DOI 10.5281/twist.10049652#463

TWIST, 2025, Vol. 20, Issue 3, pp. 88-98

TWIST

Journal homepage: www.twistjournal.net

Predictors of Real Estate Financial Behaviour Among Individual Real Estate Investors in Nigeria

Richard Ugochukwu Elile*
Post Graduate Center,
Limkokwing University of Creative Technology, Malaysia
[**Corresponding author*]

Ogbodoakum Nnamdi
Business School of Commerce and Management,
Abuja, Nigeria

Abstract
A substantial amount of a country's economy and a large amount of an individual's wealth are both derived from real estate. Purchasing homes for personal or commercial purposes for rental purposes is one of the direct real estate investment strategies available to generate income and build wealth. This study is focused on determining the predictors of real estate financial behaviour in Lagos, Nigeria. Using the modified theory of planned behaviour, the study focused on how the selected factors can influence real estate financial behaviour. 353 completed questionnaires were collected from a possible 400 copies sent. Multiple regression analysis showed that attitude towards real estate was not statistically significant, while other factors were statistically significant with financial behaviour. The study's empirical findings give real estate professionals valuable information to help them make better decisions about how to develop their offerings to meet clients' expectations.

Keywords
Attitude towards real estate, Perceived physical quality, Access to money, Government inceptives, Real estate financial behaviour

INTRODUCTION

One asset with an opaque fair market value is housing. In other words, unlike the stock of a company which is traded on an organized exchange, the price discovery process for a house is typically based on asymmetric information between the buyer and seller, infrequent transactions, and a protracted search and bargaining process rather than a competitive bidding process (Smith, 2012). This leads to a value conclusion susceptible to different measurement mistakes, which further affects business and policy uses of value prediction. Although it has not historically been a primary field of study, economists have occasionally become interested in housing markets throughout the previous 200 years (Smith, 2012).

A substantial amount of a country's economy and a large amount of an individual's wealth are both derived from real estate (Hoxha & Hasani, 2022). Real estate, for example, accounts for about 10% of the output of the entire economy. In many economies, the majority of decisions made by individuals and businesses entail some kind of real estate purchase or rental (Maier & Herath, 2009, p.2). Choosing a location is a clear example (Hoxha & Hasani, 2023). Every time a family or business chooses a new location, it must locate a home, apartment, office, industrial site, etc. to purchase or rent, possibly modify the real estate to suit its demands, and so on (Maier & Herath 2009). However, the underlying operations cannot be implemented without the corresponding real estate-related decisions when discussing more general and abstract ideas like interregional labour or capital transfers, production clustering, urban development dynamics, or urban hierarchies (Swathi & Uma, 2024).

Financial experts and industry participants are interested in what drives personal savings and which real estate investment possibilities people prefer (Mydhili & Dadhabai, 2019). Purchasing homes for personal or commercial purposes for rental purposes is one of the direct real estate investment strategies available to generate income and build wealth (Feng, 2021; Tsou & Sun, 2021). Also, potential investors may be favourably disposed to purchase real estate stocks and bonds through the Real Estate Investment Trust (REIT) (Heaney et al., 2012). While indirect investors may prefer real estate stocks and bonds due to the immediate financial gratifications it bring (Feng, 2021; Tsou & Sun, 2021), small investors' preference for physical assets together with financial institutions acceptance of real estate property for loan collateral makes real estate a valuable investment option (Lee & Koh, 2018; Mydhili & Dadhabai, 2019).

Within the last decades, researchers have tried to ascertain other factors that influence financial management behaviour within the domain of real estate (Fateye, et al, 2020; Lingesiya 2019; Oyedele, 2019). The import of the studies was due to the widely held belief that the classical wealth maximization theory of finance may not provide a sustained explanation of individual behavioural choice regarding real estate investment (Hilber, 2020; Otty et al., 2023;). According to them, market efficiency assumptions and rationality belief models may not always explain the dynamism and complications associated with real estate investment decisions. For example, an individual investor may prefer a vacation home to a rental property due to the ambience and satisfaction that a vacation home provides instead of the passive income that a rental property brings. This choice makes the utility maximisation of classical economics weak in this context (Kinatta et al., 2022).

Although, researchers and practitioners have examined the role of rational thinking (Mydhili & Dadhabai, 2019; Waheed et al., 2020), behavioural factors (Swathi & Uma, 2024) in the determination of real estate investment decisions, the importance of wealth maximisation assumptions still hold sway (Hoxha & Zeqiraj, 2022; Ribaj & Mexhuani, 2021). The Efficient Market Hypothesis (EMH), which has dominated the financial markets assumes that individual rationality shapes economic decisions (Xu, 2023). This theory, which has historically been used in stock markets where liquidity and information symmetry are more common, raises interesting questions when applied to the real estate industry, which is distinguished by its distinctive assets, rare transactions, and fluctuating information flow. Additionally, information asymmetry frequently affects real estate markets, meaning that not all players have equal access to or speed at processing information (Xu, 2023).

Many of the previous researches have not fully examined the role of behavioural factors in real estate financial behaviour in Nigeria (Otty, et al, 2023; Oyedele, 2019). The popular assumption to this line of thought is that macroeconomic factors such as interest rate, inflation rate, exchange rate and GDP rate are the sole determinants of financial behaviour (Mydhili & Dadhabai, 2019; Swathi & Uma, 2024). While this argument is valid in determining major financial behaviour for individuals and investors (Kinatta et al., 2022; Xu, 2023), an exclusive focus on macroeconomic factors with little emphasis on behavioural and cognitive factors would be counterproductive in the real estate market due to hedonistic characteristics of real estate investment decision-making model (Devi & Perumandla, 2023; Waheed et al., 2020). Attitude towards real estate is a domain-specific activity which influences direct and indirect positive outcomes (Sabri et al., 2022). Accordingly, real estate financial behaviour necessitates self-assurance that attitude towards real estate will provide (Fateye et al., 2020; Hoxha & Hasani, 2023).

