FACTORS INFLUENCING REAL ESTATE INVESTMENT IN KENYA; A CASE OF UASIN GISHU COUNTY, KENYA

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DECLARATION

I, Peter Ajith, Chol hereby declare that this research project is my original work and has not been presented in any other University.

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This research project has been submitted for examination with my approval as a University supervisor.

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DEDICATION

I dedicate this research project to my beloved family for their support, understanding and encouragement.

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ABBREVIATIONS AND ACRONYMS

AHURI – Australian Housing and Urban Research Institute

EU – European Union

FDIC – Federal Deposit Insurance Corporation

GDP – Gross Domestic Product

M&E– Monitoring and Evaluation

NCF – Net Cash Flow

NHC – National Housing Corporation

NOI – Net Operating Income

NSE – Nairobi Securities Exchange

OCC – Office of the Comptroller of Currency

REIT – Real Estate Investment Trust

RROR – Required Rates of Return

SCCT – Social Cognition Career Theory

SOSA – Strength-of-Support Assessment

TMC – The Mortgage Company

ABSTRACT

According to a report by the National Housing Corporation (NHC), the Vision 2030 estimates that the country requires 200,000 new units of housing but only 35,000 units have been produced to date. That means Kenya currently has a deficit of 165,000 housing units. Based on these arguments the study is set to achieve the following objectives; to establish how financial factors influence real estate Investment, to determine how population growth influences real estate investment and to establish how House Price influence real estate investment. This study will be conducted in Uasin Gishu County, Eldoret town and it will be conducted between the month of July and September 2017. Moreover the study will be limited to some extent since some respondents might treat the study with suspicion that the study findings may be used to victimize them. A survey research design will be adopted in this study and a total of 109 respondents will be targeted as the target population of the study. In this study the researcher will adopt census sampling method due to the nature of the population. The data collection instrument used to collect data from the sampled population was the questionnaires. The Questionnaires were administered to the registered property companies and government agencies in charge of urban planning and property approvals within the county. Lastly the study has adopted descriptive research method in analyzing and presenting data.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

US business Real Estate esteems have diminished altogether as indicated by a few reports, up to 40 percent over all property sorts since their crest in 2007. Employment misfortunes and declining buyer spending in 2009 have negatively affected all classes of land speculations, especially office and retail properties. Opportunities are up, which drives down rental rates and declines esteem (Robert T. O'Brien). Land esteems tend to move in cycles, reflecting the economy overall. With an abnormal state of business and customary compensations expands, interest for lodging and different types of Real Estate will increment and costs will take action accordingly. At the point when the joblessness rate rises and wage levels stagnate or diminish, the rate of home loan advance dispossessions will increment. As more properties end up noticeably accessible yet less people can bear the cost of them, advertise values decay. At the point when monetary conditions turn out to be more ideal, showcase esteems are settled and, as conditions keep on improving, may start to rise indeed.

Leke, Lund, Roxburgh, and Wamelen (2010) in their report, Africa's monetary heartbeat has animated, imbuing the mainland with another business energy. Genuine GDP ascended by 4.9 percent a year from 2000 through 2008, more than twice its pace in the 1980s and '90s. Broadcast communications, managing an account, and retailing are thriving. Development is blasting. Private-speculation inflows are surging. Ingersoll (2012) emphasized that costs of houses have dropped around 33% in the course of recent years and the general rental market has fortified. There are an assortment of land speculation potential outcomes when purchasing rentals including business, multi-family, and single-family homes.

As per Wisniewski (2011) shows that the procedures happening in land are liable to various motivations, and these driving forces are distinctive relying upon the monetary and financial circumstance of a nation. In this examination we analyze the impact of monetary elements, populace development, and House cost and foundation advancement. As per Muchoki (2013) a great many people in Kenya like to put resources into land. Land business in Kenya involves purchasing a house, and it is one of the most secure approaches to put your cash in Kenya. This is for the most part because of the way that benefits like a land and houses in Kenya have tended to quite often appreciate. Additionally, land business in Kenya is reasonable well in the market on the grounds that with developing populace in Kenya, the interest for houses is on the ascent. A Kenyan with the cash to purchase a house can want to purchase a house and profit used to pay lease for venture elsewhere in Kenya.

The investigation is set to happen in Eldoret town the base camp of Uasin Gishu County. The examination researches on factors impacting the foundation of land extends in Kenya. Eldoret town has seen gigantic development and improvement in land. This has been pushed by the request of lodging by its developing populace. The achievement of land requires the improvement of good systems, great arranging, the correct ability and an efficient administration group. In land extends the extraction of significant data from past undertakings and continuous exercises can be utilized as the reason for venture calibrating, reorientation and future arranging. A deliberate accumulation, examination and utilization of data from various property foundation acquires three fundamental purposes: gaining from the encounters, bookkeeping inside and remotely for both the assets utilized and the outcomes and taking choices as a directing capacity (Masika, 2010).

Regardless of its ceaseless development weaknesses can prompt results that are more critical for contractual workers which may incorporate the crumple of officially created structures for instance Huruma in Nairobi which fallen and more than 40 Kenyans died. Because of this difficulties the investigation is set to investigate the components impacting land advancements in Kenya.

1.2 Statement of the problem

As indicated by a report by the National Housing Corporation (NHC), the Vision 2030 appraisals that the nation requires 200,000 new units of lodging however just 35,000 units have been created to date. That implies Kenya at present has a shortfall of 165,000 lodging units (Kenya National Bureau of Statistics 2012). With a specific end goal to have enough houses land engineers do experience broad arranging forms before putting resources into any undertaking. An assortment of administration devices can be utilized as a part of this procedure for instance basic correspondence methodologies to exhaustive online task administration frameworks. The adequacy of any of the apparatuses received depends on the staff comprehension and capacity. Additionally absence of selection of this apparatuses may prompt extend disappointment and an additional cost both fiscally and disappointment (Bernard, 2011).

In Real Estate supply and demand continually interact in the market to create and maintain price levels. The level of activity in a Real Estate market is influenced by the changes in the economic and demographic factors that underlie demand and supply. This study has basically examined these factors to forecast the impact of their changes on the price and the quantity outcomes in the market. Moreover as population grows the demand for housing grows along with it. As housing needs to increase, the demand for industrial and commercial areas should also increase. Although the total population of the country continues to rise, the demand for real estate increases faster in some areas than in others. This is determined by infrastructural development and availability of property to develop. In addition the government's monetary policy can have a substantial impact on the real estate market. The Federal Reserve Board establishes a discount rate of interest for the money it lends to commercial banks. That rate has a direct impact on the interest rates the banks in turn charge to borrowers. These interest rates play a significant part in people's ability to buy homes. These are some of the factors that have pushed the researcher to undertake the topic under study.

1.3 Purpose of the study

The purpose of the study was to investigate factors influencing real estate’s investment in Kenya, a case of Uasin Gishu County, Kenya.

1.4 Objective

1. To establish how financial factors influenced real estate investment, Uasin Gishu County Kenya.
2. To determine how population growth influenced real estate investment, Uasin Gishu County Kenya.
3. To establish how House price influenced real estate investment in Uasin Gishu County, Kenya.
4. To determine how infrastructure development influenced real estate investment, Uasin Gishu County, Kenya.

1.5 Research questions

1. What is the influence of financial factors on real estate investment, Uasin Gishu County, Kenya?
2. What is the influence of population growth on real estate investment, Uasin Gishu County, Kenya?
3. What is the influence of House price on real estate investment, Uasin Gishu County, Kenya?
4. What is the influence of infrastructure development on real estate investment, Uasin Gishu County, Kenya?

1.6 Significance of the study

This study is significant to various given firms especially the construction companies, private developers, property agents and government regulators in establishing the standards and policy guiding the real estate industry. It will also guide investors in identifying the right projects in real estate developments.

The management shall benefit through considering cost of quality problems. This will be done through ensuring that all the contractors follow the right procedure before establishing any real estate investment.

1.7Delimitations of the study

This study was conducted in Uasin Gishu County, Kenya and it took place between the month of July and September 2017.

1.8 Limitations of the study

This study was limited in various given ways. Some of the limitations that the researcher encountered while collecting data are;

Some respondents treat the study with suspicion hence they fear giving the right answers to the questionnaires which limit the study findings.

Given the fact that most construction companies are site based finding time for employees to fill the questionnaires was challenge because most of them are paid based on work done. This call for a lot of lobbying to ensure the questionnaires are filled within the stipulated time in order to analyze the study as planned.

1.9 Assumption of the study

There is a bad perception that real estate is costly by the public hence many fear venturing into the business. This has led to the business being undertaken by the mighty and financial stable persons. Due to this the study have put into consideration the fact that anyone can invest in the business if good planning is put into consideration.

1.10 Definition of significant terms

Evaluation: It is a thorough and autonomous appraisal of either finished or progressing exercises to decide the degree to which they are accomplishing expressed goals and adding to basic leadership.

Infrastructure: This is a financial atmosphere made by foundations that fill in as courses of exchange and venture. They upgrade combination and change, through improving difference in assets into yields or improving exchange by evacuating boundaries. In this way, a change in a nation's foundation is one of the key elements influencing the long haul development of such a nation particularly in the property advancement.

Monitoring: It is a consistent deliberate procedure of gathering and examining data, using markers.

Planning: It a process of setting goals, developing strategies, outlining the implementation arrangements and allocating resources to achieve the set objectives

Real estate: It is property comprising of land and the expanding on it alongside its characteristic assets, for example, crops minerals or water undaunted property of its inclination an intrigue vested in this manner a thing of genuine property building or lodging as a rule.

1.11 Organization of the examination

This chapter presents the background to the study, the statement of the problem, the purpose of the study, the objectives of the study, the research questions that will guide the study, significance of the study, assumptions of the study, the scope and limitations of the study and operation definition of terms.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Diverse examinations have been led by researchers in land advertises the world over to set up the impossible to miss characteristics that impact land interest in their property markets. The requirement for showcase particular examinations could be ascribed to the distinctions in the social, lawful, money related and financial setting of every nation (Olayiwola et al., 2005), which makes the estimation of land speculation to be impacted by area (Li et al., 2011).

2.2 Real Estate Investment

Land speculation undertaking is a significant capital concentrated task which require due tireless in considering what should be done before wandering into it. It could prompt monstrous loss of capital or longer time of rate of profitability.

2.2.1 Financial Factors and land speculation.

As the administration brings down the strategy rate, the ostensible financing cost influences the genuine loan fee specifically. The genuine loan fee decays and it turns out to be moderately less beneficial to put cash in the bank, subsequently, ventures go up. As ventures increment, generation and the economy develops. The fall in ostensible financing cost likewise prompts expanded value desires, higher swelling and a further decrease in genuine loan cost, which invigorate extra ventures and creation (Mishkin, 2007).

