Addis Ababa University
SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT

THE EFFECTS OF EXTERNAL ECONOMIC FACTORS ON REAL ESTATE SALES PERFORMANCE

(THE CASE OF SELECTED REAL ESTATES IN ADDIS ABABA)

BY:

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A thesis submitted in partial fulfilment of the requirement for the degree of Masters of Marketing Management

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STATEMENT OF DECLARATION

I announced that this thesis is my original work. It has not been submitted for any other published or degree programme in the PhD or master's thesis level. With the guidance as well as recommendation of my Advisor DR MESFIN WORKINHE (PhD), I have processed on my own. Making sure that all single sources for the materials utilized in this thesis have been dully acknowledged.

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(ID No GSE/6274/14)

DECLARATION

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Before anything else, I would want to extend my gratitude to the almighty God for allowing me to successfully complete my research project.

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In conclusion, I would want to express my sincere gratitude to my family for their incredible unwavering support. And finally, my friends have my sincere gratitude for working with me and helping me to finish this research.

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ABBREVIATIONS

AARHA- Addis Ababa Rented House Agency

IHDP- Integrated Housing Development Program

VAR: - Vector auto Regression Model

VECM: - Vector Error Correlation Model

SPSS: - Statistical Package for Social Studies

ANOVA: - Analysis of Variance

VIF:- Variance Inflation Factors

GDP:- Gross Domestic Product

ABSTRACT

Addis Ababa faces a great house shortage therefore the development of private as well asgovernmental real estate sector is unquestionable for stabling the society's life style. The macroeconomic variables are some of factors which influence the efficiency and stability as well as sale performance of the real estate company. As a result, the intension of this study is to analyse the effect of selected external economic variables on real estate sales performance which is exchange rates, inflation rates, buyer intension to purchase, market competition, supplier dependability and interest rates on real estate house sale performance in Addis Ababa. In order to identify the objectives undertaken both the primary and secondary data. The former data is gathered from real estate companies' staff and real estate sales agent and the secondary data is collected from the governmental bodies. This study is also employed both the qualitative and quantitative data. The data is described by using tables and graphs. The study is used regression coefficient to know the effect, direction and magnitudes of the independent variables which is exchange rates, inflation rates, and buyer intension to purchase, market competition, supplier dependability and interest rates on real estate sales performance. The finding indicated that exchange rates, inflation rates, buyer intension to purchase the product, market competition and supplier dependability have a positive impact on real estate sales performance while interest rates has negative impacts on the performance of real estate house sales in Addis Ababa real estate market. It is recommended that regulatory body and private real estate Company should make mechanisms to reduce the negative impacts of external economic variables on Real Estate Company by implementing the suggested mechanisms.

Key words: - Buyer intension to purchase a house, interest rates, construction material suppliers and Exchange rates.

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

The city government of Addis Ababa categorizing real estate in two categories the first one is that a Real estate is the activity of a developer to purchase a plot of land from land owners in order to build house for rent or sales purpose (Land procedure 162/2016 and federal democratic republic of Ethiopia proclamation No 721/2011). And giant real estate is a real estate that a developer builds at least 1000 and more houses for the purpose of sales or renting purposes (Land procedure 162/2023). Investment on land in the case of residential real estate includes the land itself and all that is improvements on it, including the activities, boundary and other facilities. The residentialhouse is composed of different characteristics such as uniqueness, fixity and less affected by time length (Harvey 1981). The fixity is that it will not move from place to place because of it constructed in the specific areas. With regard to house age is that it is less affected by time span. But in Ethiopian case the challenges come from the price tag of the house because the price is heavily depending on the convenience, site, compound as well as building areas and the like attributes (Mbugua, 2010). And real estate is categorized in a ways ofApartment, Villa, Shop, Industry (Olsen, 1969). Hassan (2016) concluded that changes the house construction trends and activities in developing country have a spill over effects on other macro-economic variables including grow domestic products. Golob (2000), states that real estate market is very important for every county for not only for securing construction and infrastructure but also necessary for the whole economic developments for a given country.

Because of its profitability and huge housing demand in the city of Addis Ababa the sector is preferred by many private as well as government housing development companies (Mohamed 2021). The economic contribution by the construction sectors is almost three percent of the national GDP and it is increasing through time because of itsspillover effects on the other economic factors and comes to thirty-five percent in the recent years. The other factors that contributing to the fasten growth of the housing construction in the city is the migration from urban to rural and population growth which leads to increase the importance of house in the city. (Mohamed 2021).

The housing construction and development activities has not beenrunning without the difficultiessuch as bench mark price variability in each and every year, evacuation of the building because of corridor development,unstable political situation on theexpansion areas, offensive political demarcation of thecity, technology and infrastructure availabilities in the city, unmatched economic capacity of the population to afford the price which label by the residential house development. Even if there are many problems with regard to the housing development process still it has a spill over effects on the economy as a whole. This study is identifying determining factors in the house development activities in Addis Ababa. And also attempted and presented the concepts of external economic variables that affect the performance of real estate house sales in Addis Ababa.

Some of the factors that affect house construction and sales performances are the company efficiency, marketing strategy, land availability, legal consideration and others (Mohamed 2021). And study on the housing construction activities stated that the house construction is heavily depends on the house construction company performance, raw material availability and raw material suppliers, availability of credit with low interest rates, countries political stability and security, availability of the plots with needed, the country housing strategy and policy as well as the construction sectors as a whole. (Kennedy kirichu 2017, Omare Diana bioreri 2015 and Tuuli Kouki 2018).

The entire above listed problem will be faced by each and every organization and also have long run consequences on sales and profit performance of a given company. These challenges may effect on to decline the sales and performances the company which will lead to the company leave the market. The challenge may come from different factors including both the internal and external factors (browen 2016).

Fortunately, the housing sector is promising and attracts many investors but it does not have a strong regulatory body and standards with regard to the construction and distribution of the company's products.And also the real estate property market is under supply especially for supplying the lower and middle income residents of Addis Ababa city as well as the population as whole. Hence the house development must be supported by research and development to know and determine what strategies need to reduce the shortage of standardized residential and shop house in Addis Ababa. Despite that there should be appropriate model which will be used to know the prioritizing factors which determining real estate sales performance.

As from much external and internal sale performance determinant factors external Economic factors are the one. The external economic factors that affects the construction of house in the urban areas includes are inflation rates, buyer intension to purchase house, unemployment rates, exchange rates, level of income, interest rates, supply and demand, market competition,security, GDP and so on.

The purchasing power of birr is defined in Ethiopia is the increase in price of commodity which has impacts on the strength of birr to purchase a commodity throughout time (singh, Mehta & Varsha 2011). And the other determinant factors are interest rates. For the purpose of this study interest rates can be divided in to two the first one is deposit interest rates and the second one is lending interest rates. However, some literature focusing on the lending interest rates have the effects on decision making, While, on the other side some of the literature focusing and assuring that deposit interest rates are the factors for housing prices. Both levels of lending and deposit interest rates have a significance advantage and disadvantage on the overall house construction and sales of house to get money from lender for construction and to buy house from house sellers (Chang chen, Haoyu, Chingliang 2022).

The exchange rates are also other external economic causes that determine house price. If increase or decrease of local currency in terms of foreign currencies will directly affects the price as well as the performance of real estate property sales.

Studies find out in Nairobi, that the commercial real estate demand has gone up and real estate property price have subsequently shout up and even triple the price in the last five and ten years (Li- Yin Shen, 2007).

The housing construction performance is the output for measuring the effectiveness and efficacy of a given house construction company. Clarck 2000) stated that A company performance can be in three perspectives that is Accounting perspectives, Marketing perspectives and operation perspectives. And from previous studies they stated that a given house construction company can be measure its performance in the accounting and operational performance only but the neglect the marketing. As a result, in this study used house sales performance to know the effectiveness of the housing construction company in Addis Ababa as well as Ethiopia which is strengthen by figure1.2 conceptual plan.

1.1.1. Real estate house development activities in Ethiopia

Recently the house development activity is categorized by the city government in two ways a) light real estate development and the other is b) giant real estate development. Bothe of them is implemented by the government as well as by the private real estate companies. Since this study only focuses on the giant real estate companies in Addis Ababa the following details are only about the private residential and shop real estate companies who construct a house for renting as well as commercial purpose.

The imbalance between house demand and supply in Addis Ababa is not only the case of insufficient housing supply but also a reason of unaffordable real estate markets (Ethiopian Economic Association 2022).

According to the Word Bank Group 2018, in the year between 2013 up to 2018 the supply of land and the demand is performed around 59.61 percent against the plan of the city administration of the city. From those delivered plot of land most of them are distributed to micro and small enterprise, Hospitals, schools, governmental office, urban agriculture and road and infrastructures and others purposes. This becoming to conclude to that the city administration is incapable of delivering land to residence of real estate developers to alleviate house shortage problem in the city. Based on ten-year prospective plan the city needs 600 thousand M^2 of land to implement its 10 years plan (Ethiopian Economic Association, 2022). From which 400 hectares are needed for residential house to alleviate house shortage in the city. But based on the current status of the city land administration Bureau they will accomplish only 30 percent the remaining will be continuing to gap (Ethiopian Economic Association 2022).

After the Dergu regime the house constructed by different bodies such as by the government or IHDP, Private Developers trough auction or bid, Real estate, cooperatives, AARHA, NGO and squatter settlement but they face different challenges specially with the governmental developers that is 40/60 and 20/80 housing development programs some of the challenges are the total number of constructed and transferred house is very low compared with the demand, most of constructed house is focusing on cost than quality, some of the sites are on the city side which lacks utility and social services such as schools and health. With related to real estate house constructed by real estate 2000 up 2021 is only 1.3%, which is low compared the government contributes 63.1% and by private sectors through auction, cooperation and grant contributes 35.1% (EIABC 2017) this indicated that the Real estate sectors are contributing very low share when it compared with the other.

As a consequence of this private real estate company is extensively involved in the development of giant housing constructions since 1984 but still the gap did not fill with a significant level. Different factors are raised by many studies but most of them are concentrated on the internal factors that determine the effectiveness of the real estate company performance that they ignore the external economic factors that affects the performance of real estate performance as a result this study focuses on to identifying on the external economic variables that affects the performance of real estate sales performance.

1.2. Statementofthe Problem

Rural to urban migration and fertility rates has been the main factors forunprecedented economic growth and urbanizations in Addis Ababa (Imanuel 2021). At the same time urbanization has positive and negative impacts on the economic, political, cultural, technological and demographic characteristics on the given society as well as the country as a whole (Un Habits 2017). These consequences are most of the time stronger in the underdeveloped nations than developed countries. One of the negative impacts is high rate increments of housing price than ever before which lead to the population forced to living either illegally in places without permits or squatter settlement which create slum and shanty place in the city. Informal settlement and the construction of new residential house developmentshave risen simultaneously with the urbanization ratewhich creates increments in the house market price in a given urban city as well as the country.

Addis Ababa population growth rate was high because of urban to rural migration and and fertility rates and after 15 years it is predicted to reach 7.16 million people(Nesru, Monica & Jaap, 2021) while the expected house constructed for shop and residential purpose is low and still high gap between population growth and house supply. As a result, getting governmental or private dwelling is a major problem in Addis Ababa. The government started building condominium house as a result of the forced housing scarcity. Moreover, the private sectors are enthusiastic about real estate development initiatives but this housing construction lead to increasing the price or house in Addis Ababa because it is the cause for change of price of land and construction materials.

Since about 1 million people in Addis Ababa were registered for 10/90, 40/60 and 20/80 condominium house scheme in 2014, housing construction has been as essential to both for the society and the city economic growth. However, only around 100,000 unite of houses are produced in the past 20 years.The situation in the city implies the supply is very low. And housing constructionprogress in the developing as well as in the developed nationsare unstoppable activities because it is fashionable in every life history in the country with respect to the construction materials as well as style and utility availabilities. But there are challenges for construction of residential house in Ethiopiabecause it needs much time to produce single unit of house with compared to other products and it faces different challenges with regard to inflation rates because the purchasing power of money is increasing an alarming rates. And the house construction is also having difficultywith respect to rules and regulations such as in foreigners are excluded from owning house in Ethiopia which is limits the imports of technology from foreign countries. But the PM of Ethiopia spoken on state TV that there is a probability to pass the legislation to let foreigner'sown real estate house in the country border (Reuters, March 24).

Housing construction is significant in Addis Ababa, to both the ruling party and the general public. Residence of the city also require it for a protected lifestyle, and also the ruling party requires it to establish stable settlement, to decrease squatter and informal settlement and to raise the level of living. But the sectors challenged by the high inflation rates of the country, unavailability of foreign hard currency since most of the construction material is imported from the foreign country, low rate of technology adoption, low infrastructure availability in the country, political instability of the city with regard to border conflict with the adjacent Oromia region and unavailability of credit for house construction for residential purpose with low interest rates (Kiros A. 2009).

Most research in Ethiopia is worked in the areas of the correlation between availability of credit and house construction performance (Mohamed 2021).Taxation, economic performance of the country and non-availability of adequate technology is the main factors for in influencing the real estate price

(Eyob, 2017). This study main concentrated on the price not the performance of real estate's. As a result, the study in the house sector is concentrated on the bank loan and inflation rates but the other external economic factors are not well covered as a result this paper will focus on the effects of external economic factors on house construction and sales performance in Addis Ababa.