Theoretical foundation

A person's intention to carry out a behaviour is the best indicator of that action, according to the Theory of Planned Behaviour (TPB). This intention is impacted by the person's attitude toward the conduct, subjective norms (social pressure), and perceived behavioural control. The theory of planned conduct (Ajzen, 1991) states that three factors' attitudes, subjective standards, and perceived behavioural control determine intents, which in turn influence behaviours. Depending on how much behaviour is truly under the individual's control and how well perceived behavioural control represents actual behavioural control, external influences may also directly force or inhibit behaviours, regardless of the intention. According to the Theory of Planned Behaviour, people behave logically based on their attitudes, perceived behavioural control, and subjective norms (Ajzen, 1991).

Although they provide the background for the decision-making process, these aspects are not always actively or consciously taken into account. Put differently, individuals may not express a certain attitude, yet it may still affect how they make decisions (Bunce, et al., 2008). These hidden values and concepts that affect decision-making are the focus of this field's research. The assumption of rationality is controversial since people don't always act rationally; occasionally they act emotionally. From a theoretical standpoint, behavioural finance can be used to examine how financial behaviour affects real estate investment choices. The impact of psychological and emotional aspects on investment decisions is examined in this behavioural finance study (Devi & Perumandla, 2023). Instead of basing their decisions on objective probabilities, people often base them on their perceptions of predicted rewards and losses (Devi & Perumandla, 2023). Even though the prospective profits on real estate investments are smaller than those of other investment possibilities, pleasure-seeking investors might be more inclined to purchase homes that offer the possibility of comfort and pleasure (Devi & Perumandla, 2023).

Modified theory of planned behaviour

According to the TPB, three main aspects impact behaviour: one's attitude toward the behaviour, subjective norms (the idea that one is under social pressure to engage in the action), and perceived behavioural control (the idea that one can engage in the behaviour). To better explain and forecast complex actions, such as consumer decisions or safety behaviours, the Modified Theory of Planned Behaviour (mTPB) expands upon the original Theory of Planned Behaviour (TPB) by adding new components to better predict and explain individual behavioural disposition towards an idea, a concept or product (Kufaine, 2024). To better explain and forecast human behaviours, the Modified Theory of Planned Behaviour (mTPB) adds more factors to the classic Theory of Planned Behaviour (TPB).

The Modified Theory of Planned Behaviour (mTPB) takes into account elements including attitude, subjective norms, perceived behavioural control, and outside influences like law enforcement or product qualities (Tsou & Sun, 2021). As evidenced by numerous studies conducted in a variety of contexts, researchers can better customize interventions or strategies to encourage desired behaviours among diverse populations and obtain a deeper understanding of the complexities of decision-making processes by incorporating these extra components (Kufaine, 2024; Liu & Liu, 2024).

It has been shown in numerous experiments that applying modified theory of planned behaviour (mTPB) improves the model's ability to predict and influence behaviour (Swathi & Uma, 2025). The capacity of the theory of planned behaviour to describe intentions and behaviours can be greatly enhanced by adding variables like habit, moral norm, descriptive norm, and past behaviour, according to research (Negara, et al., 2023). Furthermore, it has been discovered that incorporating perceived environmental concern as a determinant of behavioural intention in conjunction with the components of the Theory of Planned Behaviour (TPB) influences financial management behaviours and real estate investment choices, demonstrating the flexibility and adaptability of the TPB in various contexts (Kufaine, 2024).

The modified Theory of Planned Behaviour (mTPB) presents difficulties in a number of situations. Research has indicated that although the modified Theory of Planned Behaviour (TPB) is capable of accurately forecasting behaviours, its use is limited (Abdallah, Al-Tamimi & Duqi, 2021; Yakubu, Achu, Ali & Jalil, 2022). The intricacy of some behaviours and situations that may require special attention may not be adequately captured by the modified Theory of Planned Behaviour (TPB). These difficulties show how much more research is required to examine other elements that can improve the extended theory of planned behaviour’s (mTPB) capacity to predict and alter behaviour (Ojo, Dabara, & Ajayi, 2022).

Empirical review and hypothesis development

Information about a property as a low-risk investment that is assured to produce long-term financial gains is crucial in helping small-scale private property owners make decisions about real estate investments (Heaney, Higgins, & DiIorio, 2012). The opportunities accessible to investors are shaped by a variety of factors that impact state investment trends. Regulatory policies, technology, sustainability, geography, economic conditions, and demographics all play important influence (Waheed et al, 2020). In the ever-changing realm of real estate investing, investors can set themselves up for success by remaining knowledgeable, carefully examining these variables, and adjusting to new trends (Lee & Koh, 2018). Investors can maximize profits, make well-informed decisions, and create a robust and lucrative real estate portfolio by identifying and utilizing these crucial variables (Tsou & Sun, 2021).

Attitude towards real estate

According to Ajzen (1991), attitude toward a behaviour can be defined as a person's evaluation of the outcomes of a specific behaviour; it is the extent to which they prefer or dislike a given object. According to Judge et al. (2019), attitude is a strong predictor of intention to purchase an apartment. The intention to purchase an apartment is significantly and favourably influenced by attitude (Wibawa & Hartoyo, 2017). Customers may evaluate the same product qualities while selecting an apartment, but their opinions of the property's features and suitability for the demand may differ. According to Jain (2020), attitude significantly and favourably influences plans to buy an apartment. Other research has found that behavioural intentions to purchase an apartment are positively influenced by attitudes.