The most vital loan fee, government stores compelling rate, is a market rate set every day in light of stores in the Federal Reserve System (Santomero and Babbel, 2001). Stores are expected stores to guarantee showcase liquidity. The market chooses consistently the government reserves powerful rate, through free market activity for cash (Santomero and Babbel, 2001).

To see how government-impacted loan costs, capital streams, and financing rates influence property estimations, you ought to have an essential comprehension of the salary way to deal with land esteems. Albeit land esteems are impacted by the free market activity for properties in a given district and the substitution cost of growing new properties, the wage approach is the most widely recognized valuation method for financial specialists. The wage approach gave by appraisers of business properties and by financiers and speculators of land upheld ventures is fundamentally the same as the marked down income examination directed on value and security ventures.

By subtracting every single capital cost, and in addition any speculation money to keep up or repair the property and other non-property-particular costs from Net Operating Income (NOI), the outcome is the Net Cash Flow (NCF). Since properties don't generally hold money or have an expressed profit strategy, NCF meets money accessible to financial specialists and is the same as money from profits, which is utilized for esteeming value or settled pay speculations. By promoting profits or by marking down the income stream (counting any leftover esteem) for a given venture period, the property estimation is resolved.

Loan fees can altogether influence the cost of financing and home loan rates, which thus influences property-level expenses and subsequently impacts esteems. Be that as it may, free market activity for capital and contending speculations have the best effect on Required Rates of Return (RROR) and venture esteems. As the Federal Reserve Board has moved concentration far from money related arrangement and more toward overseeing financing costs as an approach to animate the economy or fight off swelling, its strategy has directly affected the estimation of all investments(Abraham, M 2009).

As interbank trade rates diminish, the cost of assets is lessened, and supports stream into the framework; on the other hand, when rates rise, the accessibility of assets diminishes. With respect to land, the progressions in interbank loaning rates either include or diminish the measure of capital accessible for speculation. The measure of capital and the cost of capital influence request yet in addition supply, capital accessible for land buys and improvement. For instance, when capital accessibility is tight, capital suppliers have a tendency to loan less as a level of natural esteem, or not as far up the "capital stack." This implies advances are made at bring down credit to esteem proportions, along these lines lessening utilized money streams and property values.The changes in capital streams can directly affect the free market activity elements for property (Lynn, 2007). The cost of capital and capital accessibility influence supply by giving extra cash-flow to property improvement and furthermore impact the number of inhabitants in potential buyers looking for bargains. These two components cooperate to decide property estimations.

The most obvious effect of loan fees on land esteems can be found in the deduction of rebate or capitalization rates. The capitalization rate can be seen as a financial specialist's required profit rate, while a rebate rate squares with a speculator's aggregate return necessities. K for the most part signifies RROR, while the capitalization rate rises to (K-g), where g is the normal development in salary or the expansion in capital appreciation(Geoffrey, M 2011).

Each of these rates is impacted by winning loan fees since they are equivalent to the hazard free rate in addition to a hazard premium. For most financial specialists, the hazard free rate is the rate on U.S. Treasuries; these are ensured by U.S. government credit, so they are considered hazard free in light of the fact that the likelihood of default is so low. Since higher-chance speculations must accomplish a commensurably higher come back to make up for the extra hazard borne, while deciding markdown rates and capitalization rates, speculators add a hazard premium to the hazard free rate to decide the hazard balanced profits vital for every venture considered (Chomba, J 1999).

Since K (Discount Rate) is equivalent to the hazard free rate in addition to a hazard premium, the capitalization rate is equivalent to the hazard free rate in addition to a hazard premium, less the expected development (g) in pay. In spite of the fact that hazard premiums shift because of free market activity and other hazard factors in the market, rebate rates will differ because of changes in the loan fees that influence them to up. At the point when the required profits for contending or substitute ventures rise, land esteems fall; alternately when loan costs fall, land costs increment (Bernard, 2011)

Specialists point to four key drivers of changing loan costs: expansion, bond supply, bond request, and the Federal Reserve. As swelling desires rise, shoppers trust they will lose obtaining power later on (i.e. their cash will be worth less). This prompts expanded financing costs to make up for the apparent misfortune. Expanded supply in the security markets can likewise prompt higher rates, as guarantors are compelled to get at higher loan fees in light of free market activity progression. Conversely, an abatement in security request will prompt higher rates, as guarantors will offer financial specialists a higher return with a specific end goal to raise capital. The Fed endeavors to control these drivers by purchasing and offering resources successfully controlling the market. In spite of the fact that the Fed has the aim of smothering rates by purchasing securities (over supply the market with capital), this activity can likewise raise expansion desires, conceivably balancing any effect on real loan costs (Kibirige, M 2006).

At the point when changes in financing costs are seen as a free factor (that is, they change while everything else stays consistent), their impact on land is straightforward and clear. By the day's end, the estimation of any speculation is the whole without bounds money streams from that venture, reduced back to exhibit esteem. As financing costs rise, the estimation of any future income diminishes, which thusly brings down the estimation of the benefit (land property). Another approach to take a gander at this is higher loan costs make speculators request a higher return, which makes any property less engaging given the arrival on that particular venture stays unaltered. In any case, loan costs never show signs of change alone, so it is futile to break down the potential consequences for land an incentive without considering alternate factors that may happen pair with evolving rates.

With regards to land, the connection amongst swelling and rising loan fees turns out to be more mind boggling. Swelling is frequently the basic driver of loan fees, and all things considered the two commonly move together. While rising loan fees can diminish the estimation of future money streams, swelling can thus build the estimation of physical property because of the way that land is a hard resource. At last, if the expansion in property estimation from swelling exceeds the abatement caused by rising rates, the net outcome can be certain. This reality has made land a standout amongst the most looked for after venture classes in times of rising rates on account of its capacity to climate the tempest of expansion.

The Fed's quantitative facilitating program has brought about the exceptional buy of over $3 trillion in resources. While positively questionable, the objective of the QE program was to balance out costs for these advantages, keeping up request in the commercial center and viably bringing down their yield. Astonishing to many, there has been next to zero expansion thus from the tremendous aggregate of cash the Fed has infused into the economy. Some characteristic this absence of expansion to banks being reluctant about loaning, successfully keeping supply of capital misleadingly low. In any case, with the economy proceeding to hint at a steady recuperation, many trust that banks will build their levels of loaning, which would surge the market and rapidly drive up swelling. This, in mix with the Fed abating its advantage buys, could prompt critical increments in loan fees.

The likelihood of rising loan costs' is an imperative factor to consider in any venture choice. Settled pay ventures are a fundamental piece of an expanded portfolio, yet most neglect to offer a similar insurance against expansion that land does. With the expanding probability of rates rising significantly sooner rather than later, most specialists concur that land is an especially alluring interest in the present market.

2.2.2Population development and land venture

Total populace has ascended to more than 6.3 billion individuals and by 2030 more than 60 percent of the total populace is relied upon to live in urban areas. There are currently more than 400 urban communities with a populace of over a million people.

As populace development is a hidden factor for the request of lodging, without new supply of residences, it pushes up the costs for both leasing and acquiring abodes. The issue is additionally exacerbated in a considerable lot of the huge urban areas with an adjustment in living inclinations that has brought about a fall in family rates, especially in the western world. Subsequently, populace development to the city and less individuals per family unit implies the supply of all the more lodging is required. This must be achieved through urban solidification as well as Greenfield advancement, that is, the sub-division of remote expansive hectares. One noteworthy impact of this is the cost of framework required, as either new foundation must be set up or updating and expanding the current foundation. In any case, in Australia, there has been a fast increment in the cost of framework. Truth be told, because of the increments in foundation costs that are required to benefit new sub-divisions in the course of recent decades, the cost of providing new land for private improvement in Sydney has ascended at a far more noteworthy rate than the cost of development of new residences.

The rising populace in the urban communities has been distinguished as a contributing component in rising lodging costs, to the degree that lodging reasonableness has been declining in Australia. Sydney's populace keeps on developing and the NSW Government's Metropolitan Strategy (2005), in the future alluded to as the "Metro Strategy", expects by and large, Sydney to develop by around 40,000 individuals for each year, or 780 individuals for every week. Around 66% will be from normal increment and the rest of the development is relied upon to originate from interstate and abroad relocation.

Starting with the National Housing Strategy meaning of moderateness to pass on a thought of sensible expenses in connection to wage, Gabriel et al (2005) characterize lodging reasonableness as a term for the most part signifying the greatest measure of pay which family units ought to be relied upon to pay for their lodging. Thus, PCA (2007) and Whitehead (1991) call attention to that lodging moderateness is communicated by the connection between lodging consumption (lease or home loan) and family unit salary. In way or another, lodging moderateness is measured and communicated as a proportion between consumption on lodging and wage.

When in doubt property examiners (PCA, HIA, UDIA) utilize 30 percent as the benchmark for lodging moderateness. Yates and Gabriel (2006) characterized as having 'lodging stress', those in the country's most reduced two wage quintiles (40 percent) that need more than 30 percent of their extra cash for lodging and allude to it as the '30/40 run the show'. Utilizing this definition, in an examination for the Australian Housing and Urban Research Institute (AHURI), they have distinguished that there are 862,000 family units in Australia encountering lodging stress.

Total populace has ascended to more than 6.3 billion individuals and by 2030 more than 60 percent of the total populace is required to live in urban areas. There are presently more than 400 urban areas with a populace of over a million people. As populace development is a basic factor for the request of lodging, without new supply of homes, it pushes up the costs for both leasing and acquiring homes. The issue is additionally aggravated in huge numbers of the extensive urban areas with an adjustment in living inclinations that has brought about a fall in family unit rates, especially in the western world. In light of this populace development to the city and less individuals per family implies the supply of all the more lodging is required. This must be achieved through urban combination and additionally greenfield improvement, that is, the sub-division of peripheral wide hectares. One noteworthy impact of this is the cost of framework required, as either new foundation must be set up or overhauling and broadening the current framework. In any case, in Australia, there has been a fast increment in the cost of foundation. Actually, because of the increments in foundation costs that are required to benefit new sub-divisions in the course of recent decades, the cost of providing new land for private advancement in Sydney has ascended at a far more noteworthy rate than the cost of development of new abodes.