The previous study completely ignores the security, demand, supply and the like socio economic factors on house construction and sales performance in Ethiopia. Even if there is more than enough study available in the developed nations with regard to the above external economic factors on real estate house development like USA and European countries but this industry is characterized by unique submarket which have unique and different magnitude and directional impacts on the real estate sale performance. This study has a solution for providing an appropriate analysisto judge whether an external economic factor affects real estate company's performance or not. It is important for the whole stakeholders such ashouse construction and sales company, market regulatory body and buyers of residential house in Addis Ababa. And in order to create a house construction model theory this study tried to create house construction and sales factors analysis model for house construction companies.

The last gap which is not covered by previous research and journals in the house construction sectors in Addis Ababa is that theytended to focus on either macroeconomic or porters diamond theories which rather than collaborating with other theories in order to solve housing problems in Ethiopia. As a result, this study collaborating different theories and model in order to create and knows the effects of external economic factors on house construction and sales performance in Ethiopia. On the other hand, most the study used either qualitative or quantitative studies to examine external economic factors and house construction and sales performance of a given company in Addis Ababa.This is less accurate because they did not use a mixed research approach.

To sum up in sight of all of the above gap this study were come up with identifying the determinants of external economic factors for house construction company in Addis Ababa used both the primary and secondary types of data.

1.3. Research Question

In order to get a better understanding of the current Addis Ababa house construction by company and its sales performance the study rise the main questions that iswhich external economic factors does have an effect on residential house sales performance?

And Specific questions are

- Does volatility of exchange ratehave significant impacts on a real estate property sale performance?
- Does inflation rate have effects on real estate house sale?
- Does competitiondoes have an impact on real estate Company's house sales goal?
- Does buyer's intension to buy a house havean impact on the house and shop sales by real estate Company in Addis Ababa?
- Do raw material suppliershave effects on the real estate house and shop sales performance?
- Does interest rate have an impact on the house and shop sales?

1.4. ObjectivesoftheResearch

General objective of the study is to analyse the effect of external economic factors on real estate sales performance in Addis Ababa.

The specific objectives are

- To investigate the effects of volatility of exchange rates on real estate sale performance.
- To analyse the impact of inflationary rates on real estate's sales performance in Addis Ababa.
- To investigate the effect of market competition on real estate house sales performance.
- To assess the effect of consumer buying intension to purchase real estate house on real estate sales performance.
- To investigate the effects ofconstruction material suppliers onhouse property sales performance.
- To determine the effects of interest rates onhouse sales performance.

1.5. Significance of the Study

The main purpose of this study is to identifythe factors that affects the house property sales by the construction company in Addis Ababa and used the essential primary and secondary source of data. The house construction by a company for sales purposed is not properly studied in Ethiopia. But the construction of real estate house is essential for alleviating house shortage in Addis Ababa. As a result, this study tried to identifies the external economic factors which have effects on the house construction by the house sales company. This is important for developers to know the factors that affect real estate house sales performance.

Real estate developers: will focusing on the factors that helps for them to increase their sales and profitability. And also the finding also provides direction and suggests methods to increase the sales performance of house.

Other stockholders also benefited from such study such as sales and marketing officer to adjust their activities based on the identified external economic factors.

Finally, other interested researchers in the area will get ground from the finding of the research.

1.6. Scope of the Study

It is very difficult to implement census study on the macroeconomic marketing variables on all real estates in Addis Ababa in this level because of time and cost budget consideration as result in order to make the paper applicable and manageable it is restricted in selected few real estates' which is operated in Addis Ababa. The capita city is selected not only for time and cost consideration but also it is also majority of real estates are also operated in this Ethiopian capital city.

Previous journals and study in house property sales are reviewed to investigate the factors of house sales performance determinantsby examining many different variablesbut in this study the paper is focused examiningexternal economic factors and its impacts on house property sales in the capital city of Ethiopia. The major externaleconomic environmental factors are inflation, exchange rates, interest rates, currency fluctuation, market competition and construction material suppliers.

The target population which is the data collected from Addis Ababa. There are around 248companies who worked on the construction of house for sale for the residential and shop purpose. And the study used 15%of them in this studyand some of them are Noae real estate, petram real estate,Mohamed Ali real estate,Kasema real estate,Jomboro real estate,Yotec real estate,Ovid real estate,DMC real estate,Reality real estate,Metropolitan real estate,New hope real estate,Eney real estate,Jambo real estate,Huda real estate,Elilita real estate,Alsam real estate,Tsehay real estate,Gift real estate,Hayat real estate, Akir construction real estate,Ambasader real estate,Amdihune real estate,Appolo real estate,Aser real estate,Alem group real estate,Afro Sweden real estate,Addis prefab house manufacturing industry plc,Addis Mender esate real estate,A-z real esate, 3M real esate, Getas Real Estate, sunrise real estate, phison real estate, La Gar by Eagle hills real estate, Royal real estate, Haji Real Estate, Legasy real Estate and Dynamic Real Estate.And the frequency and percentage of the respondents are attached on the appendix

1.7. Limitation ofthe Study

Empirical-: lack of well-organized empirical research on house construction and sales performance measurement instruments in the sectors.

Methodological limitations: -After the paper is finalized it may be used for only real estate sectors because the real estate sector is completely different characteristics with other marketable products.

Geographical limitation: - the paper only coveredReal EstateCompany which operated in Addis Ababa.

Conceptual limitations: - lack of well-organized macro environmental empirical research on real estate companies as well as on other sectors.

1.8. Structure of the study

The study is structured in five chapters including the preliminary pages. The preliminary pages contain title pages and the consecutive chapters that is chapter 1 includes 11 sub topics introduction, research question, objectives, problem identification, significance, limitation and structure of the study. The consecutive pages that is chapter two and three contains the literature part that is the empirical and theoretical literature review and the methodology and the last two chapters covered result, discussion and analysis and recommendation (recommendation for improvement, limitation and further study) of the study.

1.9. Definition of Terminologies

House Sales Performance- In the case of profitable company sales performance includes the total amount of sales in order to maximize the overall revenue in given company. In different occasions company may target to expand their market shares by extensively increasing their sales revenue even if the total profit is reduced while that profit is not fall below the minimum level. (Donald Rutherford, 1995).

Inflation - it is the increment of the level of price that's reduces the purchasing power of a given countries currency. In this case the country may use different monetary and fiscal policy in order to control the inflation rates. (Donald Rutherford, 1995).

Raw material suppliers- In the construction sectors the company uses different human, material and financial resources in order to accomplish a given project andthat raw material have the impacts on the performance of a given company.

Exchange rates the exchange rates used to compare performance of a given country currency with regard to another foreign currency. Monitory and fiscal policy is the main mechanism to control the impacts of exchange rates in the given economy in the case of floating exchange rates.

CHAPTER 2

2. LITERATURE

2.1. Introduction

This part is assessing three main ideas which is either supportive or against other else it describes the main ideas of the research that is the effects of external economic marketing environment on real estate home sales performance. So the main purpose of this section is to developing conceptual frame work and models by examining and checking theoretical ideas and previous empirical studies on effects of factors of external economic marketing environmental variables onreal estate Company's product sales performance.

2.2. Theoretical Literature Review

2.2.1. Theories of residential house construction by companies

Different theories and understanding apply to the concept of house construction for residential and commercial purposes in the real world.For this research purpose the concept is derived from different theories and disciplines in accordance to the role of property sales and key stakeholders or players in the markets. Such as, there is contrasting theories of real estate theories from classical to modern real estate concepts. In different journals and articles described reputedly some of those theories are the transaction theories, the q theories, the agency theory and the institutional theory of firms and porters diamond theories.All the above listed theories are described under in the economic and financial concepts. It ignores the socio-economic characteristics.As a result, this study will cover unemployment, inflation, interest rate, economic growth, security, population, currency devaluation and the like socio economic variables.

Because of the idea and theories are very complicated there is no single and common definitions of real estate as a result the term has different meanings. Residential and shop house sales is taking both the fixity and transferability (Hillier et al, 1993). The idea describes the tangibility or property itself and the ownership of the products the concept includes it is source of finance as a collateral.

Some of the theories on real estate issues are the agency theories, institutional theories, porter'sdiamondtheory, corporate real estate strategy theories, certified commercial investment member real estate feasibility model, The Qtheory of housing investment, Standard Gordent growth model, Modern Portfolio model and arbitrage pricing theories will be discussed in the following parts.

2.2.1.1. Agency theory

What types of system were used by the classical economics theory in order to mitigate the problem which they face? The first and most things is accepting and dealing the existence of the problem. The theories considering and give emphasis to solve the conflict between the traders and brokers of real estate's property mainly are transferring conditions of the property rights (Gene A. Marsh). In order to solve the conflict between brokers with buyers and sellers the journals suggestincreasing the awareness of the house construction and give details information about the marketable house for the sale agents is important for both the buyers and sellers to reduce the cost and to share the responsibility for both buyers and sellers.

The agency theory gives emphasis to the contribution of agents to reducing conflict and simultaneously increasing the buyer's knowledge on the purchased properties but it does not take into account the other determinants of the performance of the real estate. As a result of these ideas of the theories they believe that market efficiency will achieve only by thorough information symmetry and avoiding transaction cost. But it is not applicable by the current real world application even they did not incorporate the other factors that affects the house sales.

2.2.1.2. Institutional theories

The theories describe that institutions considered as a real estate investors and it consists of prescribed benefits of pensions fund, endowments, insurance companies and publically traded real estate companies mostly real estate investment trust. Their investment process and financing decisions differ markedly from individual investors (H Kent baker2014). As a result of these ideas of the theories they believe that market efficiency will achieve only by thorough information symmetry and avoiding transaction cost. But it is not applicable by the current real world application also theydo not take in to account the other determinants of the real estate company performance as well as the real estate markets.

2.2.1.3. Porters Diamond models

This model describes that a given companycan take absolute and competitive advantage against on other nations with regard to efficiency and availability of resources and technology (Porter 1998). This implies and tries to identifymechanisms to increase a given country or company absolute and competitive advantages on the other nations or country.

The key point is that a given country will have a competitive advantage over other nations in a dimensionof resource endowment, efficiency, effectiveness, technology and the like. Because of the availability of a competition between countries and companies the nations try to identifying its potential resource in order to take absolute and comparative advantages.

To sum up the porter's diamond theories considers the most five determinants of a given industries performance as well as a countries economy that is skilled labour force, technological innovation, infrastructure and capital.

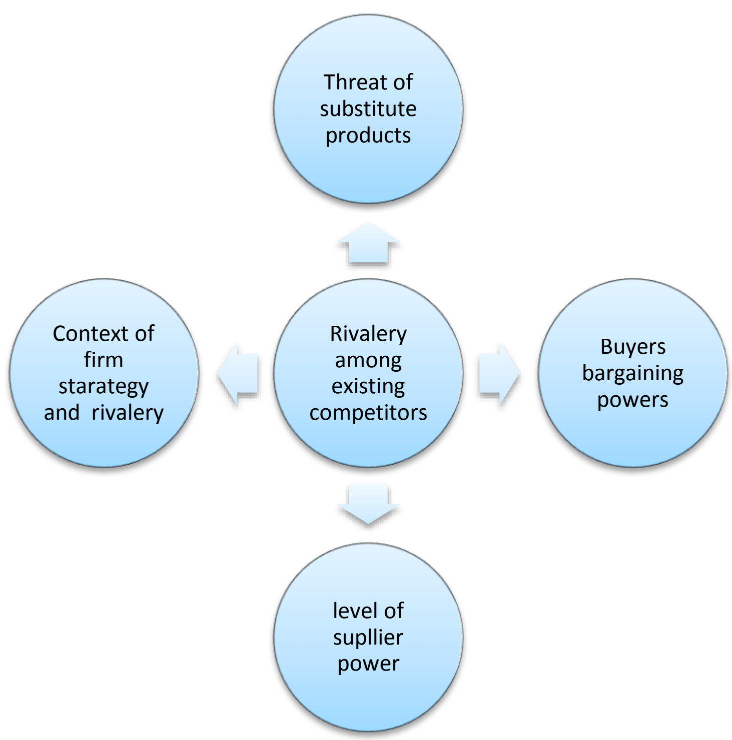


Figure 1.1. Porters demand models

Source: - location and internal source of firms competitive advantages, Jonkoping international business school, jonkopping university.

Porter's five forces model describes fully about competitions. Competition is available in everywhere it may be within industry or even outside country (Ajulan Rajakumaran 2015). But the other factors which is not controllable by the company is not included in the theories such as threats and opportunities for example economic conditions(inflation rate, exchange rate, interest rate and monitory policies), demographic conditions, cultural and social values of the society, legal binds and policies, political situations of a given country as well as the world and technological innovation is not clearly stated in the book but in practical the above listed external or macro environmental marketing variables can affect positively or negatively a given real estate companies performance.

2.2.1.4. Corporate real estate strategy theories

This strategy is mainly focusing on to identifying the system to reduce the cost of production.All the production cost is separated and fall between fixed and variable cost simultaneously dividend it in to operational and managerial costs. But in other journal of studies stated that there are eight strategies that a given company to enhance their performances (Stephen 2001). Those strategies are minimizing costs, Marketing messages, promoting the managerial process, knowledge works, promoting objectives, the sales and selling process, facilitating production, operation and service delivery. So in this strategy their book describes that a given firm can be measured their performance of sales and profit is based on the above factors.

2.2.1.5. New product development Model

Fashy and Narayanan indicate that managers need to analysis the environment of their organization in order to understand current and potential business(Faya & Narayanan, 2008). The model considers four factors that a given company work and get a good performance in the industry based on the model.This factors which needs to be analysed before the developments of new marketable products are the economic analysis, social and cultural analysis, political analysis and technological analysis.