Islam et al (2022) examined the factors that influence purchase an apartment in Dhaka, the capital of Bangladesh. The quantitative study used a sample of 236 respondents. The sample which comprises 203 males and 33 females used multiple regression analysis to analyse the dataset. It was found that attitude towards real estate was statistically significant with intention to buy real estate apartments ($\beta = 0.528$, $p < 0.05$). Perceived physical quality and government policy were respectively statistically significant with intention to buy real estate apartments ($\beta = 0.157$, $p < 0.05$), ($\beta = 0.185$, $p < 0.05$).

Dinh et al (2022) examined the elements linked to the desire to purchase flats as crucial for real estate businesses. This study investigates Vietnamese customers' intentions to purchase apartments using a modified theory of planned behaviour (TPB). 512 questionnaire responses were gathered using the convenience sample technique. The measurement and structural models were tested using covariance-based structural equation modelling. The findings showed that the most important influence of purchase intention was the attitude toward a behaviour followed by perceived behavioural control, apartment features and financial considerations. Furthermore, attitudes toward a behaviour, project amenities, perceived risk, financial considerations, and apartment characteristics all have an indirect impact on purchase intention. In the meantime, there is no statistically significant correlation between project facilities and perceived risk and purchasing intention. Therefore, at this point, a consumer's attitude about behaviour is crucial to increasing their intention to buy an apartment.

H1: Attitude towards real estate will have a positive and significant relationship with Financial behaviour among real estate investors in Nigeria.

Perceived physical quality

The subjective evaluation and appreciation of a property's physical attributes, such as its general condition, construction quality, and design, is known as perceived physical quality in real estate, and it has a big impact on people's decisions to buy or rent (Fateye, et al., 2020) The subjective assessment of a property's physical characteristics, such as its general condition, materials, finishes, design, and construction quality, is referred to as perceived physical quality (Feng, 2021). Since people frequently give top priority to a property's physical features when deciding where to live or invest, this perception is vital in forming consumer preferences and influencing real estate decisions (Dinh, et al., 2022).

Jiang et al (2023) investigated the physical and aesthetic aspects of the landscape that visitors observe, which affect their inclinations toward rural living settings. Prior research has mostly examined how physical or aesthetic aspects affect tourists' environmental preferences; nothing has been done to examine the influence of both at the same time. 450 valid questionnaires from Zhaoxing Dong Village in China, which is known for its typical rural environmental characteristics, to close this study gap. Multiple linear regression analysis and correlation analysis were performed on the survey data. The findings show that the majority of environmental physical quality factors have a substantial correlation with tourists' choices when just environmental physical quality factors are taken into account. Of these, "visual quality" exhibits the strongest association, followed by "maintenance" and "facility," while "security" exhibits the weakest correlation.

Ochomma and Ekenta (2024) investigated the role of physical qualities in real estate investment choices. Real estate professionals totalling 367 respondents were given standardized questionnaires to complete to gather data. With a high response rate of 96.18%, the study examined replies from 353 participants and concentrated on almost 4,400 residential properties. According to the statistics, there are seven main categories of residential properties. The most prevalent are blocks of apartments (21.24%), which are preferred by middle-class to upper-class inhabitants. Detached homes and mansions are next in line. The best investment option turned out to be residential real estate, driven by elements including property value, neighbourhood quality, and security. The most important component, security (RII = 0.89), was closely followed by neighbourhood quality and infrastructure (both RII = 0.88), all of which contribute to increased investor confidence.

Kabir et al (2024) examine the relationship between consumers' intentions to buy and their preferred level of personal financial capacity when purchasing real estate. When purchasing a home for personal use or rental purposes, this study examines whether well-known elements of consumer purchase intention, such as attitude, social power or subjective norms, perceived behaviour power or control, location, surrounding environment, and socialization, can affect a consumer's preferred investment amount. In all, 334 people took part in the study. Three methods were used to evaluate the survey data: Poisson pseudo maximum likelihood, ordinary least squares, and factor analysis. According to this study, a real estate investor's chosen investment quantity is greatly influenced by several factors, including location, the surrounding environment, property/construction documents, roads, mosques/temples, and fire services. There is a connection between a consumer's intention to buy and their choice to invest in real estate through elements including location, the surrounding area, legal documentation, and communication facilities. The real estate developers and their financing partners must give careful thought to these aspects that have been recognized as influencing consumer purchasing intention.

H2: Perceived physical quality will have a positive and significant relationship with financial behaviour among real estate investors in Nigeria.

Access to money

Money is a key factor for buyers when they are buying a home (Khare & Kader, 2016). Real estate buyers are required to take out large loans and pay interest on those loans. It has long been believed that finance is essential to the growth of the real estate sector. If long-term, affordable financing is available, buyers are more inclined to purchase homes and apartments (Sonia, 2020). Prior research has found a positive relationship between apartment purchase intention and financial resources (Khoo et al., 2019; Sonia, 2020). Access to real estate loans where available involves payment of interest on the loan which some desiring home buyers may not have. This practice makes real estate investment challenging in Nigeria.

Otty et al (2023) aimed to assess the factors influencing private investors' decisions to invest in real estate in South-East Nigeria to evaluate the research area's real estate investment pattern. The study was carried out in Anambra, Enugu, and Imo State, which are in South-East Nigeria. In a few chosen states, information was gathered from 133 individual real estate investors, 131 members of the Real Estate Development Association of Nigeria (REDAN), and 331 certified estate surveyors and valuers. Data from the respondents was gathered using a structured questionnaire. The findings showed that economic factors which affect individual economic standing have a big impact on real estate investment choices.

Islam et al (2022) found with a sample of 236 respondents that access to money is one of the major determinants of real estate investment decisions. The study recommends that the availability of credit not only enhances real estate development through affordable housing prices instead, credit makes it easier for intending homeowners to access profitable real estate choices that suit their financial standing. The results demonstrated that real estate investment decisions are significantly influenced by economic factors that impact an individual's financial situation.