Populace development is, for dynamic and appealing city locales, guaranteed. Such development can't be forestalled and is hard to alter. Then again, the expenses of any powerful activity might be unbalanced or inadmissible. Populace development must be obliged, ideally in a way that is of nonpartisan social, financial and ecological effect on the host locale, and ideally of positive esteem. By and by, groups possessing parts of developing areas may in any case effectively utilize instruments to point of confinement or smother nearby populace development. Usually utilized instruments are confinements and preclusions on improvement to enable development to be suited locally. The results of the work of such systems are the primary worry of this accommodation. However some system issues and patterns will initially be recognized.

Under the Australian framework for coordinating and overseeing development inside the physical condition, State and Local Governments hold the essential controls over land utilize and benefits. State and Local Governments are in charge of arranging, managing and controlling for the most part practiced to an exceptionally definite degree - where, when, what and how physical change and development happens. State and nearby government specialists can choose to give clear, extensive plans and necessities whereby they suspect and react to request with satisfactory land, framework and administrations; or they can practice their restraining infrastructure controls in these key ranges with deficient, indistinct, lethargic, as well as excessively prohibitive plans and managerial methods.

State and nearby specialists can utilize their broad forces to help and encourage development and change, or to disappoint and dishearten it, and in this manner influence a far more extensive hover of impact than simply the range they are working in at the time. They can guide aptitudes and assets to oversee development so the outcomes are practically and tastefully fulfilling, or they can starve development arranging and administration with possibly disorderly outcomes. It is clear there are numerous ways that arranging and administrative procedures can, purposefully or something else, keep a sufficient and proper supply of lodging and urban administrations and increment lodging costs.

While the fundamental impacts over where and how lodging will be given, and what amount, are with state and neighborhood governments, the Federal Government still has huge capacity to influence results. For instance through COAG, Commonwealth-

State Agreements, and other monetary measures, the Federal Government can and influences the execution of state and nearby governments. Similar sorts of impact could be utilized to encourage productive lodging markets and manageable groups giving moderate lodging.

Lodging moderateness is a wide idea so it is helpful to begin with an objective which finds lodging reasonableness in a contemporary setting. This objective may be depicted as:Provision of moderate lodging in feasible groups, to individuals from all occupations, wage levels, age gatherings and social strata crucial to this is a scope of lodging sorts and locational decisions that meet their assorted needs and is secure, reasonable and available to urban administrations, courtesies and business, It takes after that 'lodging' has social and financial, or beneficial esteem, however this still can't seem to be appropriately perceived and evaluated. This is in spite of the way that an absence of reasonable, sufficient and moderate lodging is broadly comprehended to have negative social and profitable esteem. Tending to this oversight would be an advantageous errand for this Inquiry.

It is vital to take note of that while request and supply are intelligent circles setting and changing the market value, they are altogether different in their speed of reaction. The request side reaction might be on constrained data, is driven to some extent by feeling and here and now points, and is significantly quicker than the reaction as far as lodging supply. In this manner, rising interest in a sure rising business sector however where supply is doubtlessly restricted, will more than once push on deferred reactions on the supply side, bringing about upward value development. Augmentations to supply in the Sydney showcase represent just around 1.5%-2.0% of aggregate stock in any year, and new postings of existing stock won't build general supply, with the exception of where they are joined by out-movement. And keeping in mind that there is solid building movement recorded in building action information, an obscure level of new single staying development in Sydney and some other high-esteem urban ranges is one-for-one substitutions

2.2.3 House Price and its impact on land venture

Most investigations point to the expansion in acknowledge development as one of the principle determinants of the keep running up in land costs. Koh et al. (2005) utilizing an alternative based model of monetary middle people found that if the estimation of the fundamental resource falls beneath the exceptional measure of an advance, the borrower may just default on the credit putting the benefit under the control of the money related foundation. This may make the monetary middle people hold exorbitant measures of undesirable land which in a bear market must be arranged at costs which were significantly lower than the sum it was initially collateralized for. The managing an account framework is the overwhelming monetary framework in most East Asian nations where the value and security markets are genuinely immature (Collyns and Senhadji, 2003). Another conceivable determinant of land value flow is genuine Gross Domestic Product (GDP) which catches both the total level of wage per capita and populace estimate (Ho and Cuervo, 1999). An expansion in genuine GDP would build the salary of the populace in the economy bringing about expanded interest for land through higher costs of essential property and higher rentals. Genuine loan fee is additionally another conceivable critical determinant. A lessening in genuine loan fees can expand the costs of land as it diminishes the cost of getting. Mirroring these improvements, extraordinary home loans as an offer of GDP has risen drastically, especially among littler European nations (IMF, 2003). In a significant number European Union (EU) nations the (negative) connections between's genuine lodging costs and genuine loan costs have been particularly high.

The money related arrangement gives the structure through which the financial expert inside a nation controls the supply of assets inside a nation. The Central Bank of Kenya is the foundation commanded with this errand. It impacts the level of cash supply credit in the economy with a specific end goal to limit unreasonable value changes, and advance financial development (Friedman, 2006). How the financial strategy functions is that it shields against swelling and guarantees solidness of costs, interests rates and trade rates. Successful usage advances reserve funds, ventures and financial development. There are different channels through which financial strategy influences monetary exercises and these transmissions channels have been inspected under the monetarist and Keynesian schools of thought. The monetarist proposes that adjustment in the cash supply drives straightforwardly to an adjustment in the genuine greatness of cash. Clarifying this transmission instrument, Friedman and Schwartz (2001) say that broad open market operations by the Central Bank, expands load of cash, which likewise prompts an expansion in Commercial Bank stores and capacity to make credit and henceforth increment cash supply through the multiplier impact. Tobin (1978) bolsters this view saying that tight fiscal arrangement influences the liquidity and capacity of banks to loan consequently limiting advances to prime borrowers and business firms. Then again, Keynesians recommend that adjustment in cash stock encourages exercises in the monetary market influencing loan cost, yield, speculation and work. Modigliani (1963) bolsters this view yet delivered the idea of capital apportioning and held that the eagerness of banks to loan influences money related arrangement transmission. Breaking down the utilization of bank and non-bank subsidizes in connection to tight money related arrangement, Oliner and Rudebush (2005) watch that there is no noteworthy change in the utilization of either yet rather bigger firms swarm out little firms in such circumstances. Gentler and Gilchrist (1991) bolster the view that family units encounter decrease in advance offices amid tight financial strategy and that they are influenced all the more antagonistically by changes in cash supply. The structure of credit to non-government borrowers in industrialized nations demonstrate that it has been affected by variables, for example, financing costs, terms of advance, insurance and eagerness to loan (Borio, 2005).

Kenya's money related market is served by an expansive scope of business banks and non-keeping money establishments and additionally by capital market organizations including the NSE. There are additionally channels and instruments for preparing long haul reserves for improvement. There are evaluated to be 43 Commercial banks in Kenya; two home loan fund organizations, Housing Finance and The Mortgage Company (TMC); and 11 Non-saving money monetary foundations, (Central Bank of Kenya, 2012).

Lodging account Institutions in many creating nations are portrayed by poor resource portfolio, and illiquid contract instruments somewhat attributable to restricted accessibility of optional home loan markets or some other types of liquidity office (Warnock, 2008). Essential home loan markets are additionally ineffectively grown, somewhat on the grounds that the establishments work under a regularly disorderly and questionable legitimate system, far fetched property rights title, dicey security of residency and indeterminate abandonment strategies. The procurement of satisfactory lodging stands up to the decision amongst leasing and owning. These choices are resolved significantly by a family unit's entrance to budgetary assets. Leasing directs that a family unit has a standard stream of wage, owning requires the family unit to approach a lot of aggregated fund in light of the fact that the buy of a house is extremely costly, more thus, acquiring requires a huge installment in advance which typically requires that the property holders secure a home loan and hence likewise requires a normal salary stream to pay the home loan (Doling Vandenberg and Tolentino, 2013). Over the long haul homeownership is less expensive than leasing as a result of the low financing costs and home loan rates that can go as low as 3%, settled rate spread over a long traverse of time, up to 30 years. The Real Estate industry has three identifiable sources that fund its exercises, value (the individual family's own accessible assets), and obligation and government appropriation.

The arrangement of lodging account can be part into two segments: the arrangement of lodging money by a moneylender who has adequate assets nearby and the assembly of assets inside an economy with the goal that loaning establishments approach stores (Warnock, 2008). For moneylenders with sufficient assets to settle on apportioning some portion of the assets to long haul lodging account, various preconditions must be set up:

Accessibility of applicable data to survey the credit value of planned borrowers, which empowers the assurance of the likelihood of default and to guarantee the precision of the data, record of loan repayment, for example, open credit registries or private credit authorities could be utilized to institutionalize it. It is ideal if the source has a wide scope of the populace, and the most instructive source would incorporate negative and in addition positive exchanges.

There ought to be a component to decide the market estimation of property. Where information on the business cost and fitting highlights of the home, that is area, measure and so on are kept up in an appropriate property registry, appraisers would more be able to precisely esteem homes for borrowers and moneylenders.

The moneylender ought to have the capacity to secure insurance against the advance if there should arise an occurrence of default. This requires an appropriate lawful and registry framework to guarantee the rights in that and responsibility for property with the end goal that the loan specialist can grab the property if there should be an occurrence of default.

The macroeconomic condition ought to be steady. The loan specialist passes the financing cost hazard to the borrower in a temperamental domain. Significant loan fee hazard will impede the advancement of the lodging account framework, as either moneylender will leave business (e.g., U.S. investment funds and advances in the 1980s) or borrowers will be not able reimburse their advances or both.

Lodging money is described by the application strategies, time of the advance, security and reimbursement strategy. Advance applications in regular organizations include extensive methods for one to get qualified. The time of the credit is for the most part on long haul premise frequently over 10 years. This type of fund is inhumane to expansion and changes in borrower's salary. Moreover some kind of guarantee is required to secure the advance, generally relentless unmistakable resources. Securing contracts requires an appropriate title deed and enrollment of the same. Reimbursement of the credit is regularly on an annuity premise i.e. break even with occasional installments covering interest and capital. Significant suppliers of lodging account can be gathered into; Non-institutional back (casual part), Private institutional fund, Public lodging and International sources

2.2.4 Infrastructure Development and land speculation

Foundation arrange is the very financial atmosphere made by the establishments (open or private) that fill in as courses of exchange and venture. The part of framework with regards to mix is transformative, through improving difference in assets into yields or upgrading exchange by expelling boundaries. In this way, a change in a nation's framework is one of the key variables influencing the long haul development of such a nation. The linkages amongst framework and financial development are fluctuated and complex. Framework does not just influence generation and utilization specifically, it additionally makes many immediate and backhanded externalities (Ajibola et al., 2010). Adebayo (2012) demonstrates that one of the determinants of the property estimations is infrastructural offices, the save of which prompts energy about property estimations and its nonappearance influences neighborhood costs antagonistically.