As a result, this model will be an appropriate theory in order to assure the effects of external economic factors on the house sales activity performance in Addis Ababa because it include the unemployment rate, Exchange rate, security, interest rate, currency risk, population, GDP and the like important variables.

In economic domain the exact indicators of variables are interest rates, inflation rates, buyer intension to purchase the house, exchange rates, negotiation powers of suppliers and marketing competition s and the likes. The community indicators are safety and security, political participation, cultural activity.

2.2.2. Effects of external economic factors on house sales performance

The economic factors include both the internal as well as the external parts of the economy by the internal part mostly it depending on the company itself but the external part is needed to know its impacts because it is unknown by the company itself unless it studies the general economic situation of the markets (Philip kotler 8th edition).

Study in Vietnam real estate company identified that relationship between house sales market in a given economy and the economy itself has been fluctuated through over time with regard to study time duration and methods of the study (My liah, thi Liguyana 2019). As a result of this the sector need to be study but for in this study focuses on the external economic factors those are exchange rates, inflation rates, market competition, construction materialsuppliers, interest rates and buyer intension to purchase real estate houses.

Exchange rate is the price of domestic currency value measured in accordance with foreign currency and it is one of the macro-economic indicators for acknowledging the overall performance of a given economy performance. As a result, it is a major variable in a given economy to interpreted and determine its impacts on the economy as well as company's performance (central bank of Nigeria 2021).The correlation between house sale activity performance and vulnerability of exchange rates has been very interesting issues specially it may be indicators and shows the impacts of exchange rate fluctuation on price of other goods and services it will be important economic drivers. There are various arguments that have evolved in relation to how a fluctuation of exchange rates can affect organizational production, sale and profit performance. A given nation who implement floating exchange rates tan fixed exchange rates has the more the degree of probability to affect by volatility of exchange rates (Fraser Sampson 2011). The availability of high exchange rates is leads to increase the overall price of commodity. (Lee 2010).

There are many literatures considering several models of real estate investment performance factors as a result they get inflation is key determinant on real estate investment. And inflation persist causing exchange rate fluctuation that higher exchange rate causes lower performance of real estate investment (Joseph, Egbenta & 2023). On opposite to the above study that the effect of inflation rate on the growth of real estate in Kenya and the finding reveals a positive relationship between the rate of inflation and performance of real estate between the year 2007 and 2016 (Geyser, 2001). This outcome is the result of that in inflationary period peoples need to place their currency on asset that are less risky than other commodity and assets.

The external forces that affect Sales of real estate property is depend on the dwelling needs of consumer for a place to live, dwelling choice of consumer or type of the properly and consumer intensions or purpose of purchasing the real property (Mamidele C.olaiya,2021). So in order to investigate the effects of customer buying intensions on real estate sales performance the paper will examine various models and theories that have been proposed to explain customers buying attitude, buying intension and behaviour. But in this study purpose the paper will use buying intension in context of real estate property buying behaviour. This study will aim to exploring the antecedents of customers buying attitude and investigating the impact of customers buying intension.

Real estate property has been identified with their special attributes such as attractive, location, compound, area and the like which is a main competitive source to differentiate one real estate property from another's (Oksana and radoslaw 2013). According to this explanation competition may be considering different elements such as price of the property, political stability of the city, the availability of infrastructures and the like.On other side there might be another attributes which is source of competition which is belonging with the property itself specification such as catchment areas of the house as well as the compound, built up areas of the building and finishing material standards (Kury 2009, Belej, Kulesza 2013). But all the above attributes is not accepted by the all customers equally because some of the customers may attracted positively but other may see it as a negatively some of the attributes as a result there will not be a common attributes parameters to measure the attractiveness of a given real estate house property.

Supplier performance can be examined through by measuring them by how they performing against the agreed key performance indicators and service level agreement which seek to measure and monitor the performance of suppliers with regard to reducing cost, mitigate risk and drive continuous improvement which has an effects on monitoring compliance, to identifying performance gap, to know pre empty issues, to establish benchmark of the suppliers performance, to prevent compliancy especially in the long term agreement and hold suppliers accountable for any failure or breach of agreed terms. Commercial real estate profit, sales and growth performance is affected by unreliable suppliers (Ramnairian 2012). On the theoretical part defined that the agency theory factors that most of the risk is created because of inefficiency of the contractors and the sub-contractors which lead to delay the product of real estate delivery time. The conflicting issues between the buyers and sellers of the commercial real estate product is time and costs with regard to delivery agreed time and cost of product sales (Okunlola and ogunkoya 2015).

The regular change of interest rate occurs due to the effect of business cycle that is during the contraction and expansion of the economy over time (Martin 2016). Interest rates increment or decrement has many effects on the population such as purchasing power and the others. Lower interest rate to housing purchase or mortgage interest are a cause to lowering the housing price which stimulating demand for real estate (Kimberly Amadeo 2012). Housing loan or mortgage refers to financial loan given by financial institutions for the property which is purchased by the customers and the customers has obliged to pay back the principal with the interest rate within the predefined agreed paying periods (Bienert and Brunauer 2016) the loan is usually for the purchase or construction of housing estates by individuals or companies.

A company performance can be in three perspectives that are Accounting perspectives, Marketing perspectives and operation perspectives (Bruce Clarck). Unfortunately, the second one that is the marketing perspectives are more depends on the external stockholders. Similarly, a given company internal performance measurement is not difficult as the external company performance measurement because the external performance is including many unknown and uncontrollable stockholders (Bonoma and clerk, 1988).

2.3. Empirical study

2.3.1. Factors affecting real estate industries

Profitability, capital ability, management and operational ability, human resource ability, brand ability, innovation ability of the enterprise and improvements of competitiveness are the factors that affects the large real estate investment and this is only the internal factors but although real estate companies faces great challenges from external factors and challenges such as economic and legal factors (Bo Li and R.Y.M Li 2021).

When we say the real estate businessit incorporates and provides job opportunities like; architecture, civil engineers, surveyors, accountant, brokerage, management, marketing, sales, and the like will undertake different activities in the real estate business.

To know how Real Estate Company, develop strategic plan and business growth plan it needs know the factors that affect the industries some of them are the demographic, economic, government policy/subsidies, political factors, socio-cultural factors and technological factors.

In Addis Ababa around 248 local and foreign real estate companies operated to meet the demand of the house in the city. Some of those companies who operated in the city are Ayat real estate house apartment and commercial properties company, Tsehay real estate apartment and commercial properties company, Metropolitan real estate company, Flintstone real estate house apartment and company, Gift real estate house apartment and commercial business group, Habitat new flower real estate house apartment and commercial properties company, Eney real estate house apartment and company, Legacy real estate company, Evergreen real estate house apartment and commercial properties company, Hassenias real estate house apartment and commercial properties company, Nova real estate apartment company, Petram real estate house apartment and commercial properties company, Sundergin real estate apartment and villa house, Neganching Chinese real estate and the like are private real estate developers but the governments also deeply involved in the house construction for city dwellers and governmental higher officials some of those governmental offices which worked in the housing constructions are Addis Ababa Rented house agency, Addis

Ababa Housing Corporation and Possible new competitors like foreign company's special chine's companies will come with better technologies

2.3.2. Macro Environmental Factors that affecting the performance of real estates

Even if the macro environment has effects on the performance of a given company this study is focusing on the external economic factors on real estate house sales performance. The macro environment factors have effects on the profitability of an enterprise as a result the political, legal and economic factors had positive effects on the profitability and output of the organization (Flexi, Umah and Mbah 2022). But this output heavily depends on the type of ownership of the organization like government, private and public organizations. Those macroeconomic are legal, political, technological, socio-cultural, economic and natural factors.

Study on macroeconomic factor on Bosnia and Herzegovina, shows that household expenditure, GDP per capital, nominal GDP, interest rate, household deposit and GDP growth rates have great impacts on the real estate price(Dragan Stankovic, 2022). The other study in Nairobi stated that there is a positive relationship between macroeconomic variables and real estate sales growth those macro-economic variables are exchange rate, Diaspora remittances, interest rates, inflation rates and real GDP growth (Wumbuu, 2016). Interest rates, inflation rates, exchange rates and money supply have a positive and significance impacts on the real estate's performance. (Ogonna, Tabansi and Oluchi 2021)

The macro environmental factors have different degree of effects with accord to the capacity of a national as well as the country. Since the magnitude and degree of effects differ from nations to nation even within a given nation but different organization it needs to analyse a situation in order to know the specific effects on the industry as well as the company. The macro economic factors are categorized in two parts but for the purpose of this study it contains only the external parts of the macro environment such as legal factors; political, socio-cultural, technological, economic factors also apply for international business environment (Philip kotler 8th edition).

2.3.2.1. External Economic environment

The economic factors include both the internal as well as the external parts of the economy by the internal part mostly it depending on the company itself but the external part is needed to know its impacts because it is unknown by the company itself unless it studies the general economic situation of the markets(Philip kotler 8th edition).

Study in Vietnam real estate company identified that relationship between house sales market in a given economy and the economy itself has been fluctuated through over time with regard to study time duration and methods of the study (My liah, thi Liguyana 2019). This evidence may show there may be facing challenges with regard with the young Ethiopian economy as well as the young real estate markets. It supported by number of published studies and journals described that shownalso there is a correlation between house sale in a given country and a nation’s economy performance a s whole. Such as li and chen (2015) identified the relationship between house sale market and countries economic performance but the correlation is varying with the duration of the study and level of economic growth.

2.3.2.1.1. External economic factors- effects of exchange rates and Currency risk on house sales performance

Exchange rate is the price of domestic currency value measured in accordance with foreign currency and it is one of the macro-economic indicators for acknowledging the overall performance of a given economy performance. As a result, it is a major variable in a given economy to interpreted and determine the impacts on the economy as well as the performance (central bank of Nigeria 2021). And it supported by that Study on shows that based on person correlation coefficient that higher exchange rates cause lower the performance of the real estate companies. This might be the result of most of the construction materials is imported from foreign countries which leads to the real estate companies registered lower performance. (2023 by Joseph and Idu)

The empirical study by Feyzay and Emer, 2020, based on the data of 37 companies between the period of 1999-2019 found out that the relationship between the change in exchangerates and the profitability of firms in Turkey that the data of 37 firms with in the period of 1999-2019 are analysed and the result is it is determining that foreign sales and changes in exchange rates do not have a moderating effect on asset and also do not have effects on the return on assets and return on equity. But the other study by Mutluay and Turboglu 2013, stated that the changes of exchange rates do have effects on the financial performance of the company.

Studies by Raja Rhan and Iffat Zahra (2019) on the relationship between stock price and exchange rates in south east Asian countries they found that based on co-integration and error correlation model there is no association between stock price and exchange rates both in the long run and short run. But other study in 2022 refuse it by conducted study on the effect of Exchange rate on property and real estate found that exchange rate has positive effects on real estate share and real estate stock price (Marsel, Naigian and Enda, 2022).

The correlation between house sale activity performance and vulnerability of exchange rates has been very interesting issues specially it may be indicators and shows the impacts of exchange rate fluctuation on price of other goods and services it will be important economic drivers. There are various arguments that have evolved in relation to how a fluctuation of exchange rates can affect organizational production, sale and profit performance.

A given nation who implement floating exchange rates tan fixed exchange rates has the more the degree of probability to affect by volatility of exchange rates (Fraser Sampson 2011). The availability of high exchange rates is leads to increase the overall price of commodity. (Lee 2010). And he found that currency risks unquestionable effects on a given nations economic activities specially the currency purchasing power.

Some of the evidence which is studied on African real estate markets showed that both in the long and short run exchange rates do not cause changes in real estate price as a result volatility in the exchange rates between one country and other trading currencies does not predict changes in real estate prices (John Kwame 2019). On the other ways various studies showed that exchange rate volatility affects general prices of goods and properties (Alagidede and Ibrahim 2016). But on other empirical studies found that volatility of exchange rates has little or no effects on real estate sales performance (Diala and igwe- kalu 2016) that activate the need for this study to examine how exchange rates volatility affects

the performance of real estate property sales. From this presentation this study is hypothesized that exchange rate will have a significant effect on the real estate sale performance.
H1: exchanges rates volatility does have significant effects on a real estate property sale performance.

2.3.2.1.2. External economic factors: - Effects of inflation on house sales performance.

The test statistics (person correlation) result shows that inflation impacts highly on real estate and capable of distorting projection in property investment and it reduces the performance of real esates(Joseph, Egbenta and Joseph, 2023). This might be the result of most of the construction materials is imported from foreign countries which leads to the real estate companies registered lower performance. Study conducted on the effect of inflation rate on property and real estate found that inflation rate has positive effects on real estate share and real estate stock price (Marsel, Naigian and Enda, 2022).

On opposite to the above study that the effect of rate inflation on the growth of real estate in Kenya and the finding reveals a positive relationship between the rate of inflation and performance of real estate between the year 2007 and 2016 (Geyser, 2001). This outcome is the result of that in inflationary period peoples need to place their currency on asset that are less risky than other commodity and assets.

Based on the above Literature inflation has significant impacts on annual return of real estate and consequently affects investment performance. But they produced different results as a result relationship between inflation rate and real estate sales performance it is very crucial to studying the nature and relationship between inflation rate and sales performance in commercial real estate sales performance.

From the presentation above this study is hypothesized that inflation rate will have significant effect on real estate sale performance.

H2: The inflation rate does have significant effects on a real estate property sale performance.