Anh et al (2024) examined the major factors affecting real estate investment decisions in Vietnam. This study looks into how people's borrowing intentions in real estate transactions are influenced by attitudes, policies, and credit accessibility. The data collected from 889 Vietnamese respondents was analysed using structural equation modelling. The findings demonstrate that people's aspirations to buy apartments are directly impacted by access to credit. Financial institutions can use these insights as a foundation to create safe, easily accessible, and effective loan programs for people with real needs. To effectively manage the real estate market and meet the demand for public housing, the government ought to implement a more robust credit framework to sassiest current and impending home buyers.

H3: Access to money will have a positive and significant relationship with financial behaviour among real estate investors in Nigeria.

Government incentives

Nigerian real estate and infrastructure companies are having difficulties as a result of rising borrowing costs and material and building supply prices (Ametefe, et al., 2023). These cost rises have been exacerbated by the Central Bank of Nigeria's recent currency devaluation in June 2023. Because they affect many sectors, notable steel prices are used as a benchmark. Furthermore, contractors are having trouble predicting the direction of raw material prices, which makes it difficult for them to set pricing plans at this stage (Realtor Magazine, 2020). Sales and growth in the real estate sector have slowed as a result of the currency's devaluation. Average customers now have more purchasing power and are choosing their purchases more carefully as a result. Limiting capital flight through currency controls affects demand while reducing inflation (Wealth Briefing, 2020). In addition to forcing money out of the real estate and into savings products with higher interest rates to guard against future increases in house financing debt, the Central Bank of Nigeria's harsh monetary tightening policies were implemented to battle increasing inflation and attendant low consumer spending in the economy (Yap, et al., 2023).

Akin and Akin (2025) examined the influence of government policies on real estate investment decisions in the UK. This study uses qualitative research, with an emphasis on developer interviews, to investigate how green investments affect sustainable practices in the UK real estate sector. The results show that market demand, financial incentives, corporate accountability, technical innovation, and regulatory frameworks are all important components of sustainable practices. Financial incentives like grants, tax credits, and green finance tools like green bonds are helping to meet the increased demand from consumers for sustainable real estate. Despite obstacles such as perceived greater costs and legal barriers, the study identifies incentives for stakeholders to engage in sustainability projects, such as financial gains, reputation, regulatory compliance, and customer demand.

Setiyo (2024) uses a thorough literature study and thematic analysis to investigate how property taxes affect the real estate market. With an emphasis on how property taxes affect property values, investment behaviour, and local government funding, the study seeks to clarify the complex dynamics of property taxation. To identify underlying themes and patterns about property taxes, the study methodically reviews the body of current literature from a variety of sources using an exploratory and descriptive research strategy. Snowball sampling approaches are used to increase comprehensiveness in the data collection process, which entails a thorough assessment of academic publications, books, reports, and policy papers.

Key findings, such as the capitalization effect of property taxes on property prices, the function of tax incentives in attracting investment, and the difficulties presented by property taxes, are categorized and interpreted through the use of thematic analysis. The study emphasizes how crucial it is to take into account contextual elements like socioeconomic dynamics and market conditions to comprehend the intricate relationship between property taxes and the real estate market. The results have ramifications for researchers, practitioners, and politicians, emphasizing the necessity of interdisciplinary cooperation, creative policy solutions, and tailored tax relief programs to meet the opportunities and problems related to property taxes.

Babayo and Milala (2024) examined how Nigerian commercial real estate financing is impacted by important macroeconomic factors. Structural equation modelling (SEM), a quantitative research methodology, was utilized to investigate the correlations. Surveys given to legislators, financial organizations, and real estate investors were used to gather data. To guarantee a representative cross-section of the Nigerian real estate market, a sample of 302 respondents was chosen through the use of stratified random sampling. According to the study, macroeconomic factors have a big impact on financing for commercial real estate, with interest rates and inflation having the biggest effects. For investors to have enough money to make real estate investment decisions, the findings highlight the necessity of specific economic policies to encourage investment in Nigeria's real estate market. Zou et al (2025) investigated the effect of macroeconomic uncertainties on real estate investment decisions. According to the study's findings, there is a noticeable decrease in real estate market volatility during times of crisis because monetary policy uncertainty has a greater impact on market volatility during the peak of COVID-19 than it does during the full sample period and the COVID-19 recovery period. Government incentives are vital to achieve price stability and a strong investment climate in the real estate sector.

H4 Government incentives will have a positive and significant relationship with financial behaviour among real estate investors in Nigeria.

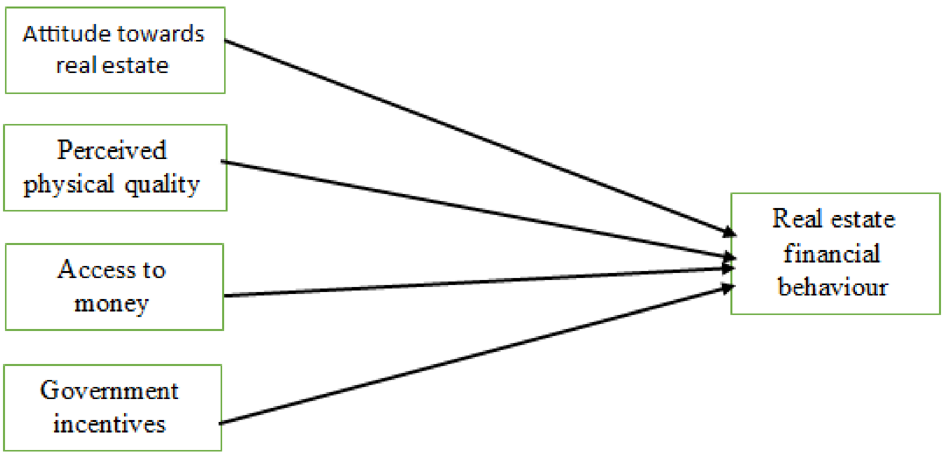

Fig. 1 Research framework

METHODOLOGY

Study design

This study adopted a correlational research design to investigate the predictors of real estate financial behaviour among real estate investors in Nigeria. Correlational research design offers the most effective research design to determine the predictors of real estate financial behaviour. The goal of correlational study design is to measure and observe naturally occurring associations rather than causal correlations between variables (Saunders et al, 2019).

