



NEAR EAST UNIVERSITY  
INSTITUTE OF GRADUATE STUDIES  
BUSINESS ADMINISTRATION

**EFFECT OF CHANGE IN CUSTOMER EXPECTATIONS ON REAL ESTATE INDUSTRY  
DURING COVID-19 PANDEMIC**

BAMIDELE C. OLAIYA

MASTER'S THESIS

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## **ACCEPTANCE/APPROVAL**

We as the jury members certify the 'Effect of change in customer expectations on real estate industry during covid-19 pandemic' prepared by the Bamidele Olaiya defended on 20/09/2021 has been found satisfactory for the award of degree of Master / Phd

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## **ABSTRACT**

### **EFFECT OF CHANGE IN CUSTOMER EXPECTATIONS ON REAL ESTATE INDUSTRY DURING COVID-19 PANDEMIC**

Covid 19 pandemic is our time's most serious global health problem and a great challenge as cases are seen to be increasing on a daily basis across the world. As a way to curb the spread of the pandemic, there has been restriction of movement which affects majority of companies. The pandemic isn't only a health-related concept; it also entails changes that affects industries and professions, it's been trying to define the parameters of a new normal, and within this framework, what should be guaranteed for human settlements, urban space, planning, housing, and other property investments is one of a major concern. This study assessed the impact of COVID19 pandemic on the customer expectations in real estate. It tries to get complete understanding of what needs to be done and what has been done by the real estate sector in order to satisfy customers of the industry as satisfaction is an important key to business sustainability.

**Key words:** Covid 19, Customer Expectation, Real Estate.

## ÖZ

### **COVID-19 PANDEMİSİ SIRASINDA MÜŞTERİ BEKLENTİLERİNDEKİ DEĞİŞİMİN GAYRİMENKUL SEKTÖRÜNE ETKİSİ**

Covid 19 pandemisi, zamanımızın en ciddi küresel sağlık sorunudur ve dünya genelinde vakaların her gün arttığı görüldüğünden büyük bir zorluktur. Salgının yayılmasını engellemenin bir yolu olarak, şirketlerin çoğunu etkileyen hareket kısıtlaması getirildi. Pandemi sadece sağlıkla ilgili bir kavram değildir; aynı zamanda endüstrileri ve meslekleri etkileyen değişiklikleri de beraberinde getiriyor, yeni bir normalin parametrelerini tanımlamaya çalışıyor ve bu çerçevede insan yerleşimleri, kentsel mekan, planlama, konut ve diğer gayrimenkul yatırımları için nelerin garanti altına alınması gerektiğinin belirleyen en önemli konularından biridir. Bu çalışma, COVID19 pandemisinin gayrimenkuldeki müşteri beklentileri üzerindeki etkisini değerlendirdi. Memnuniyet iş sürdürülebilirliği için önemli bir anahtar olduğundan, sektörün müşterilerini memnun etmek için gayrimenkul sektörü tarafından ne yapılması gerektiğini ve neler yapıldığını tam olarak anlamaya çalışır.

**Anahtar Kelimeler:** Covid-19, Müşteri Beklentisi, Gayrimenkul Sektörü.

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

The pandemic, also known as the coronavirus, is our time's most serious global health problem and the utmost challenge since World War II. Cases are seen to be increasing daily across Africa and Europe.

Countries are doing all it takes to stop the disease from spreading by diagnosing and treating patients, conducting contact tracing, restricting travel, quarantining people, and cancelling large gatherings such as sporting events, concerts, and schools. COVID-19 is no longer a health hazard. It can cause a severe social, economic, and political disaster in each of the countries it touches. People are losing their jobs and income daily, with no way of knowing when things will normalize. Small island nations with a strong tourism industry have empty hotels and abandoned beaches. According to the International Labour Organization, the pandemic might result in the loss of 25 million employment if businesses and organizations close down (UNDP 2019). Amongst the companies/organizations that felt the hit of the pandemic is the real estate sector, one of the major sectors that employs people. The real estate sector encompasses lands and improvements on it.