2.3.2.1.3.The effect of Demand availability on sales performance

Residential real estate organization mangers depend on the real estate market to forecast sales income. Some researchers noted that the united state housing market improved dramatically from 93% to 137% between the period of 1996 to 2006 due to 85% increase in house price (Lovelan, Mandel & Dholakia 2014, Selmi and Hachicha 2015). As a result, commercial real estate organization thrived from the increase in housing demand because of the positive impact to sales income. The contributing factors that affect the real estate market are weather, neighbour infrastructure, consumer buying and selling behaviour. Before the 2008 mortgage crises many people used the real estate market as an investment and sold when housing price increased because of the demand for home.

The external forces that affect Sales of real estate property is depend on the dwelling needs of consumer for a place to live, dwelling choice of consumer or type of the properly and consumer intensions or purpose of purchasing the real property (Mamidele C.olaiya,2021). So in order to investigate the effects of customer buying intensions on real estate sales performance the paper will examine various models and theories that have been proposed to explain customers buying attitude, buying intension and behaviour. But in this study purpose the paper will use buying intension in context of real estate property buying behaviour. This study will aim to exploring the antecedents of customers buying attitude and investigating the impact of customers buying intension. A questioner survey method will be employing with an explanatory factor analysis and uses exploring six factors project facility, environment issues, location and communication, physical quality, promotion, and price that act as antecedents of customers buying attitudes.

From the presentation above this study is hypothesized that unemployment rate will have a positive and a significant effect on the real estate sale performance.

H3: The buying intension does have significant impacts on a real estate property sale performance.

2.3.2.1.4. External economic factors: - effects of computation on real estate sales performance.

Real estate property has been identified with their special attributes such as attractive, location, compound, area and the like which is a main competitive source to differentiate one real estate property from another's (Oksana and radoslaw 2013). According to this explanation competition may be considering different elements such as price of the property, political stability of the city, the availability of infrastructures and the like.

On other side there might be another attributes which is source of completion which is belonging with the property itself specification such as catchment areas of the house as well as the compound, built up areas of the building and finishing material standards (Kury 2009, Belej, Kulesza 2013). But all the above attributes is not accepted by the all customers equally because some of the customers may attracted positively but other may see it as a negatively some of the attributes as a result there will not be a common attributes parameters to measure the attractiveness of a given real estate house property.

But in this study purpose the paper will use competition in context of real estate property sales competition. This study will aim to exploring the previous circumstances of real estate property production and sales competition and investigating the effect of competitors on real estate sales performance. A questioner survey method will be employing with an explanatory factor analysis and uses exploring size, location on the floor, property location or site, finish standard, condition of the building and price that is very important in determining the competitive environment.

From the presentation above this study is hypothesized that competitive environment will have a significant effect on the real estate sale performance.

H4: Real estate house sale competition does have effects on property house sales.

2.3.2.1.5. Construction material suppliers do have effects on real estate house sales performance.

Supplier performance can be examined through by measuring them by how they performing against the agreed key performance indicators and service level agreement which seek to measure and monitor the performance of suppliers with regard to reducing cost, mitigate risk and drive continuous improvement which has an effects on monitoring compliance, to identifying performance gap, to know pre empty issues, to establish benchmark of the suppliers performance, to prevent compliancy especially in the long term agreement and hold suppliers accountable for any failure or breach of agreed terms.

The purpose of this variable is to extend our understanding of the importance of supplier dependency on the buyer's firm and its relationship to support training and supplier involvement in product development with respect to the supplier's performance. So in order to investigate the effects of supplier dependability on real estate sale performance the paper will use five questions only with the buyer's perspectives that is supplier involvement on product development, supplier operational performance and training,

Commercial real estate profit, sales and growth performance is affected by unreliable suppliers (Ramnairian 2012). On the theoretical part defined that the agency theory factors that most of the risk is created because of inefficiency of the contractors and the sub-contractors which lead to delay the product of real estate delivery time. The conflicting issues between the buyers and sellers of the commercial real estate product is time and costs with regard to delivery agreed time and cost of product sales (Okunlola and ogunkoya 2015).

As a consequence, on this paper purpose will use resource supplier's dependability in context of real estate property sales competition. This study will aim to exploring the previous circumstances of resource suppliers to real estate developers to investigate and to know the effect of supplier's dependability on real estate sales company's property sales performance. A questioner survey method will be employing with an explanatory factor analysis and uses supplier's operation capacity and performance, supplier involvement on real estate product development, supplier's performance to continuous improvements of the product, supplier's accountability for their products and supplier's loyalty with respect to finish the product based on the agreed time and cost.

H5: Suppliers dependability does have significant impacts on a real estate property sale performance.

2.3.2.1.6.Effects of interest rate on sales performance

The study on one and two dwelling building on the title of the effects of interest rates on housing price in Sweden based on regression analysis and found that there is a strong inverse relationship between interest rates and house price changes and strong impacts of change of interest rates on house price (Getahun 2011).And also by other study that conducted on the effect of interest rate on property and real estate found that exchange rate has positive effects on real estate share and real estate stock price (Marsel, Naigian and Enda, 2022).

As a result, some adjustment of interest rates will be implemented due to various reasons such as change in government policy, crises, the international and domestic financial market consideration and others. But the expectation or implementation of change of interest rates will have an advert effects on the sales performance and decision making of investors. But the regular change of interest rate occurs due to the effect of business cycle that is during the contraction and expansion of the economy over time (Martin 2016). Interest rates increment or decrement has many effects on the population such as purchasing power and the others.

The housing price has an opposite relationship with the national economy. Lower interest rate to housing purchase or mortgage interest are a cause to lowering the housing price which stimulating demand for real estate (Kimberly Amadeo 2012). Housing loan or mortgage refers to financial loan given by financial institutions for the property which is purchased by the customers and the customers has obliged to pay back the principal with the interest rate within the predefined agreed paying periods (Bienert and Brunauer 2016) the loan is usually for the purchase or construction of housing estates by individuals or companies.

The higher interest rate promotes export and attracts foreign investment as a result change in interest rate will have impacts on the production on a given economy.

But literature do not show that what will be the likely impacts of the change interest rates on real estate’s sales performance as a consequence this paper will tries to examine the relationship between interest rates and real estate's sales performance on Addis Ababa. Based on this the paper hypothesized that interest rate will have a positive and a significant effect on the real estate sale performance.

H6: Interest rate does have significant impacts on a real estate property sale performance.

2.3.2.1.7. Political stability on sales performance

Cllmer, Senetra, and Szczepanska stated on their paper that physical factors do have significant impacts on the value of the property. men`s attitude towards the surroundings environment security is not natural because humans search for locations which have a good access for infrastructures and services that deliver a high quality of life. As a result, the quality of a given environment largely affects the decision made on the real estate markets. Based on the definition the study hypothesized security will have a positive and significant effect on the real estate sale performance.
H7: security does have significant impacts on a real estate property sale performance.

The government of Ethiopia has been doing different conduct in order to manage land by different mechanisms such as the land lease proclamation 80/1993 state under article 40 sub article 3 declare that land is a property of the nations, nationalities and people of Ethiopia. Similarly, under article 6 states that land cannot be transferred with the third party. As a result, the city dweller can get a plot of land or house from either the mayor office or purchasing from real estate developers with limited number of years to use of the properties other else they get the plot of land or properties through illegal way.
Despite the government of Ethiopia doing different thing to manage the land market by amending roles, regulation especially the current Ethiopian Land lease regulation that is proclamation 721/2012 , But still the demand for house and supply is doesn't match as a result the city administration of Addis Ababa Starting to build Condominium house starting from 1990 for the city dwellers parallel the Real estate house developer get the licence to invest in the housing sectors to reduce house shortages in the city. There are some incentives for both programs but still not able to cope with the demand.

2.3.3. House sales performance

A company performance has been measured based on the objectives of the company itself. Because each and every company will have different objectives such as private company may have a goal of maximizing profit by developing different policy and marketing strategies in the other way the Addis Ababa governmental house development agency target is to alleviate housing problem in the city by providing standardised house for high governmental officials.

A company performance can be in three perspectives that is Accounting perspectives, Marketing perspectives and operation perspectives (Bruce Clarck). Unfortunately, the second one that is the marketing perspectives are more depends on the external stockholders. Similarly, a given company internal performance measurement is not difficult as the external company performance measurement because the external performance is including many unknown and uncontrollable stockholders (Bonoma and clerk, 1988).

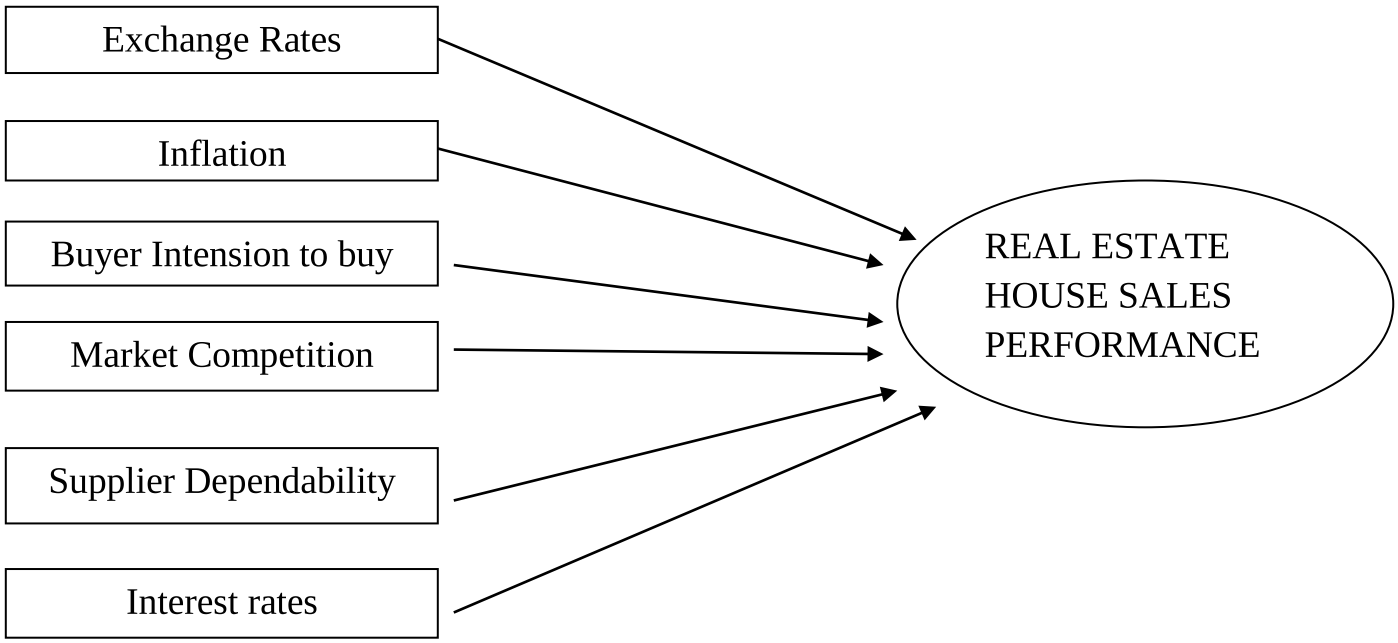
As a result in this study showed that the effects external economic variables on company’s performance which can be measured in terms of the intensity of the house sales, volume of the house sales, house sales growth rates, profitability of the company and companies house market shares in Addis Ababa.

2.4. Conceptual Model

The purpose of this study is to develop a model of commercial real estate sales performance measurement model in terms of external economic determinants. In the road of conceptual model framework development, the paper has incorporated the independent and dependent variables. The dependent variables will show the performance and the independent variables will give the main factors and determinants of the commercial real estate sale growth performance by identifying the source of factors that changes the performance of real estate sales performance. The dependent variables are Sales performances of real estate and the independent variables are Change of interest rates, buyer’s intensions, supplier’s Dependability’s, currency risk and competition on sales performance.

And the above independent variables are adopted from Birnleitner (Helmut Birnleitner 2013).And considering vulnerability of hard currency on real estate sales performance is adopted from John

Kuwami(John Kwame Adu Jack, Frimpong Okyere and Emmanuel k.s.Amoha 2019). Those independent variables considering on this paper are factors of real estate sales performance.



Figur 2.2. Conceptual frame work

Source Philip kotler 8th edition Macro environmental factors,

CHAPTER THREE

3. RESEARCH METHODOLOGY

This study parts tells about the steps of the methods to answers the research questions such as approach followed, research design used, data type and source gathered, population of the study, sampling procedures, sampling size sampling techniques, data gathering instruments/ variables, data analysis techniques, reliability and validity, ethical consideration, variable measurement and analysis.

3.1. Research Approach and design

3.1.1. Research approach

The paper was used both the qualitative and quantitative research methods. The quantitative research methods were used in order tocollectquantitative data by implementedclose-ended questions which were help to measure the magnitude and directions of the macroeconomic environmental variables on real estate's sales performance.A qualitative research was applied to get a better understanding about the situations of the real estate's markets which were give a good insight for describing the external economic variables. There for the paper was used mixed research approach.

3.1.2. Research design

The study was tried to identify what socio economic variables has an effect on the real estate sales performance in Addis Ababa. Therefore, explanatory study was the appropriate method of this research design. The choice of adopting explanatory research design adopted for conduction the quantitative data through survey and the qualitative one is collected after analysing the quantitative data in order to assuring the quantitative results. Explanatory research design will representative because of its suitability in elaborating the characteristics of a particular individual or a group of individuals (Kothari,2015). The main aim of the study is to identify any links variables that affect to the real estate sales performance.

