

# Understanding the Fallout: The Impact of Failed Real Estate Developments on the Property Market in Lagos State, Nigeria

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## ABSTRACT

This study aims to investigate the effects of failed real estate developments on the property market in Lagos State, Nigeria. Given the rapid development and high demand for housing and other assets in Lagos, the potential for project failures can cause uncertainty and disruption. The research seeks to understand the various consequences of project development failures on the property market by examining stakeholder views. The study involves analyzing the fundamental factors and outcomes of project failures and their impact on the real estate market in Lagos State. The study sampled 384 Estate Surveyors and Valuers (ESV) and 225 staff from the Real Estate Developers Association of Nigeria (REDAN). Regression analysis (OLS) was used to examine the impact of real estate development failure on the market. The study found that technical factors, also known as technical failures, had a significant negative influence on the real estate market in Lagos State. This conclusion was based on negative regression coefficients (-0.68 for ESV and -0.68 for REDAN) and significant t-statistics values (-8.18 for ESV and -4.90 for REDAN). Furthermore, factors such as inadequate project finance, lack of management support, failure to adhere to required regulatory guidelines, and socio-political factors also had negative regression coefficients. They were found to influence the real estate market in Lagos state. In conclusion, these factors could affect the quality of real estate development, leading to a decrease in the real estate market and patronage.

**Keywords:** Lagos State, Real Estate Development, Project failure, Property Market. Estate Surveyors and Valuers, Real Estate Developer.

## INTRODUCTION

The real estate industry in Lagos State, Nigeria, is a vibrant and crucial sector in the nation's economy, reflecting both the aspirations and challenges of urban development. In the midst of the intense drive for progress and urbanisation, the real estate development scene in Lagos State is frequently characterised by ambitious projects that try to meet the increasing need for housing and utilities. Nevertheless, in this context, the possibility of project development failure is significant, creating an atmosphere of uncertainty and disturbance despite the substantial resources needed for real estate development. Real estate development necessitates a substantial investment of capital, which might come from individuals, organisations, or governments (Panayides et al., 2015). Therefore, it is imperative to establish a proficient project delivery plan that will maximise the return on investment for all the resources allocated to the development process. The consequences of a failure in real estate development can have a substantial impact on the numerous stakeholders involved in the project.

A real estate project is considered to have failed not only when a structure collapses but also when it is abandoned, distressed, or unable to achieve its objectives, meet deadlines, and stay within the assigned budget and scope (Ogedengbe & Adesopo, 2003). The failure of a project to adequately meet the wants and wishes of end users is also considered a form of project failure regardless of its timely completion and

adherence to the budget (Nwachukwu & Nzotta, 2010). Real estate project failure is equivalent to the act of altogether abandoning the project. A real estate development is deemed unsuccessful if it is discontinued, as showed by Makalah (2008). Abdulrahman et al. (2013) consider a building project as abandoned if it is not ready or finished for occupation by its users. A project, regardless of its completion timeline and budgetary constraints, is deemed a failure if it fails to fulfill its intended goal. According to Baker et al. (2022), adherence to schedules, budgets, and performance criteria determines project success, and client satisfaction is a crucial measure of this success.

Ayodele and Alabi (2011) assert that in Nigeria, the majority of projects surpass their scheduled completion time, while only a small number are able to avoid incurring additional costs prior to completion. Many projects become obsolete after completion due to inadequate planning, inaccurate cost estimates, subpar designs, low-quality materials, insufficient feasibility studies, ineffective risk management, industry corruption, hiring unqualified contractors, natural disasters, insufficient project evaluation, and lax enforcement of building codes (Ubani & Ononuju 2013; Aibinu & Jagboro, 2002; Olalusi & Otunola 2012).

The real estate sector, known for its rapid growth, is currently facing challenges like as insufficient funding and inadequate management, resulting in developers being left with failed and abandoned projects/properties (Nzekwe et al., 2015). The impact resonates throughout all aspects of the real estate market, creating lasting impressions on investors, developers, consumers, and the broader society. Failed projects in Lagos State have significant effects that go beyond financial losses, including undermining market trust and sparking economic ramifications. They disturb the balance between supply and demand, initiate potential government oversight, and test the ability of those involved to handle the consequences.

