperative for a researcher carrying out real estate market research for development and investment decisions as well as the investor or the end user of the market research report, to critically evaluate and in fact examine the quality of the research report prior to taking investment decision to avoid potential losses in the investment losses. (Nworah, 2019)

Understandably, errors in market research could come from various sources and at any stage of the research process, from the formulation of the research questions, through the choice of sampling technique and size, research design stage, data presentation and analysis, to result, discussions and drawing conclusions (Meltzoff, 2007). This error appears more noticeable in real estate market research in developing and emerging economies as against the acceptable standards in developed economies because market and marketing research are relatively new phenomenon in emerging economies lacking official or documented record relating to technique and processes (Sharma, 1999). Sharma is however convinced in his work that the situation is improving considerably in emerging economies when he observed that Indian firms are now engaging modern market research techniques and processes and currently engaging market research consultants in various fields to buttress the enviable position of market research in business development.

Again, to fully examine and assess the quality of market research will invariably imply assessment of the researcher who carries out the research because it has been variously posited that the quality of the market research which definitely reflect on the quality of investment appraisal depends greatly on the qualification and experience of the person carrying out the market research or appraisal, the competence exhibited in identifying and assembling the relevant data, the dexterity manifested in data processing, and effectiveness in presenting facts and figures in resolving the research problem (Umeh, 1977).

Furthermore, the examination of the quality of market research for real estate investment is essential especially in emerging economies to maintain the pace and perhaps increase possibility of, and attraction for, cross-border real estate finance and investment. This is because a reliable and quality real estate market research will breed confidence in the investors when they adjudge the market research process as transparent and of high quality as obtainable in "matured" markets. It is against this background, that this study was embarked upon, to critically examine the quality of market research for real estate investment in emerging market taking Lagos, Nigeria, as case study.

II. LITERATURE REVIEW

Emerging Economies:

Conducting market research for real estate investment in emerging economies of Africa, Asia and Latin America faces great challenge because unlike the developed economies of United States and Europe, emerging economies lack basic data on key market indicators. By way of emphasis, emerging economies refers to a country's market economy which is progressively developing by means of rapid growth and industrialization and tending towards the characteristics of a developed market economy. They exhibit some traits or characteristics of a developed market economy although they lack the standards to be classified as developed economy market. They characteristically move from traditional economies of agricultural based to more investment in productive capacity and manifest expanding role in world economy and political frontiers. The International Finance Corporation of the World Bank led by Antoine .W. Van Agtmael in 1981 analyzed Emerging Market Economy as an economy with low to middle per capita income but characteristically adjudged to be fast-growing economy. The size of the country is not a distinguishing factor in discussing emerging market "but the extent of developments and reforms. This explains why nation like China despite being classified as economic giant still shares the class of emerging market as Nigeria and Tunisia because both countries have opened up their markets for global interest and embarked on rapid economic development and reforms. Emerging Market characteristics require transition from closed economy to open market economy with recognizable and appreciable level of economic reform programs, accountability, transparency, capital market efficiency, which is capable of building confidence in both local and foreign investors leading to rapid growth in investment and enlarged

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attraction of foreign currency into the local economy. The end result of these tends to achieve the target or goal of closing the gap between the developed (emerged) economies and emerging economies since the attraction of foreign investment into the local economy ensures that the recipient economy benefits from high rise in employment level, skill and technology transfer, increase in production level and eventually rise in gross domestic product. Emerging Markets however offer high-risk investment opportunities because the market is still in transition unlike the more secured investment in developed markets but this is usually settled by the understanding of real estate investment principle of the higher the risk, the larger the returns, which is the confidence of foreign investors willing to take real estate investment risk while aiming to diversify their portfolio in emerging markets. Some of the top emerging markets according to the World Bank include but not limited to Brazil, China, India, Russia, Egypt, Indonesia, Mexico, Nigeria, Turkey, South Korea etc.

