THE PROSPECTS AND CHALLENGES OF MEETING HOUSING NEEDS: THE
CASE OF GHANA’S REAL ESTATE SECTOR.

BY
HANNIE KHOURY
10702089

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AWARD OF MSc. DEVELOPMENT FINANCE.

JULY 2019
DECLARATION

I, hereby declare that, this Long essay presented is my own original and any other work has been duly acknowledged. I also declare that this work has never been submitted partially or wholly to any institution for award of certificate.

......................................................... .............................................

HANNIE KHOURY                    DATE

10702089
CERTIFICATION

I declare that this Long essay was supervised in accordance with the procedures and guidelines laid down by the University.

PROF. K. A OSEI  
(SUPERVISOR)

DATE
DEDICATION

I dedicate this project work to my wife, Mrs. Bridget Khoury and my family for their enormous support and love.
ACKNOWLEDGEMENT

I am extremely grateful to God for His guidance and divine protection during this academic exercise. I sincerely acknowledge individuals who have been of great support. I would like to express my sincere appreciation to my supervisor, Prof. K.A Osei for the guidance, support and advice provided throughout this research. He was so apt with providing responses to my write-ups and provided timely comments to ensure this piece met all the academic requirements and standards. I also appreciate the effort of my family, friends and course mates who supported me in diverse ways.

To you all, I say God richly bless you.
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ABSTRACT

Research by scholars and experiences gathered by practitioners have established that real estate development requires multiple processes that are often risky, lengthy and complicated. This is because there exist a lot of obstacles in real estate development. In spite of the seemingly obstacles in the real estate sector, real estate development projects also present lucrative investment opportunities for estate developers. In the Ghanaian context, real estate development is bedeviled with a lot of challenges ranging from high cost of housing, lack of state funding, inadequate access to credit, high competition from foreign firms, higher taxes, and poor housing data among others. Against this backdrop, this study found it imperative to critically examine the prospects, challenges faced by real estate companies in Ghana and the best means of mitigating those challenges. The study found that Value for money, Litigation free, the option to choose different locations and different structures that meet the specification of the buyer are the main reasons for the progress of real estate firms in Ghana. It was observed that majority of the respondents perceive services rendered by real estate firms in Ghana are more expensive than those sold by the individuals and unregistered firms. In mitigating the challenges confronting the real estate industry, respondents of the study consider it expedient that the government intervenes to cushion the local real estate firms financially by providing with some tax cuts so as to be able to compete with their foreign counterparts.
CHAPTER ONE

INTRODUCTION

1.0 Background to the study

Real estate development requires multiple processes that are often risky, lengthy and complicated. A lot of obstacles abound in real estate development. In real estate development, it takes several years from the planning stage through to the final completion stage. There are many risks in this sector that managers and project owners are confronted at all times. However, real estate development projects also present lucrative investment opportunities that require the adoption of project management tools in order to efficiently and effectively execute a successful project (GREDA, 2017).

According to Munns & Bjeimi (1996), project management process involves the controlling of achievement of project objectives. Since project owners and managers set out their objectives before committing funds to their projects, project management becomes an efficient tool to track the achievement of these objectives. Project management has many different tools that can be used to control novel as well as complex projects (Avots, 1969). Project management tools have been found to be more efficient than traditional management methods such as the use of functional divisions in formal organizations for managing operations.

The task of managing projects or bringing new ones on stream and unto the market puts much responsibility on managers and project owners. This puts demands on organizations to adopt different management techniques. These techniques include those required to manage the daily
operations of the organization as well as novel ones. In such a situation in which companies have finite, unique and unfamiliar operations, project management techniques can successfully be implemented. These operations will need quick decision making approaches than what it would be in a normal operation. In these circumstances, making the right choices will be critical to the success of the company (Munns & Bjeirmi, 1996).

Since projects seek to pursue long term and higher goals, the key parameters within the project goals will be investment returns, competitive advantage, profitability and higher market share. However, the achievement of these goals is a function of several variables and factors that need to be determined. These factors determine the extent to which these goals can be achieved and hence the success of the project. Some of these factors have been identified by scholars and project management practitioners. The task of identifying project success factors and the level of their impact is of prime importance to engineers, owners and managers.

In evaluating the success of projects, cost, schedule, safety and performance data are quantifiable and are regarded as objective metric for fair project evaluation. However, other aspects of the project such as the level of quality achieved are difficult to be accessed and may be subjectively done. In such circumstance, the perception of the evaluator is used in assessing how well the project performed.

In this study, the aim is to incorporate existing project success measurement techniques taking into consideration both subjective and objective metrics. This will result in deeper insight and meaningful conclusion about the success of project. This approach also allows for a fairer evaluation since both qualitative and quantitative data relating the success metrics affect the
success of projects. Using this approach, there is the potential to also identify attributes that are important to the success of projects at the onset so that better planning can be done.

All these success evaluation measures are subjective and hence it can be said that perceptions play a major role in this assessment. The term ‘perceived success of a project’ is used when success measures are subjective. The objective metrics have generally been regarded as better for evaluating project success. However, Baker, Murphy and Fisher, 1997 suggest that the objective project metrics is not sufficient to conclude in determining project success without explaining the context in which the success attributes for the project were observed.

The conclusion arrived as the project management success could completely be erroneous if the evaluator only considered the classical project metrics- cost, schedule, quality/performance).

Using only the classical project metrics of cost, schedule, quality/ performance can lead to errors in judgment if the evaluator considered only these metrics. Lately, project safety is also given some consideration. Using subjective metrics also requires that evaluation be considered from the point of view of the particular observer. Thus, what will be considered to be successful to the project manager may or may not be accepted similarly by the project owner, project engineer or operator. This requires that one must specify clearly, the point of view in the measurement of subjective success attributes.

A case in point is when all objective metrics of cost, schedule, performance and safety show that a project has been successful but after the final analysis of the success of the project, the project did not meet the expectation of key stakeholders like the owner or manager and hence deemed unsuccessful (Hughes, Tippett & Thomas, 2004).
In view of this, there is the need to develop management models that will enable managers deal with large and complex projects.

Also, these models should be able to inform managers of the impact of these factors on the success of their projects.

1.1 Problem Statement

As at 2007, Ghana’s population was estimated to be 28 million people with majority of the population being around the age distribution of 22 and 54 years. This indicates that, on average, Ghana’s population is young and growing (GSS, 2018). This young and growing population is an indication that there is higher demand for housing for young individuals, families and businesses.

Ghana’s GDP growth has risen from 3.6% in 2016 to about 7.1% in 2017 (GSS, 2018). Rising incomes and the growing economy also reflects the potential growth for real estate market now and the in the future.

According to the Ghana Real Estate Development (GREDA), there exists a housing deficit of about 1.7 million in Ghana. The deficit in housing provision is generally as a result of supply and demand mismatch. This is however a great opportunity for real estate investors.

The ability for these real estate companies to take advantage of these opportunities while minimizing the risk in these sectors requires the identification of key success factors that these contractors must seek in order to achieve the overall success of the project.