3.2. Data Type and Source

Both primary and secondary sources were employed through interview and administered questionnaire. The secondary sources would be gathered from Central statistical agency, Ministry of finance and economic development, publications including books, researches, journals and various materials that were relevant to the study. The quantitative data will be collected through structured interview which would be conducted with employee and staff of real estate companies.

With regard to know the performance indicator the study is collect primary data like company attraction, acquisition, company image, market growth, market share, return on investment, revenue/ profit, property unit sales. And for measuring the factors that affect the performance of real estate house sales the study was collects the following variables such as exchange rates, Supply for construction materials competition, demand for the product, market competition, currency devaluation, buyer intension to purchase real estate house, interest rate, inflation rate, economic growth. And finally to prioritize the factors the collected data will be measured.

3.3. Population of the Study

The study target demographic consists of managers and employees of private real estate companies as well as real estate that is situated and operated in Addis Ababa. There is about 248 giant real estate business in Addis Ababa, according to Addis Ababa land development and administration bureau. About 47 businesses were included in this survey from that real estate. Eleven of them are sales agent for real estate firm and the remaining 36 are real estate companies.

The population covers the company's sales, marketing and logistic employees and managers of Noae real estate, petram real estate, Mohamed Ali real estate, Kasema real estate, Jomboro real estate, Yotec real estate, Ovid real estate, DMC real estate, Reality real estate, Metropolitan real estate, New hope real estate, Eney real estate, Jambo real estate, Huda real estate, Elilita real estate, Alsam real estate, Tsehay real estate, Gift real estate, Hayat real estate, Akir construction real estate, Ambasader real estate, Amdihune real estate, Appolo real estate, Aser real estate, Alem group real estate, Afro Sweden real estate, Addis prefab house manufacturing industry plc, Addis Mender estate real estate, A-z real estate, 3M real estate, Getas Real Estate, Sunrise real estate, Phison real estate, La Gar by Eagle hills real estate, Royal real estate, Haji Real Estate, Legasy real Estate and Dynamic Real Estate. And the frequency and percentage of the respondents are attached on the appendix.

3.4. Sampling Procedure sample size and sample techniques

The sample size is restricted by availability of real estate in Addis Ababa. According to Addis Ababa land Administration bureau in 2015 the total number of real estate who owned and got permission to construct real estate apartment, shop or mix of it is 248 companies. Based on this information the sampling technique is developed in order to get representative information about the population. Sample is the subset of the population which is implemented in order to make observation and statistical inferences about the population (Bhattacherjee, 2012). 47 representative sample populations were taken which of 15 percent of the total. From time and budget constraint it is trusted that 17% representation of the study population to be sufficient. From those companies the total number of employee who has been working with related to marketing, sales and logistics are 512. The paper was intended to use convenience sampling technique that was choose for the study by making a sample of 176 respondents from the total employees in selected real estate companies.

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

A 95% confidence level was assumed for this formula to determine the sample size, at e=0.05

N Is the total employees who working related to sales, marketing and logistics.

e is the margin of errors

$$n = \frac{512}{(1+(512(0.05)^2))} = 224.56$$

Hence the sample size for this research was 225 employees of the selected real estate.

3.5. Data Gathering Instruments

The data were collected by a self-administered face to face interview throughout real estate company offices. It was managed by train data collectors which includes distribution and collection the questionnaires in the selected areas. Since convenience sampling was employee, the respondent wasselected from real estate companies who practice different marketing strategies from cost differentiation to product differentiation from different areas with varying backgrounds and diverse living style. And the contained three sections. The first section is about over all the respondents' information. And the second parts discussed about the determinants of real sales estate performance and the third parts covered performance level of real estate companies. (see appendix)

3.6. Data Analysis Instruments

After collecting the data, it was entered and analysed by using Statistical Package for Social Sciences (SPSS) software. Descriptive statistics (frequency, percentage, mean, standard deviation) to describe the socio economic part and inferential statistics (linear regression ($Y= \alpha+\beta1X_1+\beta2X_2+\beta3X_3+\beta4X_4+\beta5X_5+\beta6X_6+\varepsilon$), one-way ANOVA and correlation) were used to analyse the data (Kothari, 2005). After analysing the data through SPSS software the paper is given suggestion that is forwarded by the researcher and finally the research will be present the finding to the student and evaluator of the paper.

3.7. Reliability and Validity Test

Validity means the validity of the results that is how well the questions measure the matters chosen to be studied. After finalized the study in addition of recording some respondent there was conduct Pilot test with a small group in order to check its validity.

Face validity: -the was cheeked and verified by academicians from different department in different university. The researcher was taken into consideration the notes and recommendation about the questionnaires and accordingly it was modifying them to meet the research requirement.

Content validity: -measuring content validity of instruments is very important. This type of validity can help to ensure construct validity and give confidence to the readers and researchers about instruments. Content validity refers to the degree that the instrument covers the content that it is supposed to measure. For instant validity two judgments are necessary the measurable extent of each item for defining the trait and the set of items that represent all aspects of the trait.

CVR =(N_e-(N/2))/N/2 lawsh then proposes that you calculate the content validity ratio for each question

N_e = number of essentials for an item

N = number of experts

Construct validity: -it measures the constructs of validity by testing whether variable relates to measures of other constructs as specified by theory. Construct validation concerns the simultaneous process of measure and theory validation. As a result, the establishment theory will be examined based on the existing macro-economic theory of Fashy and Narayanan model of new product development model.

Reliability In the study Alpha reliability will use to measure internal consistency of the mean of the items at the time of administration of the and simultaneously Cronbach's Alpha is a reliability coefficient that indicates how well the items in a set are positively related to one another will also use to check the coefficient reliability.

Table 2.1- Reliability test

	Cronbach's Alpha	**Number of Items**
Interest rates	0.889	5
Inflation Rates	0.893	5
Supplier Dependability	0.900	5
Buyer buying Interest	0.942	4
Market Competition	0.845	5
Volatility of Exchange rates	0.857	5
Sales Performance of the real estate's company	0.940	5
Sales Performance	0.847	5

Table.. Reliability test dimensions, Source sample survey result 2024

Table 2.1. showed that the Cronbach Alpha coefficient for interest rates is 0.889 implies that the reliability of the instrument is high, The Cronbach Alpha coefficient for inflation rates is 0.893 implies that the reliability of the instrument is high, the Cronbach Alpha coefficient for supplier dependability is 0.900 implies that the reliability of the instrument is high, Cronbach Alpha coefficient for buyers buying intension is 0.942 implies that the reliability of the instrument is high, the Cronbach Alpha coefficient for market competition is 0.845 implies that the reliability of the instrument is high, the Cronbach Alpha coefficient for volatility of exchange rate is 0.857 implies that the reliability of the instrument is high and the Cronbach Alpha coefficient for Sales Performance of the real estate's company is 0.940.

3.8. Ethical Consideration

Ethical clearance had been considered which full informed consent also obtained from the study participants then the purpose of the study was clearly explained and information kept in strict confidentiality

CHAPTER 4

4. Result and discussion

4.1. Introduction

This parts of the thesis chapter explains the data analysis and explanations of the data which was collected from the respondent and through questionnaires on the title of the external economic factors that affect Real estate sales performance in Addis Ababa. Graphs, tables and figures were used to in order to show the finding clearly. The chapters begin with descriptive statistics of the percentage, count, mean, standard deviation and finally concluded by describing the inferential statistics tests and cheeking its model reliabilities through used SPSS version 20.

4.2. Response

The individual who participated filled out the questionnaires by themselves but they also communicated with the data collectors over the interpretation of some of the variables. Out of 225 questionnaires, 175 were returned and correctly completed; the remaining 31 and 19 were not returned and demanded invalid because the data was misused. Additionally, they declined to complete the questionnaires because they believed that it may affect them negatively.

Table 4.1- Response rate

Categories	Number
Sample size	225
Distributed questionnaires	225
Collected questionnaires	196
Unreturned questionnaires	31
Collected but not properly filled	19
Number of questionnaires used in this analysis	175
Response rate	77.7%

Source: Authors survey result (2024)

The biggest obstacle for this study was data collection process from the real estate companies. First a number of real estate companies do not have well-structured office as well as permanent office. And also in their construction site they were not willing to fill the questionnaires because of they are not comfortable with paper works. And the other challenges in the construction site were know how of the variables.

4.3. Normality test

Table 4.2- Normality test

Variables	N	Skewness		Kurtosis	
		Statistics	Std. Error	Statistics	Std. Error
Interest rates	175	-.614	.184	-.289	.365
Inflation Rates	175	-.477	.184	-.942	.365
Supplier Dependability	175	-.563	.184	-.285	.365
Buyer buying Interest	175	.669	.184	.938	.365
Market Competition	175	-.803	.184	-.124	.365
Volatility of Exchange rates	175	-.368	.184	-.067	.365
Sales Performance of the real estate's company	175	.343	.184	.073	.365

Source own survey, 2024

The skewness level is fall between -1 and +1 so both the dependent and independent variables are normally distributed which is interest rate, inflation rates, supplier dependability, market competition and volatility exchange rates are negatively skewed -.614,-.477,-.563,-.803 and .368 respectively, While buyer intension to purchase and sales performance is positively skewed.

4.4. Respondents demographic information

Variables	Category	Frequency	Percentage
Gender	Male	119	68%
	Female	56	32%
Title of the position Respondents in their organization	CEO	6	3.4%
	Deputy General Manager	2	1.1%
	Finance Manager(Finance Officer)	40	22.9%
	Marketing manager(Marketing Officer)	40	22.9%
	Sales manager(Sales Officer)	87	49.8%
Working Experience within this organization	Less than five year	133	76%
	5.-9 Years	22	12.6%
	10.14 Years	4	2.3%
	15 Years and above	16	9.1%
Respondent experience In the real estate sectors	Less than five year	66	37.7%
	5.-9 Years	85	48.6%
	10.14 Years	9	5.1%
	15 Years and above	15	8.6%
Organization stay year in real estate sectors	5.-9 Years	2	26.9%
	10.14 Years	87	17.1%
	15 Years and above	86	56%
House type	Only Villa house	0	0%
	Apartment	2	1.1%
	Villa and Apartment	86	49.1%
	Industry		
	Villa Apartment and Shop	87	49.7%

Table 4.3- Demographic information Source; Sample survey Result (2024)

4.4.1. Gender of the respondents

As indicated in table 4.3 the gender distribution shows that 68% were male respondent and 32% were Female. It is shows that fair distribution of gender and it implies that majority of marketing and sales related working in the real estate industry is male.

Independent Sample Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	sig	t	df	Sig(2 tailed)	Mean difference	Std. ErrorDifference
Sales	Equal variances assumed	5.057	.026	-1.098	173	.274	-.10126	.09225
	Equal variances not assumed			-1.233	144.843	.220	-.10126	.08216

Source own survey (2024).

The independent sample t test is conducted to know the mean difference in the house sales between male and female. And the data shows that at 5% level of confidence there is no significantly difference in the real estate house sales performance between the male and female interviewers.

4.4.2. Respondents working position

As indicated from table 4.3 from the whole respondents 3.4 % held the position of CEO, 1.1% held the position of deputy general manager, 22.9% held the position of finance manager or working related to finance in the real estate companies, 22.9% held the position of marketing manager/marketing officer and the remaining 49.7% of the respondents had working on the sales related position.

ANOVA

Salesperformance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.369	4	.092	.279	.891
Within Groups	56.085	170	.330		
Total	56.453	174			

Source: own survey result (2024)

This one-way analysis of variance (ANOVA) is used to determine whether there is any statistically difference between respondents working position with the real estate house sales performance in Addis Ababa. According to the result there was no statistically significant difference between working position in the real estate house sales performance.

4.4.3. Working Experience in the current organization

From table 4.3 75% of the respondents were less than 5 years of experience in the current real estate company, 12.6% had 5 up 10 years of experience, 2.3% had 10 up to 14 years of experience and the remaining 9.1% had 15 years and above years of experience in the real estate companies.

4.4.4. Working Experience in the real estate sectors

From the above table 4.3 from the total respondent 37.7 % of them had less than 5 years of experience in the real estate sectors, 48.6% of the respondents had from 5 up to 9 years of experience in the real estate sectors, 5.1% of the respondents had from 10 up to 14 years of experience and the remaining 8.6% had 15 and more years of experience in the real estate sectors.

ANOVA					
sales performance					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.237	3	.412	1.277	.284
Within Groups	55.217	171	.323		
Total	56.453	174			

Source sample survey result 2024

The result tells that there was no statistical significance difference among groups of between respondent working experience in the real estate industry and real estate company house sales performance.

4.4.5. Organizations staying year in the Real estate sectors

As indicated in the above table 4.3 of 26.9% had 5-9 years of experience, 17.1% of the respondent's organization had 10 up to 14 years of experience and the remaining 56% of the respondent's organization had more than 15 years of experience the sectors.

ANOVA					
sales performance					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.389	2	.195	.597	.551
Within Groups	56.064	172	.326		
Total	56.453	174			

Source sample survey result 2024

This ANOVA test showed that there is no statistical significant relationship between company staying year in the real estate markets and house sales performance in Addis Ababa.

4.4.6. Real estate companies house sales type

As indicated in the above table 4.3 1.1% of Real estate companies built only villa and apartment houses, 49.7% of the company had construct villa, apartment and Shop and the remaining 49.1% had construct apartment and shop house or mixed use buildings.