Framework advancement is a key driver of expanded profitability and financial development over the African landmass thus prompting enhanced expectations for everyday comforts, destitution lessening and the fulfillment of the Millennium Development Goals (MDGs). Stern (1991) demonstrated how sufficient foundation was essential for profitability and development, particularly the vehicle framework. Essentially, Anyanwu and Erhijakpor (2010) demonstrate that street framework fundamentally prompts destitution diminishment in Africa. Canning and Pedroni (2008) show that there is a positive relationship between's enhanced framework and monetary development. There has been enhanced monetary development at more than five for each penny for every annum in the current past in spite of the World Economic Forum Global Competitiveness Index of 2012-2013 demonstrating that Africa remained the slightest aggressive worldwide area.

A few investigations propose that the attributes of the nearby neighborhood, transport framework and condition quality are imperative in the assurance of private property costs. For example Boucq and Stratec (2011) attempted an examination on the impact of rail transport framework on property costs in France and found that foundation improvements prompt property picks up.

In Kenya, from 2010 to mid-2012 the travel time to Kiambu from Nairobi CBD was over two hours amid top period because of congested roads and continuous development of the Thika super parkway transport organize on that course. Henceforth with the consummation of the super roadway, go time was decreased to 30 minutes amid top time and fifteen minutes off pinnacle and therefore a quick increment in the land estimations of properties in the territory. The above discoveries are like a few investigations done on transport organize advancements and property costs. However the improvement of a vehicle system can prompt a diminishment in property estimations particularly on the off chance that it prompts simpler availability to the properties close to the vehicle organize.

In the United Kingdom (UK), John (1998) inspected how new transport framework affected property estimations in the South Yorkshire. The examination found that foresight of the development of a super cable car prompted the decrease of house costs. This is conceivably a result of desires of the interruptions amid the working of the framework. Notwithstanding, on fulfillment of the super cable car, the negative impact on property costs has vanished and the investigation has likewise demonstrated that the kind of neighborhood is a noteworthy effect on house costs.

Mallet et al (2000) recommend that a private property client might be set up to pay a high incentive for a property relying upon his thought for fundamental offices, for example, availability, water and power. Ki and Jayantha (2010) examined how redevelopment influenced lodging esteems in particular areas. The discoveries demonstrated a noteworthy ascent in property estimations from usage to after fulfillment of the redevelopment venture. Likewise Mallios (2009) while utilizing the hedonic estimating model surveyed the monetary estimation of water system water as one of the characteristics of horticultural bundle lands. The discoveries demonstrated that vicinity of water system water influences the estimation of land. Nubi (2003) depicts foundation as the total of all offices that enables a city to work viably.

It is additionally observed as an extensive variety of financial and social offices pivotal to making an empowering situation for monetary development and improves personal satisfaction. They incorporate lodging, power, pipe-borne water, seepage, squander transfer, streets, sewage, wellbeing, instruction, media communications and institutional structures like police headquarters, putting out fires stations, banks and mail station. At the end of the day, foundation is the substantial scale open administrations or frameworks, administrations and offices of a nation or district that are essential for monetary movement, including force and water supplies, open transportation, broadcast communications, streets and school.

Land has no esteem on the off chance that it has no utility, in the event that it isn't rare and in the event that it isn't adequately requested. Land has centrality just as it fulfills man's needs and wants. It is this present man's aggregate want for property that offers ascend to esteem (Olusegun, 2003). In this manner, the capacity of a property to fulfill man's needs and wants together with its level of shortage and utility contrasted with others makes man with credit an incentive to it. Property estimation, hence, as indicated by Millington (2005) is the cash possible from a man willing and ready to buy property when it is offered available to be purchased by an eager merchant, taking into consideration sensible time for arrangement and with the full information of the nature and utilizations which the property is equipped for being put.

Land is a heterogeneous decent that is contained a heap of interesting attributes reflecting its area, as well as similarly influenced by different luxuries, for example, the nature of neighborhood and framework.

Friso de vo (2012) contends that modern destinations causes a few negative externalities, for example, clamor, air, water and soil contamination, clog and hindrance of view thus decreasing estimation of private property estimation, the antagonistic impact lessen with remove coming about to expanded property estimations in their immediate region. Des Rosiers et al (2009) in their examination found that negative externalities connected to water supply and quality issues in a given neighborhood unfavorably influenced property estimations inside the investigation area. Kutz (2008) shows that infrastructural ventures deliver huge natural and social costs, the wellspring of effects that have been distinguished and which are known to cause critical negative effects are commotion and air contamination, obligatory acquisitions of land and effects on nearby bio decent variety. Carey (2011) demonstrates that most externalities influence property estimations in a spatially circulated way and the normal negative externalities involve loss of visual convenience, air and clamor contamination.

It is essential to take note of that ecological qualities would influence land esteems. The essential ecological contemplations would incorporate open space, disturbances, dangers exuding from adjacent offices, for example, strip malls, industrial facilities, and schools; ampleness of open utilities, for example, road lights, sewers and power; general upkeep; road example, width, and support.

As much as the impact of government funded schools on state and neighborhood advancement may not be straightforwardly discovered there are a couple of studies contending that school quality affects private property estimations. Concentrates by Barrow and Rouse (2012); Black (2010); Figlio and Lucas (2010) shows that homes in high-performing school locale offer at higher costs than homes in low-performing school regions holding every single other factor steady.

The effect can quantify in the a large number of dollars and increment home estimations as much as fourteen percent (Figlio and Lucas, 2010, Black, 2010). What's more, as showed prior, expanded school spending has been connected to critical increments in land esteems (Barrow and Rouse, 2012; Dee, 2000; Black, 2010) and more individuals are all the more eager to live in an area with great schools regardless of the possibility that it implies paying higher charges.

Then again, wage levels, benefit of business, swelling and loan costs are likewise vital factors in deciding general level of significant worth at any given point in time (Gallimore, et al, 2011). Family units, who have similar tastes and salary, have a tendency to live inside a similar zone. In this manner, the components, for example, the span of family units, their age, pay and instruction levels and the accessibility and cost of home loan financing must be fused in influencing the sorts of lodging and the qualities. High-pay occupants will search out a piece of city that may offer relaxation offices, parks, courtesies and the most advantageous type of transportation and framework. This likewise demonstrates the proximate and significant impacts on the property are identified with similar impacts working on different properties in the area. Additionally social contemplations in neighborhood examination include attributes of neighborhood inhabitants and it might influence land esteems. Applicable attributes might be the accessibility and nature of administrations, including diversion offices and shopping. Occupants are pulled in to an area on account of status, physical condition, and accessibility of administrations, moderateness, and accommodation. Be that as it may, private gatherings for the most part associate with those of a comparable instructive, social or social level.

2.3 Theoretical Framework

Lodging request is resolved essentially by the populace. The populace specifically impacts costs which thusly decides house supply. Keeping in mind the end goal to discover the connection amongst free market activity, it is important to take a gander at fundamental elements like value vacillation, swelling and cost. In the short run, supply of land are near settled, because of development obliges (Corder and Roberts, 2008).

Free market activity interface constantly in Real Estate with a specific end goal to make and keep up value levels. Generally, when supply goes up, costs drop as more dealers vie for purchasers, when request expands, costs increment as more purchasers vie for the item. At the point when both free market activity increment, Real Estate costs have a tendency to stay stable. Albeit nobody can precisely anticipate changes in land esteems, understanding what makes costs go here and there can be useful to the land specialist.

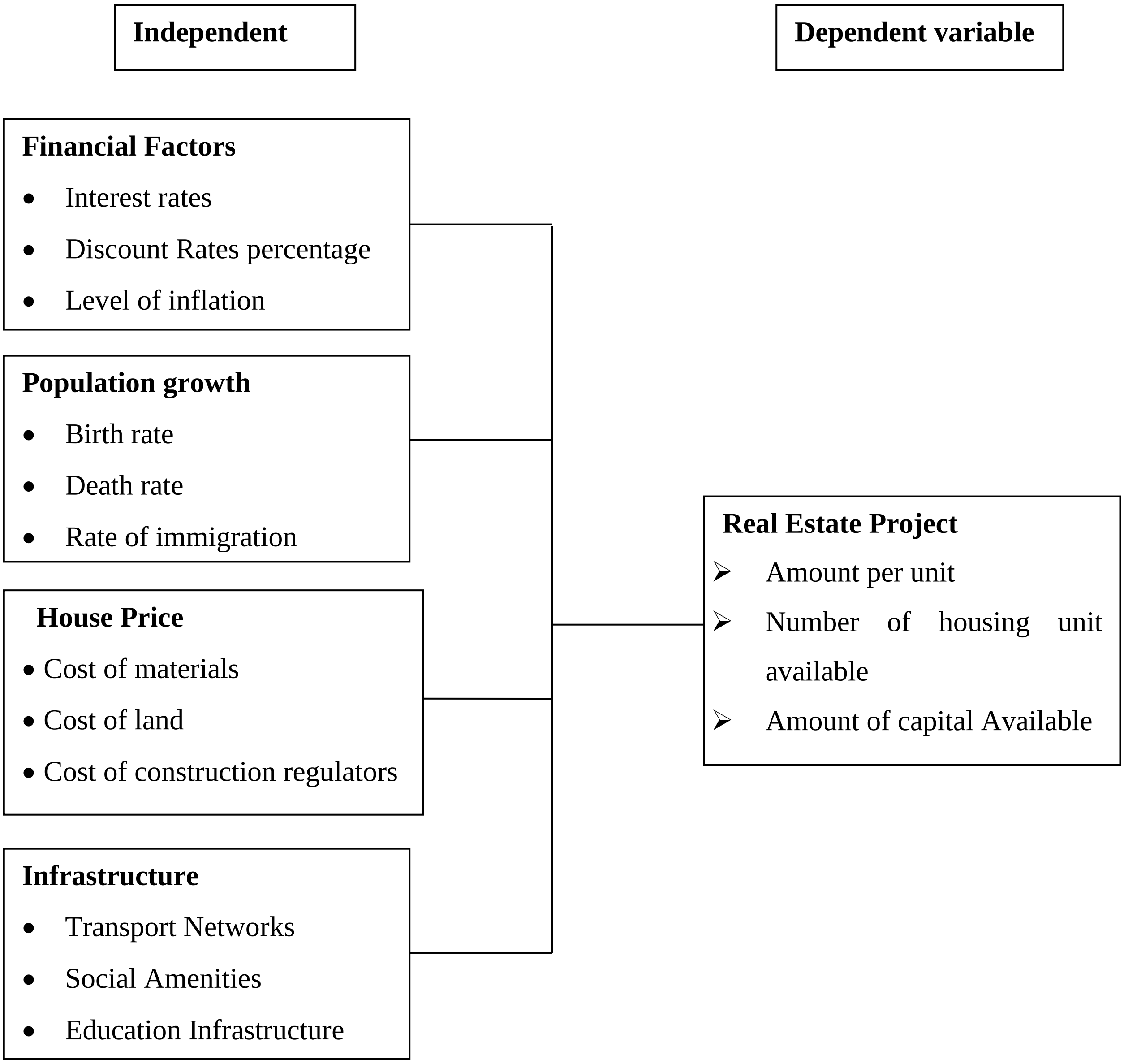
The level of action in a Real Estate advertise is affected by the adjustments in the monetary and statistic factors that underlie request and supply. Market investigation is essentially an examination of these components to gauge the effect of their progressions on the cost and the amount results in the market. At the point when the level of interest increments, and this expansion is joined by a relative littler change in supply either and increment or a diminishing, the expert can estimate an expansion in cost and additionally an expansion in the quantity of units offered available to be purchased.