This study aims to analyse the complex network of factors that lead to project development failures in Lagos State. It will investigate the influence of regulatory frameworks, market dynamics, and socio-economic variables on the outcomes of these projects. Through the examination of specific instances and active involvement with relevant parties, the goal is to extract practical knowledge that can guide governmental measures, business strategies, and community initiatives aimed at promoting a more robust and more environmentally friendly real estate sector. Studying the consequences of project development failure on the real estate market in Lagos State is more than just an academic endeavour. It is a crucial investigation into the core of urban growth and economic strength.

The study will clarify the intricacies of this phenomenon in order to identify solutions to achieve progress and long-lasting structures in a growing city and overcoming the fear of failure. The study will determine the frequency of real estate project failure episodes in Lagos State by exploiting several failure criteria. Additionally, it will evaluate the perceptions of real estate professionals regarding the impact of real estate project failure on the Real Estate Market in Lagos State.

## LITERATURE REVIEW

### Real estate market, Failed projects and the Nigeria built Environment

Seo (2008) asserts that the economy of any nation relies heavily on real estate, real estate markets, and the real estate sector. The World Bank (1989: p.87) recognises the significance of real estate, noting that in the majority of countries, real estate constitutes between 50% and 75% of national wealth. This concept suggests that governments can only generate riches or achieve prosperity by having real estate as a fundamental asset. Consequently, the examination of the real estate market holds great significance. Market studies provide valuable insights into emerging economies and can serve as a tool to attract hesitant international investors to these markets (Lim et al., 2006). The real estate market is a complex system of market mechanisms that facilitate real property growth, transfer, management, and financing. It consists of numerous regional and local markets that display significant variations in pricing, risk levels, and the

effectiveness of real estate investments. Asaul, (2001).

Despite its substantial size and strength, the Nigerian property market has yet to attract proportional interest from overseas investors Dugeri (2011). The Nigerian real estate industry, similar to other real estate industries, faces unique obstacles. In addition to the scarcity of transaction data in the real estate sector, investors and professionals often need help with the intricate nature of real estate. These challenges include the physical condition of the property, the specific sub-market it belongs to, its uniqueness, size, and age, as well as factors such as inflation rate, expensive building materials, interest rates set by banks and lending institutions, difficulties in accessing land, and a cumbersome administration.

Real estate development projects typically require a significant amount of capital. When these projects are abandoned or left unfinished, the anticipated profits are forfeited, and the initial investment is effectively squandered. (Ihuah & Benebo, 2014). It has many detrimental impacts on real estate values, as well as on property owners, residents, the built environment, and the overall economy.

Unsuccessful real estate projects can significantly reduce the ability of the housing market to adapt to economic changes, which in turn can increase the severity of variations in house prices. The potential consequences of project failure or abandonment are typically presumed to encompass the squandering of resources, a decrease in property value, and a diminishment of community and neighbourhood aesthetic qualities (Efenudu, 2010). According to the author, project abandonment has a negative impact on property values in a neighbourhood. This decrease in value is associated with the overall value of the property, such as its market value, which is the price at which the property would sell in an open market. The different values associated with a property include its current market value, its investment value, its liquidation value, its assessed value, its insurable value, and its going concern value.

Lagos is the central location for real estate investments and a preferred destination for real estate investors in Nigeria. The occurrence of project development failure, specifically building collapse, is prevalent in Lagos. It is widely recognised that Lagos state holds the highest number of building collapses in Nigeria. In Okoye et al.'s (2022) study on the analysis of building collapse incidents in Nigeria from 1974 to 2022, it was found that out of the reported cases, ninety-three (93) instances of building collapse, accounting for 52.54% of the total, took place in Lagos state during this period. Hence there is a need to examine the socio-cultural and regulatory consequences of project failures in Lagos state, Nigeria. This is to provide a clear understanding of the intricacies of this phenomenon, offering valuable insights into possible approaches for reducing risks, improving transparency, and promoting resilience in the property market in Lagos State. In essence, it promotes a comprehensive strategy for urban development that gives importance to sustainability, accountability, and the enduring welfare of stakeholders and communities impacted by project development shortcomings.