The authors of Brueggeman & Fisher's (2011) paper on "real estate finance and investments" define real estate as "things that don't appear to be transportable; like land and improvements that are permanently tied to it." Henderson and Cowart (2002), however, divide the property business into two categories: Residential real estate (RRE)

and commercial real estate (CRE) are two types of real estate. The authors define RRE as a residential real estate industry that “relies on mass distribution of standardized information to advertise property availabilities.” RRE is defined by Brueggeman & Fisher (2011) as “the property that provides dwellings for persons or families,” such as houses, apartments, and so on. The CRE profession, according to Henderson & Cowart (ibid), “relies less on unchanging information and more on creating connections with clients to perform complex and varied transactions.” To be successful in both RRE and CRE business, developers must be vast in meeting the expectations of their customers.

Any set of behaviours or activities that consumers expect from a firm when they interact with it is customer expectations. Customers have long expected basic things like decent service and reasonable price, but today's customers have much higher expectations, including proactive service, tailored interactions, and cross-channel experiences. Everything a client expects from a product, service, or organization can be referred to as customer expectation. Consumer expectations are formed in their brains based on their own experiences and what they need to learn, and their prior experience and knowledge.

## **1.2 Problem Statement**

As the impact of Covid-19 is felt worldwide, many industries/companies are experiencing production halts as a result of supply chain disruption and personnel dispersion, resulting in a drop in revenue. Complexity, unpredictability, and potential are all part of the new world that is emerging. Organizations must change quickly and become resilient and agile to succeed. As a result, there's a need to handle the rapid and large-scale changes required in this new environment, from the perspective of a

country, operations, and technology, and the necessity for guarantee of human settlements, urban space, planning, housing, and other property investments is at large.

### **1.3 Aims and Objectives**

This research aims at addressing the influence of the global pandemic brought about by Covid-19 on customer expectation in the real estate global market. This study will look into how the Covid-19 outbreak has affected the expectations of customers, and what the real estate industry are doing, what they have done, to meet the expectations of their customers during this pandemic.

The main objective of this research will be to address the changes that the real estate industry has done to meet the expectations of customers in this Covid-19 pandemic.

### **1.4 Significance of the Study**

Customer happiness is increasingly being viewed as a deciding element in a company's financial feat. Empirical studies and scientific discussions from the world's most advanced countries concluded that the next level of meeting consumer expectations heartened customer attraction, strengthened their loyalty to exclusive companies, products, or brands, provided higher returns, and also resulted in lower cost flexibility. Due to the Covid-19 pandemic, there has been restriction of movement which made most companies go into online marketing. The pandemic isn't only a health-related concept; it also entails changes that will affect all industries and professions. In other words, it's been trying to define the parameters of a new normal for a long time, and within this framework, what should be guaranteed for human settlements, urban space, planning, housing, and other property investments is still on the table (Ling et al.2020).

The significance of this study is to look at how the change in customer expectations affected the real estate service model during the Covid-19 pandemic. As no previous study has been found in this field related to this topic in Northern Cyprus, this research will contribute to the real estate sector in the country.

Moreover, there is limited research that has been conducted in this field in other countries. This study will help real estate agencies better understand customer behavior during crises and improve existing services to reach customer satisfaction, retention, and acquisition. The study can also be used as reference material by other scholars.

### **1.5 Research Question**

The research question that will be investigated and answered in this study will be:

How did changing customer expectations affect the real estate service model during the Covid-19 pandemic?

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Real Estate Industry

The word Real Estate is a Spanish word whose actual meaning is royal; it may also be interpreted as Royal Estate. It is so because, during Agrarian Age, there were two classes of individuals, royalty and peasants (Galaty 2000). Property, as well as any perpetual improvements related to the land, whether natural or artificial, such as water, trees, minerals, buildings, dwellings, fences, and bridges, is referred to as a real estate. Land may be a type of real estate. Vehicles, boats, jewels, furniture, and farm equipment are examples of items that are not permanently linked to the land. (James Chen, 2020)

People frequently use the terms land, real estate, and real property interchangeably, but there are some subtle distinctions.

- The term "land" refers to the Earth's surface, which includes trees, minerals, and water, all the way down to the planet's core and up to the airspace above.
- The term "real estate" refers to the land and any permanent artificial structures such as houses and other structures.
- Real property consists of two main divisions: the interests, benefits and rights of property ownership.

Real estate consists of the land's physical surface, what is above and below it, what is perpetually attached to it, and the right of ownership, which includes owning, selling,

leasing, and enjoying the property. Property should not be confused with holding, which refers to any property that does not meet the material possession requirements. The fact that private property is moveable is the first differentiating element. Vehicles, boats, furniture, clothing, and cellphones are all examples.