Notwithstanding, the market will adjust to expanded request over the long haul, insofar as there are no confinements identified with controls or approaches. Development notwithstanding ascend in offered abodes will lessen house costs.

Different variables that may influence lodging interest can be; administrative controls, bank arrangements, statistic changes, family unit inclinations, urbanization impacts, size of populace, number of individuals in the start-up-stage and inside movement.

2.4 Conceptual framework

Figure 2.1 Conceptual Framework



2.5 Summary of Literature Review

Variables that impact land incorporate statistic factors, rate of intrigue, expansion rate and cost. As the administration brings down the approach rate, the ostensible loan cost influences the genuine financing cost straightforwardly. The genuine loan cost decays and it turns out to be moderately less beneficial to put cash in the bank, henceforth, ventures go up. In addition as populace development is a fundamental factor for the request of lodging, without new supply of homes, it pushes up the costs for both leasing and acquiring homes. The rising populace in the urban communities has been distinguished as a contributing element in rising lodging costs, to the degree that lodging moderateness has been declining in Kenya. What's more it ought to be noticed that nature with wellsprings of significant worth and also factors of which decide the esteem and effect upon the engaging quality of a capita showcase fragment being referred to, enables capital proprietors to settle on successful and balanced speculation choices. Issues concerning monetary and physical properties of the bequest that constitute its esteem are of awesome significance for planned financial specialists on the land showcase.

CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter entails the description of selected research design was the plan structure and strategy of investigation conserved so as to obtain answers to research question and to control variance. This includes the target population and sampling procedures research design data collection instruments, validity, and reliability of the research instruments data analysis and data presentation.

3.2 Research design

A research design is a strategy for planning and conducting a study (Ogula, 2011). The relevant research design for this study is survey research design since the researcher is exploring the factors influencing real estate investment in Kenya. The basic idea behind survey design is to measure variables by asking people questions and then examines relationships among the variables (Fowler, 1993). The researcher applies this typical research design because of the following reasons. Surveys are relatively inexpensive (especially self-administered surveys). Surveys are useful in describing the characteristics of a large population.

3.3 Target population

Kasomo (2006) describes the target population as the aggregate of all cases that conform to designated sets of specifications to which the study generalized the results. The target population of the study will be provided by the County Government of Uasin Gishu as the researcher intends to administer questionnaires to the 109registered property companies and government agencies in charge of urban planning and property approvals within the county. The target population has been presented in table 3.1

Table 3.1 Target Population

Target Group	Number
Contractors	35
Ministry of planning (county)	15
NCA	1
NEMA	2
Property Agents	27
Property Developers	29
Totals	109

3.4 Sampling technique and sample size

3.4.1 Sampling technique

Sampling is the process of obtaining a proportion of items from the selected people as representative of that people (Orodho, 2008). According to Kerlinger (2003) when the population is small, the sample should be hundred percent of the population. In other cases, the larger the sample, the more the study findings are representative of the target population. In this study the researcher will adopt census sampling method due to the nature of the population.

3.4.2 Sample size

In this study the researcher adopted census sampling method. This means that the researcher has taken the entire targeted population of 109 respondents as the sample size of the study.

3.5. Data Collection Instruments

The data collection instrument used to collect data from the sampled population is the questionnaires. Questionnaires have been used because they are simple to analyze and interpret hence making the process efficient (McMillan, 2006). This mechanism also enables the researcher to know exactly what is required and how to measure the variables of interest. They are low in cost and enable the participants enough time to give well thought answers after discussions among themselves.

3.5.1 Piloting of the instrument

Pilot testing of the questionnaire was done to reveal the weaknesses in the questionnaire. The questionnaires were prepared very carefully and in line with the objectives that proved to be effective in collecting the relevant information.

3.5.2 Reliability of the Instrument

Reliability is a measure of the degree to which a research instrument yields same data after repeated trials (Mugenda and Mugenda, 1999). Yin (2) defines reliability as demonstrating that operations of study such as data collection procedures can be repeated with the same results. To achieve the reliability of research instrument, a pre-visit of the area under study will be carried out to establish the reliability of the study. A test-retest method was adopted to measure the reliability of the study.

3.5.3 Validity of the Research Instrument

Validity refers to our ability to generalize the results of our study to other settings. According to Mason (2002), validity is the extent to which the study actually investigates what it claims to investigate and report what actually occurred in the field. According to Serem, Boit and Wanyama (2013) validity aims at ascertaining the extent to which the research instruments collect the necessary information. This measure aims to assess whether or not the relationship is established or whether there is a gap between the information that was sought and the data collected. In this research, the validity of the instruments was guaranteed through pre testing to be conducted prior to the study. The feedback was used to revise the tools to ensure the objective of the study was realized. The instruments validity was acceptable because it had produced consistent data that was generalized on the entire population. In addition to validate the questionnaires, the researcher have study the instruments to ensure they meet the objectives of the research, Seek the opinion of the research supervisor.

3.6. Data Collection Procedure.

The researcher had personally distributed the questionnaires to the respondents at their various work offices. This was done after the researcher was accorded the data collection letter from University of Nairobi which has help verify the purpose of the study and thus help eliminate doubt among the respondents.

3.7 Data Analysis procedure

Data analysis is the process of bringing order, structure and meaning to the mass of information collected. This study has adopted descriptive research method in analyzing and presenting data. According to Zigmund and Sekeran, (2000) Descriptive statistics is the transformation of raw data into a form that would provide information to describe as a set of factors in a situation that will make them easy to understand and interpret. Descriptive statistics have been used as a means of interpreting data, condensing information and giving numerical and graphical techniques of collecting, presenting, organizing, analyzing and making conclusions.

3.8 Ethical Consideration

Ethics has been defined as that branch of philosophy which deals with one’s conduct and as a guide to one’s behavior. The researcher has made sure that participation have been completely voluntary, in order to encourage a high response rate, this was made per potential participant. The major ethical considerations that was upheld include privacy and confidentiality, anonymity and researcher’s responsibility (Mugenda and Mugenda,1999)

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents data analysis, presentation, interpretation and discussion of the findings. The study assessed factors influencing real estate investment in Kenya: A case of Uasin Gishu County, Kenya. The chapter is divided into numerous sections namely; response rate, the demographic information of the respondents and the study objectives precisely to; establish how financial factors influence real estate investment: A case of Uasin Gishu County, Kenya, determine how population growth influence Real estate investment: A case of Uasin Gishu County, Kenya, establish how House Price influence real estate investment: A case of Uasin, Kenya and asses how infrastructure influence real estate investment: A case of Uasin, Kenya. The chapter begins with the response rate and then demographic information of the respondents.

4.2 Response Rate

A total of 109 questionnaires were sent out to the respondents to fill. Of these questionnaires, 104 were returned for analysis when completely filled. The completely filled returned 104 questionnaires accounted for a response rate of 95.4%. According to Mugenda and Mugenda (1999) a response rate of 70% and above is acceptable and therefore, a response rate of 95.4% was satisfactory for data analysis. Table 4.1 shows the response rate.

Table 4. 1: Response rate

Category	Frequency	Percentage
Administered	109	100.0
Returned	104	95.4

Source (Researcher, 2017)

4.3 Demographic Characteristics of the respondents

Among the demographic information sought were; gender, age, department, period, years of work, education. The respondents were first asked to indicate their gender. This is shown in Table 4.2.

Table 4. 2: Gender of the respondents

Category	Frequency	Percent
Male	60	57.7
Female	44	42.3
Total	**104**	**100.0**

Source (Researcher, 2017)

Table 4.2 shows that majority 60(57.7%) of the respondents were male while 44(42.3%) were female. This implies that employment in the real estate obeys a third gender rule as per the constitution of Kenya. The respondents were further asked to indicate their age. This is presented in Table 4.3.

Table 4. 3: Age of the respondents

Category	Frequency	Percent
20-24 years	20	19.2
25-29 years	24	23.1
30-34 years	15	14.4
35-39 years	14	13.5
40-44 years	14	13.5
45-49 years	9	8.7
50-54 years	3	2.9
55 years	5	4.8
Total	**104**	**100.0**

Source (Researcher, 2017)

Table 4.3 shows that majority 24(23.1%) of the respondents were 25-29 years, 20(19.2%) 20-24 years, 15(14.4%) 30-34 years, 14(13.5%) 35-39 years, a similar 14(13.5%) 40-44 years, 9(8.7%) 45-49 years, 5(4.8%) 55 years and 3(2.9%). Moreover, the respondents were asked to indicate the department. This is presented in Table 4.4.

Table 4. 4: Department of the respondents

Category	Frequency	Percent
Finance	31	29.8
Procurement	20	19.2
Customer care	21	20.2
Human resource	16	15.4
Engineering	16	15.4
Total	**104**	**100.0**

Source (Researcher, 2017)

Table 4.4 shows that majority 31(29.8%) of the respondents were from finance department, 21(20.2%) customer care, 20(19.2%) procurement, 16(15.4%) human resource and another 16(15.4%) from engineering department. Thereafter, the respondents were asked to indicate the period they had worked in the real estate. This is presented in Table 4.4.

