



ASHESI UNIVERSITY COLLEGE

A Market Research Study on Selected Geographic Zones in Accra for the Development
of a 50 – 100 Multifamily Rental Housing Unit.

APPLIED PROJECT

B. Sc. Business Administration

Eugene Nanakyere Afranie

April 2017



A Market Research Study on Selected Geographic Zones in Accra for the Development
of a 50 – 100 Multifamily Rental Housing Unit.

APPLIED PROJECT

Eugene Nanakyere Afranie

ASHESI UNIVERSITY COLLEGE

Applied Project Report submitted to the Department of Business Administration, Ashesi
University College in partial fulfilment of the requirement for the award of Bachelor of
Science degree in Business Administration

April 2017

DECLARATION

I hereby declare that this Applied Project Report is the result of my own research work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature:

Candidate's Name: Eugene Nanakyere Afranie

Date:

I hereby declare that the preparation and presentation of the Applied Project Report were supervised in accordance with the guidelines on supervision of applied projects laid down by Ashesi University College

Supervisor's Signature:

Supervisor's Name: Dr. Sena Agbodjah Agyepong

Date:

ACKNOWLEDGEMENT

I am extremely grateful to God Almighty for his guidance and everlasting love throughout the lifetime of this project.

My greatest appreciation goes to my supervisor, Dr. Sena Agbodjah Agyepong and Mr. Cyril Tay for coaching and supporting me in every step of this Applied Project.

My sincerest gratitude goes out to my dearest parents, Mr. Richard Lomotey and Ms. Eugenia Pardie Lomotey, and my siblings; Kenneth, Gracejoy, Nii Sackey, Naa Ameley and Mary for being my financial and emotional backbone throughout this study.

I am thankful to my friends for their encouraging and inspirational words that carried me through this study. Finally, to all who ensured the completion of this project, and to Ashesi University College I say a big thank you.

EXECUTIVE SUMMARY

A leading real estate developer is looking into developing 50-100 multifamily rental units at a central location in Accra. To do this, the developer needs to understand the current rental rates of multifamily units in Accra, the key areas that have a lot of these multifamily units and the profile of the tenants. As such, the goal of the study is to conduct a market research on selected geographic areas and to provide accurate market intelligence that will help capitalise on the demand for well-built, strategically located residential properties within close proximity to amenities and the key central business district of Accra.

In conducting the market research, the identified data sources includes Ghana Real Estate Developers Association (GREDA); the four main residential real estate online market platforms; Property Management Company in Ghana; current and potential tenants in Accra and property owners and managers in the selected geographic zones in Accra. After the review of the literature, internet research and interviews with the above-identified data sources, the key insights include: (a) The demand for rental accommodation is dominated by the people of the ages 25 – 45 years. (b) The most attractive geographic zones are areas in and around Cantonment and Roman Ridge. (c) To capture the perceived value of the potential tenants, the client needs to set an average rent-charge of about GHS 2,808.33 for a two bedroom unit and GHS 3,866.67 for a three bedroom unit in areas around Cantonment. For areas around Roman Ridge, the set average rent charge should be about GHS 3,375 for a two bedroom unit and GHS 4,800 for a three bedroom unit.

The analysis was done at the level of geographic zones; this classification was defined for the purpose of this research. Further market research will need to be conducted within Zones 1 and 4, to select the possible prime area that best fits the needs of the client.

TABLE OF CONTENT

DECLARATION	i
ACKNOWLEDGEMENT	ii
EXECUTIVE SUMMARY	iii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of Study	1
1.2 The Client	3
1.3 Problem Statement	4
1.4 Project Objective	4
1.4.1 Scope	5
1.4.2 Relevance of Study	6
1.5 General Environment (PESTLE Analysis)	7
1.5.1 Political	7
1.5.2 Economic	8
1.5.3 Technological	9
1.5.4 Legal	9
1.5.5 Environment	10
1.6 Strengths, Weakness, Opportunities, and Threats (SWOT) Analysis	10
1.7 Organisation of Report	14
CHAPTER TWO: PROJECT NEEDS ASSESSMENT	15
2.1 Overview of Needs Assessment	15
2.2 Methods Used in Conducting the Needs Assessment	16
2.3 Findings from the Needs Assessment	17
2.3.1 Findings from Face-to-Face Interviews	17
2.3.2 Findings from the Internet Research	19
2.4 Conclusion on Needs Assessment	21
2.5 Proposed Solution	22
CHAPTER THREE: MASTERY OF SUBJECT MATTER	23
3.1 Market Research	23
3.2 Market Research in the Real Estate Industry	24
3.2.1 The Real Estate Development Process	25
3.2.2 Market Research in the Real Estate Development Process	26
3.2.3 Fit Between Market Research and the Eight Stage Model of Real Estate Development	27

3.3 Ten Critical Questions That Market Research Must Answer	29
3.4 Empirical Review	30
3.5 How to Conduct a Real Estate Market Research.....	31
3.6 Conceptual Framework.....	32
CHAPTER 4: FINDINGS AND RESULTS	34
4.1 Research Methodology	34
4.1.1 Sample and Sampling Procedures	34
4.1.2 Data Sources	36
4.1.3 Data Collection Instrument.....	36
4.1.4 Data Analysis, Presentation and Report.....	36
4.2 Summary of Market Research Report	37
4.3 Conclusion on Market Research Study	44
4.4 Who Should Use	46
CHAPTER 5: KEY INSIGHTS, LIMITATION, AND CONCLUSION	47
5.1. Key Insights	47
5.2 Limitations	49
5.3 Conclusions	49
REFERENCES	50
APPENDICES.....	53

LIST OF TABLES

TABLE 1: SELECTED NEIGHBOURHOODS GROUPED INTO GEOGRAPHIC ZONES.....	5
TABLE 2: SWOT ANALYSIS OF PROJECT	11
TABLE 3: PERCENTAGE OF LISTINGS PER ZONES ON EACH OF THE 4-MAIN REAL ESTATE ONLINE MARKET PLATFORMS	20
TABLE 4: NUMBER OF INTERVIEWS PER EACH GEOGRAPHIC AREA.....	35

LIST OF FIGURES

FIGURE 1: SELECTED GEOGRAPHIC ZONES6

FIGURE 2: REAL ESTATE DEVELOPMENT EIGHT STAGE MODEL25

FIGURE 3: THE FOUR BASIC MARKET RESEARCHES IN THE DEVELOPMENT PROCESS28

FIGURE 4: CONCEPTUAL FRAMEWORK33

CHAPTER ONE: INTRODUCTION

1.1 Background of Study

Housing is one of the primary survival needs of humankind. A house is said to be centrally important to everyone's quality of health and life. According to Maslow (1954), there are five stages of human needs with the most basic being food, clothing, and shelter. It can be seen that these basic needs are the requirements for human survival and if these requirements are not met, it makes it difficult for people to attain higher needs. This further supports how it is important that the need for housing should be fulfilled and how humankind cannot live without a form of shelter.

With a steadily growing world population of about 7.4 billion people (Population Reference Bureau, 2016), the demand for additional housing has become increasingly important in the world. It is estimated that over the next 13 years, about two billion people will add up to the growing demand for housing and other urban infrastructure (UN HABITAT, 2016). In other words, close to about three billion people, which is estimated to be about 40% of the world's population by 2030, will need to have housing and essential infrastructural services. This translates into completing 100,000 housing units per day or 4000 per hour (UN HABITAT, 2005).

What has influenced the global demand for housing in recent times is the rate of urbanisation and the natural increase in the world's population (United Nations, 2014). Consequently, urban housing is a major problem that confronts the world. The world's urban population has grown rapidly since 1950, from 746 million to 3.9 billion in 2014 (United Nations, 2014). Globally, more people live in cities than in rural areas, in 2014 it was

estimated that about 54% of the world's population resided in urban areas. By 2050, the percentage of urban population is projected to be about 66 percent, hence showing a 12% expected increase in urban population (Department of Economic and Social Affairs (Population Division), 2015).

Owing to the fast-growing urban population, it can be deduced that more housing units need to be built yearly to accommodate newly formed families. Out of this, about 20% of these units need to be constructed in cities in Sub-Saharan Africa (Department of Economic and Social Affairs (Population Division), 2015). UN Habitat (2005), also noted that Africa is the least urbanised, but it is also the fastest urbanising continent and has a great challenge of providing housing for its urban population particularly in cities like Lagos, Accra, and Nairobi.

With a focus on Ghana, the Greater Accra Region houses the capital city of Ghana. It is the smallest of the ten administrative regions in terms of land size, occupying a total surface area of 3,245 square kilometres or 1.45% of the total land area of Ghana (Lartey, 2016). Regarding population size, it is the second most populated region, after the Ashanti Region, with a population of 4,010,054 in the 2010 census, which accounts for 15.4 % of Ghana's total population (Lartey, 2016). The region has remained the most densely populated in Ghana since 1960 (Lartey, 2016). Population density (measured as the number of persons per square kilometre) has increased from 151.6 to 1,235.8 inhabitants per kilometre square from 1960 to 2010. The percentage growth in the population density reflects the natural increase in population and migration into the region. Accra Metropolitan Assembly (AMA) which is the Capital District of the Greater Accra regions faces the greatest housing challenges due to high population density (Lartey, 2016).

The report from the 2010 Housing Census revealed 1,036,370 occupied dwelling units in the Greater Accra Region. Out of this stock of housing units, about 46.97% are being rented out, 32.41% are occupied by their owners, 18.66% are rent-free and 0.020% for other forms of holding arrangement (Ghana Statistical Services, 2010). From this, it can be deduced that there are more people renting dwelling units compared to owning units. In the past, residential rental properties were patronised or associated with low-income households, however, in recent times, it has become the primary form of housing for middle-income families and new urban inhabitants of all income levels (Salmen, 1987). In that regard, rental housing is not a new phenomenon in Ghana. The presence of the Rent Act of 1963, Act 220 evidently attests to this fact. Rental housing is most often a characteristic of urbanisation since the ease with which an individual can adjust to a city and move about is partly dependent on the nature and conditions of housing (Dzangmah, 2012). Satisfactory and affordable rental housing units should constitute a substantial component of the housing stock of every urban area (Dzangmah, 2012).

1.2 The Client

The client is a leading infill real estate developer, who works in a reputable and one of the leading real estate development companies in Accra, Ghana. He has over eight years of experience in the real estate industry. The client is looking at developing 50-100 multifamily rental housing units at a central location in Accra to capitalise on the demand for well-built and strategically located residential properties within close proximity to amenities and the central business district. The client wants to understand the current rental rates of multifamily developments, the profile of the tenants who are renting these properties, the occupancy rates of properties and the type of units that are being rented out. All this

information will aid in making decisions on how to position the product in the market and capture value through the product offering.

1.3 Problem Statement

The urbanisation of cities in Greater Accra Region has made the region more economically efficient. Cities like Accra and Tema brings together both producers and consumers of different types of commodities and services who are in search of housing units to perform their function efficiently. The need for residential accommodation in and around the central business districts in Greater Accra is growing at a fast rate as the provision of new and satisfactory housing lags behind in these districts (Dzangmah, 2012). Based on the vital role that rental accommodation plays in meeting urban housing needs, the client needs to understand the rental landscape in Accra and how to capitalise on the growing demand. This study seeks to provide market research data that will aid in the decision-making process for the development of the 50 – 100 multifamily rental housing units at a strategic location in Accra.

1.4 Project Objective

The goal of the study is to research the rental housing landscape in Accra and to provide market intelligence that will help capitalise on the demand for well-built and strategically located residential properties within close proximity to amenities and the central business district.

For the realisation of the project's objective, the research seeks to answer the following questions:

1. What are the key areas that have a lot of rental properties (Single and Multifamily Properties)?

2. What is the demographic data of tenants who are renting properties in these key areas?
3. What are the trends in rental rates in these key areas?
4. What type of housing units do current and potential tenants prefer?
5. What are the occupancy rates in these key areas?

1.4.1 Scope

Geographically the study covered Accra mainly the following neighbourhoods: Cantonment, Labone, Airport West, Roman Ridge, North Ridge, Labadi, Dzorwulu, Abelemkpe, Osu, North and West Legon, East Legon, Airport Hills and Spintex. These neighbourhoods are grouped into five zones based on their geographic proximities to each other as shown in Figure 1 and Table 1 below.

Table 1: Selected neighbourhoods grouped into geographic zones

Geographic Zones	Neighbourhoods
Zone 1	Cantonments, Labone. Osu. North Ridge and Labadi
Zone 2	Spintex and Airport Hills
Zone 3	Dzorwulu and Abelemkpe
Zone 4	Airport West and Roman Ridge
Zone 5	East, West and North Legon

Source: *Field data, 2017*

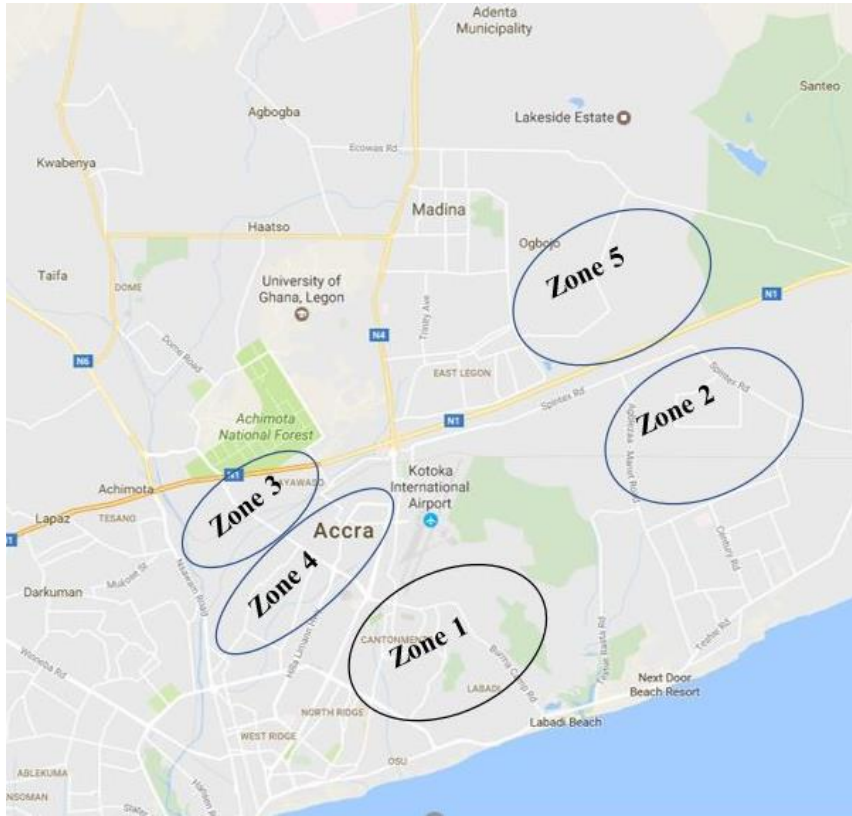


Figure 1: Selected geographic zones

Source: Google maps

Contextually the study will focus on making inferences based on the geographic zones because the listed neighbourhoods in each of these zones have similar geographic characteristics.

1.4.2 Relevance of Study

This study is relevant considering the vital role of rental housing in meeting urban housing needs in Accra. It is important that all stakeholders pay attention to all insights drawn from this study. It is the client's desire to improve human well-being through the provision decent housing; chiefly rental housing units. Hence, this study is worthwhile in achieving this desire of the client. The study will enable the client to verify the availability of demand for rental housing units and how much rent potential tenants are willing to pay.

From this study, the client will be able to ascertain the most suitable neighbourhoods and housing attributes that are most attractive to potential tenants.

1.5 General Environment (PESTLE Analysis)

A PESTLE analysis is a framework or tool used to screen the external environment of a company or project (CIMA, 2007). It is very useful for the client because, in the process of developing rental housing units, it is important to have sufficient understanding of how the external environment affects the development. This gives adequate room to assess the rental market environment and decide whether or not it will be lucrative to do business. The factors used in the analysis of the external environment include political, social, economic, technological, legal and environmental factors.

1.5.1 Political

Ghana is a stable country with a stable political environment in its 4th Republic. The stable frames of Ghana's political climate provide investors and real estate developers with the right atmosphere to conduct business peacefully. In December 2016, Ghana had her national election which led to a change in political power, followed by a peaceful transition of power. This has generally boosted the confidence of local and foreign investors to do business in Ghana. (Daily Graphic, 2017).

Likewise, another political factor that could likely affect the real estate industry is the regime policy to construct low-cost housing in less congested regions in Greater Accra. For instance, the government has built 1500 apartment units which are presently completed and selling in Borteyman; close to the Accra – Tema Motorway. Another Government project, which is being built by the Brazilian Construction firm, Messrs Construtora OAS Limited, is an 11,000-unit flat at the cost of US \$ 200 million to be completed in the Saglemi, Greater

Accra. All these novel tasks and policies by the government could cut down the available demand for accommodation in Greater Accra Region (Ogawa, & Aidoo, n.d.). These are but a few of such housing development which supports the fact that the political climate is conducive for real estate investments.

1.5.2 Economic

Broadly speaking, a bad economy has a negative consequence on real estate. In Ghana, the economy has over the years been experiencing slow growth, increasing inflation and swelling fiscal deficit (Myjoyonline, 2016). In March 2016, the country's inflation rate surged to 19.2%, the highest level in five years, mainly fueled by increases in the prices of utilities and fuel (Business Day Ghana, 2016). This marginal increase in fuel prices is likely to affect the prices of goods and services as producers and retailers prepare to pass on the cost to consumers and users (Business Day Ghana, 2016). Hence, increase in fuel prices could lead to an increase in the prices of real estate supplies.

1.5.3 Social

The growing population and the age distribution in the country contribute significantly to the real estate industry in Ghana. Research shows that the age distribution of Ghana comprises of many segments. Nevertheless, the majority of Ghana's population is the younger generation (Lamudi, 2014). 52.71% of the population are between the ages of 22 and 54 years (Lamudi, 2014). This means that there are prospects for a growing young population. From this, it can be deduced that real estate will have an increase in demand. The rise in the economy and the growth in incomes of the young and agile population also shows the possible increase in the demand for residential real estate.