ANOVA					
Salesperformance					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.458	2	1.729	5.612	.004
Within Groups	52.995	172	.308		
Total	56.453	174			

Source: own survey (2024)

A one-way ANOVA result showed that there was a statistically significant difference between the sales of house types with regard to house sales performance of real estate Company in Addis Ababa.

4.5. Statistical description of the variables

Table 4.4- Statistics for study variables

Variables	Sample Size	Minimum	Maximum	Mean	Std. Deviation	Rating Status
Exchange Rates	175	2.20	4.60	3.5291	.48282	Positive rating
Inflation Rates	175	2.20	4.60	3.8080	.38677	Positive rating
Buyer buying intension to purchase	175	3.25	4.00	3.4871	.17631	Positive rating
Market competition	175	2.00	4.40	3.4343	.65826	Positive rating
Suppliers	175	2.00	4.60	3.6400	.57215	Positive rating
Interest rates	175	2.20	4.60	3.7337	.48537	positive rating
Sales Performance	175	2.00	4.80	3.5383	.56960	Positive rating

Source: sample survey results2024

Table 4.5. Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Exchange rate	175	2.20	4.60	3.5291	.48282
sales performance	175	2.00	4.80	3.5383	.56960
Inflation	175	2.20	4.60	3.8080	.38677
Buyer intension	175	3.25	4.00	3.4871	.17631
Competition	175	2.00	4.40	3.4343	.65826
Supplier Dependability	175	2.20	4.60	3.6400	.57215
Interest Rate	175	2.40	4.60	3.7337	.48537
Valid N (listwise)	175				

Source sample survey result 2024

The above table 4.4 were used to interpret the frequencies, maximum, minimum, mean and standard deviation of the study variables. The objectives of this statistical description are to analyse the central tendency, dispersion and distribution of the study variables. The mean indicates how many the majority of the respondents agreed or disagreed on the parameters on average. As the study were used 1 for strongly disagree and 5 strongly agree the greater the mean is the majority of the respondents agreed to the statement and the reverse unlikely describes the majority of the respondents disagree with the statement question.

As a result from the table the descriptive statistics shows that the variables of Exchange rate (Min=2.20, Max=4.60, Mean=3.52, SD=.48), Inflation (Min=2.20, Max=4.60, Mean=3.80, SD=..38), Buyers buying intension(Min=3.25, Max=4.00, Mean=3.48, SD=.176), Market competition (Min=2.00, Max=4.40, Mean=3.43, SD=.65), Supplier dependability(Min=2.20, Max=4.60, Mean=3.64, SD=.57), Interest Rates(Min=2.4, Max=4.60, Mean=3.73, SD=.48), and sales performance of real estate company(Min=2.00, Max=4.80, Mean=3.53, SD=.56). As a result, the mean is significantly different from the med point and all the study variables are greater than the med pint.

4.6. Survey Instrument reliability

Reliability is a measure of the consistency of metric or a method to measure of construct that out comes be assessed with relatively little measurement error. There are four conmen methods of measuring reliability that is inter-ratter reliability, test-rates reliability, parallel forms reliability and internal consistency reliability.

Reliability measure the degree that the variable properly constructs with little level of error. As consequences the paper was a pilot survey in order to assured the reliability of the study. On the pilot test 21 questionnaires were collected from real estate company members. The reliability of construct or internal consistency of each of the determinant variables or factors of real estate sales performance was tested. Based on Cronbach's Alpha reliability analysis the pilot survey results showed that coefficient of the dimensions is more than 0.7 which implied that the instrument is highly reliable.

Table 4.6- Reliablity test

	Cronbach's Alpha	Number of Items
Interest rates	0.889	5
Inflation Rates	0.893	5
Supplier Dependability	0.900	5
Buyer buying Interest	0.942	4
Market Competition	0.845	5
Volatility of Exchange rates	0.857	5
Sales Performance of the real estate's company	0.940	5
Sales Performance	0.847	5

Table.. Reliability test dimensions, Source sample survey result 2024

Table 4.6 showed that the Cronbach Alpha coefficient for interest rates is 0.889 implies that the reliability of the instrument is high, The Cronbach Alpha coefficient for inflation rates is 0.893 implies that the reliability of the instrument is high, the Cronbach Alpha coefficient for supplier dependability is 0.900 implies that the reliability of the instrument is high, Cronbach Alpha coefficient for buyers buying intension is 0.942 implies that the reliability of the instrument is high, the Cronbach Alpha coefficient for market competition is 0.845 implies that the reliability of the instrument is high, the Cronbach Alpha coefficient for volatility of exchange rate is 0.857 implies that the reliability of the instrument is high and the Cronbach Alpha coefficient for Sales Performance of the real estate's company is 0.940.

4.7. Respondent rating on the variables

Descriptive analysis were used to analyse the mean, standard deviation of the factors (independent) variables of volatility of exchange rates, inflationary rates, market competition, consumer buying intension, supplier dependability and volatility of interest rates on the overall sales performance of real estate companies as an outcome variables. And the whole stated questions are rated from 1 up to 5 for the purpose of the lower value indicates less rating and the higher values indicates as the greater and positive rating.

4.7.1. Perception of respondent on the effect of volatility of exchange rates on real estate house sales performance

Table 4.7 showed that the respondent attitude on volatility of exchange rates by rating Depreciating birr/currency causes a rise in property prices, Hard currency shortage causes delay for construction project, your organization facing currency fluctuation, Remittance positively affects real estate productivity and real estate sales house price is affected by exchange rate vulnerability.

Table 4.7. Descriptive statistics (volatility of exchange rates)

Parameters	N	Mean	Std. Deviation
Property price affected by vulnerability of exchange rates.	175	3..5	.970
Depreciation affect the sales objectives of real estates	175	3.55	.914
Availability of hard currency	175	3.64	.904
unstable exchange rates	175	3.51	.823
Remittance	175	3.59	.858
Valid N (listwise)	175		

Source: own survey (2024)

The above table 4.7 showed that the mean, standard deviation of the factors (independent) variables of Real estate property price affected by vulnerability of exchange rates, depreciation of birr in terms of foreign currencies affect the sales objectives of real estates, Your organization can not get sufficient hard currency for importing real estate construction materials, Your organization experiencing unstable exchange rates and Remittance positively affects real estate productivityare factors that affects real estate sales performance. The mean range for the volatility of exchange rate is between 3.4 up to 4.2 that indicated the average rating level is agree which show volatility of exchange rates are factor forreal estate companies performance.

4.7.2. Perception of respondents on the effect of inflation rates on real estate sales performance

Table 4.8- Descriptive statistics (Inflation rates)

Parameters	N	Mean	Std. Deviation
Inflation is growing at increasing rate.	175	3.77	1.070
Because of inflation your company home sales price is increasing.	175	3.90	.957
Because of high inflation rates your organization profit is reduced.	175	3.91	.896
The rise of real estate price will reduce the demand for real estates.	175	3.75	.879
Inflation determines your organization productivity.	175	3.70	.978
Valid N (listwise)	175		

Source: own survey (2024)

In this case real estate company staff were requested to give their attitude with regard to inflation rates factors based on the parameters of Inflation is growing at increasing rate, Because of inflation your company home sales price is increasing, Because of high inflation rates your organization profit is reduced, the rise of real estate price will reduce the demand for real estates and Inflation determines your organization productivity. The mean average for effects of inflation on real estate home price is between 3.70 up to 3.90 which is the average effects of inflation on real estate home price is greater than the mean that be a sign of inflation has impacts on real estate home sales. The home delivery price seated by real estate company when they entered in the contract with the home buyers at the beginning of the project and the final phase of the home is completely different some time it will be more than double price per meter square that is the reason of inflation rates.

4.7.3. Perception of customer buying intention on real estate sales performance

Table 4.9- Descriptive statistics (Buyer intension to purchase real estate home)

Parameters	N	Mean	Std. Deviation
Customer preference change time to time	175	3.29	1.055
Customers attracted by visibility	175	3.56	.691
Customers interest on building-heating, air conditioning and ventilation etc	175	3.49	.883
feedback from customer/buyers	175	3.62	.957
Valid N (listwise)	175		

Source: own survey (2024)

Real estate company staff members were asked to rate their view on the effects of buyer intension to purchase home on real estate sales performance by valuing the parameters ofCustomer preference change time to time with regard to home design, type and other attributes affects real estate property sales, affects real estate property sales and There is good feedback from customer/buyers regarding quality of your product.And from the table 4.9 the average rate is greater than the mean which indicated that buyer intension to purchase to home had effects on real estate home sales performance.

4.7.4. Perception of respondents on the effects of market competition on real estate sales performance

Table 4.10- Descriptive statistics (Market competition)

Parameters	N	Mean	Std. Deviation
identifies its existing/potential competitors	175	3.21	.984
Attributes such as location of the property, neighbourhood, accessibility	175	3.37	.967
price adjustment based on the market.	175	3.42	.984
Selling price per M^2 is much lower than competitors.	175	3.52	.970
Your organization registered high sale in relative with the company's previous experience.	175	3.66	.951
Valid N (listwise)	175		

Source: own survey (2024)

Real estate company employee were rated the effects of market competition on real estate sales performance by rating the parameters such as the real estate companies identifies its existing/potential competitors, Attributes such as location of the property, neighbourhood, accessibility, Your company made price adjustment based on the situation in the market, The company selling price per M^2 is much lower than competitors and Your organization registered high sale in relative with the company's previous experience. Based on those stated question the respondent rate on average from 3.21 up to 3.66 and the overall average is greater than the mean which showed that market competition affects real estate sales performance.

4.7.5. Perception of supplier dependability on the effects of supplier dependability on real estate sales performance

Table 4.11- Descriptive statistics (Supplier dependability)

Parameters	N	Mean	Std. Deviation

Unreliable suppliers	175	3.5	1.101
adequate supply of locally produced competition materials	175	3.55	.981
sufficient competition materials for demanding quality	175	3.64	.940
Cost of construction competition materials is not stable	175	3.51	1.020
It is time taken to import of constructions equipments from abroad	175	3.59	1.005
Valid N (listwise)	175		

Source: own survey (2024)

The above table 4.11 showed that the mean, standard deviation of the factors (independent) variables of supplier dependability by rating the parameters such as Unreliable suppliers in local markets obstacle for your organization, there is no adequate supply of locally produced construction material, your organization gets sufficient competition materials for demanding quality, Cost of construction materials is not stable when it compare with other industrial materials product price and It is time taken to import of constructions equipment's from abroad. The mean range for the raw material suppliers for real estate company's effects on home sales had rated between 3.51 up to 3.64 that indicated the average rating level is greater the mean which shows that raw material suppliers for real estate company they had effects on real estate's house sales.

4.7.6. Perception of respondent on interest rates and house sales performance

Table 4.12-Descriptive statistics (volatility of interest rates)

Parameters	N	Mean	Std. Deviation

Your organization facing interest rate variation.	175	3.56	1.216
Low interest rates affect positively the buyers interest to buy real estate products.	175	3.54	1.138
Because of interest rates your organization encourages to invest.	175	3.69	1.049
Borrowing interest rates are high for buyers for purchasing home from real estate companies.	175	3.97	.826
Interest rates had increased in the last five years	175	3.90	1.015
Valid N (listwise)	175		

Source: own survey (2024)

Real estate company employee was rated the effects of interest rates on real estate sales performance by rating the parameters such as Your organization facing interest rate variation, Low interest rates affect positively the buyers interest to buy real estate products, Because of interest rates your organization encourages to invest, borrowing interest rates are high for buyers for purchasing home from real estate companies and Interest rates had increased in the last five years. Based on those stated question the respondent rate on average from 3.54 up to 3.97 and the overall average is greater than the mean which showed that interest rates had effects on real estate sales performance.

4.8. Correlation analysis

Pearson correlation analyses would be conducted to analyse the correlation among variables that is the interdependency between both the dependent and the independent variables. Correlation is used for to measure the degree of relationship between two variables. In this study Pearson was used to analyse the independent variables of exchange rate, inflation rate, competition, supplier dependability and interest rates and the dependent variable is sales performance. The aim is to know that the effect of the change in one variables over the others. The person product moment correlation coefficient(r) takes the value range between ± 1. The value of the coefficient approaches to implicated that a strong positive interdependency between the variables that one variable increases the other variables follows. And if the value of coefficient is approaches to -1 the relationship indicated that there is a strong negative relationship among the variable that one variable increases the other variable will change the value in the opposite directions.

A confidence interval of 95% and 0.05 confidence intervals was considered while conducting this analysis. The relationship strength among the various variables in this study was indicated by the correlation coefficient as shown in the table below. Variable that were found to have a positive correlation with real estate house sale are include exchange rates, inflation rates, competition , supplier dependability and interest rates. The result showed that correlation coefficient for exchange rate was .697 that is strong correlation, the correlation coefficient for inflation rate was .820 that implies that a very strong correlation, the correlation coefficient for buyer intension was .590 that implied that a strong correlation between real estate house sales performance and buyer intension to purchase real estate house, The relationship between sales performance and market competition is weak as the coefficient is .193, the relationship between supplier dependability and real estate house sales performance is strong as the result is .714 and sales performance and interest rate relationship is weak as r is.269 with the correlation significant at the 0.01 level (2-tailed).