Table 4. 5: Period worked in the real estate

Category	Frequency	Percent
Less than 1 year	13	29.8
Between 2-4 years	33	19.2
Between 5-7 years	21	20.2
Between 8-10years	18	15.4
Above 10 years	19	15.4
Total	**104**	**100.0**

Source (Researcher, 2017)

Table 4.5 shows that majority 33(19.2%) of the respondents had worked in the real estate sector for 2-4 years, 21(20.2%) 5-7 years, 19(15.4%) above 10 years, 18(15.4%) 8-10 years and 13(29.8%) for less than 1 year. This implies that most of the respondents have worked for a period of 2-7 years. Lastly, the respondents were asked to indicate their level of education. This is presented in Table 4.5.

Table 4. 6: Level of education for the respondents

Category	Frequency	Percent
Certificate	15	14.4
Diploma	23	22.1
Degree	48	46.6
Master	18	17.3
Total	**104**	**100.0**

Source (Researcher, 2017)

Table 4.6 shows that majority 48(46.6%) of the respondents were degree holders, 23(22.1%) diploma, 18(17.3%) master and 15(4.4%). This implies that most of the respondents are degree and diploma holder.

4.4 Effects of financial factors on real estate investment

The study established how financial factors influenced real estate investment: A case of Uasin Gishu County, Kenya. The analysis, therefore, opens with the descriptive statistics (frequency and percentage). The respondents were first asked to indicate whether financial factors influenced the growth and development of real estate investment. This is shown in Table 4.7.

Table 4. 7: Whether financial factor affect real estate investment

Category	Frequency	Percent
Yes	85	81.7
No	19	18.3
Total	**104**	**100.0**

Source (Researcher, 2017)

As shown ion Table 4.7 majority 85(81.7%) of the respondents indicated that financial factors affected real estate investment while 19(18.3%) indicated that it did not. This concurs with the findings of Wisniewski (2011) who indicates that the processes occurring in real estate are subject to different impulses, and these impulses are different depending on the financial and economic situation of a country. If yes, the respondents were asked to indicate how the financial factors affected the real estate investment. This is shown in Table 4.8.

Table 4. 8: How financial factor affect real estate investment

Category	**Frequency**	**Percent**
Reduces the pace of development	40	47.0
Rates are high hence investors avoid them	26	30.6
Current rates are favorable	19	22.4
Total	**85**	**100.0**

Source (Researcher, 2017)

As shown ion Table 4.8 majority 40(47.0%) of the respondents who indicated that financial factors affected real estate investment were of the opinion that it reduced the pace of development, 26(30.6%) rates were high hence investors avoided them and 19(22.4%) that rates were favorable. Besides, the study determined the respondents' level of agreement on a five point Likert scale of the financial factors (Table 4.9).Where; 1=strongly disagree, 2=Disagree, 3=Undecided, 4= Agree and 5= Strongly Agree.

Table 4. 9: Statement on financial factors and real estate investment

Statements		SD	D	U	A	SA	MEAN
The fall in nominal interest rate	F	16	19	22	33	14	**3.10**
stimulate additional investments	**%**	**15.4**	**18.3**	**21.2**	**31.7**	**13.5**	
Higher inflation encourage additional	F	11	15	28	38	12	**3.24**
real estate investments	**%**	**10.6**	**14.4**	**26.9**	**36.5**	**11.5**	
Higher income enhances the real	F	9	13	25	38	19	**3.43**
estate investments	**%**	**8.7**	**12.5**	**24.0**	**36.5**	**18.3**	
High discount rate stimulates the real	F	18	16	19	32	19	**3.17**
estate investment	**%**	**17.3**	**15.4**	**18.3**	**30.8**	**18.3**	

Source (Researcher, 2017)

Table 4.9 shows that 33(31.7%) of the respondents agreed with the statement that the fall in nominal interest rate stimulated additional investments, 22(21.2%) of the respondents were undecided, 19(18.3%) disagreed, 16(15.4%) strongly disagreed and 14(13.5%) strongly agreed with the statement. The study findings suggested that the respondents were undecided (Mean=3.10) on whether the fall in nominal interest rate stimulated additional investments. This implies that when nominal interest are fall more investment is somehow likely to be realized. This concurs with the findings of Mishkin (2007) that the fall in nominal interest rate also leads to increased price expectations, higher inflation and a further decline in real interest rate, which stimulate additional investments and production.

In addition, 38(36.5%) of the respondents agreed with the statement that higher inflation encouraged additional real estate investments, 28(26.9%) of the respondents were undecided, 15(14.4%) disagreed, 12(11.5%) strongly agreed and 11(10.6%)

strongly disagreed with the statement. It emerged from the study that the respondents were undecided (Mean=3.24) on whether higher inflation encouraged additional real estate investments. This implies that when inflation is high more investment is somehow likely to be realized. This concurs with the findings of Mishkin (2007) that higher inflation stimulate additional investments and production.

Similarly, 38(36.5%) of the respondents agreed with the statement that the higher income enhanced the real estate investments, 25(24.0%) of the respondents were undecided, 19(18.3%) strongly agreed, 18(17.3%) strongly disagreed and 16(15.4%) disagreed with the statement. The study findings suggested that the respondents were undecided (Mean=3.43) on whether higher income enhanced the real estate investments. This implies that when income is high more investment is somehow likely to be realized. This concurs with the findings of Gabriel et al (2005) that housing affordability as a term usually denoting the maximum amount of income which households should be expected to pay for their housing.

Lastly, 32(30.8%) of the respondents agreed with the statement that high discount rate stimulated the real estate investment, 19(18.3%) of the respondents were undecided, a similar 19(18.3%) strongly agreed, 18(17.3%) strongly disagreed and 16(15.4%) disagreed with the statement. It emerged from the study that the respondents were undecided (Mean=3.17) on whether high discount rate stimulated the real estate investment. This implies that when discount rate is high more investment is somehow likely to be realized. This supports the findings of Abraham (2009) that high discount rate stimulate the real estate investment. Lastly the respondents were asked to indicate what they ought to be done to improve the status of the financial factors. This is shown in Table 4.9.

Table 4. 10: What ought to be done to improve the financial factors

Category	Frequency	Percent
Reduction interest rates	25	24.0
Plan well for expenses	16	15.4
Government regulations	28	26.9
Analyzing critically	24	23.1
Educate individual/trainings	11	0.6
Total	**104**	**100.0**

Source (Researcher, 2017)

As shown ion Table 4.10 majority 28(26.9%) of the respondents indicated that in order to improve the financial factors, there should be government regulations, 25(24.0%) reduction in interest rates, 24(23.1%) analyzing critically, 16(15.4%) planning well for expenses and 11(0.6%) that the individuals should be educated.

4.5 How population growth influence real estate investment

The study determined how population growth influenced Real estate investment: A case of Uasin Gishu County, Kenya. The analysis, therefore, opens with the descriptive statistics (frequency and percentage). The respondents were first asked to indicate whether population growth has influenced real estate investment. This is shown in Table 4.11.

Table 4. 11: Whether population growth affect real estate investment

Category	Frequency	Percent
Yes	98	94.2
No	6	5.8

Category	Frequency	Percent
Yes	98	94.2
No	6	5.8
Total	**104**	**100.0**

Source (Researcher, 2017)

As shown ion Table 4.11 majority 98(94.2%) of the respondents indicated that population growth affected real estate investment while 6(5.8%) indicated that it did not. This is in line with the findings of Government's Metropolitan Strategy (2005) that the rising population in the cities has been identified as a contributing factor in rising housing costs, to the extent that housing affordability has been declining in Australia. Sydney's population continues to grow and the NSW. If yes, the respondents were asked to indicate the main influence of the population growth on the real estate investment. This is shown in Table 4.12.

Table 4. 12: Main influence of population growth on real estate investment

Category	Frequency	Percent
Has led to improved housing	50	51.0
Has led to increase in cost of houses	27	27.6
Has led to shortage of housing	15	15.3
Has led to high building costs	6	6.1
Total	**98**	**100.0**

Source (Researcher, 2017)

As shown ion Table 4.12 majority 50(51.0%) of the respondents who indicated that population growth influenced real estate investment were of the opinion that it led to improved housing, 27(27.6%) increased in cost of houses, 15(15.3%) shortage of housing and 6(6.1%) high building cost. This supports the findings of Yates and Gabriel (2006) that as having 'housing stress', those in the nation's lowest two income quintiles (40 percent) that need more than 30 percent of their disposable income for housing and refer to it as the ‘30/40 rule’. Besides, the study determined the respondents’ level of agreement on a five point Likert scale of the population growth (Table 4.13).Where; 1=strongly disagree, 2=Disagree, 3=Undecided, 4= Agree and 5= Strongly Agree.

Table 4. 13: Statement on population growth and real estate investment

Statements		**SD**	**D**	**U**	**A**	**SA**	**MEAN**
High birth rate stimulate real estate	F	14	25	13	30	22	**3.20**
investments	**%**	**13.5**	**24.0**	**12.5**	**28.8**	**21.2**	
Low death rate encourage real estate	F	15	21	21	28	19	**3.14**
investments	**%**	**14.4**	**20.2**	**20.2**	**26.9**	**18.3**	
High rate of immigration enhances	F	15	19	19	28	23	**3.24**
real estate investments	**%**	**14.4**	**18.3**	**18.3**	**26.9**	**22.1**	

Source (Researcher, 2017)

Table 4.13 shows that 30(28.8%) of the respondents agreed with the statement that high birth rate stimulated real estate investments, 25(24.0%) disagreed, 22(21.2%) strongly agreed, 14(13.5%) strongly disagreed and 13(12.5%) of the respondents were undecided on the statement. The study findings suggested that the respondents were undecided (Mean=3.20) on whether the high birth rate stimulated real estate investments. This implies that when there is high birth rate, more investment is somehow likely to be realized.

In addition, 28(26.9%) of the respondents agreed with the statement that low death rate encouraged real estate investments, 21(20.2%) of the respondents were undecided, 21(20.2%) disagreed, 19(18.3%) strongly agreed and 15(14.4%) strongly disagreed with the statement. It emerged from the study that the respondents were undecided (Mean=3.14) on whether low death rate encouraged real estate investments. This implies that when there is low death rate, more investment is somehow likely to be realized.

Lastly, 28(26.9%) of the respondents agreed with the statement that high rate of immigration enhanced real estate investments, 23(22.1%) strongly agreed, 19(18.3%) of the respondents were undecided, a similar 19(18.3%) disagreed and 15(14.4%) strongly disagreed with the statement. It emerged from the study that the respondents were undecided (Mean=3.24) on whether high rate of immigration enhanced real estate investments. This implies that when there is high immigration rate, more investment is somehow likely to be realized.

4.6 How house price influence real estate investment

The study established how house price influenced real estate investment: A case of Uasin, Kenya. The analysis, therefore, opens with the descriptive statistics (frequency and percentage). The respondents were first asked to indicate whether house price has influenced real estate investment. This is shown in Table 4.14.