Market Research in Emerging Economies:

Unlike the developed countries of US and Europe, market research in emerging markets of Africa, Asia and Latin America suffer a lot of hindrances and shortcomings arising from poor access to data and deficient data collection method (Sharma, 1999). Emerging markets lack basic data on key development and investment indicators as observed by Sharma in his study and therefore cannot effectively and efficiently carry out quality acceptable analysis of market trends, population statistics, demand and supply analysis required for investment decisions. On the contrary, data collection process is well established in developed economies where market research is a very well developed industry. However, the situation is changing in the last decade in emerging economies of Africa. For instance, recently, real estate market research in Lagos, Nigeria, has improved tremendously with the emergence and growing trend of internet activities thereby bringing improvement on the face to face method of research which is not only cumbersome but costly and time-consuming (Nworah, 2019). Market research has also been hindered in emerging economies even as recent technologies try to enhance research processes because the defining characteristics of emerging market remains the not too attractive per capita income (income levels from low to medium). The implication of this is that respondents are not comfortable with the high cost of mobile data/internet usage as more and more survey research are passed and uploaded to them through photo or video sharing. Despite this shortcoming, it has been established that the increase in internet and websites application and practice in emerging economies have witnessed improvement in data collection process (McDonald, 2007). Access to internet websites for emerging economies have led to improved market research in emerging market and facilitated the application of modern research methods in real estate market research. Emerging markets have also enjoyed technological innovations in market research known to developed economies in recent years as a result of access to internet and websites making it easier for data collection, analysis and application (Warren, 2018).

Examination of the Quality of Market Research Conducted for Real Estate Investment in Emerging Economies: Case study of Lagos Nigeria:

To examine the quality of market research implies examination of the processes leading to final market research report. Real Estate Market research are usually carried out via defined research methods, techniques and designs. Research methods are often categorized into Primary Research- Surveys, focus groups, interviews, observation, experiment/field trials etc and Secondary Research – journals, publications, books, twitter comments etc (Malhotra, 2005). It could also be qualitative – where statistical significance and confidence are not calculated and used for exploratory purposes; or quantitative – usually used to test a specific hypothesis and draw conclusions as in surveys and questionnaire involving large number of respondents such as in experimental research techniques.

It is therefore important to examine the quality of market research conducted for real estate investment especially in emerging economies to confirm that such research follows established market research guide and due process. A typical real estate investors' aims to maintain existing customers and remain competitive in the real estate market and would therefore wish to follow established market research guide that will guarantee dependable data collection, analysis and application (Nworah, 2019). Reliable market research guide aims to reach a specific audience or target market with the understanding that analyzing the target market requires good knowledge of the potential market size and possible competition. Nworah (2019) in his work established that a good market research should exhaustively deal with

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competition analysis to identify where the business stands as compared to other competitors, and of course, gaining competition advantage involves conducting market segmentation.

Again, to credibly examine the quality of market research entails the analysis of market research process and decision support tools which implies the analysis of the process involving the assembling of qualitative and quantitative data, observation and examination of same, aimed at drawing research conclusions. The real estate market research process involves: articulating the research problem and objective, developing the market research plan, data collection mode, data analysis, presentation of findings and application of the finding to make the real estate investment decisions. A good and acceptable market research adjudged to be of standard quality would also have passed the test of acceptable analysis process usually by appropriate statistical method ranging from Multiple Regression, Factor Analysis, Discriminant Analysis, Cluster Analysis, Conjoint Analysis, Multi-dimension Scaling etc.