Land, according to James Chen 2020, has physical as well as economic features. It has three physical qualities that set it apart from other chattels in the economy: it is immovable, and while some parts can be removed and terrain changed, the geographic location of any parcel of land can never be changed. It is long-lasting and unbreakable (permanent). It is exclusive; no two pieces of land are identical, despite their similarities; each parcel is unique geographically. It has several unique economic qualities that determine its investment value. While it isn't considered scarce, it does have a finite supply. An improvement is defined as any trappings or alterations to the land or a building that affect the property's assessment. Non-public improvements (such as houses and fences) are referred to as land improvements. Improvements to the land are improvements of a public character (e.g., sidewalks and sewer systems). When land is upgraded, the entire capital and labour utilized to construct the improvement represent a substantial fixed investment. Buildings can be demolished, but improvements like drainage can't.

## **2.2 An Overview of the Real Estate Industry**

The real estate sector comprises many property services, including business, industrial, residential, and agricultural property development, assessment, marketing, selling, leasing, and management. This industry can oscillate depending on the national and

local economies. Still it lingers relatively stable because of the fact that people constantly need homes and businesses need space. In the U.S, property incorporates a long history. Following the Revolutionary War, the national government, now under the control of England, sold and granted land to non-public individuals for their purposes. This praxis persisted as the country moved westward, most conspicuously with the passage of the Homestead Act in 1862, which authorized individual ownership of U.S. land in exchange for improving and developing it for at least five years. Several changes were made during the transformation of the economic Revolution.

For one thing, the population of cities rose as people moved to cities to build factories. This personnel required a measurement place and were willing to pay for it. Furthermore, banks and other financial organizations stopped lending solely to the wealthy because the United States grew wealth through industry. As cities grew, so did the necessity for land transactions. The popularity of office buildings, shopping complexes, hotels and restaurants, and residential homes rose, necessitating their development, sale, and maintenance. As a result of the increased demand for suburbs, more housing, town centres, and businesses are built. Today, the real estate market is one of the most profitable areas of the American economy, and it continues to provide chances for those interested and driven. Because many careers in land are funded by sales, success is generally dependent on effort. The real estate is often an industry for those who are hardworking, goal-oriented, and constantly willing to take on more. On the other hand, the high-octane lifestyle is countered with some flexibility: real estate agents frequently choose their own hours and aren't bound by a fixed wage. Vocations within the real estate industry vary. Brokers and agents lease and



sell properties. Realty developers buy land, build property thereon, and sell it to interested parties. Building managers act on the owner's behalf and cater to day-to-day problems with properties. Appraisers must measure the worth of properties before they are sold. Additionally, support staffs, office managers, assets attorneys, loan officers, are indispensable players in every asset's transaction.

The real estate market is a crucial part of the economy. The business when the commercial property market peaked in the mid-2000s, it encountered substantial hurdles due to the recession. Commercial land development and operation in the United States alone generated \$1 trillion to the nation's economic output in 2018, accounting for 6% of GDP. Regardless of how strong or weak, the economy is, people will always require a place to sleep, work, and shop. The real estate industry has expanded to include some of the most diverse job opportunities in the corporate world. Assisting consumers with house purchases and sales of apartments, business spaces, and agricultural lands; leasing and managing properties such as office buildings, industrial spaces, and corporation farmland; investing and developing land; arranging mortgage banking; and research and appraise properties are all facets of a career in real estate. One amongst the exciting things about real estate is that it can be loomed from many various ways.

### **2.3 Participants in the Real Estate Industry**

According to Harris Richard, 2016, the following are the crucial players of the markets pertaining to the real estate industry:

Consumers; these participants acquire residential or viable property as an asset to live in or use as a business. Uses for land vary from agriculture to forestry and even for mining. Possessors; are pure investors that do not live in the chattels they buy. They usually sell or lease the chattel to third parties. Boarders; are purely consumerists.

Developers; are involved in the development of land for buildings that are available on the market. Renovators; renovators provide the market with restored properties.

Facilitators; banks, property brokers, lawyers, government regulators, and others are examples of facilitators, they help with the acquisition and auction of real estate.