### **Development failure**

The ramifications of project failure, both in terms of social and economic impact, are of utmost significance. The primary reason for project failures and abandonment in Nigeria's government is the frequent change of government, resulting in a lack of project continuity throughout the country (Zoufa & Ochieng, 2014). Each successive government aspires to launch new initiatives instead of prioritising the completion of ongoing programmes initiated by its predecessors. This phenomenon often results in several projects being abandoned prematurely, without any prospect of continuation, which can have a damaging effect on society at large (Zoufa & Ochieng, 2014). Various causes, whether originating from individuals or groups, might contribute to the failure or abandonment of a project. Failure to fulfill client or customer satisfaction is a contributing factor that can result in project failure (Ubani et al., 2015).

In Ihuah et al.'s (2014) study, the researchers identified 22 factors contributing to project abandonment,

including inadequate financial resources, volatile leadership, stakeholder or customer demise, inconsistent governmental regulations, subpar project planning, inaccurate assessments, land conflicts, unwarranted project objectives, shifting investment priorities, and natural disasters. Other factors that can contribute to project failures include community intervention, adverse weather conditions, rising material expenses, inadequate risk assessment, unstructured urban planning, incompetence of project managers, insufficient stakeholder engagement, improper project budgeting, ineffective project mission communication, inadequate needs assessment, and bureaucratic obstacles.

The work of Nzekwe et al. (2015) corroborate with the work of Ihuah et al. (2014). According to Nzekwe et al. (2015), the significant elements that contribute to project failure include technical challenges stemming from inadequate project conceptualization, economic influences such as inflation impacting raw material costs, industry bureaucracy and corruption, insufficient skills required for project execution from initiation to completion, inadequate project implementation planning, changes in project scope, awarding contracts without considering the availability of finances, and political influence. According to Amade et al. (2015), many projects often fail to achieve their objectives due to a wide range of issues, including inadequate project design, ineffective stakeholder management, delays in project initiation, delays during project execution, exceeding budget limits, and failure to coordinate effectively.

Several researchers have suggested possible solutions to reduce the frequency of unsuccessful and abandoned developmental projects. Nevertheless, despite their efforts, the problem persists. Factors in containing the failure and abandonment of projects in Nigeria were identified to include meticulous and thorough design by the contractors, efficient monitoring, understanding of the project's mission, technical expertise of the project manager, support from top management, political risks, effective procurement process, provision of sufficient finance by the client, and effective communication and information management by the design team (Hoe, 2013; Olalusi & Otunola, 2012; Ubani & Ononuju, 2013; Ayuba et al., 2012; Amade et al., (2015). The potential consequences of project failure or abandonment are typically associated with resource and time wastage, decreased property value, reduced government tax income, and a decline in community and neighbourhood aesthetics (Efenudu, 2010).

## STUDY AREA

Lagos state serves as Nigeria's primary economic centre and formerly held the status of the nation's capital. Lagos State is situated in the South-Western region of Nigeria, namely on the narrow coastal plain of the Gulf of Guinea. The location is situated between the longitudes of 2°42'E and 32°2'E and the latitudes of 6°22'N and 6°52'N (Odumosu, 1999). According to UN-Habitat (2010), Lagos, despite being the smallest state in Nigeria, has the most significant urban population, accounting for 27-40% of the national estimate. The 2006 National Census reported the population of Lagos State as 9,013,534, representing 6.4% of the total national population of 140,003,542. In 2008, the population of Lagos State was approximately 18.5 million (UN-Habitat, 2010) and international development organizations. The Building Collapse Prevention Guide (BCPG) reported a total of 61 building collapses in Nigeria in 2022. Lagos State accounted for 20 instances, which constituted 48.7 percent of the total cases.

## METHOD AND MATERIALS

The study utilised a descriptive research design to examine project failure's impact on the study area's real estate market. This research study utilised an online questionnaire-based survey, which was deemed the most suitable research method. The study includes the 212 registered offices of the Real Estate Developers' Association of Nigeria and 364 firms of registered estate surveyors and valuers, all located in Lagos state. The intended participants in the firms are the managers, principal partners, or experienced staff. The questionnaire will serve as a tool for collecting data. At least 3 staff in each of the selected offices are

expected to complete the questionnaire. A random selection method was used to select a sample size of 35% from 212 professional estate developers and 35% from the total population of 364 Estate Surveyors and Valuers firms. 384 and 225 staff of ESV and the REDAN, respectively, were sampled. The researcher aims to determine the viewpoint of these professionals on the persistent occurrence of project failures in Lagos State and the subsequent impact on the Real Estate Market in the studied area. The data collected from the respondents was analysed using descriptive statistics, such as simple percentage, mean and standard deviation. Additionally, regression analysis (OLS) was used to investigate the impact of real estate development failure on the real estate market in Lagos State.