Experience shows that most real estate investors and end users of real estate market research judge the quality of market research principally on the content of supply, demand and consumer analysis as contained in the market research report although others agree that other considerations count. This is further explained in the study of consumer sentiment and consumer behavior (Sherry, 2014) and (Kotler, 2011). In their separate works, they opined that quality market research should incorporate human activities and customer/consumer behavior into the study of market research problems and concluded that with evidence of increasing competition, there is overwhelming reasons to focus more on study of customers/ consumers since customer/consumer behavior usually follows a distinct pattern. On demand analysis which is a key consideration in discussing the quality of real estate market research, it is important to discuss factors that would usually affect a particular real estate investment as represented in the research before embarking on any investment decision. It is usual economic understanding to posit that as the price of a particular real estate investment increases, consumers or end users/purchasers will demand less of that particular real estate brand (Hildenbrand, 1983). However, in analyzing the quality of real estate market research, it is pertinent to also understand the submissions in the study by Thyholdt that in line with Marshallian demand function, when a customer or consumer is faced with a limited budget, the customer or consumer decides on a bundle of goods that maximizes his utility and so a unique bundle of goods exist which maximizes a customer's/consumer's utility given price and budget consideration, and assumedly, the customer/consumer is rational, capable of choosing the best option of bundles with the entire budget, which implies that a change in price will not affect the total expenditure (Thyholdt, 2015). Similarly, Harris (2019) in his work on real estate market research concluded that property research is driven by the imperatives of investors and developers rather than the needs of occupiers and has evolved as a new science of investment which distances from the dynamics of demand.

There are some important indicators which should be considered in measuring or evaluating the quality of market research for real estate investment decisions. Ogunba (2011) listed six of such indicators of adequacy and quality of market research to include: market area delineation test; Appropriate use and analysis of primary data; Appropriate use of secondary data test; market data projection test; market penetration and absorption test; correlation of market data with economic trends test. Ogunba further concluded that the quality of a real estate investment market research could be determined by the extent to which it provides requisite information on all the feasibility and viability indicators for sound investment decision as well as the extent the market research covers the basic elements of the market and marketability studies. His study enumerated such elements for consideration as the current demand and supply analysis, general economic condition, customer's taste and preferences, existing and potential competition, demographic information, forecast of demand and supply, and associated risk.

Again, the evaluation or examination or assessment of the quality of market research conducted for real estate investment depends hugely on the quality of assessment given to risk consideration especially in emerging economies. Mackenzie (2011) in his study of investment concluded that property investors and developers consistently underestimate the risk associated with property development and investment and this is even more prevalent in developing and emerging economies. Esty (2002) concluded that risk is the very business of property investment and uncertainty,

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the prevailing climate within which the development and investment take place. Ogunba (2005) in his study further observed that real estate market research for development and investment decisions in recent times are increasingly incorporating risk analysis in research reports some of the risk for consideration includes: financial, land, construction, timing, social-economic, sales/rent, environmental, political, technological, social, planning, acquisition and disposal risks. Ogbuefi (2011) concluded that real estate market research enables property investors to avert, mitigate or manage the impact of these risks when taking or executing real estate investment decisions.

III. METHODOLOGY

The study area in Lagos metropolis which is the largest economy in Nigeria and located within the south-western part of the country. The choice of Lagos was encouraged by the fact that the city of Lagos represents the most active and vibrant case study for any aspect of real estate development and investment business coupled with its robust economic activities required for a study of this nature. This study adopted descriptive, exploratory and explanatory research designs to describe each of the variable necessary for this study. The study population comprises respondents who carry out market research for real estate development and investment in Lagos metropolis.

Simple random sampling technique was applied for this study to ensure that every member of the subset with the targeted population had equal opportunity of being selected. The data required for this study was from both primary and secondary sources. The primary data was strictly from structured questionnaire and interview collected from respondents involved in market research for real estate development and investment as well as real estate market research end users and stakeholders within the study area. On the other hand, secondary data was sourced from textbooks, journals, published articles and papers. Data collected was analyzed using simple descriptive tools of frequency distribution tables, charts, percentages. Mean scores depending on statistics of interest and data behavior. The validity and reliability of the research instrument were further confirmed by ensuring that appropriate questions were structures and discussed with experts to seek their views. All the criticisms and comments were reviewed to modify and improve the content of the questionnaire. Furthermore, a pilot exercise was carried out on the respondents by administering few questionnaire on few respondents to ensure that all the questions were properly understood.