1.5.3 Technological

Technological advancements have helped to improve the efficiency at which real estate properties are marketed. Social media marketing, for example, is an excellent and affordable avenue for marketing real estate developments. Also, apps such as Jumia House and Tonaton, allow individuals to purchase or rent real estate properties from the comfort of their smartphones.

Due to an increase in technology, there has been an increase in the demand for home offices (Kaplan Real Estate Education, 2016). The current technology has enabled individuals to perform most of their corporate tasks remotely from their homes, without having to go to their workplace. This should inform real estate developers to incorporate home offices in the design of real estate properties (Kaplan Real Estate Education, 2016).

1.5.4 Legal

In Ghana, traditional leaders legally own about 80% of Ghana's lands. Under the currently practised regime, traditional landowners hold full ownership of the land on behalf of their people (Asamadu, 2003). With the consent of land title holders, the land can be leased for a specified period of time to other parties. However, land ownership is returned to the original owners after the leasing period ends. Renewal of the lease can be arranged if necessary (Asamadu, 2003). One of the main challenges with this system is the lack of proper documentation coupled with the complicated traditional ownership structures. In Ghana, many disputes have arisen when more than one individual claims ownership of a particular land. Due to the absence of appropriate and accurate documentation of these transactions, it becomes difficult to prove the legitimate leaseholder of the land (Asamadu, 2003).

1.5.5 Environment

The location of a property plays a significant role in real estate projects, especially in determining its value. A report by Ghana Real Estate Developers Association indicated that two real estate properties could be put up with the same features, but their locations will determine the difference in their prices. In Ghana, lands which are closer to urban areas tend to have a higher value, and any development on that land has a higher probability of success (Lamudi, 2014).

1.6 Strengths, Weakness, Opportunities, and Threats (SWOT) Analysis

A SWOT analysis is a tool used in examining a project's internal potential and limitations, and the opportunities and threats from the external environment (Harrison, 2010). For this project, the SWOT analysis was done to help the client understand the project and effectively respond to changes in the environment. Insights from this SWOT analysis can be translated into strategic actions that will aid the client in securing a sustainable competitive advantage for the 50-100 multifamily rental units. Information used in generating this SWOT analysis was gotten from reviewing existing literature and interviews with the Director of GREDA, the Residential Team of a Leading Property Management Firm, current and potential tenants in Accra, property managers and owners in the selected geographic zones. This SWOT Analysis is particularly relevant to this study because it will help the client match the strategic actions of the project to its internal strengths and market opportunities. It will further help the client to correct significant weaknesses and defend it against external threats. Table 2 below provides a detailed SWOT analysis of this project.

Table 2: SWOT Analysis of Project

Strength	Weakness
<p>1. The client is a leading infill real estate developer in Ghana. As such, he has all the technical and industrial background to see this project to the end. Due to the client's industrial experience over the years, he has a strong network of other real estate development partners who can share their expertise on this project.</p> <p>2. All the five selected geographic zones are made up of prime areas which include Cantonments, Osu, Labadi, Labone, Spintex, Airport Hills, Abelemkpe, Dzorwulu, Roman Ridge, North Ridge, Airport West, East, West and North Legon. From the interviews with the Director of GREDA and property managers in Accra, it was clear that siting a multifamily rental development with a slightly cheaper rent than the existing high-end building will</p>	<p>1. Land value is the value of a parcel of land, as well as any improvements that have been made to it (Miles et al., 2007). The 2016 Broll Ghana report revealed that most of the prime areas in Accra do not have any unused virgin lands. As such, looking at the scope of this project; to build 50 to 100 multifamily rental units, it would require larger capital expense in the purchase of the required parcel of land.</p> <p>Also, since the demand for the limited available virgin lands is high, an investor needs to pay money to acquire a piece of land. This will affect the project by increasing the capital requirement needed to execute this project.</p>

<p>capture a lot of demand. As such, since this project hopes to fill this vacuum, the about-to-be-built multifamily developments will attract constant demand.</p> <p>3. The Town and Country Planning Department (TCPD) of Accra considered all the selected areas as residential nodes. Residential nodes are connecting areas where several major or connecting roads meet (TCPD, 2011). This means that these prime areas have access to major roads, hence making transportation easy for all inhabitants of these prime areas.</p>	
Opportunities	Threats
<p>1. Market Intelligence from a Leading Property Management Firm shows that most of these young working professionals do not have sufficient capital to either buy or rent the existing housing units in these prime areas. As such, many of the housing desires from</p>	<p>1. Political instability poses a potential threat to the real estate industry. Government changes can also lead to new laws, which may be unfavourable to the real estate industry. For example, taxes paid on real estate development can be</p>

<p>young Ghanaians are not able to materialise into a lease or rent contracts because they cannot afford the high-end properties in these areas.</p> <p>From this, it can be deduced that there is a demand for upper middle-income rental units in these prime areas; these units should be relatively cheaper than the already existing housing units in these prime areas. This emphasises the opportunity gap in the market that can be taken advantage of by potential developers and investors.</p> <p>2. Another factor that serves as an opportunity to the real estate industry is the availability of financial support for large-scale projects. There are institutions both international and local, which can help a firm finance its project when they need it. This is an opportunity because the availability of financing will help the real estate industry to expand since capital will be available.</p>	<p>increased based on the government in power.</p> <p>2. Land litigation is a threat as it halts developments. In Ghana, most stools are fond of selling lands to multiple people, and in the long run, these people go to court and fight for their right. This can cause one to lose large sums of money. Land litigation serves as a threat to the team as it makes it difficult to find a land that can be acquired peacefully to start the development.</p>
--	--

Source: *Author's own research, 2017*

1.7 Organization of Report

This report is divided into five sections. The first chapter gives a background to the study which among others includes the problem statement, the objective, client brief, the scope, PESTLE analysis and SWOT Analysis. Chapter two looks at the assessing the rental housing market to identify a market gap and its proposed solution. To fill that gap, the third chapter focuses on a review of existing literature on the proposed solution and the conceptual framework used. Chapter four primarily looks at the methodology used to conduct the market research study and the results and findings gathered from the study. Following this is chapter five which looks at key insights, limitations and conclusions drawn from the project.

CHAPTER TWO: PROJECT NEEDS ASSESSMENT

This chapter expounds on the real need of the client, the entirety of this section is known as the needs assessment or needs analysis. Considering this, the chapter explains what a needs assessment is, its relation to this study, the procedures used in conducting the needs assessment, the outcome of the needs assessment and the proposed solution that address the crust of the client's need.

2.1 Overview of Needs Assessment

A needs assessment is explained as the systematic study of a problem or an opportunity, incorporating data and opinions from varied sources to make effective decisions or recommendations about what should happen (Allison Rossett, 1987). In simple words, a needs assessment is described as a systematic process of asking questions, comparing responses, and making informed conclusions about how to solve a problem (Witkin, 2008). In the context of this study, the process of needs assessment is used to identify priorities, define outcomes and guide decisions related to appropriate actions that should be taken in addressing the objectives of a study (Witkin & Altschuld, 1995). Consequently, this needs assessment explores the opportunity of developing multifamily rental housing units in a strategic neighbourhood in Accra.

A typical needs assessment (a) identifies the data that defines the need; (b) analyses the data; (c) and provides justification for the proposed solution (Witkin, 2008). Thus, this needs assessment justifies the need and the required proposed solution by turning facts into data, data into information, and information into a valuable tool for decision-making.

2.2 Methods Used in Conducting the Needs Assessment

In the process of conducting the needs assessment, the identified data sources included the Executive Director of Ghana Real Estate Developers Association (GREDA), the four main residential real estate online market platforms and the Residential Team of a Leading Property Management Firm. GREDA was selected as a primary source of data because it is a network of real estate development partners. As such, GREDA could provide an accurate market overview on opportunities and challenges in the rental market in Accra. Also, the property management firm was selected as a primary data source because it is the first company in Ghana to offer a formalised approach to property management. Consequently, they have the largest clientele base of both property owners and tenants in Accra. Data from the property management firm helped to assess the demand and supply conditions of rental housing in Accra. Finally, data on housing units put up for rent were compiled from the four leading real estates online market platform. This data was essential in the needs assessment because it provided information on rental rates in the selected geographic zones, which zones were more saturated with rental properties and the type of units being rented out.

Face-to-Face interviews and internet research were the primary procedures used in conducting the needs assessment. The face-to-face interview was the technique used in interviewing the Director of GREDA and the Residential Team of the property management company. This method was employed because it allows for probes and follow-up questions. Hence, tailoring the interview based on the respondent's unique knowledge or industry experience (VanderStoep & Johnston, 2009). As such, the face-to-face interviews offered a rich and comprehensive view on the opportunities in Accra's rental housing market

In addition to the face to face interviews, internet research was also employed. Data was collected from the four online market platform on the various one, two and three residential housing units situated in the five selected geographic zones. These online market platforms include MeQasa.com, OLX, Jumia House and Tonaton. For the purpose of this study, information gathered from these platforms was filtered to only show one to three-bedroom housing units which had a monthly rent above GHS 2000 and were located in any of the five geographic zones. These filtering criteria were chosen because the client is looking into building either one, two or three bedroom units with a minimum monthly rent of GHS 2,000. So, focusing on these criteria helps to thoroughly assess the market opportunity which the client seeks to explore. These filtering criteria allow the client to know the geographic zones that are most dominated by developments with similar features and pricing. Hence, the client can easily identify the market gaps in the selected geographic zones.

2.3 Findings from the Needs Assessment

2.3.1 Findings from Face-to-Face Interviews

The face-to-face interview with Director of GREDA revealed that rental housing was the way to go in the quest to reduce Ghana's housing deficit of 1.7 million houses a year. He highlighted that rapid urbanisation of Accra is exacerbating the already pressing demand for housing while supply direly remains inadequate. Within the context, he further noted 65% of the current population of Accra are unable to buy a house or even qualify for a housing mortgage. As such, there is a justified need for a shift in the direction of rental housing as a critical choice to solve the housing deficit in Accra. Zooming further into the rental landscape in Accra, he mentioned that there are some opportunity gaps that developers can take advantage of in the provision of rental housing units. He explained that most developers

in Ghana prefer the option to sell rather than renting, this is because of the unavailability of patient capital as a source of funding for their projects. This has led to individual investors buying these housing units and then renting it out to other urban home seekers. It is for this reason that he believes that there is an opportunity gap for developers or investors who have the patient capital to enter the rental housing market.

Lastly, he emphasised that most of the properties being rented out in Accra are either high-end properties which are found in the prime areas like Osu, Cantonments, Labone, Roman Ridge, Airport West and East Legon. He accentuated that the market does not cater for Ghanaians who are in the upper middle-income bracket. That is people who are willing and able to pay a monthly rent between \$500 and \$1,250 (GHS 2,000 – GHS 5,000). These Ghanaians cannot afford the high-end properties in these prime areas but will be able to rent properties which are relatively lower than the high-end properties but costlier than the middle-income property. This explains an opportunity gap in the rental housing market where developers can provide rental housing units in these prime areas for people in the upper middle-income bracket.

The face-to-face interview with the Residential Team of the property management firm indicated similar views as the Director of GREDA. They explained that in Accra, there is an increasing trend in the number of inquiries for two and three-bedroom housing units in these prime areas. The increase in the number of inquiries is not only due to the growing influx of expatriates into the country, but also the quest of some locals who are willing to pay between GHS 2,200 – 4,800 to live in these prime areas. Many of these inquiries from the locals are not able to materialise into a lease or rent contracts because most of them cannot afford the high-end properties in these areas. Thus, their residential rental clientele base for these prime areas is made of 65% expatriates and 35% Ghanaians. They elucidated the 35%

Ghanaian residential clientele base in prime areas are mainly comprised of rentals made companies for their senior management or staff. From this, it can be deduced that there is a demand for upper middle-income rental units in these prime areas. This emphasises the opportunity gap in the market that can be taken advantage of by potential developers and investors.

2.3.2 Findings from the Internet Research

To complete the needs assessment, internet research was conducted. Details of the various one, two and three bedrooms' listings were collected from OLX, Tonaton, Jumia House and MeQasa. Data collected included the price per housing unit, features of the housing unit and the location of the housing unit. For each of the online real estate market platforms, jitted dotted graphs were generated, these graphs are shown Appendices 1, 2, 3 and 4. These graphs have the prices plotted against the various geographic zones. A combined jitted dot graph was not drawn because it was realised that most properties were listed on at least two of the four leading online platforms. So, having a combined jitted dot graph would not be an exaggeration of the current trend. The aim of these jitted dot graphs is to show the price density in each of the geographic zones.

It is important to note that the number of listings per the selected geographic zones differed on each of the real estate online market platforms. As seen in Table 3 below, the percentage of listing per each of the geographic zones differed on each of the real estate online market platforms.

Table 3: Percentage of listings per zones on each of the 4-main real estate online market platforms

	Geographic Zone 1	Geographic Zone 2	Geographic Zone 3	Geographic Zone 4	Geographic Zone 5	Total
JUMIA	33%	18%	15%	14%	20%	100%
Tonaton	27%	19%	14%	12%	27%	100%
OLX	30%	16%	16%	16%	22%	100%
MeQasa	26%	17%	19%	15%	24%	100%

Source: *Author's own research, 2017*

From Table 3 above, the proportion of listings for Zone 1 (Cantonments, Labone, Osu and Labadi) on each of the online market platforms ranges from 26% to 33%. Zone 1 has the highest number of listings on each of the market online platform. This shows a denser supply of housing units compared to the other zones. Critically looking at Appendices 1, 2, 3 and 4, it is noticed that Zone 1 has rent per unit ranging between GHS 3,500 and GHS 28,000. However, most of Zone 1's listings for one, two, three-bedroom rental units on four online market platforms are concentrated between GHS 8,000 and GHS 20,000 with just a few of these listings above GHS 20,000 and below GHS 8,000. Hence, this shows there is a limited supply of housing units for people who want to live in Zone 1 but cannot afford a monthly rent of about GHS 8,000 and above. As such, this creates an opportunity for investors and developers to explore the possibility of developing rental housing units in this geographic zone.

Contrastively, Zones 2, 3 and 5 had very different characteristics from Zone 1. The proportion of online listings of one, two and three bedroom units in Zones 2, 3 and 5 are averaged to be about 18%, 16%, and 24% respectively. It is observed from Appendices 1, 2, 3, and 4 that majority of the listings in these zones range between GHS 2,000 and GHS 12,000 except for a few outliers that go above GHS 12,000 as shown in Appendices 1,2,3

and 4. Undoubtedly, the supply market for housing units with rent between GHS 2,000 and GHS 12,000 is highly saturated in these zones.

In the case of Zone 4, the proportion of online listings for one, two and three bedroom units is averaged to be 15% on all the market platforms. It is observed from Appendices 1,2,3 and 4 that Zone 4's housing unit listings are sparsely distributed and more skewed upwards. The zone recorded monthly rent range between GHS 10,000 and GHS 25,000 with a couple of outliers beneath GHS10,000. It is further evident from the jittered dot graphs that Zone 4 is the least dense regarding housing supply nevertheless the rents charges in this zone are still very high. This shows that there is a limited supply of rental housings especially units with rents less than GHS 10,000. As such, this creates an opportunity for investors and developers to explore the possibility of developing rental housing units in this geographic zone.

2.4 Conclusion on Needs Assessment

Drawing on the insights gleaned from the needs assessment it was revealed that there is a substantial supply gap in the provision of rental housing units with prices within GHS2,000 and GHS8,000 in Geographic Zones 1 and 4. This gap exists because a greater number of the housing units are skewed towards the high-end portion (rent of above GHS 8000) of the rental market. Thus, there is a demand portion of this rental market that is waiting to be supplied with relatively cheaper rental units in the prime geographic zones. This gap in the rental housing market justifies the client's desire to explore the possibility of developing multifamily rental housing units in a key location in Accra.

2.5 Proposed Solution

For the client to examine the possibility of developing multifamily rental housing units in key locations in Accra, he needs to comprehend the rental landscape of Accra. He needs to understand the current rental rates of multifamily units, the key locations that seem to have a lot of multifamily units, the profile of the tenants who are renting these properties, the occupancy rates at the various rental levels and the type of units that are being rented and the features of these units. He further needs to understand who the potential tenants will be, where they currently live, how much they will pay and what drives their choices for rental housing units.

Based on the nature of information needed to understand the rental landscape, the proposed solution for the client is a Market Research Report. The market research report should provide comprehensive data analysis and insights that will help the client to capitalise on the demand for well-built, strategically located residential properties within proximity to amenities and the key commercial business districts.

CHAPTER THREE: MASTERY OF SUBJECT MATTER

This section of the document explores existing literature on market research, what it entails and how it has been applied in the real estate industry. Based on the literature on market research, this chapter also looks at the research design, sample, sampling procedures, data sources, data collection instrument and a developed conceptual framework.

3.1 Market Research

Market research is defined by the American Marketing Association (2004) as “the function that links the consumers, customers and the public to the producers or suppliers of products”. A market research uses information to identify and define gaps or opportunities in a given market. It also generates possible ways to take advantage of these opportunities by further analysing the information (Aaker et al., 2011). A market research typically specifies the information required to address these issues, designs the method for collecting data, implements the data collection process, examines and communicates the findings and their implications (Aaker et al., 2011).

Smith & Albaum (2010) profoundly explained market research to be a way of understanding the customer (purchasers, consumers, influencers), the company or producer (product design, promotion, pricing, placement, service, sales), and can also be expanded toward the environment to include competitors (how their market offerings interact in the market environment). They added that market research draws on the information provided by the consumers of a product, producers of the product, competitors of the product and the environment in which the product is found. Insights drawn from the market research are used in decision making, hence providing justification for decisions made. They further

accentuated that market research is a formalised means of acquiring accurate and timely information about customers, products, and the marketplace. They noted that market research is a tool applied in industries like real estate, manufacturing, pharmaceutical, education and construction (Smith & Albaum, 2010).