## FINDINGS AND DISCUSSION

### Demography Characteristics of Respondents

A total of 384 and 225 staff members from ESV and REDAN were sampled, respectively. However, 350 questionnaires, representing 91% of the ESV sampled size, were retrieved back, while 208, representing 92% of the REDAN sampled size, were retrieved for analysis. The demographic characteristics of the respondents are shown in the table below.

Table 1 Demography Characteristics of Respondents

Demography Variable	ESV Frequency	Percentage	REDAN Frequency	
<b><i>Position Held in the Firm</i></b>				
Management Staff	30	8.57	—	
Middle Managers	180	51.43	—	
Supervisor	50	14.29	—	
Co-partners	90	25.71	—	
Other	—		208	100.00
<b><i>Professional Qualification</i></b>				
CESV	80	22.86	66	31.73
CBAN	60	17.14	44	21.15
CEMDEV	202	57.71	90	43.27
Other	8	2.29	8	3.85
<b><i>Number of years of Experience</i></b>				
Less than 10 years	30	8.57	12	5.77
10-14	30	8.57	45	21.63
16-20	55	15.71	30	14.42
21-25	176	50.29	76	36.54
26 and Above	119	34.00	45	21.63
<b><i>Gender</i></b>				
Male	320	91.43	166	79.81
Female	30	8.57	42	20.19
<b><i>Age in years</i></b>				
21-30	34	9.71	30	14.42
31-40	183	52.29	89	42.79
41-50	100	28.57	67	32.21



51-60	14	4.00	14	6.73
61 and Above	19	5.44	8	3.85

Source: Researcher’s Fieldwork, 2024

The results in Table 1 revealed that 8.57% of the estate surveyors and valuers were management staff while 51.43%, 4.29% and 25.71% of the ESV were middle managers, supervisors and co-partners respectively. This indicated that adequate number of the ESV were middle level managers. On the part of the REDAN, it was discovered that that all the respondents were other such as chairman secretary, finance Secretary, treasurer and Public Relation official of the organization respectively. This implied that the opinions of these respondents could significantly contribute to the study’s findings.

More so, 22.86% of the ESV had professional certificates in Estate Survey and Value while 17.14%, 57.71% and 2.29% of these ESV had professional qualification in building, estate management and development and other such as; advanced professional certificate in estate maintenance, supervision and management and so on respectively. This indicated that a substantial number of the ESV had professional certificate in Estate Management and development. Also, on the part of the REDAN, it was noted that 31.73% of the respondents had professional qualification in estate survey and value while 21.15%, 43.27% and 3.85% of the REDAN had professional certificate in building development, estate management and development and other such as advance diploma in estate supervision and maintenance and certificate in estate cost estimation. This showed that a sufficient number of the REDAN had professional certificate in CEMDEV. As a result of this, this variable might enhance the finding of the study since professional qualification of respondents gave them experiences that entailed better understanding of the test statements.

Furthermore, number of years of experience showed that 8.57% of the ESV had less than 10 years of working experience while another 8.57% of the respondents had between 10-14 years. More so, 15.71%, 50.29% and 34% of the respondents had between 16-20, 21-25 and 26 and above years of working experience. This revealed that a substantial number of the ESV had between 21-25 years of working experience. In addition, on the part of the REDAN, it was found that 5.77% of the respondent had less than 10 years of working experience while 21.63% of the REDAN had between 10-14 years of experience while 36.54% and 21,63% of the respondents had between 21-25 and 26 and above years of working experience. Many REDAN members had 21 to 25 years of experience, which may have influenced respondents’ answers to the test statement.

The data indicates that 91.43% of the ESV were male, while 8.57% were female. For the REDAN, 79.81% were male, and 20.19% were female. The distribution of respondents by age shows that a significant number of ESV and REDAN were aged 31-40, which may have influenced their ratings of the test item.