IV. RESULT AND DISCUSSIONS

The findings made from this study are presented and discussed subsequently below:

Characteristics of the respondents:

Figure 1 depicts the academic qualification of the respondents. Information on the respondents' academic qualification was required to establish that those who carry out real estate market research for investment purposes and who are the respondents have the requisite academic background. The academic levels attained by the respondents are expected to reflect on the quality of market research report produced for the end users, the firms or investors engaging the respondents. From the study, (67%) of the respondents possess B.A/ B. Sc/B. Tech; 20.5% hold HND certificate while 11.4% and 1% have studied up to M.Sc and PhD levels respectively. This shows that the end users or investors, who employ the services of the respondents by engaging only graduates of first degrees and above, expect quality market research report which will aid their investment decisions. In other words, by employing academically sound and equipped personnel for their real estate market research, the investors expect high quality reports which will eventually reflect in the quality of investment decision results.

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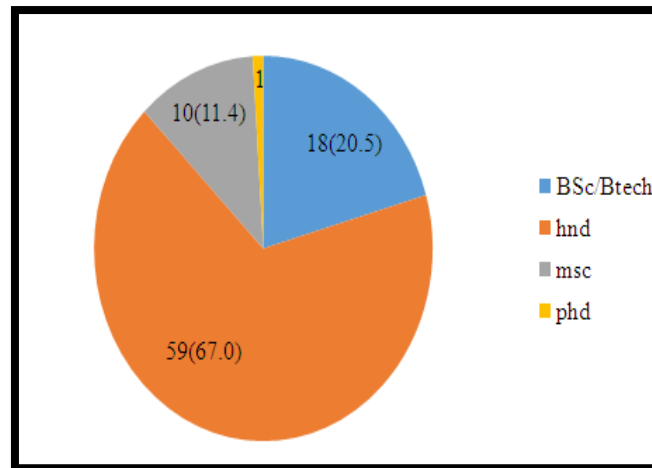


Figure 1: Academic qualification of the respondents.
Source: Author's field survey 2018.

Table 1: Respondents' characteristics

	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.

Table 1 above shows the job description of the respondents. From the analysis as contained in the table, majority of the respondents representing 93.3% of the respondents practice their profession as estate Surveyors and Valuer only while few among the respondents representing 6.7% double as estate Surveyors and Valuers as well as developers. Also, the

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analysis shows that 43.4% of the respondents were head of operations/branch managers; 33.7% were senior Surveyors/directors and the remaining 22.9% were managing partners/managing directors/C.E.O. This implies that all the respondents are of top management cadre of their respective firms. The analysis further shows that 50% of the respondents have MBA/ANIVS/RSV while 6.1% have FNIVS/ICAN (FCA) indicating that 50% are professionally qualified either as Associates or fellows of their respective professional bodies. 43.9% of the respondents were probationers/research executives/officers.

With regard to working experience of the respondents, 36.8% have working experience ranging from 1 – 5 years while 27.6% have working experience of between 6 – 10 years and 36% of the respondents have working experience of between 11-21 years. This implies that 63.6% of the respondents have working experience in the range 6-21 years. Again, the analysis shows that 40.4% of the respondents have been in operation for period of between 10-20 years, while 14.6% of the firms had been in operation for between 21-30 years and above. This shows that 55% of the firms have operated for between 11-30 years while 45% of the firms have operated for period below 10years. The essence of analyzing the respondents’ job description, professional qualification, position of respondent in the firm, and working experience is to ascertain the characteristic qualifications, experience, exposure and professionalism of the respondent which will obviously reflect on the quality of report expected from the market research.