From the above discussion, it is observed that market research can help organisations in various decision-making processes, this can be put into two separate strands; (a) problem identification research and (b) problem-solving research (Shukla, 2008). The problem identification research is undertaken to help identify problems or opportunities that are not necessarily apparent on the surface and yet are likely to arise in the future (Shukla, 2008).

3.2 Market Research in the Real Estate Industry

Real estate development is the continual reconfiguration of the built environment to meet society needs (Miles, Berens, & Weiss, 2007). They described the built environment to include residential houses, office buildings, roads parks and others. The infrastructural needs of societies are continually changing, as such at every point people in the society are initiating and managing the creation of new infrastructural development, maintaining of the existing development, and even re-creating the spaces in which they live, work and play. The need for these developments is constant because the population, technology and the taste of the society never stop changing. Thus, to develop an infrastructure to fit the current needs of society, there should be a clear understanding of the changing societal taste and individual preferences. This gives rise to the necessity of a market research study in the real estate development process.

3.2.1 The Real Estate Development Process

The real estate development process is an iterative eight-stage model that is required to move from concept to completion. It encompasses activities that range from the inception of the idea to management of the development (Miles, Berens, & Weiss, 2007). Figure 2 below shows the eight stage model of the real estate development process.

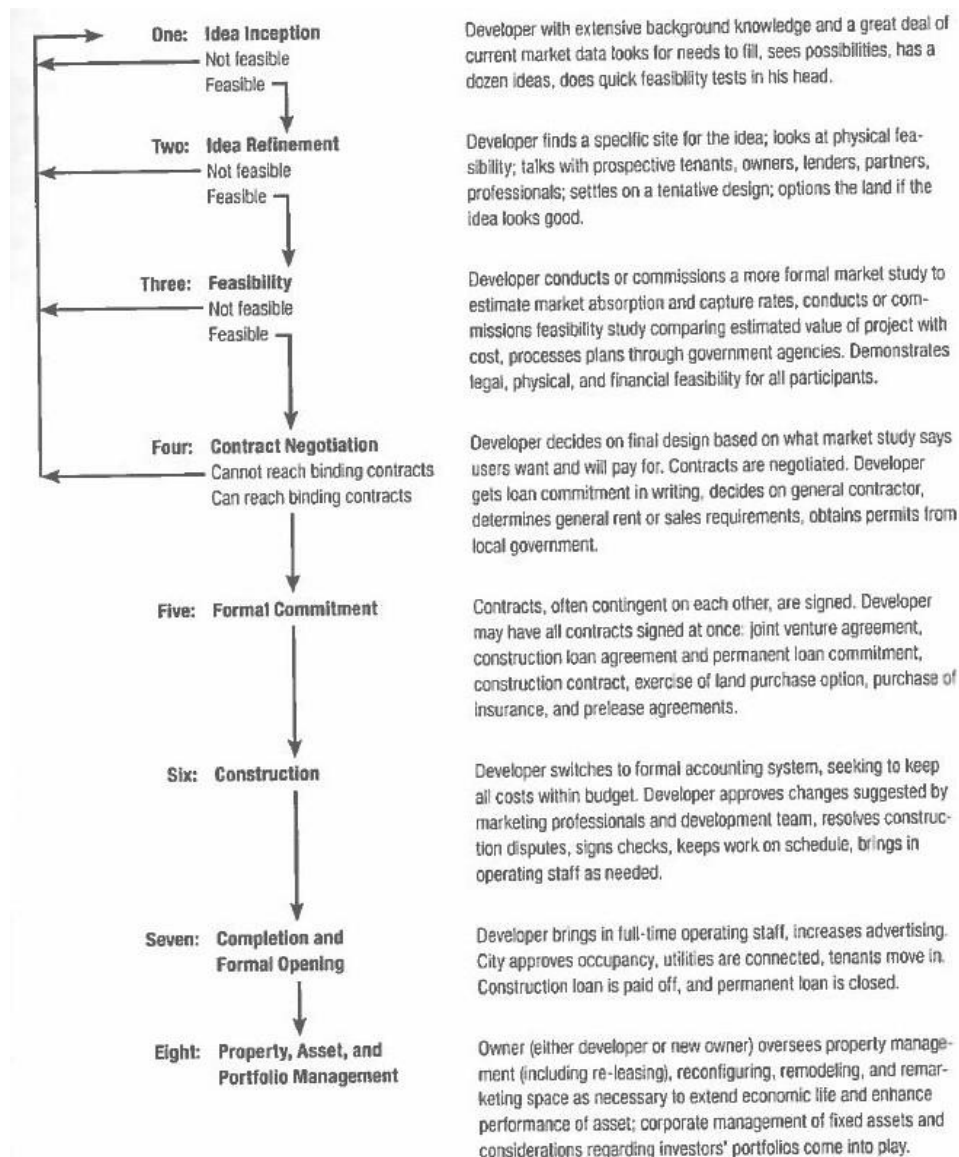


Figure 2: Real Estate Development Eight Stage Model

Source: Miles et al., 2007

Real Estate Developers and other developmental partners follow this sequence of activities from the instant they conceive an idea to the time the development is complete and even beyond. Although the stages may vary slightly amongst the various developmental partners, the essence of the process does not change significantly. At the barest minimum, every development requires the following elements: idea inception, refinement of the idea, market analysis, testing its feasibility, construction, and completion. Figure 2 above shows the eight stages of real estate development and the various activities in each stage.

3.2.2 Market Research in the Real Estate Development Process

A market research is relevant at all the eight stages of the real estate development process. This is because of real estate developers, like all business people, need to pay close attention to their customers, competitors, the variability of the product and general market condition (Miles, Berens, & Weiss, 2007). A market research study is a means by which all real estate development industry players discover accurate market intelligence about a market. Market research can take the form of demographic summaries and analysis of the current state of the geographic areas. Thus, market research replaces excessive reliance on intuition and complacency due to past success in the real estate development process. Market research aids the developer in the inception of ideas, refining the idea, test for feasibility, sales (Lease) and property management.

In a reviewed article by EÂamonn D' Arcy and Geoffrey Keogh (1999) on *UK's Property Market and Urban Competitiveness*; they noted the mistaken notion that supply of new housing developments creates their demand. They explained that some market players in the UK real estate industry believe in the misconception that "build it, they (buyers/renters) will come". This attitude to real estate development process has led to costly failures such as empty shopping centres, housing units, and office buildings. They concluded that the

problem with this misconception is that intuition replaces the need for a market research in the development. As such, the developers in the UK at the time did not systematically search for evidence that there was demand for either apartment, office buildings or shopping centres before resources were mobilised to develop them. Therefore, performing series of market research studies during the development process protects developers, investors, and property managers from costly investment and development failures (D'Arcy, & Keogh, 1999).

3.2.3 Fit Between Market Research and the Eight Stage Model of Real Estate Development

From the preceding section, it can be deduced that market research is an important tool used in understanding the project, factors that affect the project and factors that get affected by the project. Sufficient background knowledge (history, current and forecast conditions) on a project helps various development partners to be more productive and prolific in their assigned task. In a sense, most development partners perform unstructured market research when they read about the project and interact with others about the project. The development partners also conduct a more structured market research when they rigorously analyse the economy, population growth, employment figures, zoning provision, occupancy rates and consumers surveys. Figure 3 below shows that market research underlies every stage of the development process, however, the basic market research are highlighted at four points in the development process.

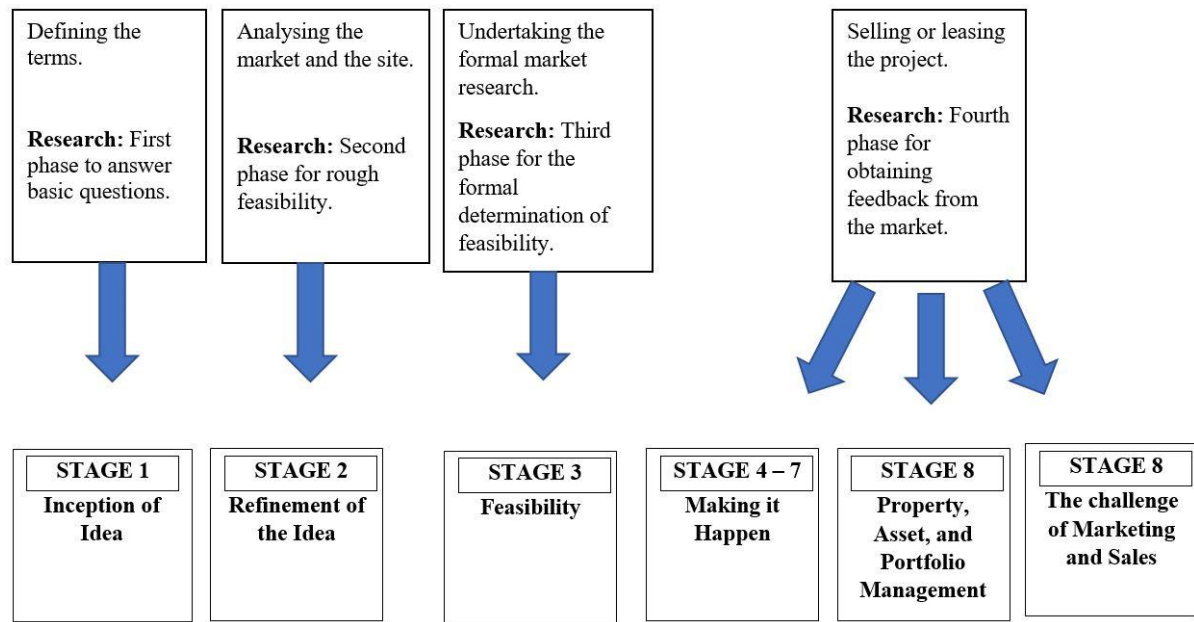


Figure 3: The Four Basic Market Researches in the development Process

Source: Miles et al., 2007

From Figure 3, it is realised that the first market research performed at stage one; the inception of ideas. The second market research looks at analysing the market which helps in the refinement of the idea at the second stage. The third market research is used at stage three; the determination of the formal feasibility of the project. The fourth phase of the market research study is used in contract negotiation, construction, property management and sales or lease; these are stages four to eight. For this study, the market research that was performed is a combination of the first two phases of market research during the development process. This market research satisfies the first phase by providing the client with extensive knowledge on Accra's current rental market outlook and the gap in the rental market. It also satisfies the second phase by identifying possible geographic zones where the development can be and providing information on potential tenants. This study does satisfy the third phase of the market research because it does not consider the financial feasibility of the project.

3.3 Ten Critical Questions That Market Research Must Answer

Miles et al. (2007) discussed ten fundamental questions which every market research should answer regardless of the purpose of the market research. Thus, whether the market research is being done for a new residential project, a retail centre or an office park, all the ten questions below should be answered. Every research must understand the relevance of these questions as well as the methodology used for addressing them.

1. What are the trends in this type of development?
2. What is the current market?
3. What is the depth of this market?
4. What are the market's perceived values?
5. What opportunities and challenges do the current market profile present?
6. How do you determine and gain an understanding of your target market?
7. What are market positions, price points, the occupancy rate of competitive developments?
8. What are comparable developments?
9. What are the opportunities presented by the competitive and comparable projects?
10. What conclusion can be drawn about all aspects of the projects? Drawing conclusions on all areas of the project are grouped into the following subsections:
 - i. The Market – Who are the buyers? What their characteristics? What do they want?
 - ii. Positioning – Where should the product fit in the potential buyers' mind relative to other choices
 - iii. Opportunities for differentiation – Where can we stand out compared to other possible choices
 - iv. Price point – How can we best capture the values we created how should pricing be structured?

v. Occupancy rates – How long can tenants stay?

It is important that every market research satisfies these ten critical questions, to enable developers and members of the developmental team to make informed decisions.

3.4 Empirical Review

The empirical review is assessing literature which is based on observed, measured phenomena and knowledge from actual experiences rather than from theory or belief (Penn State University, 2017). Empirical Reviews are important because they serve as a way of validating how effective and efficient already used procedures have been (Penn State University, 2017).

For this market research, the empirical review focuses on a non - African country because of the poor documentation of real estate development market studies that have been done in Africa. Hence, a case in Mumbai, India was reviewed. This case was written by JLL, an International Property Consultancy who specialise in real estate market research.

India's residential real estate market is similar to Ghana's market; it is a highly dynamic one where access to readily available market information is limited. India, just like Ghana, is a low middle-income country and has similar economic patterns as Ghana. Mumbai's real estate market is similar to Accra because 60% of Mumbai population are renting which is relatively the same as Ghana. Also, the number of people who want to live close to the central business district of Mumbai keeps increasing due to urbanisation.

Marathon Realty, an Indian real estate development firm, was in search of market intelligence that will enable them to construct a residential property that fits a targeted segment of the India real estate market. Accordingly, collecting data on residential real estate landscape and making sense of it is vital for the investors, end users and developers. To do this, Marathon Realty contacted JLL. The consultants from JLL gather data by interviewing

all stakeholders including current and potential homeowners, property managers, and developers. consultants from JLL also observed the various types of housing units and the way of life the people who live in each type. Based on the report presented by the consultants of JLL, Marathon Realty has a robust database which they use to forecast numbers and trends of demand and supply, and thereby decipher market trends across different real estate asset classes. JLL market research report provided information on price point, occupancy rate, product positioning, and the targeted buyers. Currently, Indian real estate developers prefer to involve real estate consultants for a second opinion on their entry or exit strategy and continue to rely on their unbiased analyses and advice (JLL, 2015). The implication of this empirical review in this market research study is that it shows how the findings and results from the market research of Mumbai were used in the determination of price point, occupancy rate and product positioning.

3.5 How to Conduct a Real Estate Market Research

A real estate market research study is a systematic process; it involves a sequence of activities and events that define the task to be accomplished. The process includes six stages which technically is the core framework structure for conducting a market research. These stages were described by Wilson (2012) as follows:

1. Problem definition;
2. Developing an approach to the problem;
3. Research design formulation;
4. Data collection;
5. Data preparation and analysis;
6. And report generation and presentation.

It is important to carefully plan the research process and formally recognise the relationship between market research and the eight stage-model of the real estate

development process (Nunan, 2016). This will ensure that the aim at the various stages is consistent with the overall aim of the project. Hence, this becomes the master guide for implementing and controlling the research project (Nunan, 2016).

In a reviewed conference publication of the American Real Estate Society, Emil Malizia who presented on “A Note on Real Estate Marketing Research” highlighted that real estate market research encompasses a broader range of activities. She accentuated that market research is not limited to the six known stages. She added that, in practice, developers use market research to generate the development’s idea, refine the idea, seek funds for the projects and to develop a marketing strategy. After completion of the development, the market research is held in the developer’s portfolio. Beyond completion, the market research could be used to reposition the project at an appropriate point in time (Malizia, 1997).

3.6 Conceptual Framework

The conceptual framework shown in Figure 4 below shows the thought process that was employed during this research. A conceptual framework is a tool which is usually used to organise and visualise ideas during a project. It gives the research a sense of direction during the research process. The conceptual framework below starts with the identification of the opportunity and with regards to this study, the client did this. The opportunity identified by the client needed to be evaluated to help the research investigator understand that nature and form of this opportunity. This also helps the researcher to identify all possible steps that are needed to exploit this opportunity.

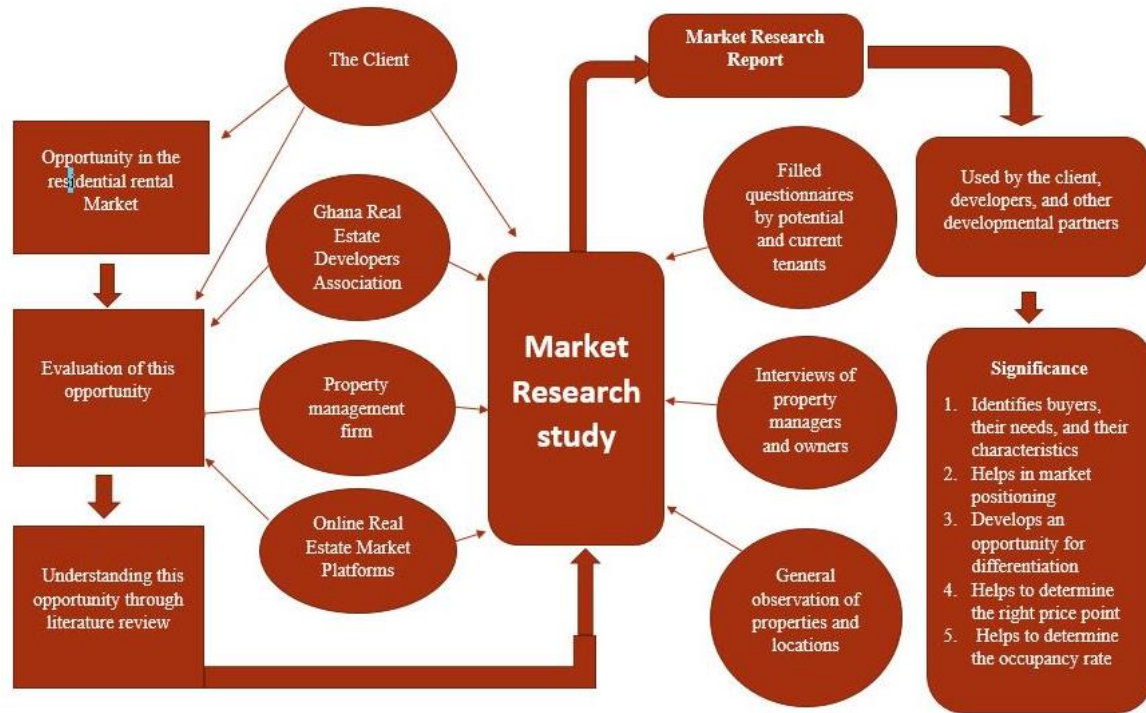


Figure 4: Conceptual Framework

Source: Author's construct, 2017

For the purpose of this study, the research investigators recognised that there was an opportunity gap in the residential rental housing market and there needed to be a market research study that will help the client to capitalise on this demand.