Real estate development in Ghana has been bedeviled with a lot of challenges ranging from high cost of housing, lack of state funding, inadequate access to credit, high competition from foreign
firms, higher taxes, and poor housing data among others. This problem is worsened by the inability to identify key success factors that will enable them to take advantages of the opportunities in the sector while minimizing the risks associated with the real estate sector in Ghana. As a result, there seem to be an ever-increasing dwindling of clients' trust in the services rendered by the real estate agents in Ghana. This is because of the recent increase in the high level of land litigation issues patrons usually face with third parties after securing a property from a real estate firms.

It is therefore imperative to critically examine the success that has been chalked in the years gone-by by some carefully selected real estate companies in the country, the main challenges they face and the best means of mitigating those challenges. A study of this nature is very crucial and timely since there have been numerous predictions by experts of looming estate bubble in Ghana (Connolly, 2014) and the seamlessly unending fights against “landguards” (Antwi & Adams 2003).

1.2 Research Objectives

This study primarily seeks to develop an analytical hierarchy framework for determining critical success factors in project management that can be used to manage projects for real estate companies in Ghana. This study primarily seeks to:

1. Determine the factors that lead to project management success in the real estate sector in Ghana.

2. Determine the factors that are likely to lead to real estate bubble in Ghana in the near future.
3. Suggest the ways and means needed to mitigate the seemingly low confidence the general public has with patronizing real estate services and any other challenges.

1.3 Research questions

1. What factors lead to project management success in the real estate sector?
2. What are the main challenges facing real estate firms in Ghana?
3. What measures are needed to be put in place to provide a lasting solution to the challenges in the real estate sector of Ghana?

1.4 Significance of the study

This study should be relevant to research and for practitioners and policymakers in the real estate sector as well as other sectors of the economy where the concept of this study should be applicable. It adds up to the scanty research on project management success, and specifically, in the real estate sector in developing countries like Ghana. For practice, this study will inform managers and owners of projects as to the extent to which their projects be successful as a result of the presence or absence of critical success factors. This makes them conscious of the necessary efforts needed to up their adoption of project management tools and techniques to and their implementation to achieve the success of their projects. Policy makers, especially in the Ministry of Works and Housing, can use the results of this study to institute needed policies to help improve the real estate sector for both local and internal companies. This study is timely when the country has signed a number of trade agreements with international partners in addition to the existing trade partnerships in the sub-region.
1.5 Organization of the Study

This study is partitioned in five distinct chapters in order to enhance clarity of presentation, facilitate reading and ensure understanding.

Chapter One

The first chapter of the study introduces the study by looking at the background to the study, statement of the problem, the research objectives, the research questions, significance of the study, the scope of the study, the various limitations of the study and finally, the organization of the study.

Chapter Two

The second chapter consists of review of related literature from books, articles, related research work and internet resources which helped the researcher in extracting relevant literature on achieving project management success in Ghana and the world at large.

Chapter Three

The third chapter focuses on the outline and the details of the research methodology.

Chapter Four

The chapter four presents the analyzed data together with its interpretations and finally presents the research findings and thorough discusses them.

Chapter Five

The chapter five, which happens to be the final chapter of this study, featured recommendations based on the findings, summarizes the study and draws useful conclusion.
2.0 Introduction

This chapter presents carefully reviewed literature relevant to the study. The chapter takes into consideration both empirical and theoretical literature and publication that underpin the concept of real estate in Ghana and the rest of the world.

2.1 Overview of Real Estate Market in Ghana

The housing sector in Ghana has undergone fundamental changes since the 1990s. The Ghana Housing Corporation was set up by the then government in 1956 to build houses for people, especially those in the urban areas. During the Nkrumah regime, two main state bodies were formed to address the housing issue (i.e. the State Housing Corporation (SHC) and the Tema Development Corporation), with the special purpose of building residential units in the rapidly growing area of Accra and Tema respectively, as part of a major industrialization drive. A rural housing scheme was also initiated while the First Ghana Building Society - a quasi-government institution was set up to assist individuals through a mortgage scheme, to own houses.

Unfortunately, these provisions had scarcely moved in tandem with demand especially with the growing population, leading to pockets of slums and communities that seemed to consist entirely of kiosks, containers and little communities that would end up on major roads or drainage systems. This situation caused the policy focus to shift away from direct state provision and
move strongly towards active private sector participation in housing production, financing and production of building materials. In part, this was also due to the failure of public housing programs, dwindling state resources, unimpressive performance of state-owned enterprises, and recognition that the government alone was unable to solve the housing problem.

With the bulk of real estate provision being undertaken by the private sector who had determinedly been seeking to make up for the shortfall in the housing deficit by providing office blocks, shops, malls and other public buildings to address the housing, the Bank of Ghana, according to its 2007 statement on housing estimated that some 665,920 units would need to have been built in order to decrease the pressure on urban housing.
Table 1. Estimation and Prediction of Housing Stock and Deficit in Ghana

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Estimated Houses Required</th>
<th>Yearly Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>18,912,079</td>
<td>2,181,975</td>
<td>2,101,241</td>
</tr>
<tr>
<td>2001</td>
<td>19,422,705</td>
<td>3,808,374</td>
<td>2,249,220</td>
</tr>
<tr>
<td>2002</td>
<td>19,947,118</td>
<td>3,911,200</td>
<td>2,300,706</td>
</tr>
<tr>
<td>2003</td>
<td>20,485,690</td>
<td>4,016,802</td>
<td>2,362,825</td>
</tr>
<tr>
<td>2004</td>
<td>21,038,804</td>
<td>4,125,256</td>
<td>2,426,621</td>
</tr>
<tr>
<td>2005</td>
<td>21,606,852</td>
<td>4,236,638</td>
<td>2,492,140</td>
</tr>
<tr>
<td>2006</td>
<td>22,190,237</td>
<td>4,125,26</td>
<td>2,426,621</td>
</tr>
<tr>
<td>2007</td>
<td>22,789,373</td>
<td>4,468,505</td>
<td>2,559,428</td>
</tr>
<tr>
<td>2008</td>
<td>23,404,686</td>
<td>4,589,154</td>
<td>2,699,502</td>
</tr>
<tr>
<td>2009</td>
<td>24,036,613</td>
<td>4,713,061</td>
<td>2,772,389</td>
</tr>
<tr>
<td>2010</td>
<td>24,685,601</td>
<td>5,467,136</td>
<td>4,829,544</td>
</tr>
<tr>
<td>2011</td>
<td>25,324,611</td>
<td>5,614,749</td>
<td>4,959,942</td>
</tr>
<tr>
<td>2012</td>
<td>26,008,376</td>
<td>5,766,347</td>
<td>5,093,860</td>
</tr>
<tr>
<td>2013</td>
<td>26,710,602</td>
<td>5,922,038</td>
<td>5,231,395</td>
</tr>
<tr>
<td>2014</td>
<td>27,431,788</td>
<td>6,081,933</td>
<td>5,372,642</td>
</tr>
<tr>
<td>2015</td>
<td>28,172,446</td>
<td>6,246,145</td>
<td>5,517,704</td>
</tr>
<tr>
<td>2016</td>
<td>28,933,102</td>
<td>6,414,791</td>
<td>5,666,682</td>
</tr>
<tr>
<td>2017</td>
<td>29,714,296</td>
<td>6,587,991</td>
<td>5,819,682</td>
</tr>
<tr>
<td>2018</td>
<td>30,340,530</td>
<td>6,765,867</td>
<td>5,976,814</td>
</tr>
<tr>
<td>2019</td>
<td>31,340,530</td>
<td>6,948,545</td>
<td>6,138,188</td>
</tr>
<tr>
<td>2020</td>
<td>32,186,724</td>
<td>7,136,156</td>
<td>6,303,919</td>
</tr>
</tbody>
</table>

Table 1 shows that the population is expected to grow and with such an accompanying increase in household size; housing demand will also increase with a greater yearly requirement.