The distinctive features of the real estate market, in particular, must be taken into account, parts of which are;

- **Stability:** Sturdiness is part of the features of real estate. Structures can last for many years, if not centuries, provided the land beneath it is often stable. Land investments are sturdy and build multi-generational wealth. A real estate investment, has no fixed maturity. If you find a good prospect, you can sell it in a few days; alternatively, you can keep it for many years. Sundry of the most productive properties in American cities have been owned for epochs, while some of the most profitable real estates in Europe has been held for hundreds of years by the same trust or family.
- **Heterogeneity:** It's all about the location, location, location. As a result, investors can use their local knowledge of a community to build and manage a highly profitable real estate portfolio. Most successful real estate investors have a staff in each geographic region where they invest. Every parcel of property is inimitable in terms of its locale, construction, and backing. This complicates price,

raises quest costs, produces gen asymmetry, and limits commutability significantly. Surmount this constraint; business analysts have defined stock in terms of amenity Muth (1960); as exact, the corporeal unit is analyzed into the services that it provides. Housing service components, according to Olsen (1969), are an invincible theoretical construct. The stock of housing deflates, separating it from contemporary construction in terms of quality. The market-equilibrating mechanism works at various degrees of quality.

- **Elevated cost of transaction:** Real estate investments have higher acquisition costs than many other types of investments. Purchase and closing charges, rehabbing, and financing are all ordinary expenses. The old saying "it takes money to make money" holds true when it comes to real estate investing,. However, within the range of income and profits, the incentive is substantial. Like illiquidity, the high cost of acquiring a real estate property is one reason property investing will be so profitable. The prices limit the number of investors, and thus augment stability and long-term appreciation. The vendor's transaction expenses typically vary from 1.5% to 6% of the acquisition price.

According to Galaty F. W. 2000 et al. There are five different fields real estate can be classified into, namely:

1. Residential (housing),
2. Commercial (offices, shops, theatres, hotels, and car parks),
3. Industrial (warehouses, factories, power plants)
4. Agricultural (farms, orchards, etc.) and
5. Special purpose (hospitals, schools, etc.)

**Residential (housing)**

Residential real estate refers to land that has been set aside for individuals to reside in. Residential real estate cannot be used for commercial or industrial uses, according to municipal zoning rules. Such laws vary by location and may limit the number of buildings allowed on a single and the kind of municipal services available to such structures. Residential areas encompass an oversized type of potential dwellings, from houses to houseboats, and neighborhoods starting from the poorest slum to the wealthiest suburban subdivision. Residential real estate emerges when land sanctioned for residential use is purchased by someone, which becomes material possession. Buyer preferences are associated with the standard of property.

**Commercial**

Apartment complexes, gas stations, grocery shops, hospitals, hotels, offices, parking facilities, restaurants, shopping centres, stores, and theatres all fall under the category of commercial real estate. The idiom "viable asset" (alias "investment property" or "income property") refers to buildings or lands that are meant to generate profit, either through rental income or through capital gains. Some examples include; buildings with large apartments (five units and more – does not include apartment buildings of one-to-four-units), bureau complexes, industrial plants, strip shopping centers, retail stores, restaurants, gas stations, warehouses, manufacturing plants, storage units, power centers, shopping malls, marinas, trailer parks, medical offices, hotels, motels, and

resorts; and other properties that are not single-family homes or one-to-four-unit apartments.

## **Industrial**

It refers to any property used for manufacturing, production, distribution, storage, or research and development. A few examples include factories, power plants, and warehouses. In his fundamental hedonic analysis of business asset price, Ambrose (1990) defines industrial property as the land, structural improvements, and equipment associated with it. What kind of properties fall under the category of industrial real estate? There are five types of industrial properties, according to the 1998 property Information Standards published on NCREIF.org.

1. Warehouse assets with a minimum of 50,000 square feet and up to fifteen office spaces, with an 18- to 30-foot ceiling height throughout the structure; all loading must be dock-height.
2. Floor-height and dock-height loading must be provided in manufacturing facilities with 10- to 16-foot ceilings or sufficient height to accommodate overhead cranes.
3. Office showrooms are single-story (or mezzanine) with 10- to 16- foot ceilings with frontage treatment on one side and dock-height loading or grade level roll-up doors on the opposite. But 15% of those structures are also used as office space.
4. Flex space structures are single-story buildings with 10- to 18-foot ceilings with both floor-height and dock-height loading, including wide variation in office space utilization, from retail and private service to distribution, light industrial and occasional heavy industrial use.