Based on this, a research approach was designed to collect relevant data for the market research study. Individuals and organisations who were involved in this process include current and potential tenants in Accra, property owners and managers in Accra, Director of GREDA, online real estate market platforms and a leading Property Management Firm. A comprehensive market research report was developed after data was analysed. This report will feed into the decision of the client, developers and other developmental partners in capitalising on the demand for strategic located and well built residential properties.

CHAPTER 4: FINDINGS AND RESULTS

This section discusses the research approach used in conducting this market research study, sample, sampling procedures, data sources and data collection instruments. The chapter further presents a summary of the Market Research Report. The full Market Research Report is attached in the appendices of this document.

4.1 Research Methodology

This study adopts the descriptive research approach. According to Aaker et al. (2011), descriptive research embraces a large proportion market research. The purpose is to provide an accurate snapshot of some aspect of the market environment. Yin (2014) describes descriptive research as a method used to obtain information concerning the status of a phenomenon that describes "what exists" with respect to variables or conditions in that given situation. Thus, the choice for descriptive research approach for this study was influenced by the objective of the research; which is to adequately understand the rental housing landscape in Accra which will help capitalise on the demand for strategic located and well-built residential properties. The less expensive nature of this approach and the ease of use contributed significantly to the choice of this approach.

4.1.1 Sample and Sampling Procedures

The target population of the study was made up of property managers and owners in the selected geographic zones in Accra, current tenants in Accra and potential tenants who want to live in Accra.

The inclusion of property managers was to help understand the profile of tenants, the features of properties, rental rates and vacancies in these properties. In each of the selected

geographic zone of Accra, random sampling was used in selecting the residential properties that were visited. In these selected residential properties, purposive sampling was used to select a representative of the property, specifically the property manager or owner of the property for the interview. A total of 87 interviews with property managers and owners in the selected geographic zones of Accra were conducted. The table below shows the number of interviews per each geographic zone.

Table 4: Number of interviews per each geographic area

Geographic Zone in Accra	Number of Interviews
Zone 1	27
Zone 2	14
Zone 3	22
Zone 4	6
Zone 5	18
Total	87

Source: *Field data, 2017*

Tenants are the occupants and users of rental accommodation; hence for this study, tenants were included to understand the nature of their current housing arrangement, features of their current and future housing units, rental rates, current housing location and preferred housing location. They were also included to elicit their practical experience as users of rental housing units and as well as to understand the nature of rental housing from the perspective of the users. Purposive sampling was used in selecting both current and potential tenants who live or want to live in Accra respectively. It was a mixture of both males and females between the ages of 25 and 60. A questionnaire was sent as a link through Facebook, WhatsApp and email to individuals and groups who fell within the above mention criteria. This link was further forward by several respondents to their personal networks. These groups include professional, academic, social, and religious networks on Facebook and WhatsApp.

There was a total of 88 responses to this questionnaire, out of which 56 were valid per the set criteria.

4.1.2 Data Sources

Data for this study was assembled from primary and secondary sources. The literature review provided insight into what market research entails and how it is carried out in real estate. The primary data were obtained directly from tenants and property owners and managers through the administration of a questionnaire and interviews respectively. The primary source of data provides this market research with relevant material from people who are directly involved in rental housing.

4.1.3 Data Collection Instrument

Formal interviews and questionnaire were the main instruments used. The questionnaires were both open and close-ended to accommodate all the views of the respondents. Observations of properties and their locations were also made. According to Ng (2006), a questionnaire is a very convenient way of collecting information from a large number of people within a period. Hence, the design of the questionnaire is of utmost importance to ensure accurate data was collected so that the results are interpretable and generalizable (Dzangmah, 2012). The questionnaire is shown in the Appendices of the Market Research Report, and it consists of both open and closed-ended questions

4.1.4 Data Analysis, Presentation and Report

Data analysis was done both qualitatively and quantitatively. The results of the study have illustrated in percentages, tables, pie charts and bar graphs for easy understanding with the help of Microsoft Excel. These graphical and tabular illustrations were used to discuss the findings as shown in the full Market Research Report in Appendix 5. Constant referrals will be made to the full Market Research Report attached in the appendices.

4.2 Summary of Market Research Report

Multifamily rental residential units have undergone significant change in their structures in the past two decades (Broll Ghana, 2014). The Director of GREDA noted that in prime areas like Cantonments, Airport West, Labone, Roman Ridge and North Ridge, there has been a change in the building structures. Most of the new multifamily rental units coming up in these areas are either mid or high rising buildings. This structural change can be associated with the constantly increasing demand for accommodation in these areas and limited availability of lands in Accra.

Conversations with 42 property owners and managers from the selected geographic zones also justified that developers in Accra are coping with the increasing urban housing demand and the limited supply of urban lands by building high rising structures. They noted that until some years ago, there were hardly any residential buildings taller than three storeys. However, in recent times Accra has seen the launch of high rise residential projects which are more than ten floors with some going up to 30 floors.

From Figure 1.11 of the Market Research Report, 62% of the 56 valid respondents live in multifamily units; this includes both apartments and semi-detached or townhouses. The combination of the responses from both apartment and semi-detached units is comparatively high than the number of respondents who live in a detached unit or a single-family unit. In a further examination of Figure 1.11 of the Market Research Report, it is notable that the preference for apartments is 41% of the 56 respondents, which is significantly high as compared to townhouses and detached units. From this, it can be deduced that currently, there are more tenants renting apartments as compared to townhouses and single family units or detached units.

Section 2.0 of the Market Research Report gives a concrete view of who current tenants are. The study took an interest in the characteristics of the tenants that are more active in the rental market. Figure 1.12 of the Market Research Report shows the percentage of the current housing arrangements of all 56 valid respondents of the questionnaire. It is observed from Figure 1.12 that 89% of 56 respondents were renting housing units. The remaining 11% still live with their parents or families. Zooming in further into the respondents who are currently renting, 86% of these respondents are Ghanaians and 14 % being expatriates from the United States of America and the United Kingdom as shown in Market Research Report Figure 1.13 It is seen that there are more Ghanaians renting housing units as compared to expatriates.

Focusing on the Ghanaian respondents only, it can be observed from Market Research Report Figure 1.14 that, the renting option by Ghanaians occurs at all ages of adult life; however, renting is more predominant among 26 – 30 years old individuals. This is explained by Dzangmah (2012) to be as a result of children living longer with their parents before moving into the housing market particularly the rental market for the first time. This partly accounts for why more Ghanaian tenants' responses are between the ages of 26 – 30 years.

From the interviews with the property managers and owners, it was disclosed that tenants within the ages of 25 to 40 years include young graduates, working professionals and new family starters who are not ready for outright home ownership because they do not have the capital requirement. Thus, they opt for rental accommodation. This could also account for why a higher number of the respondents fell within the ages of 25 – 40 years. This implies that with Accra's current population structure of 65% youth (Ghana Statistical Services, 2015) and continuous urbanisation, the demand for rental housing will continue to increase.

Section 3.0 of the Market Research Report looks at what the size of a potential market. Therefore, in a series of meeting with a leading property management firm, it was highlighted there had been an increase in the quest of young working Ghanaian professionals to live in the prime areas of Accra. Market Intelligence from a leading property management firm showed that most of these young working professionals do not have sufficient capital to either buy or rent the existing housing units in these prime areas. As such, many of these young Ghanaians are not able to materialise their desires into lease or rent contracts because most of them cannot afford the high-end properties in these areas. From this, it can be deduced that there is a demand for upper middle-income rental units in these prime areas; these units should be relatively cheaper than the existing housing units in these prime areas. This emphasises the opportunity gap in the market that can be taken advantage of by potential developers and investors.

Moving on to Section 4 of the Market Research Report, the perceived values of a market are factors that are important to current and potential tenants. In other words, what motivates them to either stay or move from where they currently live. From Table 1.11 of the Market Research Report, it was realised from 56 respondents that, the most valued factors that would influence their housing decisions to live in any of the selected geographic zones include proximity to family and friends, proximity to workplace, closeness to social amenities, security, and serenity. Other important factors that came next to the above factors include social class, lesser traffic conditions, comfort, and housing features. It could be inferred that potential tenants value their relationship with family and friends, jobs, relaxation, security, and peace.

With a focus on the targeted rental housing market segment, Section 6 of the Market Research Report sheds light on the upper middle-income city dwelling professional. The

upper-middle-income segment of the Ghanaian housing market was described by the Director of GREDA as tenants who are willing and able to pay a monthly rent between \$500 and \$1,250 (GHS 2,000 – GHS 5,000). The Residential Team of a Leading Property Management Firm also describe the upper middle-income segment as people who can pay a monthly rent between \$550 and \$1,200 (GHS 2,200 – GHS 4,800). For this study, the description given by the Director of GREDA was adopted because it is a larger rental rate bracket and it is based on insights from a wider range of real estate industry players. Zavotka (2012) explained that using the general rule of thumb; a person should not spend more than thirty percent of their monthly income on rent. Based on this, an upper-middle-income household should have a minimum single or double income of GHS 7,000. Drawing from this, the target segment of the rental housing market is the upper middle-income segment, where households earn a minimum income of GHS 7000 and are willing to pay a minimum monthly rent GHS 2000.

Section 7 of the Market Research Report highlights the market position and occupancy rates of competitive developments in the selected geographic zones. In the context of this study, competitive developments include middle and high-end multifamily rental units that are situated in the selected geographic zones. For this study, determining the market positioning of all competitive developments was a complex task because of the size and scope of the study. Hence, the market position of competitive developments in this study was determined by how apartments in the five selected geographic zones have been made distinctive and desirable through features, rent charges and nationalities of tenants.

In a series of interviews with Broll Ghana's residential team, the nationality makes up of tenants found in the selected geographic zones were obtained. This is summarised in Table 1.12 in the Market Research Report. From Table 7.1, it is seen that Zones 1 and 4 have more

expatriates living there. From discussions with the residential team of the property management company, it was highlighted that the quality of accommodation available in these zones contributes towards that area's suitability for expatriates. Other factors that have also led to their concentration in Zones 1 and 4 include proximity to primary business districts, embassies, international schools, open spaces and social focal points. Also, the concentration of expatriates in zone 1 and 4 attracts more.

Generally, features of multifamily rental developments in the five selected geographic zones may include a swimming pool, gym, car parking space, backup power supply, constant water supply, furnished, internet access, security, air conditioning, playground for children, elevator, garden and other sports facilities. Inferring from Figures 1.15 and 1.16 of the Market Research Report, it is realised that having a car park and constant water supply are the two most fundamental features to current tenants and potential tenants who want to live in the five selected geographic zones. It is further noticed from Figure 1.15 in the Market Research Report that 75% and 70.5% of the 56 valid respondents currently had car parks and constant water supply in their housing units respectively. With regards to the features that these respondents would look out for when selecting a housing unit, car parking space and constant water supply came up to the top again with 81.8% and 93.2% respectively as shown in Figure 1.16 in the Market Research Report. Other features that are also sought after by potential tenants include good security system, backup power supply, air conditioning and internet access. Hence, the five most fundamental housing features include car parking space, constant water supply, good security, internet access and air conditioning.

Moving to the market position of properties in geographic zones, Zone 1 provides mostly rental accommodation with the five fundamental features and more features

depending on the discretion of the tenant and the tenant's ability to pay. Geographic Zone 2 had a different dynamic with its market position being the provision of rental accommodation that has relatively lower prices and housing features usually lesser than the five main features. Moving on to Geographic Zone 3, the market position of multifamily developments is to provide rental accommodation where the more rent a tenant chooses to pay, the more features they have provided to them. In Geographic Zone 4, the market position is to provide rental accommodation with distinctive features at a relatively high rent charge than all the other zones. Finally, Geographic Zone 5, the market position seeks to give value to a potential tenants' money by the availability of a wide range of apartment options which they can choose from the basis of affordability and features.

Finally, from Table 1.13 in the Market Research Report, the estimated occupancy rates for Geographic Zones 1,2,3,4, and 5 are 82.5%, 91%, 80%, 90 % and 81.42% respectively. This shows that multifamily developments in these zones are assured of having tenants all year round because of their relatively high occupancy rates.

Section 8 of the Market Research Report looks into comparable developments. Thus, comparable developments in this context are rental housing units other than multifamily units. For comparable developments, this market study considered only fully detached houses. This is because reports from the 2010 Ghanaian Population Census showed that apartments, townhouses and detached houses were the most common forms of urban housing units in Accra. Thus, since townhouses and apartments fall under multifamily development, the only comparable developments that can be considered are the detached or single family units.

From observational visits in the five selected geographic zones, it was realised that fully detached houses are common in all the selected geographic zones, but they are more

prominent in some zones than others. Zones 2, 3 and 5 have more fully detached houses than Zones 1 and 4. Property owners and managers in Zones 1 and 4 explained that the reason for the limited number of detached houses in these zones. They describe this to be as a result of the increasing demand for urban housing coupled with the limited supply of lands in Accra. Therefore, it becomes profitable for developers to build either an apartment or a townhouse as compared to a fully detached house.

Conversations with 29 out of 52 apartments' property managers and owners revealed that potential tenants prefer multifamily units to single family units because multifamily units have little home maintenance. One of the biggest benefits of living in a multifamily development is having a property management firm that maintains common areas and buildings for the tenants. Tenants do not have to worry about doing home care activities like mowing the lawn and sweeping of common areas. In addition to the luxury of having common spaces maintained, some multifamily developments come with other social amenities. Common amenities include a swimming pool, fitness centre, playground, and some sport like basketball or tennis court. As such, these features may entice a potential tenant in choosing an apartment over a fully detached house.

In line with the discussion on competitive and comparable developments in Accra's rental landscape, Section 9 of the Market Research Report looks at the opportunities that have accrued because of the current states of competitive and comparable developments. Looking at Figure 1.17 of the Market Research Report, it is realised that there is an untapped market gap at the portion of Figure 1.17 which has the black border. This gap gives potential developers and investors the chance to develop multifamily rental housing for young upper middle-income working Ghanaian who wants to live in areas in either Geographic Zones 1 or 4. This opportunity gives tenants the opportunity to pay a rent of about GHS 2000 to GHS

5000 for units which have the five fundamental features and more features. In interviews with property owners and managers, it was clear that tenants choose townhouses and apartments over detached homes because of the low involvement in maintenance and the presence of social amenities. Thus, developers in the rental housing market can provide property management services and also make sure there are social amenities that aid in the relaxation of tenants.

4.3 Conclusion on Market Research Study

Section 10 of the Market Research Report presents the conclusions that can be drawn from the findings and results of this market research study. The conclusion is grouped into sub-sections which include; the market, market position, opportunity for differentiation and price point.

The target market for this development are the upper middle-income Ghanaian city dwellers. These middle-income Ghanaian city residents should be between the ages of 25 and 45 years. This is because results from the study showed that most current and potential Ghanaian tenants between the ages of 25 to 45 years patronised rental accommodation. 75% of these current and potential tenants within the ages of 25 to 45 years are either young graduates, working professionals and new family starters. Usually, they not ready for outright home ownership or pay for a high-end apartment in these prime areas mainly because they do not have the capital requirement. Thus, they are in search of rental accommodation that provides the features of the high-end properties but at a slightly cheaper monthly rent charge. The targeted market also focuses on Ghanaians because it is seen from Figure 1.13 that there were more Ghanaian tenants renting as compared to other nationalities.

This shows that with the growing youthful population of Ghana, more young Ghanaians will be in search of rental housing units.

The market position for the upcoming development is to provide apartment units that offer all the five fundamental features and more in either Geographic Zones 1 or 4.

Apartment units were selected as the multifamily development which the client should venture into because results from the study showed that 41% of 56 respondents currently live in apartments units. The respondents who live in apartments were more compared to 21% of the 56 respondents who currently live in townhouses. With regards to the most preferred housing units, apartments were the most preferred with 48% of the 56 respondents selecting it.

Geographic zones 1 and 4 were selected because from Figure 1.17 of the Market Research Report, it is realised that there is a market gap for multifamily development with more features but at a relatively low price than other multifamily developments in these zones. This gap in the market is illustrated with the black border in Figure 1.17 in the Market Research Report. The choice for these zones are supported by the results of the questionnaire where 29% potential tenants preferred Zone 1, and 24% potential tenants also preferred Zone 4. This is illustrated in Figure 1.18 in the Market Research Report, where Zone 1 was the highest preferred zone followed by Zone 4.

Price point focuses on the best way to capture the values through the rental rate structure. Since the aim of the development is to be relatively affordable as compared to the high-end apartments in Zones 1 and 4. Hence, from Figure 1.17 in the Market Research Study, it would be ideal for the monthly rent charge to be between GHS 2,000 and GHS 5,000 because in Zones 1 and 4 have lesser multifamily developments that provide a rent within this range.

Per the sample of potential tenants in Accra, the mean rent charges they are willing to pay for either two or three bedroom units in any of the selected geographic zones are shown in Table 1.16 in the Market Research Report. From this table, it is realised that potential tenants who want to live in Zone 4 are willing to pay the highest average rent charges of GHS 3,375 and GHS 4,800 for two and three bedroom units respectively. Potential tenants who want to live in Zone 1 are willing to pay average rent charges of GHS 2,808.33 and GHS 3,866.67 for two and three bedroom units respectively. From the Table 1.16 of the Market Research Report, it is understandable that for a developer to capture value in the upper middle-income rental housing market, he needs to develop his property in either Zones 1 or 4. The developer should also have price points which are approximately the same as the average expected rent charges by potential tenants who want to live in Zones 1 and 4.

4.4 Who Should Use this Market Research Report, When Should It be Used

The client and other relevant members of the development team would use this market research study. It would be used to come up with a design for the multifamily development and refining of the design to fit the needs of the target market. The market research study will also be used to determine feasibility of building the multifamily development at the selected geographic location. Finally, this market research will be a help to the client when he is determining the price point, occupancy rate, and product offering. This market research can be used to prove the variability of development and hence help the developer to seek funds from investors.