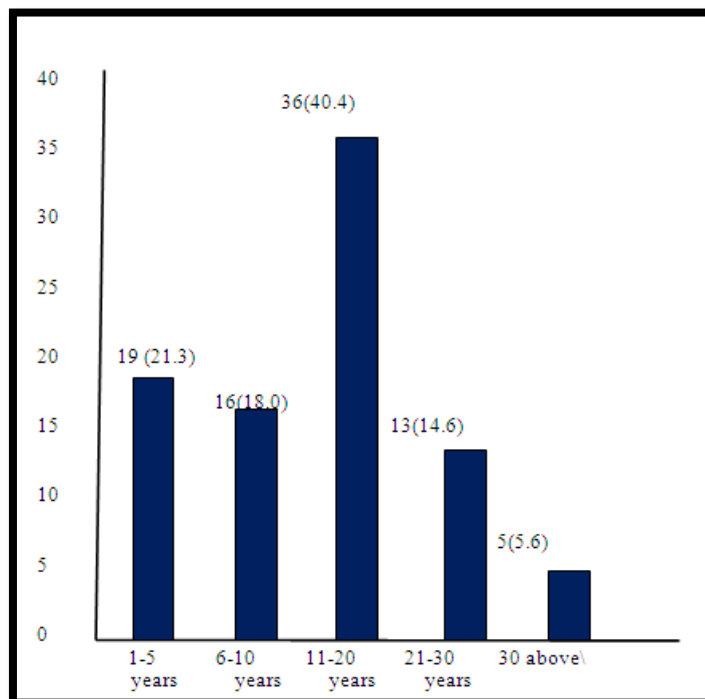


Figure 2: Number of Years in Operation.
Source: Author’s field Survey 2018.

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Table 2: Evaluation of Level and Depth of Research conducted for Project Development

	Poor	Average	Good	V. Good	Excellent	Mean	Ranking
	Score						
Trend analysis of demand and supply	1(1.2)	7(8.5)	23(28.0)	32(39.0)	19(23.2)	3.74	1 st
Locational structural attributes of proposed development market	----	9(10.8)	24(28.9)	33(39.8)	17(20.5)	3.69	2 nd
All feasibility and viability covering physical economic Financial legal political cultural indicators		5(6.1)	19(23.2)	27(32.9)	26(31.7)	5(6.1)	3 rd
Current and projected rental sales value		2(2.4)	9(10.8)	21(25.3)	34(41.0)	17(20.5)	3.66 4 th
Current level/sources of demands		1(1.2)	5(6.2)	29(35.8)	35(43.2)	11(13.6)	3.61 5 th
Customers tastes and Preferences		1(1.2)	7(8.6)	30(37.0)	30(37.0)	13(16.0)	3.58 6 th
Forecast of future demands and supply		----	10(12.0)	34(41.0)	25(30.1)	14(16.9)	3.52 7 th
Existing supply or competition		2(2.4)	10(12.2)	7(32.9)	36(43.9)	7(8.5)	3.44 8 th
Stage of the property cycle		---	7(9.0)	42(53.8)	21(26.9)	8(10.3)	3.38 9 th
State of the economy		5(6.3)	16(20.0)	29(36.3)	22(27.5)	8(10.0)	3.15 10 th
Associated risks		-----	27(30.0)	26(32.1)	20(24.7)	8(9.9)	3.11 11 th
Demographic data of target market such as age income marital status etc		5(6.1)	19(23.2)	27(32.9)	26(31.7)	5(6.1)	3.09 12 th

Source: Author's field Survey 2018.

Table 2 shows the summary of the level and depth of market research conducted for real estate investment decisions with reference to the standard elements of market research based on some established real estate market research models. Major factors or critical elements of real estate investment were considered. The analysis as indicated in the table reveals a mean score of 3.0 and above on the level and depth of consideration of the key elements of real estate investment considered in real estate market research by real estate investors/investment appraisers and real estate market research end users. The implication of this is that there is generally good and appreciable application of market research in key element and critical factors that affect real estate investment by real estate investors, investment appraisers and real estate market research end users.