Table 4.13-Correlations

		1	2	3	4	5	6	7
Sales Performance	Pearson Correlation	1	.697**	.820**	.590**	.193*	.714**	.269**
	Sig. (2-tailed)		.000	.000	.000	.011	.000	.000
	N	175	175	175	175	175	175	175
Exchange Rate	Pearson Correlation	.697**	1	.740**	.536**	-.081	.772**	.544**
	Sig. (2-tailed)	.000		.000	.000	.285	.000	.000
	N	175	175	175	175	175	175	175
Inflation Rate	Pearson Correlation	.820**	.740**	1	.473**	.179*	.728**	.504**
	Sig. (2-tailed)	.000	.000		.000	.018	.000	.000
	N	175	175	175	175	175	175	175
Buyer Intension	Pearson Correlation	.590**	.536**	.473**	1	-.127	.626**	.275**
	Sig. (2-tailed)	.000	.000	.000		.093	.000	.000
	N	175	175	175	175	175	175	175
Competition	Pearson Correlation	.193*	-.081	.179*	-.127	1	-.013	-.015

	Sig. (2-tailed)	.011	.285	.018	.093		.860	.842
	N	175	175	175	175	175	175	175
Suplier Dependablity	Pearson Correlation	.714**	.772**	.728**	.626**	-.013	1	.554**
	Sig. (2-tailed)	.000	.000	.000	.000	.860		.000
	N	175	175	175	175	175	175	175
Interest Rate	Pearson Correlation	.269**	.544**	.504**	.275**	-.015	.554**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.842	.000	
	N	175	175	175	175	175	175	175

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed). **Source: own survey (2024)**

4.9. Regression analysis

On the previous part the study showed that the data were collected and recoding in to statistical package for social study (SPSS) software program. Based on that the descriptive statistics of each the variables frequency, percentile, mean, standard deviation and graphical interpretation were made. In order to precede the next process there were check their significance at 0.05 levels with their correlation with each other's of the dependent and the independent variables and the result showed that from five independent variables two of them are very strongly correlated, two were strongly correlated and the rest were had a weak correlation with the dependent variables. And finally on this part hypothesis tests were cheeked through regression model analysis.

Model Specification

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + b_6x_6 + e$$

Where

- Y = Sales performance of real estate company
- A = the y intercept.
- b_1 = regression coefficient of exchange rates
- x_1 =Exchange rate
- b_2 = regression coefficient of inflation rates
- x_2 = inflation rates
- b_3 = regression coefficient of buyer intension to purchase home
- x_3 = Buyer intension to purchase real estate house
- b_4 = regression coefficient of market competition

- x_4 =Market competition
- b_5 = regression coefficient of supplier dependability
- x_5 =Supplier dependability
- b_6 = regression coefficient of interest rates
- x_6 = interest rates
- e = error term

Table 4.14-Descriptive Statistics

	Mean	Std. Deviation	N
Sales performance	3.5383	.56960	175
Exchange	3.5291	.48282	175
Inflation	3.8080	.38677	175
Buyer intension	3.4871	.17631	175
Competition	3.4343	.65826	175
Supplier Dependability	3.6400	.57215	175
Interest	3.7337	.48537	175

Source: own survey (2024)

The value of the mean falls between the range of 3.43 and 3.80 which implied that average respondents were agreed with the macro economic variables had impacts on real estate sales performance. As indicated in the methodology part the study was used inferential analysis to prove the conceptual frame which is the macro economic factors has effects on real estate sales performance. Exchange rate, inflation rate, buyer intension to purchase the product, market competition and interest rates are independent variables and real estate home sales performances are dependent variables.

Table 4.15- Model summary

Model	R	R square	Adjusted R square	Std. Error of the estimate
1	.893[a]	.797	.789	.26142

a. Predictors: (Constant), Interest Rate, Competition , Buyer intension, Inflation, Exchange rate, SupplierDependability

b. Dependent Variable: salesperformance

Source: own survey (2024)

The most common measure of how well the regression model fits the data is R square. This statistics measure how much of the variance is explained by the weighted combination of the predictor. The closer R square is to 1 the better the model fits. The r square value in the table 4.15 indicated that how much of the variation on the sales performance is explained by the independent variables of exchange rates, inflation rates, market competition , supplier dependability, buyer intention to purchase the product and interest rates. As a result the r square value is 0.797 implies that the model explains 79.7% of the variance in the dependent variable (the variance in the dependent variable is explained by the predictor variable in the model)

Table 4.16-ANOVA[a]

Model		Sum of Square	df	Mean Square	F	Sig
1	**Regression**	44.972	6	7.495	109.672	.000[b]
	Residual	11.482	168	.068		
	Total	56.453	174			

a. Dependent Variable: salesperformance

b. Predictors: (Constant), Interest Rate, Competition , Buyer intension, Inflation, Exchange rate, SupplierDependability , Source: own survey (2024)

The ANOVA result showed that the F value of 109.672 is significant at 0.000 levels. Therefore, from the result, it can be concluded that with 79.7% of variance of exchange rates, inflation rates, buyer intension to purchase, market competition , supplier dependability and interest rates are significantly effect on real estate sales performance.

Table 4.17- Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	-2.487	.482		-5.156	0.000	-3.439	-1.535		
	Exchange rate	.219	.074	.185	2.942	0.004	0.072	0.365	0.305	3.28
	Inflation Rate	.836	.088	.567	9.482	0.000	0.662	1.01	0.338	2.958
	Buyer intension to purchase	.631	.148	.195	4.257	0.000	0.338	0.923	0.576	1.736
	Market equilibrium competition	.112	.033	.130	3.423	0.001	0.047	0.177	0.844	1.185

	Supplier Dependability	.189	.065	.190	2.906	0.004	0.061	0.317	0.284	3.527
	Interest rate	-.322	.051	-.274	-6.304	0.000	-0.423	-0.221	0.64	1.563
a. Dependent Variable: salesperformance										

The coefficient of the regression line addresses the length of the relationship. The sign of the coefficient indicates that weather the predicted response increase or decrease when the predictor increases while other predictors remains constant. The result indicates that there is a positive and significant effects of exchange rates, inflation rates, buyer intension to purchase, market competition and supplier dependability on sales performance. The other one variable of interest rates are negatively affects real estate sales performance. The beta coefficient for exchange rate(.185), inflation rates (0.567), buyer intension to purchase real estate home(0.195), market competition (0.13), raw material suppliers (0.19) and interest rate is (-0.274).

Multicollinearity refers to a situation in which there is exact linear relationship among two or more of the variables. The variance inflation factor for each term in the model measures the combined effect of dependency among the regresses on the variance of the term. One or more large VIF indicate multicollinearity. Partially experience indicates that if any of the VIF result exceeds 5 or 10 it is an indication that the associated regression coefficient ispoorly estimated because of multicollinearity. Collinearity statistics shows that the VIF value of exchange rate 3.28, inflation rate 2.958, buyer intension to purchase 1.736, market competition 1.185, supplier dependability 3.527 and interest rates are 1.563 which is less than 10 it implies that there is no correlation detected on the data.

Table 4.18- Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.0250	4.5643	3.5383	.50839	175
Residual	-.81076	1.10597	.00000	.25688	175
Std. Predicted Value	-2.977	2.018	.000	1.000	175
Std. Residual	-3.101	4.231	.000	.983	175

a. Dependent Variable: sales performance, Source: own survey (2024)

4.10. Result of the hypothesis

On the analysis part the paper proved that the reliability, significance and dimension of the effects of the macro economic variables on the real estate performance. As a consequence, in this part the paper shows that the relationship and results of the hypothesis.

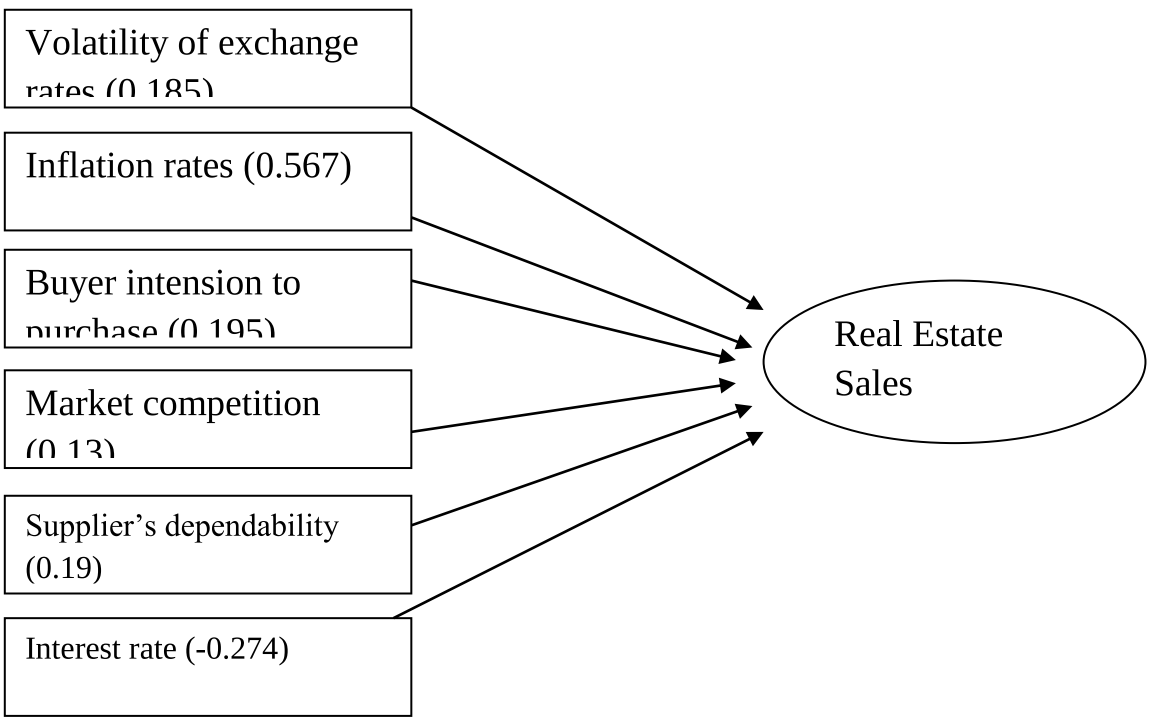


Figure 4.1. Hypothesis result

H1: The volatility of exchanges rates has significant effects on a real estate property sale performance; there for this hypothesis is accepted.

H2: The inflation rate has significant effects on a real estate property sale performance; there for this hypothesis is accepted.

H3: The buying intension has effects on a real estate property sale performance; there for this hypothesis is accepted.

H4: The competition has effects on a real estate property sale performance; there for this hypothesis is accepted.

H5: Suppliers dependability has effects on a real estate property sale performance; there for this hypothesis is accepted.

H6: Interest rate has significant effects on a real estate property sale performance; there for this hypothesis is accepted.

4.11. Finding

As per the objectives the paper found that exchange rates, inflation rates, buyer intension to purchase a real estate house, real estate market competition and supplier dependability have positive effects on the performance of real estate house sales. It is therefore considered those the above listed variables the availability of hard currency, the performance of construction raw materials supplier, the increase intension of buyer to purchase real estate house, the expansion of market competitors which has a great impacts on advertising the sectors and inflation rates (which customer expect to save their money by investing their money on house to reduce the risk of the time value of money) are lead to increase the performance of real estate sales performance. The other independent variable that is interest rates but has negative effects on the performance of real estate sales performance. That is when inflation increase which leads to decreases the sales performance of real estate house sales performance.

4.12. Discussion of the finding

4.12.1. Exchange rates has a positive significance impacts on the performance of real estate house sales in Addis Ababa

The relationship between exchange rates and the real estate company house sale performance was positive and significant (beta=.185; t-value=2.942; p-value=0.004) it supports hypothesis one. The result is confirmed by the previous studies such as there are a number of ways in which real estate and currency are correlated. One of the primary ways in which they are related is through exchange rates.

The exchange rate can have a significant impact on real estate markets, as it affects the cost of buying and selling property in different countries. The finding of this study supported by Luthfianai's (2018), research that assert the exchange rates shown that to have an influence on capital market investment development. The declining in the exchange rate of dollar against Birr indicating that the Ethiopian economy is improving; on the other hand, the increase in the dollar exchange rate indicates that Birr currency is weakening.

4.12.2. Inflation has significant impacts on real estate sales performance in Addis Ababa.

The study finds that a rise in inflation negatively impacts on the price of real estate houses with (beta=.567; t-value=9.482 and p-value=0.000. This is an indication that a rise in inflation increases housing price which has both positive and discriminate effects. Which is supported by Adu Jack (2019) It is there for recommended that the monetary policy makers should look at their control mechanisms with the real estate house price mind. They can mitigate the real estate house price by prescribing some tax exemption on import of some building materials whilst they vigorously pursue their control of inflation.

4.12.3. Effects of buyer intension to purchase real estate house has a positive and significant impacts on real estate sales performance

The relationship between buyer intension to purchase real estate house with real estate sales performance has a positive and significance with beta value of .195, t-value of 4.257 and p-value of 0.000 which is supported hypothesis 3. In conclusion, it is clear that technical information of a property, when present in an advertisement, is an important determinant of the consumer's purchase intension and performance expectation. The relative effect of the technical information variable on the performance expectations and purchase intension of a property clearly warrants further research, as does its effects on the actual choice.

4.12.4. Market competition haspositive and significant effects on real estate sale performance in Addis Ababa.

The research suggests that the real estate house sales market competition has a positive and significance impacts on real estate house sales performance (beta =.130; t-value=3.423; p-value=0.001) supported hypothesis 4.This result is supported Roulac (2011) suggests that superior corporate property strategy is mandatory to increase sales and profitability of a given organization by promoting objectives of competitive advantages and core competencies by creating and retaining customers, attracting and retaining outstanding peoples, optimizing productivity, following and practice cost effective strategy, using flexible marketing strategy, implementing product differentiation strategy, operational efficiency and product improvement to increase productivity and profitability in the real estate industry.