5. Development and research One- and two-story industrial properties with 10- to 15-foot ceiling heights, up to 50% office/dry lab space (with the rest in a wet lab, workshop, storage, and other support), and precise dock-height and floor-height loading are available.

Agricultural, office (not specified in category three above), apartment, and retail properties are commercial properties utilized for different uses.

## **Agricultural**

Undeveloped land, unoccupied land, and agricultural land are all examples. Farms, orchards, ranches, and forestry are examples.

Agricultural assets are part of the so-called non-urban real estate sector, primarily found in rural areas. There has been a lot of interest in purchasing agricultural property as an investment in recent years, which has resulted in high prices for undeveloped agricultural land (Hubert Kryszk, 2015). When compared to other parts of the market, the agricultural property market may be an entirely different universe. While there are opportunities to examine price adjustments in recent years of the downturn, such as in the housing market in major cities, vacation apartments, or building plots, the agricultural land market has remained steady in relevant pricing. The average transactional price of agricultural real estate is steadily rising, and as a result, the number of purchase transactions is increasing as well (De Gruyter, 2014).

## **Special purpose**

A structure with particular construction materials, a distinctive physical draught or arrangement that limits its efficacy to the reason it was designed, is referred to as a special-use property. They are usually single-purpose structures that can only be used for one operation or enterprise. Theatres, sports arenas, religious facilities, schools, hospitals, medical and dental offices, nursing homes, assisted living facilities, processing plants, refineries, mills, railway stations, firehouses, museums, campgrounds, and other specialized properties are just a few examples of special-use properties. A special-purpose property may also be distinctive due to its physical design, layout, or improvements, limiting the property's use to the purpose for which it was designed. The marketability of such properties may also be constrained due to the specialized nature of those properties. Special use properties confront distinct obstacles due to their limited use and technical character. It is critical to recognize and comprehend the use and performance of such properties to detect the effects of the taking on the property and estimate the amount of compensation payable to the owner for both the taking and any damages to the remaining property. The functional utility of a special use building is determined by whether demand for its intended use and capacity remains nearly the same as when it was created. Advances in technology can even make an asset's suitability of service and ability obsolete, causing some older special purpose facilities to become obsolete far before their physical lifespan is achieved. Because special use properties are created for a specific and sometimes exclusive type of use, they are often tricky to modify between tenants. Special-use properties are

precisely that. They don't fit into any of the usual categories. This thesis will focus only on the Residential property (housing).

Some real estate research has been based on clarity finance theory, which assumes that people make rational decisions about renting and owning real estate to maximize utility. While most real estate experts recognize that real estate markets are not perfect, they do not examine the impact of consumers on real estate demand. According to Lovelock 2001, consumers are tangled individuals who are influenced by both internal and external influences, many of which are beyond their control and they are oblivious of. Rather than dismissing the human element of decision making or lumping all non-financial decision elements into a black box labelled "tastes and preferences," real estate students, educators, and practitioners can benefit from combining consumer behaviour research with financial-economic analysis. A greater understanding of real estate customers and their behaviour will allow for accurate perception and forecasting of decision makers' actions in the real estate industry.

## **2.4 Consumer Behaviour and Real Estate Industry**

Consumer behaviour is the study of how people, groups, and organizations choose, buy, use, and arrange goods and services to meet their wants and needs (Lovelock 2001). Consumer behaviour examines not just the behaviors that customers display but also the reasons for those behaviors.

Consumer choice is the focus of a lot of consumer behavior research. Utility theory in economics and attitude theory in social psychology have a lot in common, and they both serve as a foundation for consumer decision-making. Consumers buy goods and services because of the benefits they get from using them. While economics is