**Perception of Respondents on the impact of failed Real Estate Projects on Lagos States Residential Property Market**

This section assessed the perception of respondents on the on the frequency of occurrence of development failure Lagos State.

Table 2 Mean and Standard Deviation Computed for the Frequency of Occurrence of Development Failure

Variable	ESV			REDAN		
	N	Mean	STD	N	Mean	STD
1 Project abandonment	350	3.89	0.23	208	4.34	0.10
2 Failure to meet the objectives	350	4.34	0.11	208	3.77	0.56

3	Budget overrun	350	4.20	0.13	208	3.89	0.26
4	Building collapse	350	4.67	0.08	208	4.54	0.09

Source: Researcher’s Fieldwork, 2024

Table 2 presents the mean and standard deviation calculated for respondents’ perceptions of the frequency of building failure occurrences. Looking at the result in the table, it was discovered that both the ESV and REDAN agreed that the frequency of occurrence of project abandonment, failure to meet the objectives, budget overrun and building collapse were rampant in Lagos State. The test results showed that the average value was significantly higher than the acceptable average of 3.00, indicating a high frequency of development failures in Lagos State, possibly leading to reduced demand for real estate properties in the area.

### Perception of Respondents on the Contributory Factors to Real Estate Development Failure in Lagos State

This section, assessed the perception of respondents on the contributory factors to real estate development failure in Lagos State.

Table 3 Mean and Standard Deviation computed for the variable of contributory Factors to Real Estate Development Failure

S/N	Variable	ESV			REDAN		
		N	Mean	STD	N	Mean	STD
<b>A</b>	<b>Technical Factor</b>						
1	Lack of Technical know-how from the manager	350	3.86	1.00	208	4.63	0.58
2	Imperfect project design	350	3.85	0.88	208	4.34	0.71
<b>B</b>	<b>Financial Factor</b>				208		
3	Inadequate finance from the client	350	4.24	0.46	208	4.28	0.72
4	Change in the price of raw materials	350	4.02	0.42	208	4.46	0.61
<b>C</b>	<b>Management Factor</b>						
5	Inadequate management of the project objective	350	4.11	0.67	208	4.49	0.61
6	Inadequate support from the Top management	350	4.31	0.57	208	4.54	0.66
<b>D</b>	<b>Regulatory Factor</b>						
7	Quality of raw material used in the construction	350	4.62	0.64	208	4.62	0.79
8	Non adherence to project specification	350	4.72	0.48	208	4.45	0.56
<b>E</b>	<b>Socio-Political Factor</b>						
9	Political risk	350	4.52	0.82	208	4.85	0.43
10	Delay during project implementation	350	4.83	0.41	208	4.31	0.79

Source: Researcher’s Fieldwork, 2024 \*\* Acceptable mean =3.00 on a 5 point likert scale \*\* A test item was significant if mean calculated > or equal to acceptable mean of 3.00 or otherwise \*\*STD= Standard Deviation

Table 3 presents the mean and standard deviation of the contributory factors to Real Estate Development failure as perceived by the respondents. From Table 3, it was discovered that both the ESV and REDAN agreed that there were contributory factors to real estate development failure in Lagos State. This assertion was hinged on the fact that the values for the test items were significantly higher than the acceptable mean of 3.00, and the standard deviation from the mean values was insignificant. For instance, both the ESV and

REDAN supported the fact that the lacked of technical known-how by the contractors or developers might contribute to real estate failure. More so, the ESV and REDAN further supported the fact that financial, management, regulatory and socio-political factors in which they operated greatly caused real estate development failure in Lagos State. The implication of this was that the insufficiency of technical factor due to lack of technical competency on the part of the developers, inadequacy of project finance, inadequate management support, lack of adhering to require regulatory guidelines and socio-political pressured in the environment might all lead to real estate development failure.

**Perception of Respondents on the influence of Real Estate Development Failure on Real Estate Market in Lagos**

This section looked at the perception of respondents on the influence of real estate development failure on real estate market.