Participants and sample size

The study adopted strict inclusion criteria to select participants for the study. For example, the first criterion is that all the participants must be working or have reasonable means of income if in the private sector. The second condition is that the participant should be earning/making enough money that qualify to apply for a housing loan or outright purchase. These conditions were necessary so that, only those who are willing and able to afford housing loan/facility or outright purchase are surveyed. We liaised with real estate salespeople and the Real Estate Developers Association of Nigeria (REDAN). We obtained a list of eligible real estate investors which helped us to design the survey. From the list drawn, 3050 intending home buyers and investors were identified together with the computation of sample size as shown below:

Yamane formulae

$$n = \frac{N}{1 + N e^2}$$

$3050/1+3050\ (0.05)^2$

$3050/8.625$

Sample size: 353

Measures

The items used in measuring all the constructs were obtained from previously validated items which have been used in similar studies. For example, attitude towards real estate was measured with five items chosen from Kamal and Pramanik (2015a,) and Yadav et al. (2018). all the items were measured on five-point Likert scale. Sample of item reads (buying an apartment is beneficial for me). Perceived physical quality was measured with seven items chosen from Rachmawati et al. (2019), Sonia (2020). Sample of the item reads (I prefer to buy an apartment that have a convenient parking space). Access to money was measured with four items source from Rachmawati et al. (2019), Sonia (2020). Sample of the item reads (I have sufficient money at hand to buy an apartment). Government incentives was m measured with five items sourced from Matisoff et al. (2016), Glaeser et al. (2017). Sample of the item reads (Special credit facilities from Government can influence me to purchase apartment). Real estate financial behaviour was measured with nine items chosen from Strömbäck et al. (2020). Sample of the item reads (I saved for a long-term goal like real estate property).

Research instrument/data collection method

Online self-administered structural surveys were used due to travel constraints because they were an efficient, low-cost, and electronic way to gather vast amounts of data. The questionnaires were sent to 3 real estate experts who have built and sold many houses in Nigeria. Their comments were useful in the final design of the questionnaires. The pilot study which was conducted with 50 respondents showed improved reliability and clarity of questions. Researchers gathered information by interacting with participants who expressed interest in real estate and belonged to WhatsApp groups for buying and selling residential properties. A hyperlink was sent to these respondents so they could finish the survey. A welcome greeting and relevant information about the study's goals, consent procedures, data confidentiality, and anonymity were provided at the beginning of the survey form. The data collection phase covered approximately 10 days due to quality engagement with relevant stakeholders such as real estate salespeople and the Real Estate Development Association of Nigeria. 420 online self-administered questionnaires were sent while some incomplete copies were equally received. After data screening and examination, 353 were found to be usable for the study.

RESULTS

The demographic profile of the participants revealed interesting information which is vital to contextualise the study. Gender is proportionally male-dominated (72.8%) against female (27.2%) which is consistent with Nigerian culture where males are the breadwinners. The majority of the participants have a bachelor's degree (57.5%). On the monthly income threshold, 68% of the participants have more than 301,000 to 700,000, which is vital to engage in meaningful real estate investment. About 81.1% of the participants are either private or self-employed while 50.7% are married which makes the demand for real estate property critical for the participants (See Table 1).

Table 1 Demography (N= 353)

Measure	Frequency	Percent (%)
Gender		
Male	257	72.8%
Female	96	27.2%
Total	353	100%
Educational level		
Secondary school	95	26.9%
Bachelor	203	57.5%
Masters	25	7.1%
Others	30	8.5%
Total	353	100%
Monthly income		
100,000-300,000	28	7.9%
301,000- 500,000	116	32.9%
501,000- 700,000	124	35.1%
701,000- 1000,000	10	2.8%
Above 1000,000	75	21.2%
Total	353	100%
Job sector		
Public	28	7.9%
Private	149	42.2%
Self-employed	176	49.9%
Total	353	100%
Marital status		
Married	179	50.7%
Single	132	37.4%
Divorced/separated	42	11.9%
Total	353	100%

Statistical Analysis

Table 2 Reliability Analysis

Variable	No of items	Cronbach alpha (N=353)
Attitude towards real estate	5	0.769
Perceived physical quality	7	0.711
Access to money	4	0.879
Government incentives	5	0.901
Real estate financial behaviour	9	0.777

The reliability estimates for five variables indicate that all the variables were reliable since the each of the variable has a Cronbach alpha of at least 0.7. Specifically, government incentives has the highest Cronbach alpha of 0.901 followed by access to money 0.879, real estate financial behaviour, .0777, attitude towards real estate, 0.769 and perceived physical quality, 0.711.

Table 3 Regression Model

R	R. Square	Adjusted R Square	Standard Error
0.845	0.715	0.711	0.37744

The regression model (R) which is 0.845 is indicative a good regression model. The R square which is the variance explained by the four predictors (attitude towards real estate, perceived physical quality, access to money and government incentives) in explaining real estate financial behaviour. It means that the four predictors explained 71.5% of the variance in real estate financial behaviour.