concerned with outcomes, consumer behavior is concerned with the process. Rather than assuming ideal conditions, consumer behaviour experts acknowledge the impact of environmental factors on behavior and individual differences. The majority of real estate purchases and leases would be classified as high-involvement products requiring sophisticated decision-making. Three comprehensive models were made on consumer decision making (Engel, Kollat and Blackwell, 1968; Howard and Sheth, 1969; Nicosia 1966) and these models follow the psychological state and behaviour of individual buyers from the moment they recognize a need through the point where they seek information, evaluate options, make a purchase, and assess the effects. The premise is that a sequence of mental information processing precedes a buying act. This includes a cognitive function in the formation of beliefs, an emotional component in developing positive or negative attitudes, and a reaction in the selection and purchase of products. According to the criteria they have identified as relevant consumers choose from a list of acceptable options (evoked or consideration set) when evaluating alternatives, such as which property to buy or rent. A consumer must be aware of the existence of a product and believe that it can meet his wants to consider it. The product features that a consumer finds important are the criteria they use to pick between competing products. Consumers can use compensatory or non-compensatory decision rules to determine their buying decisions. The customer uses a compensating decision rule to identify key attributes, rank alternative items on each attribute, and choose the product with the highest score. The consumer chooses the product with the greatest number of favourable characteristics using a simple additive algorithm. When motivation or ability are restricted, this is a reasonably simple rule to follow. (Alba and Marmorstein, 1987).

As a result, a consumer may prefer an apartment with a pool, fitness facility, and built-in washer and dryer over an apartment with a pool and a convenient location. The weighted additive is a more complex compensating rule that considers the relative value of each product attribute. As a result, the consumer completes the more difficult work of calculating a summated weighted score for each product based on the key features, then chooses the product with the highest overall score. Non-compensatory decision rules, on the other hand, do not consider all aspects when determining if the positives exceed the drawbacks. Rather, it will be rejected if a product fails to satisfy a minimum standard on a critical attribute. In the example above, if the tenant wants a pool, an exercise area, built-in appliances, and a convenient location, neither of the apartments would be appropriate. Either the consumer will keep looking for the right property, or she will lower her criteria. The customer uses the lexicographic rule to rank the attributes in order of perceived value. The options are then compared based on this single most critical feature. It is chosen if it achieves a high enough score on this most crucial feature. If two or more are judged to be equally good, the second most important attribute compares them. This procedure is repeated until the tie has been broken. As a result, if a tenant claims she chose an apartment because the balcony has French doors rather than sliding doors, it's vital to realize that this distinction may have served as a tie-breaker after another. When it comes to selecting a property, consumers might utilize a combination of decision rules. Consumers' decision-making criteria are influenced by situational factors, similarity among options, motivation, involvement, and knowledge (Bettman and Sujan, 1987; Corfman, 1991; Johnson, 1984; Johnson, 1989). The more related the options, the more the consumer can rely on concrete measures

and prices to make appraisals. The criteria used to evaluate alternatives are directly affected by the consumer's motive for purchasing a property. Consumers with more experience are more likely to realize which aspects are important when comparing options. When it comes to deciding what criteria to apply during the decision-making process, first-time purchasers are more vulnerable to external influences (Bettman and Sujan, 1987). Because the average consumer lacks knowledge of all available real estate possibilities, he may miss out on the property that would best suit his needs because he is unaware of its existence. Consumers seek and use information as part of a rational problem-solving and decision-making process, (Bettman, 1979; Punj, 1987). Consumers' reliance on internal information is influenced by their experience, the amount of time since their last buy, and their pleasure with previous purchases. Because most people only buy real estate once in a while, they rarely depend only on their prior experience when choosing a new house to buy. Consumers can also do an external search of both personal and impersonal information sources. The quantity and availability of information in the marketplace and time pressure are situational drivers that can limit information search (Beatty and Smith, 1987). Product determinants and consumer determinants are two other elements that influence search behaviour. Product determinants cover a wide range of product characteristics. Consumers are more inclined to conduct comparisons if they perceive significant differences between products. Knowledge, involvement, views and attitudes, and demographic variables are consumer drivers that influence individual search behaviour. According to research, product knowledge is either positively or negatively associated with the quantity of search time spent (Beatty and Smith, 1987; Punj and Staelin, 1983; Urbany, Dickson,

and Wilkie, 1989). Knowledge can help consumers rely more heavily on internal data, but it can also help them search more effectively by using freshly acquired data more effectively. When customers are more confident in their abilities to judge products, they are more likely to seek out more information (Duncan and Olshavsky, 1982). Consumers with inadequate understanding (such as first-time homebuyers) may feel inept at conducting their lengthy search and research. They may instead rely on others, such as friends, relatives, or salespeople. Somewhat knowledgeable consumers have enough knowledge to investigate and grasp additional information, but not enough to feel safe depending on memory and experience; thus they will conduct more comprehensive external searches on their own. Consumers with the most product and industry knowledge may already have all the information they need to decide without conducting a formal extended search. Marketers are interested in demographic developments on a macro level, just as they are in societal values, attitudes, and practices that influence how customers engage with the marketplace. Consumer behaviour, on a micro-level, is concerned with human behaviour and the causes for it. Consumers' need for a place to live, their choice of a place to live, and their purpose of buying a house are only a few of these factors.