Table 4 Mean and Standard Deviation computed for the variable of Real Estate Market

S/N	Variable	ESV			REDAN		
		N	Mean	STD	N	Mean	STD
1	Reduction in real estate supply	350	4.89	0.04	208	4.56	0.10
2	Reduction in the demand for real estate	350	4.67	0.07	208	4.77	0.05
3	Increase in property prices	350	3.90	0.45	208	4.82	0.03
4	Increase the investor’s empathy	350	3.88	0.65	208	3.66	0.78
5	Reduce access to real estate finance	350	4.12	0.12	208	4.22	0.10

Source: Researcher’s Fieldwork, 2024 \*\* Acceptable mean =3.00 on a 5 point likert scale \*\* A test item was significant if mean calculated > or equal to acceptable mean of 3.00 or otherwise \*\*STD= Standard Deviation

Table 4 shows the mean and standard deviation for the real estate market variable, with a significant number of respondents supporting the fact that to a significant extent real estate development failure had contributed to reduction in real estate supply (due to lack of investment), reduction in the demand for real estate, increase in the existing property prices, increase in investors doubt concerning real estate investment and reduction in access to real estate finance. The test variables’ mean values were significantly higher than the acceptable mean of 3.00, with standard deviations indicating minimal variation. The implication of this was that real estate development failure had affected real estate market negatively in Lagos State.

**Test of Hypothesis**

**H<sub>0</sub>**: There is no significant influence of real estate development failure on real estate market in Lagos State

Table 5: REGRESSION RESULT (OLS)

ESV					REDAN				
DEPENDENT VARIABLE = REM (Real Estate Market)									
Variable	Coefficient	Standard Error	T-calculated	P-value	Variable	Coefficient	Standard Error	T-calculated	P-value
C	9.557625	9.887447	0.966642	0.4540	C	3.618697	6.636411	0.545279	0.7864
TF	-0.683138	0.083514	-8.179940	0.0000	TF	-0.545883	0.111380	-4.901103	0.0000
FF	-0.780749	0.100088	-7.800620	0.0000	FF	-0.734550	0.126599	-5.802193	0.0000



MF	-0.070602	0.012344	-5.719540	0.0000	MF	-0.523331	0.094827	-5.518785	0.0000
RF	-0.632137	0.081216	-7.783413	0.0000	RF	-0.080445	0.004328	-18.58711	0.0000
SPF	-0.602137	0.086168	-6.987924	0.0000	SPF	-0.135713	0.014529	-9.340836	0.0000
	<b>OTHER</b>	<b>TEST</b>	<b>STATISTICS</b>						
R-squared	0.557174		Mean dependent var	20.76190		<b>OTHER</b>	<b>TEST</b>	<b>STATISTICS</b>	
Adjusted R-squared	0.453341		S.D. dependent var	2.527138	R-squared	0.315212		Mean dependent var	20.75350
S.E. of regression	1.868475		Akaike info criterion	4.096490	Adjusted R-squared	0.309670		S.D. dependent var	2.546239
Sum squared resid	2471.769		Schwarz criterion	4.134901	S.E. of regression	2.263620		Akaike info criterion	4.480175
Log likelihood	-1456.447		Hannan-Quinn criter.	4.111325	Sum squared resid	3627.773		Schwarz criterion	4.518586
F-statistic	119.2573		Durbin-Watson stat	1.697611	Log likelihood	-1593.423		Hannan-Quinn criter	4.495010
Prob(F-statistic)	0.000000				F-statistic	38.83092		Durbin-Watson stat	1.555791
					Prob(F-statistic)	0.000000			

Source: Research’s Computation, 2024 (E-VIEW 12)

Table 5 presented the result of the regression analysis (OLS) obtained to investigate the influenced of real estate development failure on real estate market in Lagos State. The result of the ESV and REDAN revealed that the influenced of technical factor otherwise called technical failure on real estate market in Lagos State was negative and significant. The inference was made based on the negative regression coefficients (-0.68 for TF in ESV and -0.68 for TF in REDAN) and the significant t-statistics values (-8.18 for ESV and -4.90 for REDAN). This suggests that technological failure had a substantial adverse impact on the real estate market in Lagos. Therefore, a 1% rise in technical failure or absence might result in a corresponding loss of 0.68% in the real estate market. The variable of TF exhibited a correlation with the anticipated direction, suggesting that TF could influence the real estate market. Furthermore, it was found that the p-values of the t-statistics calculated for both ESV and REDAN were 0.0000, which is lower than the threshold criterion of 5%. This demonstrated the substantial impact of TF on the real estate market in Lagos State. The consequence of technical factor or failure of developers to observe thorough technical quality before embarking on the construction of real estate property might cause failure of real estate development to be able to meet required saleable standard and quality needed by buyers and clients respectively.