Table 4 ANOVA

Model	Sum of squares	df	Mean square	F	Sig
Regression	124.188	4	31.947	217.938	0.000
Residual	49.575	348	0.142		
Total	173.764	352			

The Anova table shows that the four predictors (attitude towards real estate, perceived physical quality, access to money and government incentives) significantly predicted real estate financial behaviour because the test statistic is significant at a 0.05 level of significance ([F (4, 352) = 217.938 p= 0.000].

Table 5 Multiple Regression

	Unstandardized coefficient		Standardized coefficient		
	B	St. Error	B	t	sig
(Constant)	0.580	0.144		4.039	0.000
Attitude towards real estate	-0.039	0.035	-0.044	-1.125	0.261
Perceived physical quality	0.383	0.054	0.416	7.042	0.000
Access to money	0.733	0.034	0.722	21.589	0.000
Government incentives	0.219	0.048	0.230	4.561	0.000

From the multiple regression table, it is evident that attitude towards real estate was not statistically significant in real estate financial behaviour because p > 0.05. This finding is rather surprising based on the strength of the literature. However, perceived physical quality, access to money and government incentives were statistically significant with real estate financial behaviour p < 0.05. Thus, perceived physical quality, access to money and government incentives are the major predictors of real estate financial behaviour based on the sample examined in Nigeria.

Table 7 Hypotheses

No	Statement	Decision
H1	Attitude towards real estate will have positive and significant relationship on financial behaviour among real estate investors in Nigeria	Not Supported
H2	Perceived physical quality will have positive and significant relationship on financial behaviour among real estate investors in Nigeria.	Supported
H3	Access to money will have positive and significant relationship on financial behaviour among real estate investors in Nigeria.	Supported
H4	Government incentives will have positive and significant relationship on financial behaviour among real estate investors in Nigeria.	Supported

DISCUSSIONS

Drawing from the modified theory of planned behaviour, this study examined the predictors of real estate financial behaviour among real estate investors in Nigeria. The sample includes intending property buyers and investors from Lagos state Nigeria. From the findings, attitude towards real estate was not statistically significant with real estate financial behaviour while perceived physical quality, access to money and government incentives were the major predictors of real estate financial behaviour. The following insights may be drawn from the findings:

First, the finding shows that attitude towards real estate has no statistically significant relationship with real estate financial behaviour. Ajzen (1991) defined attitude toward a behaviour as an individual's assessment of the results of a certain behaviour; it is the degree to which they enjoy or detest a particular object. Judge et al. (2019) assert that attitude is a powerful predictor of the intention to buy an apartment. Although the intention was not modelled in the study, the attitude has been found to have a positive and significant effect on individual behaviour to buy real estate property (Jain, 2020; Islam, et al, 2022).

The surpassingly non-significant effect of attitude towards real estate on real estate financial behaviour may be due to the presence of other variables such as perceived physical quality, access to money and government incentives. For example, an individual with a positive perception of physical quality together with access to money and favourable government incentives may be less enthusiastic about attitude towards the same real estate. According to Ajzen (1991), attitude toward a behaviour can be defined as a person's evaluation of the outcomes of a specific behaviour; it is the extent to which they prefer or dislike a given object. While attitude is believed to have a positive effect on a range of other behavioural outcomes (Ajzen, 1991; Islam et al, 2022; Judge et al., 2019), its effect may be less pronounced where other predictors with strong predictive capacity are involved.

Second, the result showed that perceived physical quality has a statistically significant relationship with real estate financial behaviour. This result is suggestive that perceived physical quality is a significant predictor of real estate financial behaviour. The service quality model states that satisfaction originates from the physical quality of the service, and that intention follows from contentment (Priporas et al., 2017). Perceived physical quality in real estate refers to the subjective assessment and admiration of a property's physical characteristics, including its overall condition, construction quality, and design. It significantly influences people's decisions to purchase or rent (Fateye et al., 2020). Perceived physical quality is the subjective evaluation of a property's physical attributes, including its overall state, materials, finishes, design, and construction quality (Feng, 2021). This view is crucial in shaping consumer preferences and impacting real estate choices since individuals usually place a high value on a property's physical attributes when choosing where to live or invest (Dinh et al., 2022). The current study is also in agreement with the findings from Jiang et al (2023), Kabir et al (2024), and Ochomma & Ekenta (2024).

Third, access to money has a statistically significant relationship with real estate financial behaviour. This finding is suggestive that access to money is a significant predictor of real estate financial behaviour. However, this result is consistent with other results on the role of financial capacity on real estate buying behaviour (Anh et al, 2024; Islam et al, 2022; Otty et al, 2023). Access to money which may be sometimes referred to as financial self-efficacy is the ability of an individual to fund a range of behavioural outcomes such as real estate purchases or associated investment in the real estate sector (Otty et al, 2023). In many cities, poor access to funds or funding inability is one of the major hindrances to effective housing ownership. If this handicap is addressed, positive real estate financial behaviour would be achieved and attendant boost in property investment in Nigeria (Kabir, et al., 2024).

Finally, government incentives have a positive and statistically significant relationship with real estate financial behaviour. This finding which is suggestive that government incentives are a major predictor of real estate financial behaviour is consistent with results from previous studies (Islam et al, 2022; Setiyo, 2024; Zou et al, 2025). Rising borrowing costs and the cost of building materials and supplies are causing problems for Nigerian real estate and infrastructure enterprises (Ametefe et al., 2023). The recent currency depreciation by the Central Bank of Nigeria in June 2023 has made these cost increases worse. Notable steel prices are used as a benchmark since they have an impact on numerous industries.

Additionally, contractors are finding it challenging to develop pricing strategies at this time due to their inability to forecast the direction of raw material prices (Realtor Magazine, 2020). The rising demand for real estate from consumers is being met in part by financial incentives such as subsidies, tax credits, and green finance instruments like green bonds. Interest rates and inflation are the two macroeconomic variables that have the largest implications on commercial real estate finance. The results emphasize the need for particular economic strategies to promote investment in Nigeria's real estate market so that investors have adequate money to make real estate investment selections. To achieve price stability and a robust investment climate in the real estate sector, government incentives are essential.