CHAPTER 5: KEY INSIGHTS, LIMITATION, AND CONCLUSION

This chapter presents the key insights, limitation, and conclusion based on the findings and results of the market research study. Included in this section is the areas that further research.

5.1. Key Insights

The goal of the market study was to understand the rental landscape in Accra and to provide market intelligence that will help capitalise on the demand for well-built, strategically located residential properties within proximity to amenities and the key central business districts. After reviewing the literature and interviews with, the Director of GREDA, Broll Ghana's Residential team, current and potential tenants in Accra and property owners and managers in the selected geographic zones in Accra, the following insights were obtained.

- i. Rental housing is a form of housing that is patronised by all age groups engaged in the housing market. However, the demand for rental accommodation is dominated by the people of the ages 25 – 45 years.
- ii. From a sample size of 56 current and potential tenants, it was realised that apartments are the most preferred form multifamily rental housing units in Accra. 48% of the 56 current and potential tenants preferred apartments. This is greater than the 13% respondents who preferred townhouses.

- iii. From a sample size of 56 respondents, the five most fundamental housing features which current and potential tenants are looking out for includes; car parking space, constant water supply, backup power supply, air conditioning and internet access.
- iv. Insights from leading property managers revealed that multifamily developments in geographic zones 2, 3 and 5 have tenants who are 90% Ghanaians with about 10% expatriates. Most of the tenants in Zones 2, 3 and 5 have family sizes ranging from 5 to 8 people. Zones 1 and 4 have tenancy comprising of about 50% expats and the remaining being Ghanaians. Tenants living in zones 1 and 4 have a family size of about 4 to 5 people.
- v. The five selected geographic zones have a mixture of apartments, detached houses and townhouse. However, in Zones 1 and 4, townhouses and apartments are very dominant as compared to the other zones. Zone 5 has the dominance if full detached rental units. Zones 2 and 3 have an even mixture of the three housing types.
- vi. Apartments in the selected geographic zones are assured of having tenants because of their relatively high occupancy rates. The estimated occupancy rates are 82.5%, 91%, 80%, 90 % and 81.42% for geographic zones 1,2,3,4, and 5 respectively.
- vii. To capture value in the rental housing market, the client needs to develop apartments units in either Zones 1 or 4 because potential tenants are willing to pay relatively high average rent charges in these zones. Potential tenants who want to live in Zone 1 are willing to pay an average rent of about GHS 2,808.33 for a two-bedroom unit and GHS 3,866.67 for a three-bedroom unit. Potential tenants who want to live in Zone 4 are also willing to pay an average rent of about GHS 3,375 for a two-bedroom unit and GHS 4,800 for a three-bedroom unit.

5.2 Limitations

Few studies or research in any industry can be said to be 100% accurate. Market research studies are no exception to this phenomenon. Hence, there are limitations as not all market research provides thorough insights. Some of these limitations include the following:

- i. Time restriction was a major limitation to this study. The study had a time limitation of 14 weeks. As such, all data needed to make inferences were collected within a short duration of 6 weeks. This may have introduced some elements of bias since data used was based on what was available.
- ii. Limited secondary data on the Ghanaian real estate industry. There has been inadequate documentation of real estate projects in Ghana; this made it difficult to learn from high and low points of other projects.
- iii. The scope of the project was large. The project covered 14 prime areas in Accra, as such made it difficult to examine each of these areas carefully thoroughly.

5.3 Conclusions

The aim of this project was to help the client to understand the rental landscape in Accra.

This market research study has achieved this goal by providing the client with the needed market intelligence that will help capitalise on demand for well-built, strategically located residential properties within proximity to amenities and the key central business districts.

The research will help the client in making informed decisions towards the development of the 50 – 100 multifamily housing unit.

Following that, to capitalise on demand, the 50 -100 apartments units should be in either Zone 1 or Zone 4. It is recommended further market research into zones 1 and 4, to select the prime area that best fits the needs of the client.

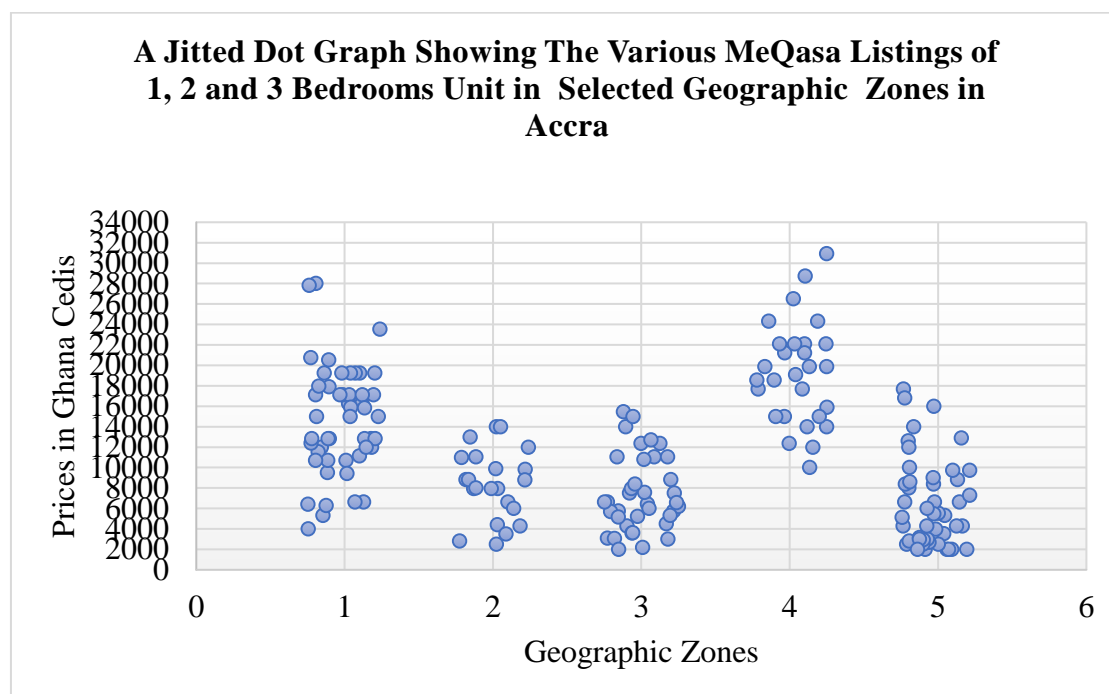
REFERENCES

- Aaker, D., Kumar, V., Day, G., & Leone, R. (2011). *Marketing Research* (1st ed.). Hoboken (N.J.): J. Wiley.
- Asamadu, K. (2003). Reform of Ghana's Land Tenure System. Retrieved from <http://www.ghanaweb.com/GhanaHomePage/features/Reform-Of-Ghana-s-Land-Tenure-System-36246>
- D'Arcy, E., & Keogh, G. (1999). The UK's Property Market and Urban Competitiveness: A Review. *Urban Studies*, 36(5-6), 917-928. <http://dx.doi.org/10.1080/0042098993277>
- Department of Economic and Social Affairs Population Division, (2015). *World Urbanisation Prospects*. 1st ed. New York: United Nations. Available at: <https://esa.un.org/unpd/wup/Publications/Files/WUP2014-Report.pdf> [Accessed 30 Jan. 2017].
- Dzangmah, H. (2012). Prospects and Challenges of Rental Housing in Greater Accra Region. Master of Science. Kwame Nkrumah University of Science and Technology.
- Ghana Statistical Services, (2010). 2010 Population Census Report. [online] Ghana Statistical Services. Available at: <http://www.statsghana.gov.gh/docfiles/2010phc/Projected%20population%20by%20sex%202010%20-%202016.pdf> [Accessed 19 Jan. 2017].
- Ghana House Plans (2016). Housing Demand in Ghana | Ghana House Plans. Retrieved 19th January 2017, from <http://ghanahouseplans.com/gh/the-shocking-truth-about-housing-demand-in-Ghana>
- Graphic Ghana, D. (2017). Ghana has 1.7-million housing unit deficit' - Graphic Online 2016. Graphic Online. Retrieved 14 December 2016, from <http://www.graphic.com.gh/news/general-news/ghana-has-1-7-million-housing-unit-deficit.html>
- JLL. (2015). India's Real Estate Market. JLL. Retrieved 21 March 2017, from <http://www.jll.co.in/india/en-gb/services/investors-and-developers>

- Kaplan Real Estate Education. (2016). Influences on real estate value. Retrieved from <http://www.ctrealtor.com/unprotected/Ch01.pdf>.
- Lamudi. (2014). The state of real estate in Ghana house. Retrieved from <https://house.jumia.com.gh/research/whitepaper-2014>
- Lartey, P. (2016). Greater Accra - Government of Ghana. [online] Ghana.gov.gh. Available at: <http://www.ghana.gov.gh/index.php/about-ghana/regions/greater-accra> [Accessed 30 Jan. 2017].
- Malizia, E. (1997). A Note on Real Estate Marketing Research. *Journal of Real Estate Literature*, 5(2), 171-174. <http://dx.doi.org/10.1023/a:1008683132308>
- Maslow, A. (1954). *Motivation and Personality*. New York: Harper and Brothers
- Miles, M., Berens, G., & Weiss, M. (2007). *Real estate development* (1st ed.). Washington, D.C: Urban Land Institute.
- Myjoyonline. (2015). Factors affecting the prices of houses in Ghana. Retrieved from <http://www.myjoyonline.com/business/2015/may-19th/factors-affecting-the-prices-of-houses-in-ghana.php>.
- Ng, C. J. (2006), 'Designing a Questionnaire' *Malaysian Family Physician* Pp 32-35
- Nguyen, J. (2016). Four key factors that drive the real estate market. Retrieved from <http://www.investopedia.com/articles/mortgages-real-estate/11/factors-affecting-real-estate-market.asp>
- Penn State University. (2017). *Library Guides: Empirical Research in Education and the Behavioural/Social Sciences: What is Empirical Research? Guides.libraries.psu.edu*. Retrieved 4 April 2017, from <http://guides.libraries.psu.edu/emp>
- Population Reference Bureau, (2016). 2016 Population World Data Sheet. 5th ed. [ebook] New York: Population Reference Bureau. Available at: <http://www.prb.org/pdf16/prb-wpds2016-web-2016.pdf> [Accessed 30 Jan. 2017].
- Rossett, A. (1987). *Training Needs Assessment*. Englewood Cliffs, NJ: Educational Technology Publishing

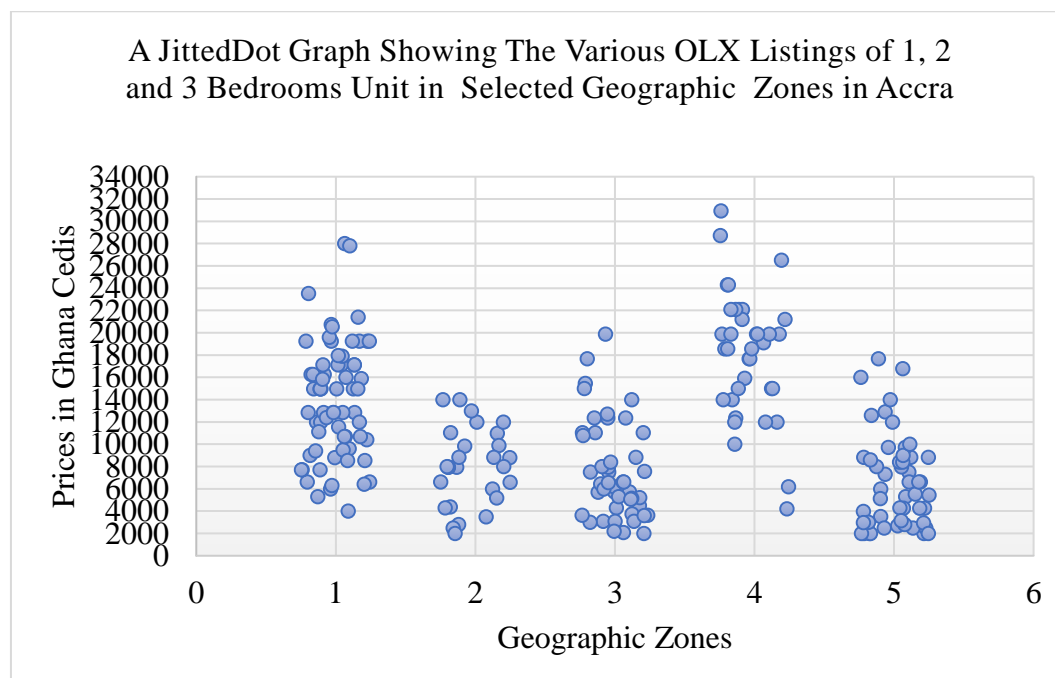
- Salmen, L. (1987). *Listen to the people*. 1st ed. New York: Published for the World Bank by Oxford University Press.
- Shukla, P. (2008). *Essentials of Marketing Research* (1st ed.). Brighton: Ventus Publishing.
- Smith, S. & Albaum, G. (2010). *An Introduction to Marketing Research* (1st ed.). Mexico: Qualtrics.
- UN HABITAT, (2005). *The Housing Crisis*. [online] Washington DC: United Nations. Available at: <http://unhabitat.org/wp-content/uploads/2005/11/GRHS05F2.pdf> [Accessed 30 Jan. 2017].
- Watkins, R., West Meiers, M., & Visser, Y. I. (2008). *A guide to assessing needs*. Washington, DC: International Bank for Reconstruction and Development/International Development Association or the World Bank.
- Watkin, B. R., & Altschuld, J. W. (1995). *Planning and conducting needs assessments: A practical guide*. Thousand Oaks, CA: Sage
- Wilson, A. (2012). *Marketing research* (1st ed.). Harlow: Financial Times Prentice Hall.
- Yin, R. (2014). *Case Study Research Design Methods* (5th ed.). Newbury Park, Calif.: SAGE Publications.