The findings further shows that the impact of financial factors on the real estate market in Lagos State was unfavorable. The regression coefficients for the financial component variable were -0.78 and -0.73, with significant t-statistic values of -8.18 and -5.80, respectively. This suggests that a 1% rise in financial inadequacy could decrease around 0.78% and 0.73% in the real estate market. The p-values for the financial factor variable were 0.0000 for ESV and REDAN, indicating a significant impact on the real estate market. The inadequacy of finance for real estate was one of the factors that caused abandonment and failure of the real estate properties to meet the required objective.

The findings presented in Table 5 indicate that management factors have a significant and adverse impact on the real estate market for both ESV and REDAN. The regression coefficients for ESV and REDAN were -0.07 and -0.52, respectively, with corresponding t-statistics values of -5.72 and -5.52, indicating statistical significance. These coefficients suggest that a 1% increase in the failure of real estate companies to assess top management support for real estate development could lead to a 0.07% and 0.52% decline in the real estate market in Lagos State. The negative coefficients for the management factor (MF) align with expectations, indicating that a lack of management support can negatively affect real estate development and subsequently decrease the real estate market. Furthermore, the p-values of the t-statistics for MF for both ESV and REDAN were 0.0000, which is less than the critical value of 5%, demonstrating the significance of MF in the real estate market. This failure factor might cause delay in the real estate developers to be able to assess finance, regulatory demand, effective coordination and clear management monitoring for the project.

The results in table 5 further shows that regulatory factors significantly and negatively impacted the real estate market in Lagos State. The analysis revealed that the failure of real estate companies to comply with regulations in the construction of real estate could lead to a decrease of 0.63% and 0.08% in the real estate market. The statistical significance of the regulatory factor (RF) variable for both ESV and REDAN suggests that it played a crucial role in influencing the real estate market. The obtained t-statistics for RF for ESV and REDAN had p-values of 0.0000, indicating that RF significantly impacted the real estate market. One of the failure factors of real estate development was inability of the real estate companies/developers to comply adequately with regulatory factor that guide real estate development and construction.

The study found a strong negative relationship between socio-political factors (SPF) and the real estate market in Lagos State. The negative regression coefficients (-0.60 for SPF and -0.14 for REDAN) and significant t-statistics values (-6.99 for SPF and -9.34 for REDAN) support this conclusion. The model suggests that a 1% increase in the failure of real estate companies to adhere to the socio-political environment could lead to a 0.60% and 0.14% decrease in the real estate market. The sign of the SPF variable aligns with expectations based on past knowledge. Socio-political factors significantly impacted the real estate market in Lagos. The p-values of the t-statistics for SPF for ESV and REDAN were both 0.0000, lower than the threshold value of 5%. This indicated that SPF was significant on real estate market in Lagos State. The failure of the real estate companies to take into consideration the socio-political environment of the region the company intended to develop real estate could spell doom for the real estate development.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

This study had revealed that there were some failure factors that contributed to real estate development failure in Lagos State, notable among the factors were, technical, financial, management, regulatory and socio-political factors. Therefore, the study concluded that failure of the real estate companies to take into consideration the technical aspect of the real estate development might cause a reduction in the market for real estate. More so, the inadequacy of financial might cause a decrease in real estate market. Also, lacked of management support for the real estate development, failure to observe appropriate regulatory framework and guidance and lacked of consideration for the socio-political pressured in real estate development area could affect the quality of the real estate development, thus, leading to a decrease in real estate market and patronage.

### Recommendations

The following recommendations are made for the study.

- There is need for the management of the real estate companies in Lagos State to insist on the need for

technical competency when carrying out the real estate development. The association of real estate surveyors and valuers must continue to perform its function of effective monitoring of the technical aspect of the real estate development in order to avoid real estate development failure.

- Clients and investors in real estate must ensure that they were financially stable before embarking on any real estate development. This is necessary in order to avoid project abandonment and redesign.
- Furthermore, real estate companies and association must ensure that developers comply with regulatory frameworks and guidance that enhance the quality of the real estate development.
- Developers must take into consideration the political pressure before embarking on real estate development in any place in Lagos State.

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