4.12.5. Supplier dependability has positive and significant effects on real estate company house sales performance.

The relationship between construction raw material suppliers and real estate house sale performance was shown to be positive and significant (beta=.190; t-value=2.906; and p-value=0.004) prove hypothesis H5. This hypothesis supported by previous studies such as Mirawatie (2015), in his study he found that real estate company performance and productivity are highly dependent on the linkage with the construction raw material suppliers. And the other studies by Ramnarian (2012) concluded that unsafe construction raw material suppliers are significant impacts on real estate company performance.

4.12.6. Interest rate has significant impacts on real estate sales performance.

The effects of interest rates which are imposed on real estate house buyers to pay the full amount of the house in the limited paying periods has a negative and significant impacts on real estate house sales performance with (Beta=-.274; t-value=6.304; p-value=0.000) it supports hypothesis six. It is asserted by Tandelilin's (2010) theory that interest rates have an inverse meaning (cateris paribus); if interest rates rise, stock prices fall. This is due to investor selling shares and switching to more profitable investments.

CHAPTER 5

5. Summary, conclusion and recommendation

This chapter discuss the study conclusion and recommendation. Based on the introduction, objectives, statement of the problems, previous literature, theories, analysis and findings of the study these study forwarded the following concludes and recommended.

The primary goal is to look into how external economic factors affect the performance of real estate house sale. The study used primary data from 175 respondents who has been working in the real estate companies. The study used both the descriptive and inferential statistics for developing multiple regression models to investigate the magnitude and direction of impacts of macroeconomic factors on real estate company sales performance. And 24^{th} version of SPSS was utilized as the analytical tool for this study.

The real estate company sales performance was considered as the dependent variables. The external economic factors are considered as the independent variables those variables are volatility of exchanges rates, inflation rate, buyer buying intension, real estate market competition , Suppliers dependability and interest rate.

5.1. Conclusion

Finding the factors that affect real estate sales performance in Addis Ababa is the main goals of the study. The majority of the participants acknowledge that the performance of the real estate company in Addis Ababa is influenced by the external economic factors. And the participant's sex, age year of experience in the current organization, year of experience in the real estate industry and organizational experience in the real estate industry do not have impacts on real estate sales performance but types of house which is apartment, villa or shop have impacts on house sales performance of the real estates.

ON the analysis of variance (ANOVA) proved that a small p-estimation of 0.000 than the ἀ value, While the F-value showed that 109.672 was larger than the F critical value is 44.972. This result implies that a significant relationship exists between the external economic variables which incorporated in this studies and the performance of real estate house sales performance industry in Addis Ababa. The p-value for exchange rates, inflation rates, buyer intension to purchase real estate house, market competition and construction raw materials suppliers and interest rates were less than the ἀ value of 0.05 and thereforethe variables are statistically significant.

As a result, the studyisclearly achieved its objectives by evidently set the problem and analysed each variables separately and also along with other incorporated independent and dependent variables. Based on the coefficient of the variables from the study indicated that the study identified that exchange rates had a positive effect on the sales performance of real estate house in Addis Ababa. This implies that an increase in the availability foreign currency increases the number of housing units and therefore impacts on the performance of real estate house sales. The study also investigated that inflationary rates has a positive impact on real estate sales performance which implied that an increases in inflation rate that influence the population to spend their money on house to reduce the future effects of inflation on their purchasing power of money. The study establishes that competition had positive impacts on real estate sales performance in Addis Ababa. This implied that an increase in competition companies used to advertise the importance of the house and used a better quality of construction technology which leads to increased real estate companies house sales performance. The other output from the study is that buyer's intension to purchase real estate house had effects on the performance of real estate house sales. This implied that an increase in buyer's intension to purchase real estate house unit thus affecting the real estate house sales performance. The other determinant which is investigated by the study is that real estate construction raw material suppliers had positive effects on real estate sales performance. This implied that an increase in construction materials suppliers number and quality unit thus affecting the real estate house sales performance. The last determinant which is investigated by the study is that interest rates had a negative effect on the performance real estate sales performance. This indicated that an increase in interest rates leads to decrease the performance of real estate house sales.

As a result, exchange rates, inflation rates, buyer intension to purchase real estate house, market competition and construction raw materials suppliers and interest rates are determinants of real estate sale performance. Because of the marketing environment incorporate other external factors which are determinants of the external marketing environment those are the demographic, socio-cultural, geographical, legal and regulatory factors and technological advancement will be needed to studies.

5.2. Recommendations

5.2.1. Recommendations

Based on the finding and conclusion the study recommends that the central bank of Ethiopia and other regulators body need to regulate the countries interest rates as it was found that high interest rates affect negatively the performance of real estate house sales in Addis Ababa. And the policies and strategy need to consider the adverse effects of interest rates on other sectors in the economy.

In addition, that, the government needs to regulate inflation rates and availability of exchange rates through various monetary policies since it was found out that a unit change in inflation rates or volatility of exchange rates as well as availability of hard currency has an effects on the performance of real estate house sales.

From the study identified that buyer intension to purchase real estate house has impacts on the house sales with regard to the type of the construction, accessibility and building attributes. As a consequence, the real estate company must recognize the concern that buyer fells when purchasing a home, base their construction decision on the customers perceived values and strategically place their products in the minds of their target market.

Real Estate Company should give emphasis to identify their competitors over their objectives, tactics and adjust their selling price with the market situation. As a result, the real estate company research and development department needs to analyse the market in order to adjust the company position with regard to the market situation.

Because of construction raw material suppliers have effects on real estate house developers the company have to work to reduce the negative effects of the suppliers by collaborating with the suppliers through engaging in the future contracts and upgrading their construction performance through introducing and using a better technology.

5.2.2. Study implication for house Construction Company

The study investigated a well-structured framework for an appropriate analysis of real estate company house sales performance. In addition, this framework is important for analysing and measuring the degree of effects of the external economic factors on real estate company.

5.2.3. Limitations

This study was not without limitation the study focused on the effect of macroeconomic factors on the sales performance of real estate in Addis Ababa and the study was limited 175 respondents of 45 real estate company employees. And it was limited with only house property in Addis Ababa. As a result, the finding might not be helpful and functional to the whole sectors in Ethiopia. As a consequence, the target population of the study is itself a limitation of this study.

The analysis involved selected multiple variable as a result it was difficult to provide full explanation based on the selected because it relied on the limited number of factors while the real estate sales performance depends on many other different factors.

5.2.4. Recommendation for further research

This study investigated the effect of external economic factors on real estate sales performance in Addis Ababa. A further study can be done on the effects of other macro environmental factors on real estate as well as other sectors in the economy and it will help to compare this study result with other environmental factor effects on the real estate and on other sectors.

This study is limited to only Addis Ababa real estate Company as a result other cities in Ethiopia could have included which will give broader dimensions to know the effects of external economic factors on real estate sales performance.

And also the study was limited to only primary data from employees of Real Estate Company. Further researchers should be conducted through secondary data. Secondary data is needed to know the trend and deficiency of the data.

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APPENDIX

Addis Ababa University

School of commerce

prepared for data collection

Dear respondent,

I would like to express my gratitude for your participation in this research. Its purpose is to obtain data for a research project conduct on a topic of ‘the effect of economic factors on real estate sales performance’ in a partial fulfilment of the award of aMaster’s degree in marketing management of Addis Ababa University.

The major objective of the study is to investigate the key economic factors affecting the real estate property sales performance.

Your cooperation in filling out the carefully and genuinely will be contributing towards getting ride off the fundamental and deep rooted real estate marketing problem in Addis Ababa. And you have been selected scientifically selected to be part of the sample in this study. The information got from you will be kept confidentially and will be used strictly for academic purpose and no references will be made to any individuals in the report of the study.

If you need further explanation you can useeitherermiatg@yahoo.com or +251 911 983 462

INSTRUCTION

I. No need to write your name and organization
II. Put √ or X in the box for questions with alternatives
III. Please return the completed as much as possible.

Part One

General information

1. Gender ☐ Male ☐ Female
2. What is the title of your position within the organization_________________?

☐ CEO ☐ Deputy General Manager ☐ Logistics manager

☐ Finance managerMark☐ng Manager Sales mana☐r

3. Howlong you have been working in this company______________________

☐ Less than 5 years ☐ 5-9years ☐ 10-14years ☐ 15 years and above

4. How long you have been working in real estate sectors______________________

☐ Less than 5 years ☐9years ☐ 10-14years ☐ 15 years and above

5. Your company years of experience in the real estate sectors_____________

☐ Less than 5 years ☐9years ☐ 10-14years ☐ 15 years and above

7. What type of property product your company produces?

☐la house ☐Apartment ☐ps&app App☐hop & Villa othe☐_______

PartTwo: -Socio-Economic Factors That Affects Real Estate Sales Performance.

Please put any command in the appropriate box to which your company is affected by the following aspects of socio economic environmental variables in Addis Ababa Real estate markets. The paper use point scale measured out of 5points.

(1) Not at all (2) To a small extent (3) To a moderate extent (4) To a large extent (5) Very large extent

S.No	Socio Economic variables	(1)	(2)	(3)	(4)	(5)
1	Exchange rate					
ER1	Real estate property price affected by vulnerability of exchange rates.					
ER2	depreciation of birr in terms of foreign currencies affect the sales objectives of real estates					
ER3	Your organization can not get sufficient hard currency for importing real estate construction materials.					
ER4	Your organization experiencing unstable exchange rates					
ER5	Remittance positively affects real estate productivity.					
2	**Inflation rate**					
IR1	Inflationis growing at increasing rate.					
IR2	Because of inflation your company home sales price is increasing					
IR3	Because of high inflation rates your organization profit is reduced.					
IR4	The rise of real estate price will reduce the demand for real estates					

IR5	Inflation determines your organization productivity.					
3	**Buyers buying intension**					
BI1	Customer preference change time to time with regard to home design, type and other attributes affects real estate property sales.					
BI2	Customers attracted by visibility and view of building from various distances					
BI3	Customers prefer a real estate which has better technical features of building-heating, air conditioning and ventilationetc. affects real estate property sales					
BI4	There is good feedback from customer/buyers regarding quality of your product.					
4	Market competition					
C1	The real estate companies identifies its existing/potential competitors					
C2	Attributes such as location of the property, neighbourhood, accessibility and distance from the city centre and the closeness to public institutions is necessary for real estate property buying selection criteria.					
C3	Your company made price adjustment based on the situation in the market.					
C4	The company selling price per M^2 is much lower than competitors.					
C5	Your organization registered high sale in relative with the company's previous experience.					
5	**Suppliers Dependability**					
SD1	Unreliable suppliers in local markets obstacle for your organization					
SD2	There is no adequate supply of locally produced construction materials					
SD3	Your organization gets sufficient construction materials for demanding quality					
SD4	Cost of construction materials is not stable when it compare with other industrialconstruction materialsproduct price.					

SD5	It is time taken to import of constructions equipments from abroad					
6	**Interest rate**					
IR1	Your organization does not facing interest rate variation.					
IR2	high interest rates affect positively the buyers interest to buy real estate products					
IR3	Because of interest rates your organization encourages to invest.					
IR4	Borrowing interest rates are low for buyers for purchasing home from real estate companies.					
IR5	Interest rates had increased in the last five years					

Sales performance

I. Please put any command in the appropriate box to which your company is affected by the following aspects of socio economic environmental variables in Addis Ababa Real estate markets. The paper use point scale measured out of 5points.

S.No	Sales	Not at all	To a small extent	To a moderate extent	To a large extent	Very large extent
SP1	House sales intensity of your company has been increasing over the past five years.					
SP2	House sales growth of your company has been increasing over the past five years.					

SP3	Your company market share in Addis Ababa has been increasing over the past five years.					
SP4	Your company profitability has been increasing over the past five years.					
SP5	Your company performance achieved the overall organizational house sales goal.					

Apendix

Apendix -Respondent frequncy

Name of respondent company	frequency	percentage
Noaerealestate	19	10.9%
Petramrealestate	2	1.1%
MohamedAlirealestate	1	0.6%
Kasemarealestate	1	0.6%
Jombororealestate	7	4.0%
Yotecrealestate	4	2.3%
Ovidrealestate	8	4.6%
DMCrealestate	13	7.4%
Realityrealestate	3	1.7%
Metropolitanrealestate	3	1.7%
Newhoperealestate	6	3.4%
Eneyrealestate	1	0.6%
Jamborealestate	3	1.7%
Hudarealestate	3	1.7%
Elilitarealestate	4	2.3%
Alsamrealestate	7	4.0%
Tsehayrealestate	6	3.4%

Giftrealestate	9	5.1%
Hayatrealestate	15	8.6%
Akirconstructionrealestate	7	4.0%
Ambassadorrealestate	3	1.7%
Amdihunerealestate	6	3.4%
Apollorealestate	1	0.6%
Aserrealestate	1	0.6%
Alemgrouprealestate	5	2.9%
AfroSwedenrealestate	2	1.1%
Addisprefabhousemanufacturingindustryplc	1	0.6%
AddisMender realestate	1	0.6%
A-zrealesate	1	0.6%
3Mrealestate	1	0.6%
GetasRealEstate	6	3.4%
Sunriserealestate	1	0.6%
Phisonrealestate	4	2.3%
LaGarbyEaglehillsrealestate	3	1.7%
Royalreal-estate	1	0.6%
HajiReal-estate	1	0.6%
LegasyrealEstateandDynamicRealEstate.	3	1.7%
OthersRealestateAgent	12	6.9%
Total	175	1