In spite of the above growth in population and subsequent increase in demand for housing, Household Spending is forecasted to decrease in 2016 to -6.04 percent. In the long-term, the Household Spending in Ghana is projected to trend around -5.27, 28.65 and 21.65 percent in the years of 2020, 2030 and 2050 respectively. Household Spending in Ghana is reported by the Ghana Statistical Service.

Housing is usually the second largest expenditure item in a family budget (GLSS 5) and also a significant contributor to the economy in general. In the case of Ghana, there are ways to observe how housing plays a role in economy through GDP. For instance, construction of housing would be included in the investment category of total economic spending. On average over the past ten years, new residential housing investment accounted for about 4.8% of real GDP (Ghana Statistical Service, 2010). However, this proportion varied from period to period because this type of investment, like the investment category as a whole, typically varied much more widely over the business cycle (periods of recession and expansion) than overall GDP. The wider cyclical swings in residential investment are shown in the Chart below, which compares real GDP (thin blue line) and real private residential investment (thick red line) over the past 40 years. Recessions, are shown as the gray bars in the chart (Ghana Statistical Service).

However increased housing expenditure could strain a family budget; constrain availability of resources for other household needs such as utilities, education, health care, transportation, saving for retirement and emergencies. High housing costs also drain the family budget of
expendable income that might otherwise be spent in the local economy, reducing the expenditure linkages of the household (Bank of Ghana, 2007).

2.2 Legal Framework for land acquisition and development in Ghana


b. The Land Registry Act 1962 (Act 122). This Act provides for the registration of instruments affecting Land and not the title to land. The Act attempted to provide a form of compulsory registration of deeds by providing in section 24 that 'an instrument, other than a will or a judge's certificate, first executed after the commencement of this Act, shall not have effect until it is registered.'

c. The Land Title Registration Law, 1986 (PNDCL 152).

d. The Rent Act (Act 220) of 1963


f. The Partnership Act 152.

g. The Business Name Act 1962.


i. The Ghana Investment Promotion Act (Act 478).
2.3 Theoretical Review

This section of the third chapter of the study presents established theories that underpin real estate and project management. The theories considered in this section include the theory of real estate. The details of the theory is well expatiated below.

2.3.1 Real Estate Theory

Even though academics often talk as if theory and practice are unlike rule, as in ‘that is only theoretical,’ nobody is more practical than a good theory. Composition of the concept of price distribution, pricing models, and prediction error analysis (from the land) with value approaches. Based on above grounds real estate in modern economic and finance theory with the help of statistical method academicians have developed the literature in recent period and what is called as real estate theories. According to (Krainer, 2001), the model used here is a search-theoretic model where prices and liquidity are derived from the maximizing behavior of both buyers and sellers. Agents who live in houses consume housing services. Trade in houses takes place because individuals are vulnerable to idiosyncratic shocks that sever the match with their house. This might happen because of a change in household size or a job transfer. When an agent loses his match, he moves out immediately and puts the old house up for sale. As a seller, the agent prices the house so as to maximize the expected value of having the house on the market. At the same time, the agent is temporarily homeless and must search for a new house. As a potential buyer, the agent searches until he finds a house that offers him enough utility net of price to
warrant leaving the market. Since both buyers and sellers are optimizing, price and liquidity are determined endogenously. When the per period housing service flow is allowed to vary, liquidity also varies so as to match the observed correlations between prices, liquidity, and sales volume. Buyer want the house for his utility, seller want the house to convert into liquidity. Buyers minimize the expected value of the proposed house in market, whereas, seller maximize the expected sell value. Thus, buyer and seller price will correlate with each other. This article attempts to accomplish two tasks.

One is providing simple theoretical framework to study optimal choice of listing price by the seller in housing markets and examine the impact of listing price in time it takes to sell the property. The other task is to provide an empirical analysis of the relationship between listing price and the time it takes to sell the property (Yavas & Yang, 1995). It is obvious that seller need to sell to convert the money as soon as possible to start other business, whereas buyers use to examine from different angles weather the proposed price is correct and s/he utilizes the value of money? Real estate markets perform cylindrically. The cycle affects output and absorption of units and they influence the price and rents of existing properties and new construction. Expectation for rent increases and the time to start and continue construction are central to the structure of real estate cycles. When participations under forecast rent increases, seriously correlated unexpected excess returns trigger construction even if contractors distinguished between relative and nominal price changes (Chinloy, 1996).

It is according to economics theory, if the demand increases, supply need to increase, if not there will be imbalance and suppliers automatically face the risk by excess supplying, similarly demand increases but supply price of the housings need to be increased. In the same way, if
buyers are getting good return and rent developers will get good value even they distinguish relative and nominal price of their commodities.

Agents are often better informed than the clients who hire them and may exploit this informational advantage. Real estate agents have an incentive to convince clients to sell their houses too cheaply and too quickly. We test these predictions by comparing home sales in which real estate agents are hired to when an agent sells his own home. Consistent with the theory, we find homes owned by real estate agents sell for 3.7% more than other houses and stay on the market 9.5 days longer, controlling for observables. Greater information asymmetry leads to larger distortions (Levitt & Syverson, 2008). Of course, promoter or supplier need to every nock and corner, how can s/he sell his product quickly and invest in other business to save the bank interest.

2.4 Project management success explanation

Managing a project can be described as a process of planning, organizing, monitoring, controlling and directing all aspects of the project through the motivation of all included to achieve the project in a less costly, timely and efficiently (IPMA, 2006). It can be seen that time, cost and quality are essential elements in ensuring project success. The frequently asked question is how do managers and clients evaluate the success of projects? The success of projects are traditionally evaluated through factors such as time, cost, quality, scope, resources and activity (Kerzner, 2017). Models are also used to evaluate the success of projects. These include models such as Project Management Performance Assessment as used in the works of (Bryde, 2005). Other researchers also use maturity models such as Project Excellence Model in evaluating the
success of projects (Westerveld, 2003). According to Thomas & Mullaly, 2008, it is difficult to evaluate the success of managing projects due to the fact that the outcome of projects can be in both tangible and intangible forms. Even though projects can thrive without the successful project management, successful project management serves a major boost to the achievement of the successful projects (Radujković & Sjekavica, 2017). Several studies have reported the positive correlation between project management practices and project success (Papke-Shields, Beise & Quan, 2010, Serrador, & Turner, 2015, Mir, & Pinnington, 2014). According to Radujković & Sjekavica, 2017, project management success factors can be categorized into three main segments namely Elements of project management competence, Elements of organization, Elements of project management methodologies, methods, tools and techniques. The table below gives a review of literature on factors considered as critical success factors in project management as shown in the works of Radujković, & Sjekavica, 2017.
<table>
<thead>
<tr>
<th>Project management success factor</th>
<th>Category</th>
<th>Author(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project manager competence</td>
<td>Elements of project management competence</td>
<td>Ika, 2009, Radujković, 2000</td>
</tr>
<tr>
<td>Project manager’s emotional</td>
<td>Elements of project management competence</td>
<td>Feger &amp; Thomas, 2012, Yang, Huang &amp; Wu, 2011</td>
</tr>
<tr>
<td>intelligence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stuff in project team</td>
<td>Elements of project management competence</td>
<td>Mir &amp; Pinnington, 2014, Radujković, 2014</td>
</tr>
<tr>
<td>Application of project</td>
<td>Elements of project management competence</td>
<td>Feger, &amp; Thomas, 2012, Nahod, &amp; Radujković, 2013</td>
</tr>
<tr>
<td>management knowledge and skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From project manager and project</td>
<td>Elements of project management competence</td>
<td>Radujković, 2014, Feger &amp; Thomas, 2012</td>
</tr>
<tr>
<td>team organizational structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational structure</td>
<td>Elements of organization</td>
<td>Radujković, 2014, Feger &amp; Thomas, 2012</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>Elements of organization</td>
<td>Skulmoski, 2001, Westerveld, 2003</td>
</tr>
<tr>
<td>Project management tools and</td>
<td>Elements of project management methodologies, tools and techniques</td>
<td>Besner &amp; Hobbs, 2006, Chou &amp; Ngo, 2014</td>
</tr>
<tr>
<td>techniques</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project management standards</td>
<td>Elements of project management methodologies, tools and techniques</td>
<td>Nahod &amp; Radujković, 2013, Chou, Irawan &amp; Pham, 2013.</td>
</tr>
</tbody>
</table>