APPENDICES



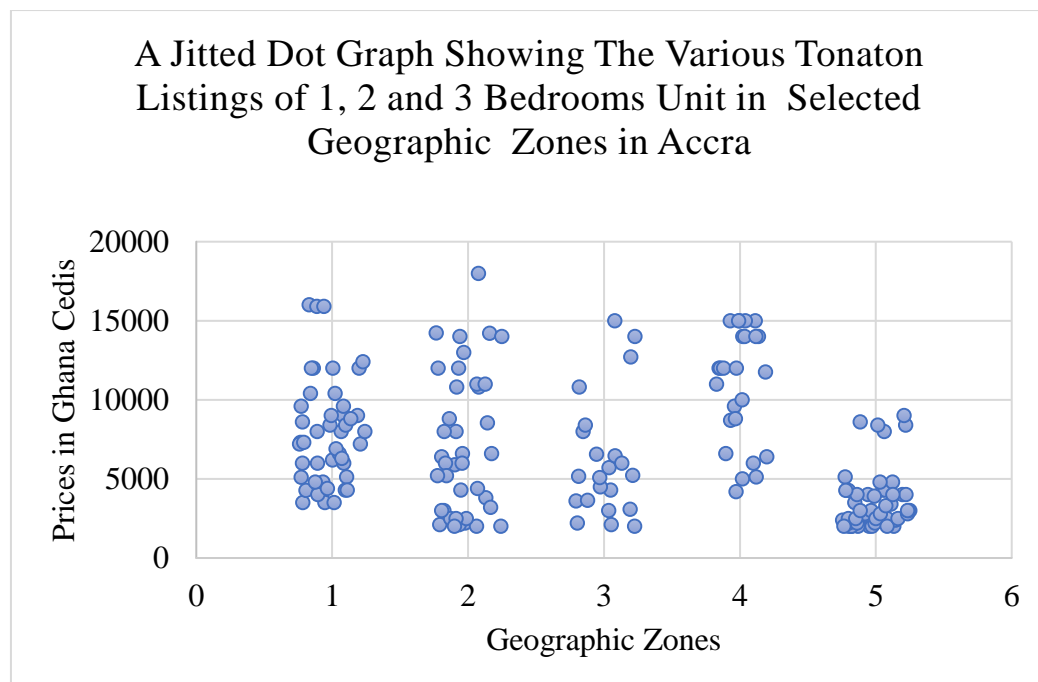
Appendix 1

Source: MeQasa



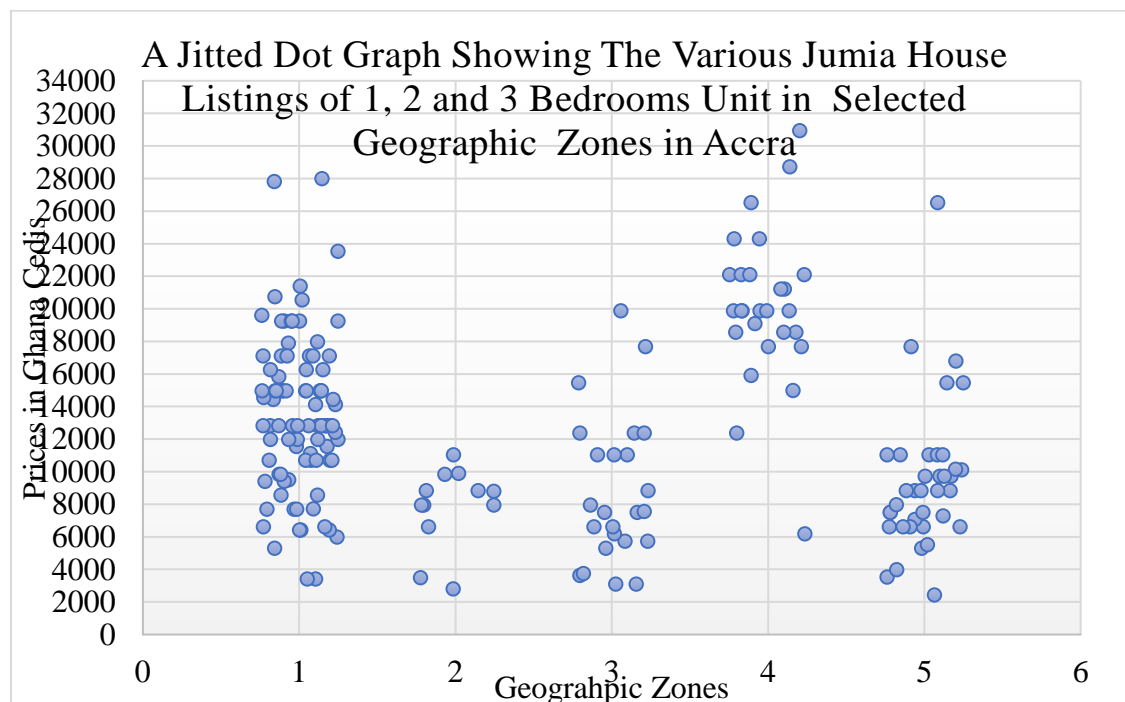
Appendix 2

Source: OLX



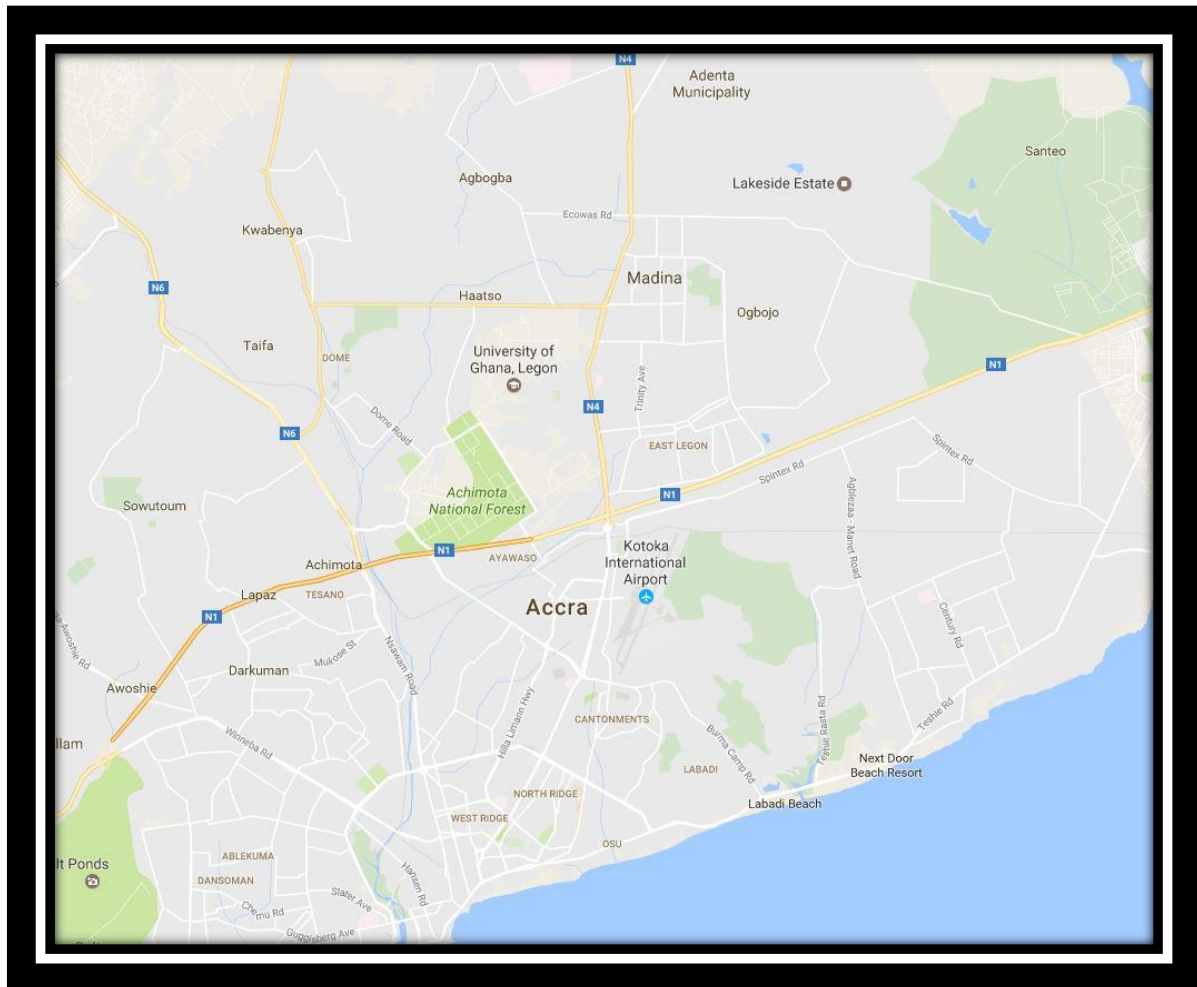
Appendix 3

Source: Tonaton



Appendix 4

Source: Jumia House

Appendix 5- Market Research Report**A Market Research Report on Selected Geographic Zones in Accra for
the development of 50 – 100 Multifamily Housing Units.**

Eugene Nanakyere Afranie

(April 2017)

Table of Content

Market Research Report.....	4
1.0 Trends in Multifamily Residential Rental Units	4
2.0 Current Rental Housing Market in Accra.....	6
3.0 Depth of the Accra's Rental Housing Market	9
4.0 Market Perceived Values.....	10
5.0 Strengths, Weakness, Opportunities, and Threats (SWOT) Analysis	11
6.0 The Upper Middle Income Multifamily Rental Housing Market in Accra.....	14
7.0. Market Positions, Price Points, and Occupancy Rate of Competitive Development ...	15
8.0 Comparable developments in the Rental Housing Market	22
9.0 Opportunities Presented by the Competitive and Comparable Developments.....	23
10.0 Conclusion Drawn from Market Research Study.....	24
<i>10.1 The Target Market</i>	<i>24</i>
<i>10.2. Market Position and Differentiation</i>	<i>25</i>
<i>10.3. Price Point</i>	<i>25</i>
<i>10.4 Occupancy Rate</i>	<i>27</i>
11.0 Who Should Use this Market Research, When Should It be Used.....	27

List of Tables

TABLE 1.1 1: GENDER DISTRIBUTION OF RESPONDENTS WHO ARE CURRENTLY RENTING	8
TABLE 1.1 2: FACTORS THAT WILL INFLUENCE THE HOUSING DECISIONS OF POTENTIAL TENANTS IN THE SELECTED GEOGRAPHIC ZONES	10
TABLE 1.1 3: SWOT ANALYSIS OF PROJECT	11
TABLE 1.1 4: NATIONALITY COMPOSITION AND AVERAGE FAMILY SIZE IN THE FIVE GEOGRAPHIC ZONES	16
TABLE 1.1 5: OCCUPANCY RATE OF APARTMENTS IN THE SELECTED GEOGRAPHIC ZONES	21
TABLE 1.1 6: MEAN RENT CHARGES FOR TWO AND THREE BEDROOM UNITS IN EACH OF THE GEOGRAPHIC ZONES WHICH POTENTIAL TENANTS ARE WILLING TO PAY	26

List of Figures

FIGURE 1.1 1: A PIE CHART SHOWING THE PERCENTAGES OF THE VARIOUS CURRENT HOUSING TYPE OF RESPONDENTS	5
FIGURE 1.1 2: A PIE CHART SHOWING THE PERCENTAGES OF THE CURRENT HOUSING ARRANGEMENTS OF THE RESPONDENTS.....	6
FIGURE 1.1 3: A PIE CHART SHOWING THE NATIONALITIES OF THE RESPONDENTS	7
FIGURE 1.1 4: A BAR CHART SHOWING THE AGE DISTRIBUTION OF CURRENT GHANAIAAN TENANTS	7
FIGURE 1.1 5: A PERCENTAGE BAR CHART SHOWING THE CURRENT HOUSING FEATURES OF RESPONDENTS	17
FIGURE 1.1 6: A PERCENTAGE BAR CHART SHOWING THE PREFERRED HOUSING FEATURES OF RESPONDENTS	17
FIGURE 1.1 7: A GRAPH SHOWING THE MARKET POSITIONING AND PRICE POINT OF COMPETITIVE DEVELOPMENTS	19
FIGURE 1.1 8: A BAR CHART SHOWING THE MOST PREFERRED GEOGRAPHIC ZONES BY POTENTIAL TENANTS	25

Market Research Report

The goal of the market study was to understand the rental landscape in Accra and to provide market intelligence that will help capitalise on the demand for well-built, strategically located residential properties within proximity to amenities and the key central business districts. The findings and the results of the market research are discussed by answering the ten questions that every market research must answer by Miles et al., (2007). These questions shed light on the current market, opportunities in the current market and how to capitalise on these opportunities.

1.0 Trends in Multifamily Residential Rental Units

Multifamily rental residential units have undergone significant change in their structures in the past two decades (Broll Ghana, 2014). The Director of GREDA noted that in prime areas like Cantonment, Airport West, Labone, Roman Ridge and North Ridge, there had been a change in the building structures, most of the new multifamily rental units coming up in these areas are either mid or high rising buildings. This structural change can be associated with the constantly increasing demand for accommodation in these areas and the limited availability of lands.

Conversations with 42 property owners and managers from the selected geographic zones also explained that developers in Accra are coping with the increasing urban housing demand and the limited supply of urban lands by building high rising structures. Until some years ago, there were hardly any residential buildings taller than three storeys. However, in recent times Accra has seen the launch of high rise residential projects which are more than ten floors with some going up to 30 floors. Some of these new high rising projects include Skyville Luxury Apartments and Iris Luxury Apartment both in Airport. An interview with

one of the building contractors on the Skyville Luxury Apartment project revealed that the arrival of new construction technologies and the limited supply of urban lands encourages many city developers to venture into these high rising multifamily rental units.

From Figure 1.1 below, 62% of the 56 valid respondents live in multifamily units; this includes both apartments and semi-detached or townhouses. The combination of the responses from both apartment and semi-detached units is comparatively high than the number of respondents who live in a detached unit or a single-family unit.

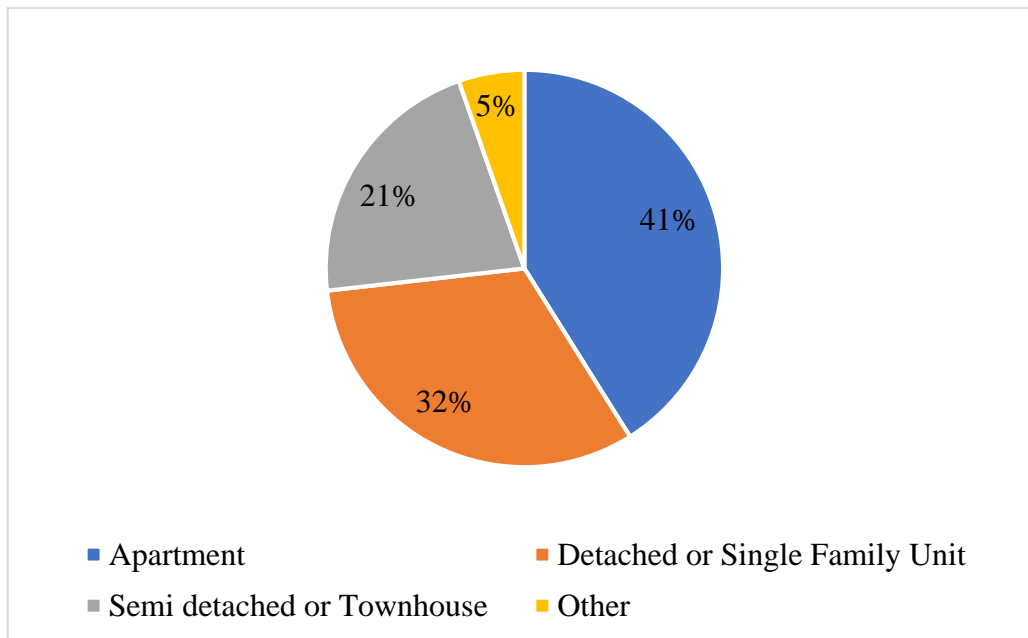


Figure 1.1 1: A pie chart showing the percentages of the various current housing type of respondents

Source: *Field data, 2017*

In a further examination of Figure 1.11, it is notable that the preference for apartments is 41% of the 56 respondents, which is significantly high as compared to townhouses and detached units. From this, it can be deduced that currently, there are more

tenants renting apartments as compared to townhouses and single family units or detached units.

2.0 Current Rental Housing Market in Accra

The current market gives a concrete view of who current tenants are. The study took an interest in the characteristics of the tenants that are more active in the rental market and its implication on future housing demands. Figure 1.12 below shows the proportion of the current housing arrangements of all the 56 valid respondents of the questionnaire.

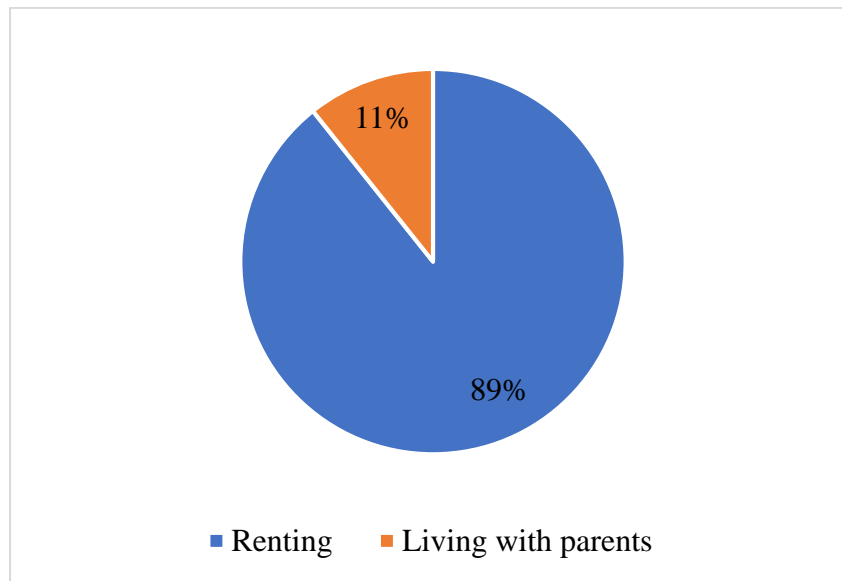


Figure 1.1 2: A pie chart showing the percentages of the current housing arrangements of the respondents

Source: *Field data, 2017*

It is observed from Figure 1.12 that 89% of 56 respondents were renting housing units. The remaining 11% still lived with their parents or families. Zooming in further into the respondents who are currently renting, 86% of these respondents are Ghanaians and 14 % being expatriates from the United States and the United Kingdom as shown in Figure 2.2 below. It is seen from Figure 1.13 that there are more Ghanaians renting housing units as

compared to expatriates. Focusing on the Ghanaian respondents, it can be observed below from Figure 1.14 that, the renting option by Ghanaians occurs at all ages of adult life; however, renting is more predominant among 26 – 30 years old individuals.

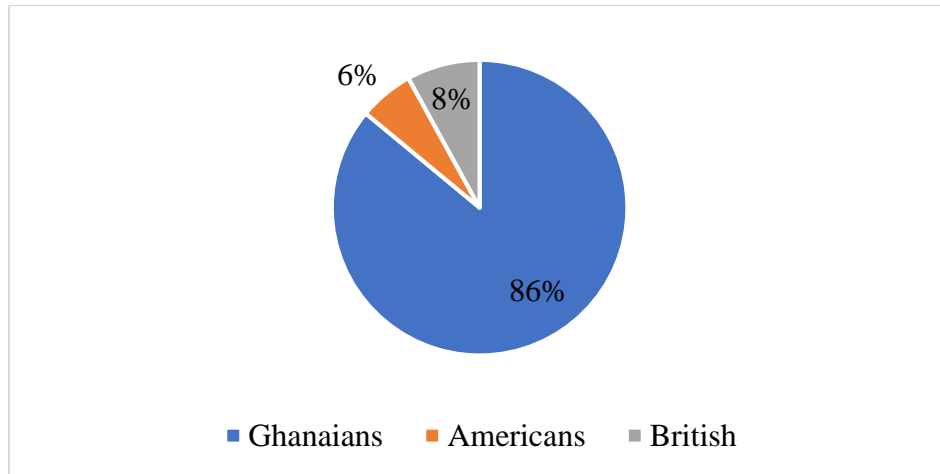


Figure 1.1 3: A pie chart showing the nationalities of the respondents

Source: *Field data, 2017*

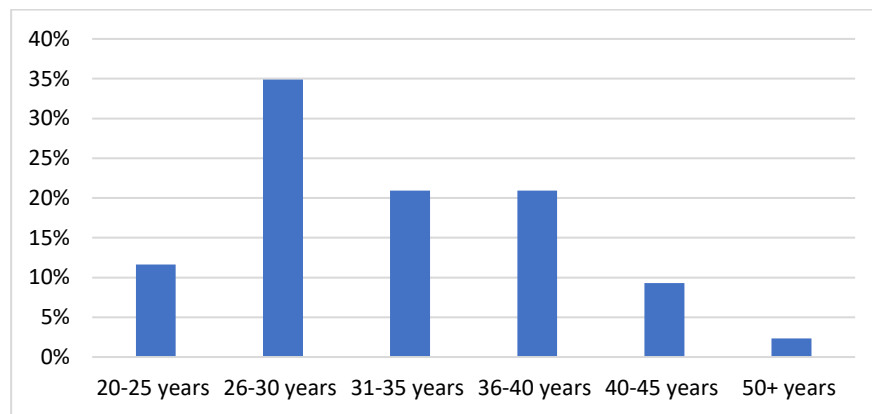


Figure 1.1 4: A bar chart showing the age distribution of current Ghanaian tenants

Source: *Field data, 2017*

Per the Ghanaian family structure, children tend to live longer with their parents before moving into the housing market particularly the rental market for the first time

(Dzangmah, 2012). This partly accounts for why more Ghanaian tenants' responses are between the ages of 26 – 30 years. Collectively, tenants within the age group of 26 – 30, 31 – 35 and 36 – 40 years are relatively more with percentages of 35% and 21% respectively. This could be associated with the fact that they fall within the economically active cohort (20 to 45 years) of the Ghanaian population (Ghana Statistical Services, 2010).