Theoretical and practical implications

In the context of real estate financial behaviour, the current study has important theoretical and practical ramifications. Based on the modified TPB, this study created a theoretical model of behavioural outcome to investigate the factors influencing apartment buying. This study adds to the discussion by incorporating three more factors: perceived physical quality, financial accessibility, and government incentives in addition to the one proposed by TPB in order to increase the explanatory power of the present theory in the context of Nigerian real estate. This study added three new contextual components to the TPB in order to examine behavioural consequences. First, the suggested model aids professionals in researching consumer views in the real estate sector to comprehend their intention to buy. Second, the study's empirical findings give real estate professionals valuable information to help them make better decisions about how to develop their goods and services.

CONCLUSION AND LIMITATIONS

Both buyers and builders must have a thorough understanding of the variables affecting apartment purchases in real estate markets. If businesses wish to succeed in the real estate industry, they must first comprehend how buyers act while purchasing apartments. Finding the predictors of Nigerian real estate finance behaviour is the study's main goal. By highlighting the effects of perceived physical quality, governmental regulations, and financial accessibility on apartment purchasing, the study adds to the body of knowledge. For correct comprehension, a number of the study's limitations must be understood in their context. The data's cross-sectional nature has several drawbacks, including the inability to determine long-term trends. Second, participants may have displayed subjective bias, which could affect the results of the questionnaire assessment. Third, as more research is required to determine the feasibility and applicability of this research paradigm and its potential for broad application, the settings of this study could not apply to locations other than Lagos or other fields of study. Finally, because condominiums differ from landed residential property types for some consumers in terms of features and characteristics, this research may not apply to other specific housing types for specific consumer groups.

FUNDING INFORMATION

This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

DECLARATION OF CONFLICT

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

REFERENCES

1. Abdallah, M. H., Al-Tamimi, H. A., & Duqi, A. (2021). Real estate investors' behaviour. *Qualitative Research in Financial, 13*(1), 82-98.
2. Ajzen, I. (1991). The Theory of planned behavior. *Journal of Organizational Behaviorand Human Decision Processes, 50*, 179-211.
3. Ajzen, I. (2015). Consumer attitudes and behavior: the theory of planned behavior applied to food consumption decisions. *Italian Review of Agricultural Economics, 70*(2), 21–138.
4. Akin, I., & Akin, M. (2025). Promoting sustainable practices through green investments in the United Kingdom real estate industry. *Sustinable Development, 33*(1), 1526-1544.
5. Ametefe, F. K., Brenni, P. A., & Viruly, F. (2023). Sustainable real estate investment and finance in developing economies: Challenges and opportunities. *Sustainable and Responsible Investment in Developing Markets*, 262–285.
6. Anh, K. T., Cuong, N. M., Anh, N. H., Anh, V. H., & Tien, N. Q. (2024). Access to credit for real estate transactions in emerging markets - Empirical evidence from Vietnam. *Journal of International Economics and Management,, 24*(1), 74-88.
7. Babayo, M. M., & Milala, S. I. (2024). The Role of Interest Rate Volatility in Shaping Commercial Real Estate Financing Decisions: A Central Bank Perspective: a case study of Nigeria. *International Journal of Current Researches in Sciences, Social Sciences and Languages, 4*(4), 12-26.
8. Bunce, D. M., Havanki, K., & Vandenplas, J. R. (2008). A Theory-Based Evaluation of POGIL Workshops : Providing a Clearer Picture of POGIL Adoption. In R. S. Moog, & J. N. Spencer , *Process Oriented Guided Inquiry Learning.* Washington: American Chemical Society.
9. Devi, S., & Perumandla, S. (2023). Does hedonism influence real estate investment decisions? The moderating role of financial selfefficacy. *Cogent Economics & Finance, 11*(1), 1-18.
10. Dinh, P. H., Thanh , H. V., & Thanh, H. P. (2022). Predicting consumers' apartment purchase intention in Vietnam using an extended theory of planned behavior. *Innovative Marketing, 18*(4), 201-214.
11. Fateye, T., Adetokunboh, O., Ibuoye, C., & Ajayi, A. (2020). Analysis of the Driving Factors of Property Investment in the Peri-Urban Property Market of Ogun State, Nigeria. *Journal of Property Research & Construction, 4*(1), 52-67.
12. Feng, Z. (2021). How does local economy affect commercial property performance? *The Journal of ReaEstate Finance & Economic, 65*(3).
13. Heaney, R., Higgins, D., & DiIorio, A. (2012). Investment portfolios and three dimensions of real estate investment: An Australian perspective. Pacific Rim. *Property Research Journal, 18*(4), 335–354.
14. Hilber, P. (2020). *Property price dynamics: Domestic and international drivers. Global.* Bank for International Settlement.
15. Hoxha, V., & Hasani, I. (2023). Decision-making biases in property investments in Prishtina, Kosovo. *Journal of Property Investment and Finance, 41*(2), 155-181.
16. Islam, M. A., Saidin, Z. H., Ayub, M. A., & Islam, M. S. (2022). Modelling behavioural intention to buy apartments in Bangladesh: An extended theory of planned behaviour (TPB). *Heliyon.*
17. Jain, S. (2020). Assessing the Moderating Effect of a Subjective Norm on Luxury Purchase Intention: A Study of Gen Y Consumers in India. *International Journal of Retail & Distribution Management, 48*, 517-536.
18. Jiang, S., Ma, H., Yang, L., & Luo, S. (2023). The Influence of Perceived Physical and Aesthetic Quality of Rural Settlements on Tourists' Preferences—A Case Study of Zhaoxing Dong Village. *Land, 12*(18).
19. Judge, M., Warren-Myers, G., & Paladino, A. (2019). Using the theory of planned behaviour to predict intentions to purchase sustainable housing. *Journal of Cleaner Production*, 259-267.
20. Kabir, S., Jamal, Z. B., & Kairy, B. P. (2024). How much to invest for house purchase? The consumer purchase intention perspective of real estate investment decision". *International Journal of Housing Markets and Analysis, 17*(4), 881-903.
21. Kufaine, N. (2024). Understanding Characteristics of Extended Theory of Planned Behaviour: Systematic Literature Review. *Open Journal of Philosophy, 14*(4), 848-858.
22. Lee, H., & Koh, S. (2018). The effect of housing finance regulation on mortgage loan of non-banking sector. *The Journal of Korea Real Estate Analysts Association, 24*(1), 5-22.
23. Lingesiya, K. (2019). *Factors influencing investment decisions in stock market: evidence from individual investors in the Northern Province of SRI Lanka:.* Northern Province of SRI Lanka: Asia Pacific Institute.
24. Liu, L., & Liu, J. (2024). Prediction of Rear-Seat Belt Use: Application of Extended Theory of Planned Behavior. *Traffic Injury Prevention,*, 698-704.
25. Maier, G., & Herath, S. (2009). *Real Estate Market Efficiency: A Survey of Literature.* Institute for the Environment and Regional Development.