Elements of the project management competence include the technical, behavioral and contextual competencies of the project manager, project team members and the coordination between them (Serrador & Turner, 2015). Elements of organization, according to Esteves, 2013,
include the structure of the organization, organizational culture, organizational atmosphere and organizational competence. Elements of project management methodologies, tools and techniques include decision making techniques, risk assessment tools, tools that support information communication technology and project management software (Fortune, White, Jugdev & Walker, 2011).

### 2.4.1 Factors identified in literature as critical to the success of projects

According to Boynton and Zmu, the success of projects depends on key factors such as people, activities and barriers. Elements of the people factor are top-management, project leader and project team. The elements in the activities factor include participation, planning and controlling and information and communication while elements in the barriers factor include conflict and changes in project goals.

The factor top management includes direct support and general interest of top management for projects make up the top management factor. The project leader factor factor is the formal authority of the project leader while the factor project team describes the knowledge and social skills of the project team.

Involvement of the project team in decision making process make up the factor participation. Communication factor involves the formal information system for the project as well as the
effectiveness of the communication. Planning and controlling factor describes the effectiveness of planning and controlling the project.

The conflict factor describes the intensity and the nature of the conflict. Changes of the project goals refers to the extent, importance and how often changes occur.

In Pinto and Prescott, 1988, ten factors were identified as being critical to the success of projects. According to the authors, the effect the critical factors have on success varies as the cycle stage of the project changes.

According to Prescott’s and Pinto’s ten success factors, the project mission gives initial clarity of objectives and general directions of the project. Project schedule outlines the specification of the individual action steps that are required for the project to be implemented. Technical tasks refer to the availability of technology required and the expertise needed to accomplish the specific technical action steps. Client acceptance factor is the ability to finally dispose of the project to the client. Monitoring and feedback is the institution of timely control mechanisms at each stage of the implementation process. Communication is the ability to provide the necessary data and appropriate network to all actors in the project. Trouble shooting factor is the ability to control unexpected but possible deviations from the outlined plan. Managing supporting factor is the willingness and commitment of top management to provide the necessary resources and authority for project success. Personnel factor is the ability to recruit competent personnel and training and retaining them for the project.

It is expected that the project will cycle between four stages namely: the conceptualization stage, the planning stage, the execution stage and the completion stage. Belout & Gauvreau, 2004, also identified two factors that are critical to the success of projects. According to the authors, project
structure and project activity sector can have effect on the relationship between the critical factors identified by Pinto and Prescott. Other authors also emphasize the need to examine the impacts of the organizational structures on effectiveness (Mintzberg, 1984).

Martin, 1976 identified the following as critical to the success of project management; Define goals, select project, organizational philosophy, general management support, organize and delegate authority, select project team, allocate sufficient resources, provides for control and information mechanisms, require planning and review.

Locke, 1984 identified the following as critical success factors to project management

Make project commitment known, project authority from the top, and appoint competent project manager, set up communications and procedures, progress meetings.

Cleland and King, 1983 identified the following as critical to the success of project management.

Project summary, operational concept, top management support, financial support, logistics requirement, facility support, market intelligence, project schedule, executive development and training, manpower and organization, acquisition, information and communication channels, project review. Baker, Murphy and Fisher, 1983 identified the following factors as critical to the success of projects.

Clear goals, goal commitment of the project team, on-site project manager, adequate funding to completion, adequate project team capability, accurate initial cost estimates, minimum start up difficulties, planning and control techniques, tasks and social orientation, absence of bureaucracy.
Morris and Hough, 1987 identified the following factors as critical to project management success; Project objectives, technical uncertainty innovation, politics, community involvement, schedule duration urgency, financial contract, legal problems, implement problems.

2.5 Methodologies applied in determining project success factors

Different approaches have been adopted by researchers to determine factors that are critical in ensuring project success (Machado & Martes, 2015). Other approaches seek to rank these factors that ensure project success in order to give insight to managers in their approach to managing their projects.

In the works of Belout & Gauvreau, 2004, a Project Implementation Profile approach was used to test the earlier findings from the works of Pinto and Prescott which concluded that the personnel factor was the most critical factor in achieving project success. Their study found out that although there is a correlation between project success and the personnel factor, this factor did not have a significant impact on project success. The authors also found out that there the relationship between the factors and project success changes according to the life cycle stage of the project.

Al-Harbi, 2001, used the Analytic Hierarchy Process in the ranking and selection of contractors based on the contractor pre-qualification problem. Using the AHP as a project management tool, this approach allowed the best and suitable contractor to be selected in order to achieve the success of the project.

Afshari, Mojahed & Yusuff, 2010 used a Simple Additive Weighting approach of employee selection in order to achieve project management success. The authors outlined several employee factors that affect the success of project management success.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

It is recalled that the aim of undertaking this research is to examine the successes and the challenges facing firms in the real estate sector in Ghana. This chapter provides an overview of the methods that the researcher selected in carrying out the research so as to address the research problem and achieve the aim of the study. Thus, the chapter is devoted to philosophy supporting the study, the research approach, research design, strategy, population and sampling technique, data collection, data analysis techniques, validity and reliability concerns as well as ethics.

3.1 Research Approach

Generally, there are two major approaches to every research, which includes the deductive and inductive approaches (Saunders et al., 2009). Induction, as explained by Malhotra and Birks (2006), is a form of reasoning that draws from an instance or repeated combination of events in order to conclude or may be make universally accepted generalizations. According to Saunders et al. (2009), the inductive research approach allows researchers to appreciate how humans interpret their social environment; while the deductive approach allows the researcher to appreciate the cause–effect relationship and link to be made between certain variables without understanding humans and the context within which they find themselves.