Table 4. 14: Whether house price affect real estate investment

Category	**Frequency**	**Percent**
Yes	99	95.2
No	5	4.8
Total	**104**	**100.0**

Source (Researcher, 2017)

As shown ion Table 4.14 majority 99(95.2%) of the respondents indicated that house price affected real estate investment while 5(4.8%) indicated that it did not. This supports the findings of Ingersoll (2012) who reiterated that prices of houses have dropped about one-third over the past five years and the overall rental market has strengthened. If yes, the respondents were asked to indicate the effect of price on the real estate investment. This is shown in Table 4.15.

Table 4. 15: Effect of price on real estate investment

Category	**Frequency**	**Percent**
Reduced demand for houses	53	53.5
Has created fear in development	25	25.3
Has bought in the aspect of class	21	21.2
Total	**99**	**100.0**

Source (Researcher, 2017)

As shown ion Table 4.15 majority 53(53.5%) of the respondents who indicated that house price influenced real estate investment were of the opinion that it reduced demand for houses, 25(25.3%) created fear in development and 21(21.2%) had brought in the aspect of class. This supports the findings of Muchoki (2013) that most people in Kenya prefer to invest in real estate. Real estate business in Kenya entails buying a house, and it is one of the safest ways to invest your money in Kenya. This is mostly due to the fact that assets like a land and houses in Kenya have tended to almost always appreciate. Besides, the study determined the respondents' level of agreement on a five point Likert scale of the house price (Table 4.16).Where; 1=strongly disagree, 2=Disagree, 3=Undecided, 4= Agree and 5= Strongly Agree.

Table 4. 16: Statement on house price and real estate investment

Statements		SD	D	U	A	SA	MEAN
High cost of material stimulate real estate investments	F	16	25	25	27	11	**2.92**
	%	**15.4**	**24.0**	**24.0**	**26.0**	**10.6**	
High cost of land encourage real estate investments	F	13	16	31	27	17	**3.18**
	%	**12.5**	**15.4**	**29.8**	**26.0**	**16.3**	
High cost of construction regulators enhances real estate	F	18	5	30	34	17	**3.26**
	%	**17.3**	**4.8**	**28.8**	**32.7**	**16.3**	

Source (Researcher, 2017)

Table 4.16shows that 27(26.0%) of the respondents agreed with the statement that high cost of material stimulated real estate investments, 25(24.0%) disagreed, a similar 25(24.0%) of the respondents were undecided, 16(15.4%) strongly disagreed and 11(10.6%) of the respondents strongly agreed with the statement. The study findings suggested that the respondents were almost undecided (Mean=2.92) on whether the high cost of material stimulated real estate investments. This implies that when there is high cost of materials, less investment is somehow likely to be realized.

In addition, 31(29.8%) of the respondents were undecided on whether high cost of land encouraged real estate investments, 27(26.0%) agreed, 17(16.3%) strongly agreed, 16(15.4%) disagreed and 13(12.5%) strongly disagreed with the statement. It emerged from the study that the respondents were undecided (Mean=3.18) on whether high cost of land encouraged real estate investments. This implies that when there is high cost of land, more investment is somehow likely to be realized.

Lastly, 34(32.7%) of the respondents agreed with the statement that high cost of construction regulators enhanced real estate, 30(28.8%) of the respondents were undecided, 18(17.3%) strongly disagreed, 17(16.3%) strongly agreed and 5(4.8%) of the respondents disagreed with the statement. It emerged from the study that the respondents were undecided (Mean=3.26) on whether high cost of construction regulators enhanced real estate. This implies that when there is high cost of construction regulators, more investment is somehow likely to be realized. Lastly the respondents were asked to indicate what should be done to regulate property prices. This is shown in Table 4.17.

Table 4. 17: Property prices regulations

Category	**Frequency**	**Percent**
Reduction of construction cost	16	15.4
Regulation of land rates	4	3.8
Standard costs	39	37.5
Government restrictions	20	19.2
Subsidy of building materials	15	14.4
Improves financial structure	10	9.6
Total	**104**	**100.0**

Source (Researcher, 2017)

As shown ion Table 4.17 majority 39(37.5%) of the respondents indicated that in order to regulate property prices, there should be standard property cost, 20(19.2%) government restrictions, 16(15.4%) reduction in cost of construction, 15(14.4%) subsidy of building materials, 10(9.6%) improved financial structures and 4(3.8%) that land rates should be regulated.

4.7 How infrastructural development influence real estate investment

The study assessed how infrastructural development influenced real estate investment: A case of Uasin, Kenya. The analysis, therefore, opens with the descriptive statistics (frequency and percentage). The respondents were first asked to indicate whether infrastructural development has influenced real estate investment. This is shown in Table 4.18.

Table 4. 18: Whether infrastructure affect real estate investment

Category	Frequency	Percent
Yes	101	97.1
No	3	2.9
Total	**104**	**100.0**

Source (Researcher, 2017)

As shown ion Table 4.18 majority 101(97.1%) of the respondents indicated that infrastructure influenced real estate investment while 3(2.9%) indicated that it did not. This supports the findings of Ajibola *et al*., (2010) that infrastructure does not only affect production and consumption directly, it also creates many direct and indirect externalities. The respondents were further asked to rate the effectiveness of infrastructural development on real estate investment. Where; 1=Effective, 2=Moderate and 3=Ineffective. This is shown in Table 4.19.

Table 4. 19: Effectiveness of infrastructural development real estate investment

Statements		Effective	Moderate	Ineffective	MEAN
Transport network	F	62	28	14	**1.5**
	%	**59.6**	**26.9**	**13.5**	
Social amenities	F	48	33	23	**1.8**
	%	**46.2**	**31.7**	**22.1**	
Industrial development	F	30	35	19	**1.9**
	%	**28.8**	**52.9**	**18.3**	
Educational	F	50	40	14	**1.7**
infrastructure	**%**	**48.1**	**38.5**	**13.5**	
Commercial structure	F	31	50	23	**1.9**
	%	**29.8**	**48.1**	**22.1**	

Source (Researcher, 2017)

Table 4.19 shows that 62(59.6%) of the respondents indicated that transport network effectively stimulated real estate investment, 28(26.9%) moderately and 14(13.5%) ineffectively. The study findings suggested that transport network tended to, moderately (Mean=1.5) stimulate real estate investments. This implies that transport network moderately stimulate real estate investment. This supports the findings of Boucq and Stratec (2011) undertook a study on the effect of rail transport infrastructure on property prices in France and found that infrastructure developments lead to property gains.

Similarly, 48(46.2%) of the respondents indicated that social amenities effectively stimulated real estate investment, 33(31.7%) moderately and 23(22.1%) ineffectively stimulated. It emerged from the study that social amenities almost, moderately (Mean=1.8) stimulated real estate investments. This implies that social amenities moderately stimulate real estate investment. Nubi (2003) who describes infrastructure as the aggregate of all facilities that allows a city to function effectively. It is also seen as a wide range of economic and social facilities crucial to creating an enabling environment for economic growth and enhances quality of life.

Additionally, 35(52.9%) of the respondents indicated that industrial development moderately stimulated real estate investment, 30(28.8%) effectively and 19(18.3%) ineffectively stimulated. The study findings suggested that transport development almost, moderately (Mean=1.9) stimulated real estate investments. This implies that industrial development moderately stimulate real estate investment. This is in line with the findings of Canning and Pedroni (2008) indicate that there is a positive correlation between improved infrastructure and economic growth.

On the effectiveness of educational infrastructure on real estate investment, 50(48.1%) of the respondents indicated that it effectively stimulated, 40(38.5%) moderately and 14(13.5%) that it ineffectively stimulated. It emerged from the study that educational infrastructure almost, moderately (Mean=1.7) stimulated real estate investments. This implies that educational infrastructure moderately stimulate real estate investment. This supports the findings of Lucas (2010) indicates that homes in high-performing school districts sell for higher prices than homes in low-performing school districts holding all other factors constant.

Moreover, 50(48.1%) of the respondents indicated that commercial structure moderately stimulated real estate investment, 31(29.8%) effectively and 23(22.1%) that it ineffectively stimulated. The study findings suggested that commercial structures almost, moderately (Mean=1.9) stimulated real estate investments. This implies that commercial structures moderately stimulate real estate investment. This concurs with the findings of Nubi (2003) who describes infrastructure as the aggregate of all facilities that allows a city to function effectively. It is also seen as a wide range of economic and social facilities crucial to creating an enabling environment for economic growth and enhances quality of life. The study then assessed the respondents' level of agreement on a five point Likert scale of the infrastructural development (Table 4.20).Where; 1=strongly disagree, 2=Disagree, 3=Undecided, 4= Agree and 5= Strongly Agree.

Table 4. 20: Statement on infrastructural development and real estate investment

Statements		**SD**	**D**	**U**	**A**	**SA**	**MEAN**
Adequate transport network leads to	F	11	15	12	35	31	**3.58**
property gains	**%**	**10.6**	**14.4**	**11.5**	**33.7**	**29.8**	
Social amenities stimulates real estate	F	10	4	27	36	27	**3.63**
investments	**%**	**9.6**	**3.8**	**26.0**	**34.6**	**26.0**	
Educational infrastructure enhances	F	7	13	12	45	27	**3.69**
the real estate investments	**%**	**6.7**	**12.5**	**11.5**	**43.3**	**26.0**	
Industrial development encourages	F	9	8	21	34	32	**3.69**
the real estate investments	**%**	**8.7**	**7.7**	**20.2**	**32.7**	**30.8**	

Source (Researcher, 2017)

Table 4.20 shows that 35(33.7%) of the respondents agreed with the statement that adequate transport network led to property gains, 31(29.8%) strongly agreed, 15(14.4%) disagreed, 12(11.5%) of the respondents were undecided and 11(10.6%) of the respondents strongly disagreed with the statement. The study findings suggested that the respondents tended to agree (Mean=3.58) that adequate transport network led to property gains. This implies that when there is adequate transport network, more investment is likely to be realized. This supports the findings of Boucq and Stratec

(2011) who undertook a study on the effect of rail transport infrastructure on property prices in France and found that infrastructure developments lead to property gains.

In addition, 36(34.6%) of the respondents agreed with the statement that social amenities stimulated real estate investments, 27(26.0%) strongly agreed, a similar 27(26.0%) of the respondents were undecided, 10(9.6%) strongly disagreed and 4(3.8%) of the respondents disagreed with the statement. It emerged from the study that the respondents tended to agree (Mean=3.63) that social amenities stimulated real estate investments. This implies that when there is an adequate social amenity, more investment is likely to be realized. This supports the findings of Hammer et al (2000) suggest that a residential property user may be prepared to pay a high value for a property depending on his consideration for basic facilities such as accessibility, water, and electricity.