From the interviews with the property managers and owners, it was disclosed that tenants within the ages of 25 to 40 years include young graduates, working professionals and new family starters who are not ready for outright home ownership because they do not have the capital requirement. Thus, they opt for rental accommodation. This could also account for why a higher number of the respondents fell within the ages of 25 – 40 years. This implies that with Accra's current population structure of 65% youth (Ghana Statistical Services, 2015) and continuous urbanisation, the demand for rental housing will continue to increase.

The gender of the respondents who are renting is highly skewed towards the males who form 60.5%. Below is Table 1.11 showing the details of the gender proportions of Ghanaian tenants who respond to the questionnaire.

Table 1.1 1: Gender distribution of respondents who are currently renting

Gender	Number of respondents	Percentage of respondents
Male	26	60.5%
Female	17	39.5%
Total	43	100%

Source: *Field data, 2017*

It is seen that the number of male tenants exceeds the female tenants by approximately 20%. It can be deduced from this that there are more male tenants as compared to female tenants who live in Accra.

Considering the most frequently mentioned work locations, 26 out of the 43 Ghanaian tenants who responded to the questionnaire worked in and around Accra. Some of the areas they worked in include Cantonments, Ridge, Osu, Korle Bu, Accra Central, Kanda, Kokomemle, East Legon, and Dzorwulu. With regards to where these 26 respondents lived, 14 of them had their residential accommodation in either Tema, Adenta, Oyarifa, Weija, Ashaley Botwe, Tiafa, Ofankor, and Lashibi. The remaining 12 had their homes located close to their workplaces in areas like East Legon, Korle Bu, Ridge, Cantonments, Kanda, and Spintex.

3.0 Depth of the Accra's Rental Housing Market

The main reason for researching on the depth of the market is to find out what the size of a potential market is and what percentage of the market must be captured to reach targeted revenues. Information about the depth of the market can be gotten from industry experts who focus on the broad market trends. Therefore, in a series of meeting with a leading property management firm, it was highlighted there had been an increase in the quest of young working Ghanaian professionals to live in the prime areas of Accra. Market Intelligence from a leading property management firm showed that most of these young working professionals do not have sufficient capital to either buy or rent the existing housing units in these prime areas. As such, many of these young Ghanaians are not able to materialise their desires into lease or rent contracts because most of them cannot afford the high-end properties in these areas. From this, it can be deduced that there is a demand for

upper middle-income rental units in these prime areas; these units should be relatively cheaper than the already existing housing units in these prime areas. This emphasises the opportunity gap in the market that can be taken advantage of by potential developers and investors.

4.0 Market Perceived Values

The perceived values of a market are factors that are important to current and potential tenants. In other words, what motivates them to either stay or move from where they currently live. As shown in Table 1.12, it was realised from 56 respondents that, the most valued factors that would influence their housing decisions to live in any of the selected geographic zones include proximity to family and friends, proximity to workplace, closeness to social amenities, security, and serenity. Other important factors that came next to the above factors include social class, lesser traffic conditions, comfort, and housing features. It could be inferred that potential tenants value their relationship with family and friends, jobs, relaxation, security, and peace.

Table 1.1 2: Factors that will Influence the Housing Decisions of Potential Tenants in the Selected Geographic Zones

Reasons	Percentage of Respondents
Proximity to family and friends	25.0%
Proximity to work	21.4%
Security and Serenity	17.9%
Comfort and housing features	8.9%
Social class	5.4%
Proximity to social amenities	16.1%
Lesser traffic conditions	5.4%

Source: *Field data, 2017*

5.0 Strengths, Weakness, Opportunities, and Threats (SWOT) Analysis

A SWOT analysis is a tool used in examining a project's internal potential and limitations, and the opportunities and threats from the external environment (Harrison, 2010). For this project, the SWOT analysis was done to help the client understand the project and effectively respond to changes in the environment. Insights from this SWOT analysis can be translated into strategic actions that will aid the client in securing a sustainable competitive advantage for the 50-100 multifamily rental units. Information used in generating this SWOT analysis was gotten from reviewing existing literature and interviews with the Director of GREDA, the Residential Team of a Leading Property Management Firm, current and potential tenants in Accra, property managers and owners in the selected geographic zones. This SWOT analysis is particularly relevant to this study because it will help the client match the strategic actions of the project to its internal strengths and market opportunities. It will further help the client to correct significant weaknesses and defend it against external threats. Table 1.13 below provides a detailed SWOT analysis of this project.

Table 1.1 3: SWOT Analysis of Project

Strength	Weakness
1. The client is a leading infill real estate developer in Ghana. As such, he has all the technical and industrial background to see this project to the end. Due to the client's industrial experience over the years, he has a	1. Land value is the value of a parcel of land, as well as any improvements that have been made to it (Miles et al., 2007). The 2016 Broll Ghana report revealed that most of the prime areas in Accra do not have any unused virgin

<p>strong network of other real estate development partners who can share their expertise on this project.</p> <p>2. All the five selected geographic zones are made up of prime areas which include Cantonments, Osu, Labadi, Labone, Spintex, Airport Hills, Abelemkpe, Dzorwulu, Roman Ridge, North Ridge, Airport West, East, West and North Legon. From the interviews with the Director of GREDA and property managers in Accra, it was clear that siting multifamily rental development with a slightly cheaper rent than the existing high-end building will capture a lot of demand. As such, since this project hopes to fill this vacuum, the about-to-be-built multifamily developments will attract constant demand.</p> <p>3. The Town and Country Planning Department (TCPD) of Accra considered all the selected areas in the</p>	<p>lands. As such, looking at the scope of this project; to build 50 to 100 multifamily rental units, it would require larger capital expense in the purchase of the required parcel of land.</p> <p>Also, since the demand for the limited available virgin lands is high, an investor needs to pay money to acquire a piece of land. This will affect the project by increasing the capital requirement needed to execute this project.</p>
---	---

<p>selected geographic zones as residential nodes. Residential nodes are connecting areas where several major or connecting roads meet (TCPD, 2011). This means that these prime areas have access to major roads, hence making transportation easy for all inhabitants of these prime areas.</p>	
Opportunities	Threats
<p>1. Market Intelligence from a Leading Property Management Firm shows that most of these young working professionals do not have sufficient capital to either buy or rent the existing housing units in these prime areas. As such, many of the housing desires from young Ghanaians are not able to materialise into a lease or rent contracts because they cannot afford the high-end properties in these areas.</p> <p>From this, it can be deduced that there is a demand for upper middle-</p>	<p>1. Political instability poses a potential threat to the real estate industry.</p> <p>Government changes can also lead to new laws, which may be unfavourable to the real estate industry. For example, taxes paid on real estate development can be increased based on the government in power.</p> <p>2. Land litigation is a threat as it halts developments. In Ghana, most stools are fond of selling lands to multiple people, and in the long run, these people go to</p>

<p>income rental units in these prime areas; these units that should be relatively cheaper than the existing housing units in these prime areas. This emphasises the opportunity gap in the market that can be taken advantage of by potential developers and investors.</p> <p>2. Another factor that serves as an opportunity to the real estate industry is the availability of financial support for large-scale projects of this size. There are institutions both international and local, which can help a firm finance its project when they need it. This is an opportunity because the availability of financing will help the real estate industry to expand since capital will be available for the developers.</p>	<p>court and fight for their right. This can cause one to lose large sums of money. Land litigation serves as a threat to the team as it makes it difficult to find a land that can be acquired peacefully to start the development.</p>
---	--

Source: Author's own research

6.0 The Upper Middle Income Multifamily Rental Housing Market in Accra

Moving away from the broader segment of the rental housing market, this section sheds light on the targeted segment of the market: the upper middle-income city dwellers. The upper-middle-income segment of the Ghanaian housing market was described by the

director of GREDA as persons who are willing and able to pay a monthly rent between \$500 and \$1,250 (GHS 2,000 – GHS 5,000). The residential team of a leading property management firm also describe the upper middle-income segment as people who can pay a monthly rent between \$550 and \$1,200 (GHS 2,200 – GHS 4,800). For this study, the description given by the Director of GREDA was adopted because it is a larger bracket and it is based on insights from a wider range of real estate industry players. Zavotka (2012) explained that using the general rule of thumb; a person should not spend more than thirty percent of their monthly income on rent. Based on this, an upper-middle-income household should have a minimum single or double income of GHS 7,000. Drawing from this, the target segment of the market is the upper middle-income segment, where households earn a minimum income of GHS 7000 and are willing to pay a minimum monthly rent GHS 2000.

7.0. Market Positions, Price Points, and Occupancy Rate of Competitive Development

A Competitive development is any development in the same or similar industry which offers the same product or service. In the context of this study, competitive developments include middle and high-end multifamily rental units that are situated in the selected geographic zones. Considering other competitive developments is essential to this study because it gives the client the opportunity to mimic elements that drive demand and also provides an opportunity for differentiation from the other developments.

Market Position is explained by Kotler et al. (1999) as arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target consumers. For this study determining the market positioning of all competitive developments is a complex task because of the size and scope of the study. Hence, the

market position of competitive developments in this study was determined by how apartments in the five selected geographic zones have been made distinctive and desirable through features, rent charges and nationality of tenants.

In a series of interviews with a property management company, the nationality composition of tenants found in the selected geographic zones were obtained. This is summarised in Table 1.14 below.

Table 1.1 4: Nationality composition and average family size in the five geographic zones

Geographic Zones	Nationality Make – Up	Average Family Size per geographic zone
Zone 1	60% Ghanaians and 40% expatriates	5
Zone 2	90% Ghanaians and 10% expatriates	6 to 8
Zone 3	90% Ghanaians and 10% expatriates	5
Zone 4	50% Ghanaians and 50% expatriates	4
Zone 5	80% Ghanaians and 20% expatriates	5 to 7

Source: Field data, 2017

The table above can be used to make inferences on the nationality make-up of housing units found in these zones. As it is seen above, Zones 1 and 4 have more expatriates living there. From discussions with the residential team of the property management company, it was highlighted that the quality of accommodation available in these zones contributes towards that area's suitability for expatriates. Other factors that have also led to their concentration in Zones 1 and 4 include proximity to primary business districts, embassies, international schools, open spaces and social focal points. Also, the concentration of expatriates in zone 1 and 4 attracts more.

Generally, features of multifamily rental developments in the five selected geographic zones may include a swimming pool, gym, car parking space, backup power supply, constant water supply, furnished, internet access, security, air conditioning, playground for children, elevator, garden and other sports facilities. Inferring from Figures 1.15 and 1.16 below, it is realised that having a car park and constant water supply are the two most fundamental features to current tenants and potential tenants who want to live in the five selected geographic zones.

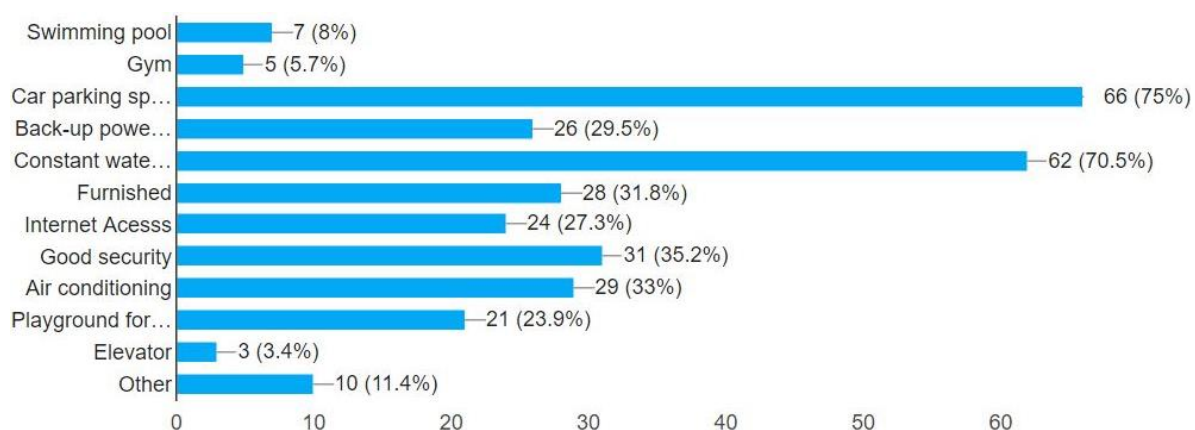


Figure 1.1 5: A percentage bar chart showing the current housing features of respondents

Source: Field data, 2017

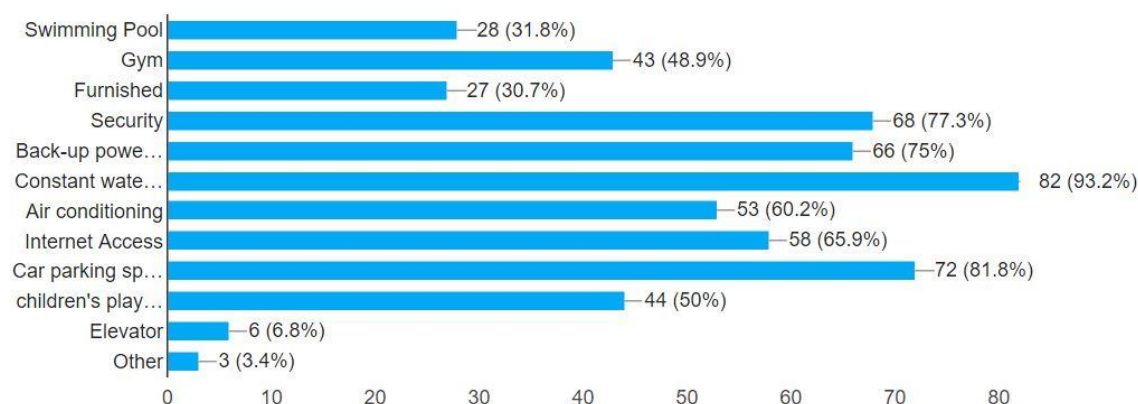


Figure 1.1 6: A percentage bar chart showing the preferred housing features of respondents

Source: Field data, 2017

It is also noticed from Figure 1.15 that 75% and 70.5% of the respondents currently had car parks and constant water supply in their housing units respectively. With regards to the features that these respondents would look out for when selecting a housing unit, car parking space and constant water supply came up to the top again with 81.8% and 93.2% respectively as shown in Figure 1.16. Other features that are also sought after by potential tenants include good security system, backup power supply, air conditioning and internet access; this is shown by their percentages in Figure 1.16. Hence, the five most fundamental housing features include car parking space, constant water supply, good security, internet access and air conditioning.

Figure 1.17 below demonstrates the number of housing features and rent charges of various multifamily developments in the selected geographic zones. The features and rent charges were acquired through interviews with 52 property managers and owners of randomly selected apartments from the five geographic zones. On the graph, the monthly rent range is plotted against the numerical range of housing features which developments in these zones have. So, on the horizontal axis, the numbers one to five represent any of the five fundamental housing features discuss earlier. Also, above the number five shows the existence of other housing features other than the fundamental five features.

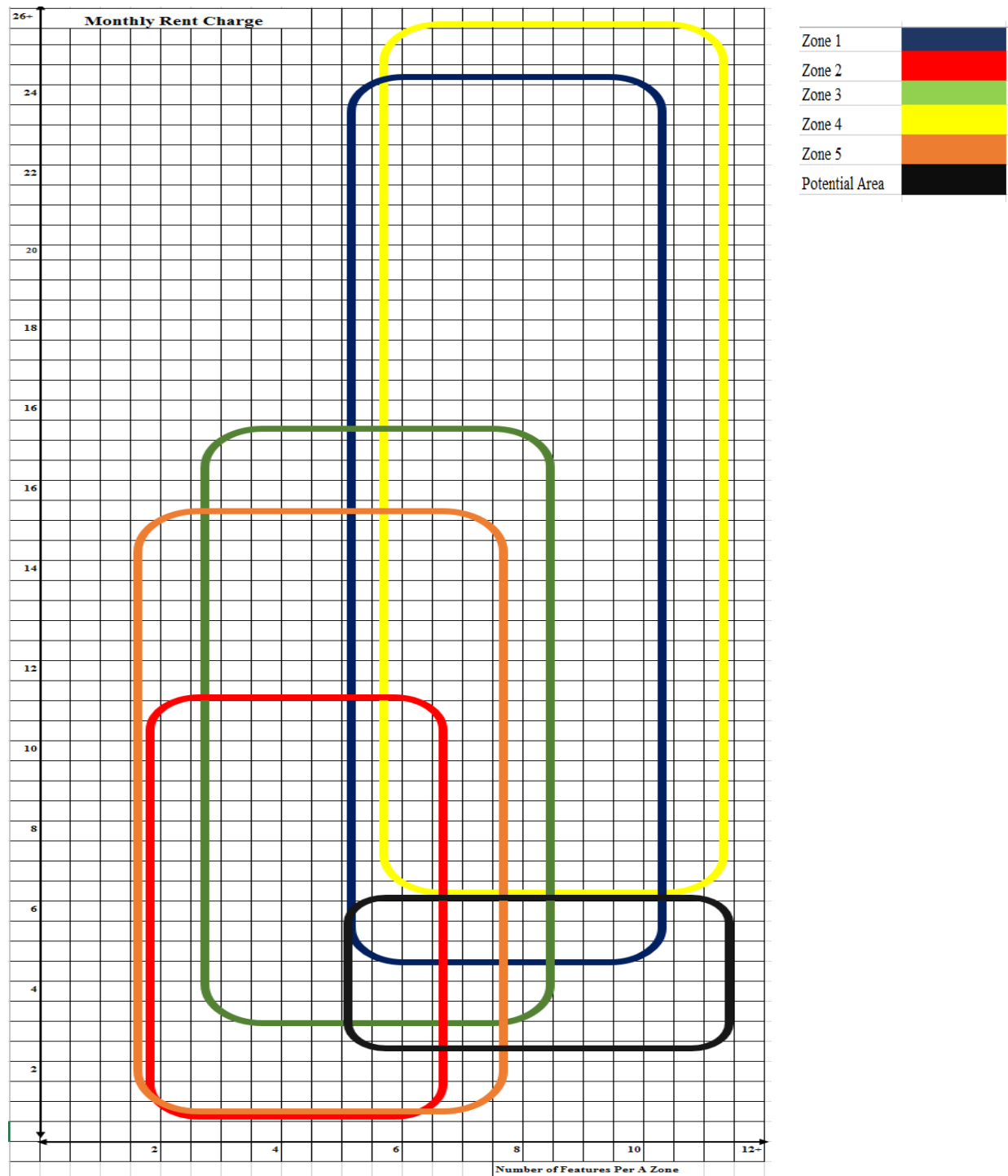


Figure 1.1 7: A graph showing the market positioning and price point of competitive developments

Source: Field data, 2017

Looking at Figure 1.17, it is realized that apartments in geographic zone 1 have a monthly rent charge range between GHs 6,000 – GHS 26,000+. This wide range in monthly rent is as a result of most apartments in this zone having the five fundamental features to over ten features per apartment. From this, it can be inferred that the market position of multifamily properties in Geographic Zone 1 is to provide rental accommodation with the five fundamental features and more features depending on the discretion of the tenant.