The use of quantitative data allows the testing of cause-effect relationships, using structured research methodology to facilitate replication of the result (Gill & Johnson, 2010). Indeed, the
aim of the researcher is to examine the state of the real estate firms in Ghana; therefore the study employed the quantitative (deductive) research approach. The study used deductive research reasoning because this research reasoning is more suitable to use where a large number of respondents are involved in the study.

Researchers inclined towards the deductive approach should work with quantitative data. Generally, quantitative approaches to research means a form of research that measures data using mathematical or statistical tools in the analysis. This study adopted and used the quantitative research approach because of its several advantages, notable among them is that it is ideal for studying large samples and is relatively cost-effective and time saving. Moreover, a quantitative research permits the researcher to generalise the research findings to the study population, when the findings are reliable and valid (Leedy & Ormrod, 2001).

3.2 Research Design

Another important consideration in research methods is its design. In this study, an explanatory survey design was employed to understand the extent to which real estate firms have been able to meet the housing needs of Ghanaians, the challenges they encounter and the ways of mitigating such challenges. Research design is described as the blue print or the road map that the researcher follows in conducting the research (Malhotra & Birks 2006). A research design also provides both a framework and road map for the research (Kuada, 2015). Thus, Teyi (2014) concludes that the design of research sets the basis for piloting the project. According to Saunders et al. (2009), study methods usually classifies research purpose into three, namely: exploratory, descriptive and explanatory (Saunders et al., 2009).
In order to properly and sufficiently address the research problems, the research design stipulates the necessary process that the researcher needs to go through to obtain the information needed. Therefore, this study design adopts explanatory because it tries to expound the real state of some notable real estate firms in Ghana in meeting the housing needs of their clients and Ghanaians in general.

3.3 Study Strategy
Saunders et al. (2009) postulated that, in any research the most important choice is the strategy that the researcher seeks to use, but that the chosen strategy should help the researcher solve the research problem, question(s) and also meet the research objectives. In view of that, Saunders et al. (2009) outline seven research strategies which include: experiment strategy, action research strategy, ethnography, archival research strategy, grounded theory, survey and case study research.

According to Yin (2003) there are various research strategies that are applicable to all research approaches. However, in quantitative studies only three of these strategies are considered best options, and they include experiments, surveys and case studies (Yin, 2003). According to Saunders et al. (2003), in a survey research, a large sample/data is essential for an accurate and reliable finding. Consequently, this research uses a survey strategy as it allowed the researcher to take a large sample in order to generalize findings from the data.
3.4 Source of Data

As identified by Ghauri and Gronhaug (2005), the two sources used in collecting data are primary and secondary sources. The researcher chooses to use both primary and secondary data in order to avoid distortion and inconsistencies that come with secondary data. Data for this study was collected from some selected real estate firms in Ghana, which include; KAS Estates Ghana Limited, JimRay Estates Limited, Castel Gates Estates, Regimanuel Gray Estates, Lakeside Estate, Devtraco Limited, Parakuo Estates, Salem Estates Limited. The criteria considered for selecting these estate firms for the study include the number of years in good standing as a real estate firm, financial stability, quality performance, manpower resources, equipment resources and safety consciousness of the real estate firms. Data from these firms were obtained from the Ghana Real Estate Developers Association (GREDA). Data was also obtained from the Website of some of these real estate firms as well as data gathered in a way of questionnaires.

3.5 Study Population

A study population refers to the total of all individuals and elements considered for purpose of the marketing research problem. For this study, the target population comprised both the staff and clients of the selected estate firms under consideration. The researcher uses the average of five hundred clients and staff as the study population.

3.6 Sample Size and Sampling Procedure

This study uses simple random sampling techniques as the sampling technique. Burns and Bush (2014) noted that the size of the respondents used for a study has an effect on the accurate
representation of the population. Out of the population of over five hundred clients and staff members, the study sampled one hundred respondents. The sample size was informed by Hair, Anderson, Babin and Black, (2010) who indicate that sample of one hundred (100) is preferred. The Simple random sampling was selected because the process of selecting a subset of a population allows all respondents have equal chance of been selected. Again, time and cost considerations are very relevant in this context of a study like this with larger sample size.

3.7 Research Instrument

In order to collect quantitative data, a questionnaire is considered the best tool to collect the data. According to Kumekpor (2002), a questionnaire is less expensive when respondents are not stationed at one particular place. The questionnaire was made up of closed-ended research questions where respondents were asked to select the appropriate alternatives from possible responses provided.

Section A seeks information on respondent characteristic which include: sex, age, marital status, job position, education. Section B sought information on the independent variable which consist of the samples questions on the success and challenges of real estate sector in Ghana. Section C sought to investigate the main ways to mitigate the challenges in the real estate sector. A five-point Likert scale ranging from (5=Strongly Agree), (4=Agree, 3), (2=Uncertain) (2 = Disagree) and (1= Strongly Disagree) were used code the responses. Respondents were asked to choose the number, from 1 to 5, that best represents how they feel about a statement.
3.8 Data Collection

The selected sample respondents were issued with the questionnaire. The aim of the study as well as the questionnaire was carefully explained to the respondents. Respondents were assured of the anonymity. Again, to ensure that the respondents gave valid responses to the questions, the researcher personally stayed with the respondents throughout the questionnaire administration. This eliminated the possibility of having unreturned or lost questionnaires. The entire questionnaire administration took about 3 hours on each day (for three days). This is because the researcher has to travel to each of the branches chosen to administer the questionnaire.

3.9 Field Challenges

A number of challenges were encountered. One of these problems was inadequate funds for the research work. The company has an average of 1000 active clients. The researcher has to sample customers from all the respondents. However, due to time and financial implications of such an effort, the researcher settled for only those who were available to complete the questionnaire. Linked to this was the issue of time and labour. The research was conducted within one semester, which presented some constraints on the scope and depth of the study. Moreover, the researcher had to administer the questionnaires to the respondents himself, making the study a bit difficult and stressful. But in all cases, tact and diplomacy helped in getting the expected results from the study.

3.10 Data Preparation and Analysis of Result

Data analysis, an important component of every research involves systematic steps of selecting data, categorizing the data, comparing the data, synthesizing it and finally interpreting that data.
to provide explanation and answers to research questions. After data collection, the raw data was analysed through a systematic process of selecting, categorizing, comparing, synthesizing and interpreting data to provide explanation and make meaning.

Completed questionnaires were edited, coded and inputted into Statistical Packages for Social Science, version 20. Preliminary data analysis was done to clean and eliminate unengaged responses. Descriptive techniques were also employed to analyse the demographic responses of the data. After, regression analysis was performed to establish the relationship between the dependent and independents variables.

3.11 Validity and Reliability

The necessary steps were taken to ensure both content and construct validity. In line with Si and Bruton (2005), every research study must be valid and reliable. To ensure construct validity of questionnaire instrument the questionnaire will be submitted to the project supervisor for vetting, correction and approval before distribution. To ensure study reliability, the study employs alpha coefficient of 0.70 as the cut-off point to assess the internal consistency of the research item and scales (Cronbach, 1951; Hair, Sarstedt, Matthews & Ringle, 2015). The researcher emphasises validity and reliability to minimize logical errors and biases in the study especially when drawing conclusions from the data findings.