Similarly, 45(43.3%) of the respondents agreed with the statement that educational infrastructure enhanced the real estate investments, 27(26.1%) strongly agreed, 13(12.5%) disagreed, 12(11.5%) of the respondents were undecided and 7(6.7%) of the respondents strongly disagreed with the statement. The study findings suggested that the respondents tended to agree (Mean=3.69) that educational infrastructure enhanced the real estate investments. This implies that when there is good educational infrastructure, more investment is likely to be realized. This is in line with the findings of Black (2010) that more people are more willing to live in a neighborhood with good schools even if it means paying higher taxes.

Lastly, 34(32.7%) of the respondents agreed with the statement that industrial development encouraged the real estate investments, 32(30.8%) strongly agreed, 21(20.2%) of the respondents were undecided, 9(8.7%) strongly disagreed and

8(7.7%) of the respondents disagreed with the statement. It emerged from the study that the respondents tended to agree (Mean=3.69) that industrial development stimulated real estate investments. This implies that when there is improved industrial development, more investment is likely to be realized. This concurs with the finding of Adebayo (2012) who indicates that one of the determinants of the property values is infrastructural facilities, the preserve of which leads to appreciation of property values and its absence affects neighborhood prices adversely.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusion and recommendations. The chapter thus, begins with the summary of the findings.

5.2 Summary of the findings

5.2.1 Effects of financial factors on real estate investment

On whether financial factors influenced real estate investment, majority 85(81.7%) of the respondents indicated that it was. Of those who indicated that financial factors affected real estate investment, majority 40(47.0%) opined that it affected it by reducing the pace of development. Moreover, the study findings suggested that the respondents were undecided (Mean=3.10) on whether the fall in nominal interest rate stimulated additional investments. Similarly, it emerged from the study that the respondents were undecided (Mean=3.24) on whether higher inflation encouraged additional real estate investments. Additionally, the study findings suggested that the respondents were undecided (Mean=3.43) on whether higher income enhanced the real estate investments. Lastly, it emerged from the study that the respondents were undecided (Mean=3.17) on whether high discount rate stimulated the real estate investment. On how to improve the financial factors, majority 28(26.9%) of the respondents indicated that, there should be government regulations.

5.2.2 How population growth influence real estate investment

On whether population growth influenced real estate investment, majority 98(94.2%) of the respondents indicated that it was. Of those who indicated that population growth influenced real estate investment, majority 50(51.0%) opined that it that it led to improved housing. Moreover, the study findings suggested that the respondents were undecided (Mean=3.20) on whether the high birth rate stimulated real estate investments. Similarly, it emerged from the study that the respondents were undecided (Mean=3.14) on whether low death rate encouraged real estate investments. Lastly, it emerged from the study that the respondents were undecided (Mean=3.24) on whether high rate of immigration enhanced real estate investments.

5.2.3 How house price influence real estate investment

On whether house price influenced real estate investment, majority 99(95.2%) of the respondents indicated that it was. Of those who indicated that house price influenced real estate investment, majority 53(53.5%) opined that it reduced demand for houses. Moreover, the study findings suggested that the respondents were almost undecided (Mean=2.92) on whether the high cost of material stimulated real estate investments. Similarly, it emerged from the study that the respondents were undecided (Mean=3.18) on whether high cost of land encouraged real estate investments. Additionally, it emerged from the study that the respondents were undecided (Mean=3.26) on whether high cost of construction regulators enhanced real estate. Lastly, on what ought to be done to regulate property prices, majority 39(37.5%) of the respondents indicated that in order to regulate property prices.

5.2.4 How infrastructural development influence real estate investment

On whether infrastructural development influenced real estate investment, majority 101(97.1%) of the respondents indicated that it was. On the effectiveness of infrastructural development on real estate development, the study findings suggested that transport network tended to, moderately (Mean=1.5) stimulate real estate investment. Social amenities, transport development, educational infrastructure and commercial structures had almost, moderately stimulated real estate investment at (Mean=1.8; Mean=1.9; Mean=1.7 and Mean=1.9) respectively.

Moreover, the study findings suggested that the respondents tended to agree (Mean=3.58) that adequate transport network led to property gains. Similarly, it emerged from the study that the respondents tended to agree (Mean=3.63) that social amenities stimulated real estate investments. Additionally, the study findings suggested that the respondents tended to agree (Mean=3.69) that educational infrastructure enhanced the real estate investments. Lastly, it emerged from the study that the respondents tended to agree (Mean=3.69) that industrial development stimulated real estate investments.

5.3 Conclusion

In regard to the literature review, findings and discussions, the study concluded that financial factors, population growth, house price and infrastructural development influence real estate investment. Therefore, on the effects of financial factors on real estate investment, it is concluded that financial factors reduces the pace of development. Moreover, nominal interest rate, higher inflation, higher income and high discount rate sometimes increase the real estate investment.

On the effects of population growth on real estate investment, it is concluded that population growth improves housing. Thus, high birth rate, low death rate and high rate of immigration sometimes increase the real estate investment. Additionally, it is concluded that house price reduces demand for houses. Therefore, high cost of material, high cost of land, high cost of construction regulators sometimes increase the real estate investment. Lastly, it is concluded that infrastructural development. That is, transport network, social amenities, educational infrastructure and commercial structures moderately stimulate real estate investment. Therefore, adequate transport network, social amenities, educational infrastructure, industrial development improves the real estate investment.

5.4 Policy Recommendations

The findings of the study suggested that the in order to regulate property prices, the construction companies, private developers, property agents and government regulators should ensure standard property cost, government restrictions, reduction in cost of construction, subsidy of building materials, improved financial structures and regulated land rates.

Moreover, to improve the financial factors, there should be government regulations, reduction in interest rates, analyzing of real investment critically, planning well for expenses and that the individuals should be educated.

5.5 Recommendation for further studies

Further study should be narrowed down to the effect of each (financial factors, population growth, house price and infrastructural development) on real estate investment. A further study should be done on the mediating effect of the demographic variables on the relationship between (financial factors, population growth, house price and infrastructural development) and real estate investment.

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QUESTIONNAIRES

My name is Peter Ajith Chol. I am a post graduate student at University of Nairobi and carrying out a research on the, "**factors influencing real estate investment in Kenya: A case of Uasin Gishu County"**. Being one of the respondents; you have been selected to participate in this study. The information that you will give will be treated with greatest confidentiality and be used for academic purposes. Fill in your responses in the spaces provided in each of the questionnaire items.

INSTRUCTIONS

a. Please answer all questions if possible.

b. Where questions require written answers let answers be brief.

Section A: Demographic information

1. What is your gender (please tick one)

Male ☐

Female ☐

2. Indicate your age bracket.

20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55 years and above

3. In which department do you work in? (Please tick one)

Finance

Procurement

Customer care

Human resource

Engineering

4. For how long have you been working in the organization?

Less than 1 year

Between 2-4 years

Between 5-7 years

Between 8-10 years

Above 10 years

5. Indicate your education level?

Certificate

Diploma

Degree

Masters

SECTION B: FINANCIAL FACTORS

1. Does the financial factor influence growth and development of real estate investment?

Yes

No

7. If yes, how does the financial factor influence growth and development of real estate investment?

Reduces the pace of development ☐

Rates are high hence investors avoid them ☐

Current rates are favorable ☐

8. Please circle the number that represents your level of agreements with each of the following statements on financial factors. Use the scale provided: **1=strongly Disagree, 2= Disagree, 3= Undecided, 4=Agree and 5= strongly Agree**

Statements					
The fall in nominal interest rate stimulate additional investments	**1**	**2**	**3**	**4**	**5**
Higher inflation encourage additional real estate investments	**1**	**2**	**3**	**4**	**5**
Higher income enhances the real estate investments	**1**	**2**	**3**	**4**	**5**
High discount rate stimulates the real estate investment	**1**	**2**	**3**	**4**	**5**

9. What do you think needs to be done to improve the status of the financial factors?

____

SECTION C: POPULATION GROWTH

10. Has the population growth influenced real estate investment?

Yes ☐

No ☐

11. If yes, what is the main influence of population growth on real estate investment?

Has led to improved housing ☐

Has led to an increase in costs of houses ☐

Has led to shortage in housing ☐

Has led to high building costs ☐

12. Please circle the number that represents your level of agreements with each of the following statements on population growth. Use the scale provided: **1=strongly Disagree, 2= Disagree, 3= Undecided, 4=Agree and 5= Strongly Agree**

Statements					
High birth rate stimulate real estate investments	**1**	**2**	**3**	**4**	**5**
Low death rate encourage real estate investments	**1**	**2**	**3**	**4**	**5**
High rate of immigration enhances real estate investments	**1**	**2**	**3**	**4**	**5**

SECTION D: HOUSE PRICE

13. Do you think house price influences real estate growth?

Yes ☐

No ☐

14. If yes, what is the effect of price on real estate development?

Reduced demand for houses ☐

Has created fear in developments ☐

Has brought in the aspect of class ☐

15. Please circle the number that represents your level of agreements with each of the following statements on house prices. Use the scale provided: **1=strongly Disagree, 2= Disagree, 3= Undecided, 4=Agree and 5= strongly Agree**

Statements	**1**	**2**	**3**	**4**	**5**
High cost of material stimulate real estate investments					
High cost of land encourage real estate investments					
High cost of construction regulators enhances real estate					

16. What do you think should be done to regulate property prices?

SECTION D: INFRASTRUCTURE

17. Do you think infrastructure development influences real estate growth?

Yes ☐

No ☐

18. Rate the effectiveness of the following infrastructural development on real estate investment

Rate / Infrastructure	Effective	Moderate	Ineffective
Transport			
Social amenities			
Industrial development			
Education			
Commercial structure			

19. Please circle the number that represents your level of agreements with each of the following statements on infrastructure. Use the scale provided: **1=strongly Disagree, 2= Disagree, 3= Undecided, 4=Agree and 5= strongly Agree**

Statements					
Adequate transport network leads to property gains	**1**	**2**	**3**	**4**	**5**
Social amenities stimulates real estate investments	**1**	**2**	**3**	**4**	**5**
Educational infrastructure enhances the real estate investments	**1**	**2**	**3**	**4**	**5**
Industrial development encourages the real estate investments	**1**	**2**	**3**	**4**	**5**

FACTORS INFLUENCING REAL ESTATE INVESTMENT IN KENYA; A CASE OF UASIN GISHU COUNTY, KENYA

by writer writer

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