Table 3: Elements or factors covered in a Quality Market Research

	Rarely	Occasional	Frequent	Very Frequent	Mean	Ranking
					Score	
Current and projected rental or sales value	3(3.6)	4(4.8)	35(41.7)	42(50.0)	3.38	1 st
Forecast of future demand and	1(1.2)	9(10.6)	37(43.5)	38(44.7)	3.32	2 nd

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supply						
Locational, neighborhood attributes of proposed development	3(3.6)	8(9.6)	36(43.4)	36(43.3)	3.27	3 rd
Trend analysis of demand and supply	1(1.2)	16(18.6)	36(41.9)	33(38.4)	3.17	4 th
All feasibility and viability indicators	2(2.4)	11(12.9)	43(50.6)	29(34.1)	3.16	5 th
Current level/sources of demand	.....	12(14.8)	48(59.3)	21(25.9)	3.11	6 th
Customers tastes and preferences	3(3.7)	16(19.8)	38(46.9)	24(29.6)	3.02	7 th
Existing supply or competition	4(4.8)	13(15.7)	47(56.6)	19(22.9)	2.98	8 th
State of the economy	2(2.6)	24(30.8)	35(44.9)	17(21.8)	2.86	9 th
Stage of the property cycle	3(3.8)	24(30.4)	43(54.4)	9(11.4)	2.73	10 th
Associated risks	2(2.4)	36(43.3)	31(37.3)	14(16.9)	2.69	11 th
Demographic data	11(12.6)	27(31.0)	44(50.6)	5(5.7)	2.49	12 th

Source: Author's field survey 2018.

The table represents the analysis of the result on the standard elements usually considered in real estate market research. From the analysis, the quality of real estate market research conducted for real estate investment decisions by real estate market research professionals, investors, investment analysts and investment appraisals was evaluated by assessing the extent to which the standard elements or factors are covered in research assignment using the Likert scale of rarely, occasionally, frequently and very frequently. Analysis as shown in the table shows that 51.3% of the respondents indicated that the quality of market research conducted for real estate investment decisions was good, while 11.6 % shows that the quality of market research was below average. Likewise, the analysis of the result show that 2.6% of the respondents indicated that the quality of real estate market research conducted was poor. In the same vein and with regard to the elements or factors covered in real estate market research, the table indicates that the current and projected rental is the most frequently covered in real estate market research with the highest mean score of 3.38, followed by forecast of future demand and supply with mean score of 3.32. Locational, structural and neighborhood attributes of the proposed investment follow with mean score of 3.27 while trend analysis of demand and supply is ranked 4th with 3.17. Associated risk with mean score of 2.69 and demographic data of target market with mean score of 2.49 are ranked 11th and 12th respectively implying that they are occasionally covered in the real estate market research by the research analysts in the study area.

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Table 4 Accuracy of Market

Research Findings/Projection	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	1 st
Locational, structural attributes of proposed development	.....	11(12.9)	23(27.1)	32(37.6)	19(22.4)	3.69	2 nd
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	3 rd
Current level/sources of demand	1(1.2)	6(7.1)	28(32.9)	38(44.7)	12(14.1)	3.63	4 th
Customers tastes and preferences	.....	7(8.5)	32(39.0)	32(39.0)	11(13.4)	3.57	5 th
Current and projected rental/ sales value	.....	12(14.1)	26(30.6)	35(41.2)	12(14.1)	3.55	6 th
Existing supply or competition	.....	9(10.6)	34(40.0)	38(44.7)	4(4.7)	3.43	7 th
Forecast of future demand and supply	....	14(16.5)	37(43.5)	26(30.6)	8(9.4)	3.33	8 th
Stage of the property cycle	....	15(18.5)	37(45.7)	23(28.4)	6(7.4)	3.25	9 th
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	10 th
Associated risks	....	20(24.7%)	40(49.4%)	14(17.3%)	7(8.6%)	3.09	11 th
State of the economy	2(2.4%)	23(27.1%)	37(43.5%)	16(18.8%)	7(8.2%)	3.03	12 th

Source: Author's field survey 2018.