3.12 Ethical Considerations

Ethical procedures constitute an essential part of conducting credible research and ensuring that good data are generated for analysis (Zikmund, et al., 2003). Leedy and Ormrod (2010) indicate
that researchers are expected to uphold ethical principles such as anonymity, confidentiality and informed consent, as well as seek permissible entry for data collection. As a result, the data collection instruments were designed with utmost care in order not to violate any of the principles of research ethics (Zikmund et al., 2003).

Furthermore, data collection was conducted in a professional manner to avoid interviewer and interviewee bias while verbal and written assurances of upholding the principles of confidentiality, anonymity and the use of responses for academic purpose were complied with. A prior to administration of the data collection instruments, the researcher seeks the consent of the respondents of the company. The researcher communicated the reason for the study and to seek their permission before the instrument is administered.
CHAPTER FOUR

RESULT AND DISCUSSION OF FINDINGS

4.0 Introduction
In the second chapter of this study, empirical and theoretical literature relating to real estate successes, challenges and project management, in general, were detailed. After careful review of literature and theoretical supports, study and methodology were developed to test the relationship between the study variables.

This chapter is presented in three main sections including: descriptive analysis, data analysis and discussion of result. Before the analysis of the main data, preliminary data analysis was done. During the preliminary data analysis (PDA), datasets and variables were cleaned and cleansed (Amini, Darani, Afshani & Amini, 2015) to eliminate unengaged responses, outliers and replace missing data. All the one hundred questionnaires that were issued to staff and clients of the seven notable real estate firms that are taken into consideration in this study were returned representing 100 valid success rates. At this stage, the study presents the findings of the result beginning with the descriptive of the data.

4.1 Demographic Characteristics of Respondents
The study sought to identify some characteristics of the 100 respondents surveyed for the study. Table 4.1 presents the demographic characteristics of the respondents who are either employees or clients of the real estate companies under consideration.
Table 4.1 shows the findings on the demographic characteristics of the 100 respondents who were considered in the study. Regarding gender of respondents, data was gathered to assess the

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Item</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Age of Respondents</td>
<td>18-24</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>25-34</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>35-44</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>55-65</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Level of Education</td>
<td>Informal</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>SHS</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Tertiary</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Years of Service</td>
<td>Less than 5</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>6 – 10</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>11 – above</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey (2019)
sex grouping of respondents. The survey shows that out of 100 respondents surveyed for the study, 44 of them representing 44 per cent are Males while 56 representing 56 per cent are females. This therefore means that majority of the respondents who agreed to respond to the questionnaire were females. However, the skewness of this gender information did not change the outcome of the findings and hence does not make the results of the finding invalid.

The data analysis further examined the educational background of the staff members and customers who accepted to respond to the questionnaire. The study result showed that that at least all the respondents have basic level of education from Senior High school to University level. Only 15 respondents representing 15 per cent have informal level of education. However, the level of education of the respondents means respondents were able to read and understand the questions, with somewhat little assistance, thus eliminating any bias in answering the questions.

Again, data on the age of respondents were sampled for the study. Five age categories were created from 18 years to 65 years. The survey result indicates that respondents who fall within age group of 25-34 years constitute the majority of 38 representing 38 per cent, followed by age group of 18-24 years. The minority age group of the respondent was between 55-65 years which constitute 14 per cent.

Lastly, the researcher sought to understand the time that respondents have been working or patronising the services of a real estate company. The survey result shows that, majority of respondents 51 representing 51 percent have been patronizing the services of a real estate company, either in the capacity of workers or customers, between 6 to 10 years followed by 31
respondents who have been with any of the real estate firms under consideration for 11 years and beyond. This result implies that, respondents have enough knowledge to objectively answer the questions.

4.2 Exploratory Factor Analysis

The next stage is to explore the data from the field. Exploratory factor analysis (EFA) involves assessment of the measurement model through rigorous tests to explore the data for Adequacy, Reliability and Validity. These tests are important because the general construct may not give accurate and preferred meaning unless it is well established that the statement holds (Bagozzi & Yi, 2012).

4.2.1 Test for adequacy

In this section, adequacy tests are done based on four main criteria: Kaiser-Meyer-Olkin Measure of Sampling Adequacy, Bartlett's test of sphericity, Goodness-of-fit Test and Total variance explained (AVE). Table 4.2 therefore present the composite results of adequacy tests.

<table>
<thead>
<tr>
<th>Test of Adequacy</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>KMO Measure of Sampling Adequacy</td>
<td>.866</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>2246</td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td></td>
</tr>
<tr>
<td>Df</td>
<td>105</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
<tr>
<td>Reproduced correlation</td>
<td>1 (0.00)</td>
</tr>
</tbody>
</table>

Source: Field Survey (2019)
From table 4.2, KMO recorded of .866 >.70 which indicates that the factors are suitable for the study. Bartlett's Test of Sphericity recorded a chi-square of 2246 at a significant value of .000 depicting a suitable factor analysis. Secondly, the reproduced correlation recorded value of 0.00 below the threshold of 0.05.

4.3 Analysis of Objective
In this study, there are three main objectives and these objectives are 1) The main factors that have contributed to the success of real estate firms’ ability to meet the housing needs of customers and Ghanaians at large. 2) The main challenges facing the real estate sector in Ghana. 3) To identify measures needed to be put in place to mitigate the challenges facing the real estate sector.

4.3.1 Objective One: The main factors that have contributed to the success of real estate firms’ ability to meet the housing needs.
The first objective of this study is to identify the main factors that have contributed to the successes chalked in the real estate sector in recent times. This is crucial because majority of investors have identified the real estate sector as a booming area for investment because of the ever-increasing price of rent and landed estates. Many Ghanaians who also have interest in acquiring a plot of land or a house will more often than not choose real estate companies. To address this objective, the study collated all the response respondents gave in filling the questionnaires. The main factors gathered from the data have been grouped into two main categories which include customers and staff view of the main factors that have contributed to the successes chalked by real estate firms in meeting the needs of Ghanaians.
Table 4.3 Factors contributing to successes in the Real estate sector; Customers' Perspective (N=70)

<table>
<thead>
<tr>
<th>Responses</th>
<th>Respondent</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value for money</td>
<td>70</td>
<td>100</td>
</tr>
<tr>
<td>Litigation free</td>
<td>70</td>
<td>100</td>
</tr>
<tr>
<td>Alternatives (Choice making)</td>
<td>70</td>
<td>100</td>
</tr>
<tr>
<td>Cost and time saving</td>
<td>70</td>
<td>100</td>
</tr>
<tr>
<td>Security reasons</td>
<td>70</td>
<td>100</td>
</tr>
<tr>
<td>A form of Investment</td>
<td>70</td>
<td>100</td>
</tr>
<tr>
<td>Flexible payment plans</td>
<td>70</td>
<td>100</td>
</tr>
<tr>
<td>Living among like-minded people</td>
<td>70</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: field data from the researcher’s survey*

Table 4.3 is the possible reasons why customers who responded to the questionnaire decided to acquire a property from a registered estate firm. The reasons provided, to a large extent, are among others the main contributors of the successes chalked in the real estate sector of Ghana. The benefits include; Value for money, Litigation free, the option to choose different locations and different structures that meet the specification of the buyer, cost and time saving, security provided by some of the estate firms to their clients living in a property acquired from them, a form of investment, flexible payment plans and lastly, the opportunity to live among like-minded people in a community.
From table 4.6, all the 70 respondents who are clients of the real estate firms considered hold the view that Value for money, Litigation free, the option to choose different locations and different structures that meet the specification of the buyer, cost and time saving, security provided by some of the estate firms to their clients living in a property acquired from them, a form of investment, flexible payment plans and lastly, the opportunity to live among like-minded people in a community are the main reasons why they preferred to acquire a property from real estate firms to acquiring it from individual. This supports the finding that was established by DiMaggio and Louch (1998) who postulate that real estate firms are the safest means of acquiring a landed property and hence people resort to them when the need arises.