26. Mydhili, V., & Dadhabai, S. (2019). Research on determinants of property purchases. *International Journal of Innovative Technology and Exploring Engineering, 8*(6), 68–73.
27. Negara, D. J., Ferdinand, F., Meitiana, M. M., Astuti, M. H., Anden, T., & Sarlawa, R. (2023). Application of Theory of Planned Behaviour for Detection of Knowledge Sharing Behavior in Indonesia. . *Recent Research Advances in Arts and Social Studies*, 1-20.
28. Ochomma, C., & Ekenta, C. (2024). Determinants of Real Estate Investment Choices in Neighbourhoods proximate to Peter Odili Road, Port Harcourt, Rivers State, Nigeria. *Global Scientific and Academic Research Journal of Multidisciplinary Studies, 3*(12), 73-81.
29. Ojo, O., Dabara, D. I., & Ajayi, M. T. (2022). Performance of commercial and residential real estate investments in Ibadan property market, Nigeria. *Property Management*, *40*(2), 169-191.
30. Otty, E. O., Egolum, C. C., & Oladejo, E. I. (2023). Evaluation of Factors Driving Real Estate Investment Decisions by Private Investors in South – East Nigeria. *International Journal of Civil Engineering, Construction and Estate Management, 11*(4), 41-63.
31. Oyedele, O. A. (2019). *Challenges of investing in real estate in developing nations.*
32. Realtor magazine. (2020). *eal estate as a hedge against currency devaluation*. Retrieved March 30, 2025, from https://www.nar.realtor/magazine/broker-news/network/real-estate-as-a-hedge-against-
33. Sabri, M. F., Wijekoon, R., Abd Rahim, H., Burhan, N. A., Madon, Z., & Hamsan, H. H. (2022). Financial literacy financial behavior, self-efficacy, and financial health among Malaysian households: The mediating role of money attitudes. *The International Journal of Academic Research in Business & Social Sciences, 12*(13).
34. Setiyo, A. (2024). Evaluation of Property Taxes and Their Impact on the Real Estate Market. *Golden Ratio of Taxation Studies, 4*(2), 57–67.
35. Smith, S. J. (2012). Housing Market Analysis. *The International Encyclopedia of Housing and Home*.
36. Swathi, G. R., & Uma, V. R. (2025). Beyond brick and mortar: determinants of retail investors'investment intention in indirect real estate through REITs in India. *Managerial Finance*, *51*(2), 216-235.
37. Tsou, W. L., & Sun, C. Y. (2021). Consumers' choice between real estate investment and consumption A case study in taiwan. Sustainability (Switzerland),. *13*(21).
38. Waheed, H., Ahmed, Z., Saleem, Q., Din, S. U., & Ahmed, B. (2020). The mediating role of risk perception in the relationship between financial literacy and investment decision. *International Journal of Innovation, Creativity & Change, 14*(4), 112–131.
39. Wealth briefing. (2020). *How currency devaluation creates a real estate boom*. Retrieved March 30, 2025, from https://www.wealthbriefing.com/html/article.php?id=197894(open in a new window)
40. Wibawa, R. T., & Hartoyo, S. H. (2017). Purchase intention of an apartment: An application of theory of planned behavior (TPB). *International Journal of Science and Research (IJSR), 6*(10), 174-178.
41. Xu, C. (2023). Efficient Market Hypothesis in Contemporary Applications: A Systematic Review on Theoretical Models, Experimental Validation, And Practical Application. *Highlights in Business, Economics and Management, 21*, 231-239.
42. Yakub, A. A., Achu, K., Ali, H. M., & Jalil, R. A. (2022). An analysis of the determinants of office real estate price modelling in Nigeria: using a Delphi approach. *Property Management*, *40*(5), 758-779.
43. Yap, K. M., Goko, C., & Song, Z. (2023). *The devaluation run in emerging markets is just getting started.* Retrieved March 30, 2025, from https://www.bloomberg.com/news/articles/2023-02-12/the-devaluation-run-in-emerging-markets-is-just-getting-started#xj4y7vzkg
44. Zou, H., Ahmed, M., Raza, S. A., & Anwar, R. (2025). Nexus between monetary policy uncertainty and real estate market volatility in COVID-19 peak and recovery period. *International Journal of Housing Markets and Analysis*, *18*(2), 455-477.