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The above table shows the ratings of all the elements of market research according to the pre-investment findings by the respondents. The accuracy of market research findings provides some clue with regard to the quality of market research conducted. The accuracy of market research findings and projections compared with the situation at market entry of proposed investment/development was also verified on the strength of the years of experience of the real estate market research professional/investment appraiser in the study area. The analysis further indicated that the pre-investment findings on all the elements of market research as rated by the respondents are relatively accurate with a mean score of 3 and above.

V. REVIEW OF MARKET RESEARCH REPORTS TO ASCERTAIN THE QUALITY OF MARKET RESEARCH CONDUCTED BY INVESTMENT ADVISERS/MARKET RESEARCH PROFESSIONALS FOR REAL ESTATE INVESTMENT DECISIONS IN THE STUDY AREA

Understandably, the results obtained from the analysis of data was via the questionnaire sent to the respondents. The implication is that the results are largely based on the respondents' views, perceptions and experiences with no empirical evidence to back up the claims. Consequently, twenty (20) real estate market research reports prepared by investment advisers and investors were reviewed to ascertain the quality of market research conducted for these investments in the study area. The real estate market research investment reports reviewed comprising the following:

1. Shopping complex development (Caesar's Place) at Kofo Abayomi Avenue, Apapa – Lagos.
2. Residential development at No. 1 Temple Road, Ikoyi, Lagos.
3. Shopping complex development at 72, Broad Street, Lagos.
4. Garage/International market development at Iddo, Lagos
5. Hotel and Suites project at 10-12, Agungi Road, Lekki, Lagos.
6. Office development at No. 12B, Kofo Abayomi Road, Victoria Island, Lagos.
7. Hotel development along Lekki-Epe Expressway, Ajah, Lagos.
8. Residential development at No. 5A Bayo Kuku Street, Ikoyi, Lagos.
9. A high rise residential complex at Victoria Island, Lagos.
10. Office development at South West Ikoyi, Lagos.
11. Modern market development at Alaba, Ojo Local Government Area, Lagos.
12. Hotel development at Maryland, Ikeja, Lagos.
13. Hotel development at Victoria Island Annexe, Lagos.
14. Luxury apartments development off Ahmadu Bello Way, Victoria Island, Lagos.
15. Commercial development on Broad Street, Lagos.
16. Hotel development at Ogba, Lagos.
17. Residential development at Carlton Gate Estate, Lekki, Lagos.
18. Ultra-modern market development at Ikeja, Lagos.
19. Commercial property development for Raeanna Nigeria Limited.
20. Commercial development at Joseph Naaman Close, Off Karim Kotun Street, Victoria Island, Lagos.

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Table 5: Review of Market Research Reports on Proposed Investment.

Standard Market Research Element/Component	Frequency				Percentage			
	RC	RNC	SDP	SDNP	RC	RNC	SDP	SDNP
Target Market Segmented	2	18			10%	90%		
Current level of demand	4	16	0	20	20%	80%	0%	100%
Sources of demand	4	16	0	20	20%	80%	0%	100%
Existing supply or competition	8	12	1	19	40%	50%	5%	95%
Customers tastes/ Preferences	2	18	0	20	10%	90%	0%	100%
State of the economy	6	14	0	20	30%	70%	0%	100%
Forecast of future demand and supply	4	16	0	20	20%	80%	0%	100%
Locational/Neighborhood attributes	6	14	0	20	30%	70%	0%	100%
Stage of Property Cycle	0	20	0	20	0%	100%	0%	100%
Current rental or sale value	20	0	20	0	100%	0%	100%	0%
Projected rental or sale value	20	0	20	0	100%	0%	100%	0%
Trend analysis of demand and supply	4	16	1	19	20%	80%	10%	90%
Demographic data	0	20	0	20	0%	100%	0%	100%
Associated risks	2	18	0	20	20%	80%	0%	100%

Source: Market Research Report as reviewed by the Author.