### 4.4 Factors contributing to successes in the Real estate sector; Owners and Customers Perspective

This section critically analyses the main reasons attributed to the rising interest of Ghanaians to the patronage of real estate firms’ services as a conduit to obtain landed properties. This finding was established after data gathered from questionnaires issued to 70 clients and 30 staff of the 7 real estate firms under consideration. This was done to obtain a better understanding of the main reasons factors that respondents believe makes the services of real estate firms a better option than the orthodox means of landed property acquisition. For clarity, the findings are presented in tabular form.

<table>
<thead>
<tr>
<th>Quality Customer Relationship</th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
</table>

36
Table 4.4 considers the nature of customer services rendered real estate firms in Ghana. Good customer service is often regarded as the first impression that clients get about every organization and hence management endeavor to ensure that the customer services organisations render are of superior quality.

From Table 4.4, it is observed that, to very large extent, respondents are of the view that the quality of services rendered by real estate firms in Ghana is considerably well. This is seen from the fact that 65% of the respondents hold the view that they received good customer service when they sought the services of real estate firms. This supports the findings of DiMaggio and Louch (1998) who established that the key factor to the success of every real estate firm hinges on the quality of service.
Table 4.5 Flexible Payment System

<table>
<thead>
<tr>
<th>The degree of Flexibility with Payments</th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Much Flexible</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Very Flexible</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Flexible</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Neutral</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Not Flexible</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Very Not Flexible</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Very Much Not Flexible</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: field data from the researcher’s survey*

Table 4.5 presents one critical factor that respondents believe has contributed to the success of real estate firms in Ghana. Unlike the orthodox means of property acquisition in Ghana which is often characterized with prompt payment, often known as ‘Cash and Carry’, real estate firms have payment plans that allows for instalment payments. Typical a person needs to make an initial commitment payment and spread the remaining amount over an agreed period of time. This has contributed significantly to the success of real estate firms in Ghana. Respondents who ordinarily would have not owned a property by virtue of insufficient funds have taken advantage of the payment plans by real estate firms.
Payment plans of this nature, though prone to the risk of default, have certain terms and conditions that makes it possible for real estate firm and the client to be in a win-win situation.

### 4.6 Investment Opportunity

<table>
<thead>
<tr>
<th>Real Estate Being a form of Investment</th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Much Investment</td>
<td>8</td>
<td>28</td>
</tr>
<tr>
<td>Very Investment</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Investment</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Neutral</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>Not Investment</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Very Not Investment</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Very Much Not Investment</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: field data from the researcher’s survey*

Investing in real estate is deemed as one of the best investments that studies have established (Brueggeman, & Fisher, 2011; Brown & Matysiak, 2000). It is believed, especially in Ghana, that landed properties often appreciate in value. People who acquire property can dispose it at a higher value in the near future. It is therefore not surprising that majority of the respondents indicated that they deem acquiring property as a means of investment. From Table 4.6, it is observed that 85 per cent (Very Much Investment=28, Very Investment=30, Investment=22
respondents perhaps consider estate properties as a better investment than the traditional investment modules in Ghana.

4.5 Objective Two: The Challenges of Real Estate Sector in Ghana

The second objective of this study seeks to identify the perceived effectiveness in the real estate that needs urgent attention. For clarity and simplicity, the study grouped the perceived and obvious challenges into three broad categories, namely; Convenience, Reliability and Affordability. Convenience is a proxy for the ease of getting the exact location of land one needs, being able to choose from among many real estate firms the specific structure one needs and sometimes requesting to build a particular in accordance with the client’s specifications, Reliability is the extent to which the general public perceive real estate activities as genuine devoid of any legal tussle with third parties and lastly, Affordability refers to the amount of money charged by Real estate firms for patronising their services or buying their products. The results of the findings for each of the four categories are presented in tables for clarity.
Table 4.7 Convenience

<table>
<thead>
<tr>
<th>The degree of convenience with patronizing real estate products</th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Much Convenient</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Very Convenient</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Inconvenient</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Inconvenient</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Very Inconvenient</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Very Much Inconvenient</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: field data from the researcher’s survey*

Table 4.7 shows the general perception respondents hold for the extent to which products and services of real estate firms are deemed convenient. Table 4.7 shows that a greater percentage of the respondents consider the services rendered by real estate firms to be very inconvenient. From the table, a total of 85 respondents (Inconvenient=22, Very Inconvenient=35, Very Much Inconvenient=28) out of the overall 100 respondents, representing a total percentage of 85 per cent, perceive services rendered by real estate firms in Ghana are very inconvenient. This clearly depicts a looming doom in the real estate sector if immediate steps are not put in place to overturn the negative perception the public holds with regards to the service convenience. This supports the findings in the research work of Shih and Fang (2004) who postulate that customers’ decision to patronize real estate services and products are highly influenced by the
degree of convenience, the absence of which has a negative repercussion on the real estate sector.

Table 4.8 Perceived Reliability on Real Estate Firms

<table>
<thead>
<tr>
<th>The degree of Reliability</th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Much Reliable</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Very Reliable</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Unreliable</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Neutral</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Unreliable</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Very Unreliable</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Very Much Unreliable</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: field data from the researcher’s survey*

Table 4.8 shows the finding for the perception respondents’ hold of how reliable real estate firms are. The table ranges from the extreme case of reliability to the extreme case of unreliability. It is evidenced from the table that majority of the respondents believe that real estate firms cannot be relied upon. In all, a total of 85 per cent of the respondents deem real estate firms to be unreliable. This stems to the fact that majority of the real estate firms in Ghana are fictitious companies that sells non existing lands and landed properties to clients.
Table 4.9 Perceived Affordability of Real Estate Products

<table>
<thead>
<tr>
<th>The degree of Affordability of Real Estate services</th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Much Affordable</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Very Affordable</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Affordable</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Neutral</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Unaffordable</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Very Unaffordable</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Very Much Unaffordable</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: field data from the researcher’s survey

Table 4.8 shows the perceived affordability of real estate properties. The table clearly depicts that, in general, respondents deem the cost of real estate properties to be expensive. From the table, 35 per cent of the respondents (Unaffordable=15, Very Unaffordable=15, Very Much Unaffordable=5) consider real estate properties to be comparatively more expensive than those sold by the individuals and unregistered firms as observed by Adika (2003). It is very worrying to observe that 15 per cent of the respondents believe properties sold by real estate firms in Ghana are affordable. This, to a large extent, is not limited to only real estate firms but permeates to all the other means of acquiring a landed property in Ghana.
All in all, the findings clearly indicate that the main motivate of real estate firms in solving the housing needs of Ghanaians is flawed if majority of the people cannot afford their landed properties. It is therefore expedient that steps are taken and measures put in place to mitigate the ever-increasing cost of landed properties in Ghana that makes it highly impossible for the lower income level bracket Ghanaians to afford.