Geographic Zone 2 had a different dynamic to the market position of multifamily developments. Monthly rent charge in this zone ranged between a GHS 1,000 to GHS 10,000. Four out of seven multifamily developments visited in this zone provided good security, constant water supply, and a car parking space. Only one out of the seven-visited developments had all the five fundamental features and more. From this it could, it is deduced that the market position of the apartments in zone 2 is to provide rental accommodation that have relatively lower prices and lesser features.

Moving on to Geographic Zone 3, monthly rent charge in this zone ranged between GHS 3,000 to GHS 16,000. Five out of eleven visited multifamily developments in this zone provided either three, four or five of the fundamental features. Six out of the eleven visited developments had all the five fundamental features and more. From this, it is deduced that the market position of the multifamily development in zone 3 is to provide rental accommodation where the more rent a tenant pays, the more features they have provided to them.

In Geographic Zone 4, multifamily development developments have a straight forward and obvious market position. Monthly rent charge in this zone ranged between a GHS 13,000 to GHS 26,000+. All ten apartments visited in this zone provided all the five fundamental features and more. From this, it is deduced that the market position of

multifamily developments in Zone 4 is to provide rental accommodation with distinctive features at a relatively high rent charge.

Geographic Zone 5, also has rent charges ranging from GHS 500 to GHS 16,000. Features of developments in this zone ranged from just one to about eight features per an apartment. In this zone, the multifamily developments with fewer features charge lesser rent charges and more features charge higher monthly rent cost. From this, it can be inferred that multifamily development in this zone have a market position which seeks to give value to a potential tenants' money by the availability of a wide range of apartment options which they can choose from on the basis of affordability and features.

Moving on, the occupancy rate is a rate which shows how the average proportion of tenancy over a given year. In the determination of the occupancy rate, this market research used data on how long it took to get a new tenant and length of stay at the apartment. Table 1.15 below shows the averages of these factors per the five selected geographic zones.

Table 1.1 5: Occupancy rate of apartments in the selected geographic zones

Geographic Zone	Average time it takes to get a new tenant (months)	Average length of stay per current tenants	Occupancy Rate
Zone 1	6 – 12 months	3	82.5%
Zone 2	3 – 9 months	5	91%
Zone 3	6 – 15 months	4	80%
Zone 4	3 – 9 months	4	90 %
Zone 5	6 – 18 months	6	81.42%

Source: *Field data, 2017*

From the Ghana Rent Act 220, (1963) tenants are supposed to give property owners of managers a three months' notice before they leave. Therefore the average number of

months it takes to get a new tenant includes the three months' period notice by the current tenants. To find occupancy rate, the 3-month's period notice was taken out the time required to get a new tenant. The number of months which remains in a year after the new tenants move- in is added to the number of the full years stays and then divided by the total number of years. This gives an estimated occupancy rate of 82.5%, 91%, 80%, 90 % and 81.42% for geographic zones 1,2,3,4, and 5 respectively. This shows that multifamily developments in these zones are assured of having tenants all year round because of their relatively high occupancy rates.

8.0 Comparable developments in the Rental Housing Market

Comparable developments are products or services that perform the same function but through a different means. Thus, comparable developments in this context are rental housing units other than multifamily units. For comparable developments, this market study considered only fully detached houses. This is because reports from the 2010 Ghanaian Population Census showed that apartments, townhouses, and detached houses were the most common forms of urban housing units in Accra. Thus, since townhouses and apartments fall under multifamily development, the only comparable developments that can be considered are the detached or single family units.

From observational visits in the five selected geographic zones, it was realised that fully detached houses are common in all the selected geographic zones, but they are more prominent in some zones than others. Zones 2, 3 and 5 have more fully detached houses than Zones 1 and 4. Property owners and managers in Zones 1 and 4 explained that the reason for the limited number of detached houses in these zones. They describe this to be as a result of the increasing demand for urban housing coupled with the limited supply of lands in Accra.

Therefore, it becomes profitable for developers to build either an apartment or a townhouse as compared to a fully detached house.

Conversations with 29 out of 52 apartments' property managers and owners revealed that potential tenants prefer multifamily units to single family units because multifamily units have little home maintenance. One of the biggest benefits of living in a multifamily development is having a property management firm that maintains common areas and buildings for the tenants. Tenants do not have to worry about doing home care activities like mowing the lawn and sweeping of common areas. In addition to the luxury of having common spaces maintained, some multifamily developments come with other social amenities. Common amenities include a swimming pool, fitness centre, playground, and some sport like basketball or tennis court. As such, these features may entice a potential tenant in choosing an apartment over a fully detached house.

9.0 Opportunities Presented by the Competitive and Comparable Developments

In line with the discussion on competitive and comparable developments in Accra's rental landscape, this section looks at the opportunities that have accrued because of the current states of competitive and comparable developments. Looking at Figure 1.17, it is realised that there is an untapped market gap at the portion of Figure 1.17 which has the black border. This gap gives potential developers and investors the chance to develop multifamily rental housing for young upper middle-income working Ghanaian who wants to live in areas in either Geographic Zones 1 or 4. This opportunity gives tenants the opportunity to pay a rent of about GHS 2000 to GHS 5000 for units which have the five fundamental features and more features. In interviews with property owners and managers, it was clear that tenants choose townhouses and apartments over detached homes because of

the low involvement in maintenance and the presence of social amenities. Thus potential developers in the rental housing market can provide property management services and also make sure there are social amenities that aid in the relaxation of tenants.

10.0 Conclusion Drawn from Market Research Study

The segment presents the conclusions that can be drawn from the findings and results of this market research study. The conclusion is grouped into sub-sections which include; the market, market position, opportunity for differentiation, price point and occupancy rate.

10.1 The Target Market

The target market helps to draw a conclusion to who the buyers are, what their characteristics are; and what they want. The target market for this project is the upper middle-income Ghanaian city dwellers. These middle-income Ghanaian city residents should be between the ages of 25 and 45 years. This is because, from the results of the questionnaire that was sent out to current and potential tenants, people between the ages of 25 to 45 years patronised rental accommodation most. 75% tenants within the ages of 25 to 45 years were either young graduates, working professionals and new family starters. Usually, they are not ready for outright home ownership or to pay for a high-end housing unit in these prime areas mainly because they do not have the capital requirement. Thus, they are in search of rental accommodation that provides the features of the high-end properties but at a slightly cheaper monthly rent charge. The target market also focuses on Ghanaians because it is seen from Figure 1.13 that there are more Ghanaian tenants renting as compared to other nationalities. This shows that with the growing youthful population, more young Ghanaians will be in search of rental housing units.

10.2. Market Position and Differentiation

Market positioning looks at where should the product fit in the potential tenants' mind relative to other choices. The market position for the upcoming development is to provide rental accommodation that offers all the five fundamental features and more in either Geographic Zones 1 or 4. This rental accommodation will go for relatively cheaper rent charge as compared to already existing multifamily development in these zones. Geographic zones 1 and 4 were selected because from Figure 1.17 above, it is realised that there is a market gap for multifamily development with more features but at a relatively low price in these zones. This gap in the market is the areas with the black borders in Figure 1.17. The choice for these zones are supported by the results of the questionnaire where 29% potential tenants preferred Zone 1, and 24% potential tenants also preferred Zone 4. This is illustrated in Figure 1.18 below, where Zone 1 was the highest preferred zone followed by Zone 4.

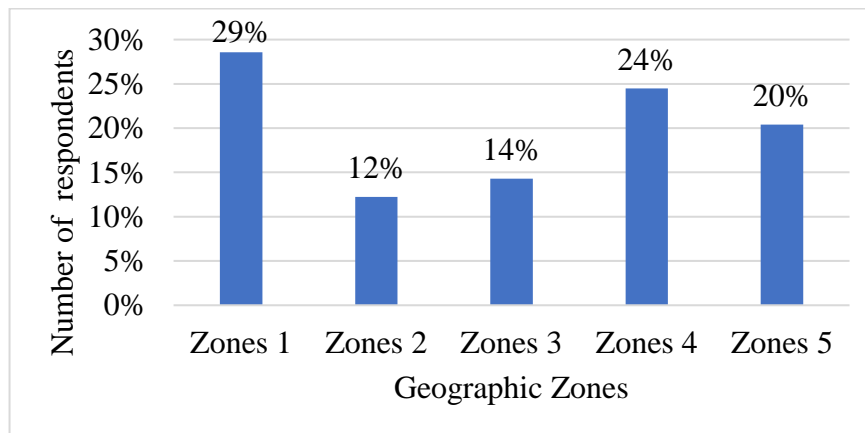


Figure 1.1 8: A bar chart showing the most preferred geographic zones by potential tenants

Source: Field data, 2017

10.3. Price Point

Price point focuses on the best way to capture the values and how should pricing be structured. Since the aim of the development is to be relatively affordable as compared to the

high-end apartments in Zones 1 and 4. Hence, from Figure 1.17, it would be ideal for the monthly rent charge to be between GHS 2,000 and GHS 5,000 because in Zones 1 and 4 have lesser multifamily developments that provide a rent within this range.

Per the sample of potential tenants in Accra, the mean rent charges they are willing to pay for either two or three bedroom units in any of the selected geographic zones are shown in Table 1.16 below. From Table 1.16, it is realised that potential tenants who want to live in Zone 4 are willing to pay the highest average rent charges of GHS 3,375 and GHS 4,800 for two and three bedroom units respectively. Potential tenants who want to live in Zone 1 are willing to pay average rent charges of GHS 2,808.33 and GHS 3,866.67 for two and three bedroom units respectively.

Table 1.1 6: Mean rent charges for two and three bedroom units in each of the geographic zones which potential tenants are willing to pay

Geographic Zone	Mean Rent Charge for a 2 Bedroom Unit	Mean Rent Charge for a 3 Bedroom Unit
Zone 1	GHS 2,808.33	GHS 3,866.67
Zone 2	GHS 2,450	GHS 2,750
Zone 3	GHS 2,054.29	GHS 2,933.33
Zone 4	GHS 3,375	GHS 4,800
Zone 5	GHS 1,820	GHS 2,450

Source: *Field data, 2017*

From the Table 10.3.1 above, it is understandable that for a developer to capture value in the upper middle-income rental housing market, he needs to develop his property in either Zones 1 or 4. The developer should also have price points which are approximately the

same as the average expected rent charges by potential tenants who want to live in Zones 1 and 4.

10.4 Occupancy Rate

Considering that this potential development is most likely to be in geographic zone 1 or 4, the already calculated occupancy rate was used in determining the expected occupancy rate for the upcoming multifamily housing unit. Thus, if the development sits in any of the prime areas in zone 1, the expected occupancy rate is about 82.5% while if the development sits in any of the prime areas in zone 4 the expected occupancy rate is 90%.

11.0 Who Should Use this Market Research, When Should It be Used

The client and other relevant members of the development team would use this market research study. It would be used to come up with a design for the multifamily development and refining of the design to fit the needs of the target market. The market research study will also be used to determine feasibility of building the multifamily development at the selected geographic location. Finally, this market research will be a help to the client when he is determining the price point, occupancy rate, and product offering. This market research can be used to prove the variability of development and hence help the developer to seek funds from investors. Also, this market research could be used at the time of marketing product; it will provide the client with the market position and which segment of the market should be a focus.

APPENDICES

Appendix 1: Questionnaire on Residential Rental Housing in Accra

This student research is part of a Bachelor's Degree Capstone Project being conducted by the Business Administration department, Ashesi University College. The study is based on a selected sample in Greater Accra Region, within which you fall. Your participation is therefore very important to the schedule. The outcome of this research will enhance knowledge on the prospects and opportunities of rental housing in Accra, Ghana.

Participation in this study is voluntary, and all who participate will remain anonymous. Your name is not needed though you can provide your email address in the space provided if you are interested in the outcome of the survey. There are no risk or immediate benefits associated with this study. This survey should not take more than 5 minutes to complete. For further information, you can contact my Supervisor, Dr. Sena Agyapong, Business Administration Department, Ashesi University College. This study and consent form has been reviewed by Ashesi IRB for Human Subjects Research to ensure that this survey does not infringe your rights as a participant. For further information, contact the committee through irb@ashesi.edu.gh or myself, through eugene.afranie@ashesi.edu.gh

All information provided will be kept confidential.

***Required**

1. What is your current housing arrangement? *

- Renting
- Own

- Other:

2. Which of the following age ranges do you fall within? *

- 20 - 25 years
- 26 - 30 years
- 31 - 35 years
- 36 - 40 years
- 40 - 45 years
- 46 - 50 years
- 51 years and above

3. Please choose one of the following. *

Male

Female

Prefer not to disclose

Other:

4. What is your nationality? *

Your answer

5.What is your occupation? *

Your answer

6. Where is your workplace located? *

Your answer

7. Where do you live? *

Your answer

8. What type of housing unit do you live in? *

- Detached
- Semi detached or Townhouse
- Apartment
- Other:

9. What are the number of rooms and bathrooms in your housing unit? (Please choose the number of bathrooms that corresponds with your number of bedrooms)

	1 bathroom	2 bathrooms	3 bathrooms	4 bathrooms	5 bathrooms	6+ bathrooms
1 bedroom						
2 bedrooms						
3 bedrooms						
4 bedrooms						
5 bedrooms						
6+ bedrooms						

10. How much do you pay for rent per month? (Rent should be quoted in GHS) *

Your answer

11. What are the features of your current housing unit? (Choose all that apply) *

- Swimming pool
- Gym
- Car parking space
- Backup power supply (Generator)
- Constant water supply
- Furnished
- Internet Access
- Good security
- Air conditioning
- Playground for children
- Elevator
- Other:

12. What are some of the most pressing reasons why you will like to move from your current location? *

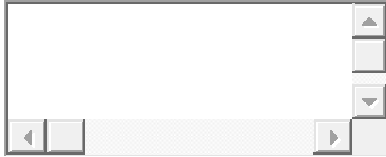
Your answer

13. Consider the following locations, what are the 3 most preferred locations you will like to live in?

	Most Preferred	Preferred	Least Preferred
Cantonments			
Airport West			
Roman Ridge			
Osu			
Labone			
Dzorwulu			
Airport Hills			
Spintex			
Abelemkpe			
Labadi			
East Legon			
West Legon			
North Legon			
North Ridge			
Cantonments			
Airport West			
Roman Ridge			
Osu			
Labone			
Dzorwulu			
Airport Hills			
Spintex			
Abelemkpe			
Labadi			
East Legon			
West Legon			
North Legon			
North Ridge			

14. What are some of the most pressing reasons why you will like to move to your most preferred location? *

Your answer



15. What type of housing unit will you like to rent in your most preferred location above? *

- Detached
- Semi detached or Townhouse
- Apartment
- Other:

16. How many bedrooms and baths will you prefer to have per a housing unit in your most preferred location? (Please choose the number of bathrooms that corresponds with the number of bedrooms you want)

	1 bathroom	2 bathrooms	3 bathrooms	4 bathrooms	5 bathrooms	6+ bathrooms
1 bedroom						
2 bedrooms						
3 bedrooms						
4 bedrooms						
5 bedrooms						
6+ bedrooms						

17. Which of the features below will you prefer to have? (Choose all that apply) *

- Swimming Pool
- Gym
- Furnished
- Security
- Backup power supply (Generator)
- Constant water supply
- Air conditioning
- Internet Access
- Car parking space
- children's playground
- Elevator
- Other:

18. With reference to the type of housing, location and housing features chosen above, how much are you willing to pay as rent? (Rent should be quoted in GHS) *

Your answer

19. Please enter your email address in the space provided if you are interested in the outcome of the survey.

Your answer

Appendix 2: Interview Guide for Property Managers and Property Owners

(Read out the consent below to the participant)

1. Location of housing unit
2. Type of housing
unit.....
3. How many units does the complex
have?.....
4. Describe the nature of your tenants (Single, married, nationality, age range, job,
family size, gender, general way of life) .
5. When was the building built?
6. What are the features of your various housing units?
 - a. Internal features (Rooms, AC, bath, etc.)
 - b. External features (Back power supply, swimming pool, car park, water tank, etc.)
7. What are your criteria for choosing tenants?
8. How long does an average tenant stay?
9. Common reasons to why tenants leave?
10. How many units are rented out currently? (Follow up with how long it takes to get
new tenants)

11. What kind of maintenance have you done in the last year? 2 years? What has it been?
12. What would you want to improve in this building?
14. Did you take rent in advance? Yes No
15. If Yes to Question 14, for how many years?
16. How much in the form of rent advance did you demand from renters?
17. How much do you collect in the form of rent in a month for the dwelling units?
18. What factors do you consider in determining rent for each type of accommodation?
(Occupation of tenants, Room size, Availability of facilities, etc.)
38. How often do you receive as rent? Monthly, Yearly, Every two (2) years, Every three
(3) years Other (Specify)
39. Do you have a tenancy agreement with your renter(s)? Yes No
40. Why?
41. Is it worth venturing into rental housing? Yes No
42. Why?

Provide email if interested in the results.