Legend:

RC = Research conducted

RNC = Research not conducted

SDP = Statistical data presented

SDNP = Statistical data not presented

The result of the review of the above real estate market research reports for investment decisions is presented in table 5 above. The analysis of the result as indicated in the above revealed the following:

1. Only 10% of the reports dealt with the issue of segmentation or delineation of the target market.
2. 20% of the report indicated that research or survey was conducted on the current level of demand but no statistical data was presented to back up the stated level of demand. An active market is often presumed.
3. Existing supply or competition was hinted on in 40% of the reports. Generally it is indicated in the reports that there is a yawning gap in the supply of proposed developments with no supporting statistical data.
4. Customers' tastes and preferences are considered in just 10% of the report. It means that the market for proposed developments is currently a supply-led market.
5. Forecast of future demand and supply was done in only 20% of the reports.
6. No attention is paid to the stage of the property cycle of proposed developments.

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7. 100% of the reports covered current rental or scale value and projected rental or sale value. This is understandable as these data are required for cash flow analysis without which no viability conclusions could be reached.
8. General statements on market condition, state of the economy and demand and supply are made without statistical data to back them up.
9. Associated and demographic data are given little or no consideration.
10. Trend analysis of supply and demand which is a basic pre-requisite for forecasting are not researched on in the reports.

From the above as enumerated, it is conclusively observed that the data content of real estate market research conducted by market research professional and investment appraisers/investors in the study area falls below the established standards and models indicated in the literature. It was also conclusively noted that the quality of market research conducted by real estate research professionals and investors based on the above findings is poor contrary to the result obtained through questionnaire as earlier reported.

VI. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

Summary of Findings:

This study can be summarized as follows:

1. Analysis of the feed-back received from the questionnaire administered showed that real estate investors in the study area actually conduct market research while embarking on pre-investment studies for real estate investment.
2. Majority of respondents representing 51.3% indicated that the quality of market research conducted for real estate investment decisions in the study area is good while only 11.6% of the respondents show that the quality of market research conducted by investment advisers is below average.
3. The study also revealed that current and projected rental values with a mean score of 3.38 are frequently covered in real estate market research by research professionals while associated risk and demographic data are occasionally covered.
4. It was also discovered that the pre-investment findings on all the elements of real estate market research at point of market entry of proposed investments are relatively accurate with a mean score of 3 and above.
5. However, an empirical review of the real estate market research reports prepared by research professionals revealed that the reports were actually of low quality with reference to the data contents of real estate market research as conducted and presented in the reports.

Also from the analysis of the reviewed reports, it was observed that the reports did not contain adequate statistical data to back up the general statements on market conditions, state of the economy and demand and supply.

Conclusion:

From the analysis of the findings in this study coupled with the empirical review of the market research conducted for real estate investment decisions, this study concludes that the quality of market research conducted by real estate research professionals in the study area is low contrary to their claims.

Recommendations:

After due analysis of the result as obtained from the study, the following recommendations are hereby noted:

- It is the recommendation of this study that standard market research manual or standard pre-investment study manual stipulating the standard data requirement or data content of real estate market research should be established by relevant authorities and real estate market research professionals to promote standardization and establishment of culture of quality in market research for real estate investment decisions.
- Establishment of real estate research institute to be manned by research minded professionals in real estate/built environment.

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- Establishment of real estate/property data bank by the Nigerian Institution of Estate Surveyors and Valuers to service real estate data requirements for real estate research purposes.
- Encouragement of regular Continuous Professional Development (CPD) programmes and seminars in areas of real estate market research.

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