4.6 Objective Three: Dealing with the Real Estate Sector Challenges

The final objective of this study seeks to identify the ways and means government, real estate firms and all the stakeholders can collaborate to resolve the challenges that confront the real estate sector in Ghana. This finding was obtained from the data gathered from the 100 respondents who agreed to answer the questionnaires. The questions for this section were open-end and respondents had the opportunity to outline the main means of mitigating the looming doom in the real estate sector which have been described by experts as real estate bubble. These include price regulation, Flexibility in land registration and lastly, government support for the local real estate firms to be able to compete with the foreign firms. The result is presented in table 4.6.

<table>
<thead>
<tr>
<th>Table 4.9 Dealing with System Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td>Price Regulations</td>
</tr>
<tr>
<td>Flexible Land registration</td>
</tr>
<tr>
<td>Government Support</td>
</tr>
</tbody>
</table>

Source: field data from the researcher’s survey
Table 4.9 presents who customers and staff of real estate firms suggestions to dealing with challenges confronting real estate sector in Ghana.

The study observed that majority of the respondents consider it expedient that the government intervenes to cushion the local real estate firms financially by providing with some tax cuts so as to be able to compete with their foreign counterparts. This will have a ripple effect of lowering the prices of real estate products and services to Ghanaians.

Again, 81 per cent of the respondents hold the view that land commission and other state agencies responsible for land title registration should endeavor to put in pragmatic steps to eliminate the administrative bottlenecks of land registration. It is highly recommended that land registration should be thoroughly done to avoid instances where a parcel of land may be registered in the names of different people.

Lastly, respondents are of the view that prices of estate properties, specifically lands, should be regulated. It is perceived that, as observed in the second objective of the study, lands are awfully expensive and hence only the affluent in the society are able to afford. This, to a very large extent, is attributed to the absence of government’s regulation in relation to land pricing. It is therefore worth recommending that government should initiate price caps for lands. This will help reduce the charging of exorbitant prices by real estate firms.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of findings, conclusions and recommendations based on the findings of the study. The summary presents a snapshot of the study, recounting the various highlights of the study. The inference based on the empirical study is captured in the conclusion while the recommendations are proposed based on the conclusions.

5.1 Summary of the study

Research by scholars and experiences gathered by practitioners have established that real estate development requires multiple processes that are often risky, lengthy and complicated. This is because there exist a lot of obstacles abound in real estate development. In spite of the seemingly obstacles in the real estate sector, real estate development projects also present lucrative investment opportunities for estate developers.

In the Ghanaian context, real estate development is bedeviled with a lot of challenges ranging from high cost of housing, lack of state funding, inadequate access to credit, high competition from foreign firms, higher taxes, and poor housing data among others. This has resulted to an ever-increasing dwindling of clients trust in the services rendered by the real estate agents in Ghana. This stems from recent increase in the high level of land litigation issues patrons usually face with third parties after securing a property from real estate firms.
Against this backdrop, this study found it imperative to critically examine the main challenges faced by real estate companies in Ghana and the best means of mitigating those challenges. The researcher found it very crucial and timely to undertake this study since a good number of experts have predicted a looming estate bubble in Ghana and the seamlessly unending fights against “landguards”.

5.2 Main findings of the study

This section presents a snapshot of the main findings in the study. It does so by providing a summary of the answers to the research questions that were considered in the study. The main findings under this section are presented in line with the research objective of the study.

5.2.1 Objective One: The main factors that contribute to the success of real estate firms’ ability to meet the housing needs.

The first objective of this study is to assess the possible reasons why Ghanaians would want to acquire a property from a registered estate firm. The reasons provided by the respondents include: Value for money, Litigation free, the option to choose different locations and different structures that meet the specification of the buyer, cost and time saving, security provided by some of the estate firms to their clients living in a property acquired from them, a form of investment, flexible payment plans and lastly, the opportunity to live among like-minded people in a community. This and many other reasons why people patronize landed properties of real estate firms in Ghana. The ripple effect is that real estate firms become very successful as their clientele base is widened as a result of increase in investor confidence in the real estate firms as a better alternative of acquiring properties.
Objective Two: The Challenges of Real Estate Sector in Ghana

The second objective of the study sought to identify the main challenges that bedevil the real estate industry in Ghana. This was based on the perception that clients and potential clients of real estate firms hold about the extent to which products and services of real estate firms are deemed convenient. It was observed that majority of the respondents perceive services rendered by real estate firms in Ghana are very inconvenient. This clearly depicts a looming doom in the real estate sector if immediate steps are not put in place to overturn the negative perception the public holds with regards to the service convenience.

Again, a large number of patrons of real estate industry consider real estate properties to be comparatively more expensive than those sold by the individuals and unregistered firms. The finding clearly indicates that the main motivate of real estate firms in solving the housing needs of Ghanaians is flawed if majority of the people cannot afford their landed properties.

Objective Three: Dealing with the Real Estate Sector Challenges

In mitigating the challenges confronting the real estate industry, respondents of the study consider it expedient that the government intervenes to cushion the local real estate firms financially by providing with some tax cuts so as to be able to compete with their foreign counterparts. The study also established that land commission and other state agencies responsible for land title registration should endeavor to put in pragmatic steps to eliminate the administrative bottlenecks of land registration. It is highly recommended that land registration should be thoroughly done to avoid instances where a parcthel of land may be registered in the
names of different people. Lastly, respondents are of the view that prices of estate properties, specifically lands, should be regulated. This will help reduce the charging of exorbitant prices by real estate firms.

5.3 Conclusion
Ghana, in recent times, has witnessed springing up of many real estate agencies. This is aimed at meeting the housing needs of Ghanaians across the country, especially in cities where land litigation is predominant. The estate agencies in Ghana has chalked many successes so far but it is not devoid of challenges. This study delved deeply into the success and challenges of the real estate industry and finds it worthy to conclude that the real estate industry in Ghana is making headway. It is fair to conclude that the prospects of the real estate industry in Ghana and the challenges identified in the study are surmountable. All in all, this study concludes that real estate has played a pivotal role in curbing problems associated with acquisition of landed properties in Ghana, to a very large extent. However, there is more room for improvement.

The primary objective of this study aimed at identify the prospects and the challenges of the real estate industry in Ghana. Per the findings of this study, it is fair to conclude that the objectives of the study were achieved.

5.4 Recommendations
After a careful analysis of the result of finding, this study seeks to make the following recommendation for further studies;
Researchers should consider delving into the tendency of real estate bubble in Ghana and when this is likely to occur. This will help create some level of awareness among real estate agencies and patrons of real estates on how to prepare against such happenings.

Again, as part of government of Ghana’s quest to mitigate the rise in housing deficit, this study recommends that government should partner with some of the real estate firms that are well established to provide the housing needs of Ghanaian. The government can do so by cushioning the real estate agencies financially thereby making their products cheaper.

Lastly, this study suggests that real estate firms should endeavor to conduct due diligence in their acquisition landed properties from chiefs and land owners to avoid unhealthy litigation. This will help restore trust that customers have for real estate agencies in Ghana.
REFERENCES