#### **2.4.1 Dwelling Needs of Consumers**

According to Robinson (1979), housing need is the number of housing required to supply accommodation of an accepted minimum standard and above for a population given its size, household composition, age distribution, etc. without taking under consideration the individual household's ability to procure the housing assigned to that. It is explained by Bramley et al. (1995) and Oxley and Smith (1996) that

housing may be a merit good which is on the idea of need. Bramley et al (1995) and Oxley and Smith (1996) state that housing is an important good based on need. As Levine (1995) defined, needs are items imposed on me freely of my will, whereas wants are stuff we choose for ourselves as a way of expressing who we are. The subsumption of the notion of the demand of living, according to Peter (2003), is explained: "freely of the selections and decision-making capacities of particular family units."

#### **2.4.2 Dwelling Choice of Consumers**

According to Peter (2003), thinking about needs and making decisions are not entirely comparable. When we need to fulfill our hunger, it is a necessary consumption when we are in a situation. In any instance, if we have a decision to make, it necessitates selecting the most significant option that will satisfy our needs. The size, location, structure, type, price, and dwelling materials can all influence the selection. According to Maslow's hierarchy, a dwelling decision can meet a person's housing demands. How do people choose a home from the available options? What method would they use to make their decision? What influences their decision? With a theoretical framework for impacts on dwelling decisions developed by the Dwelling Education and Research Association in 2003, researchers looked at various elements that influence one's way of life, from living standards to dwelling decisions. Age is a significant way to specify population and is one of the family unit characteristics. People of varying ages will act in a variety of ways in their daily lives. The term "type of household" refers to the census groups of male householder families, female householder families, and married-couple families. It's all about the number of members in the family when it comes to family unit size. This will affect how much space is required in residence. Phases of a life circle are

always referred to as family life circles, alluding to age and family types. This family life circle has a substantial influence on household purchase behaviour. In addition, RBC Royal Bank has designed five life-stage categories (modified from Kotler, 2008), starting with the Youth sector, which represents consumers under the age of eighteen, the Getting Started segment represents clients aged eighteen to thirty-five who are going through a first experience, such as marriage, graduation, first car, first bank loan, and first child. Salary, occupation, and education all have a role in determining one's social status. Michelson (1976) defined social class in five dimensions: lower-class, lower-middle-class, working-class, upper-middle-class, upper-class, and upper-class.

Education is viewed as the best way to raise revenue in many states. As a result, if a family's income falls within the typical range, the family unit's purchasing power to acquire a home is considerable. Purchasing a home is a significant decision that a family must make, and it entails many complex choices. The system necessitates that buyers go through a series of steps (Hamid, 2000). AIDA, which stands for interest, action, awareness, and desire, is a model of buyer status that is frequently recognized (Strong, 1925). When a buyer reaches the decision stage, they are well-informed about the item and its alternatives; at that point, the buyer will seek out information about the entity to pique their interest; after gathering all of the data for evaluation, the buyer will decide to buy; and finally, the buyer will take action to buy. At the assessment stage, the item characteristics for sample type, and number are required for the purchaser to the decision phase.

### **2.4.3 House Purchase Intention**

One of the most basic human requirements is a place to live. Most individuals dream of the day when they can buy their own home, but the lengthy process of obtaining one daunts them. People buy houses for a variety of reasons. Some people buy a house to provide a home for their family, while others buy a house as an investment and plan to sell it at a higher price when the time comes. A customer's intention to buy a property is the customer's future intention to buy a specific product or service (Wu and Teng 2011). In consumer behaviour theory, both purchase intention, and purchase choice are at two different stages, yet there is a strong correlation between the two, particularly concerning home purchases (Ajzen, 2003). Intention is seen to include motivational components that lead to specific conduct, with intention implying how much work a person has put in to achieve the behaviour (Ajzen) (1991). In other words, if someone has a strong desire to do something, they are more likely to boost performance to achieve they set out to do in the first place. As a result, house purchase intention is defined as how willing buyers are to buy a house in the near future, which is consistent with Ajzen's definition (1991).

## **2.5 Internal Determinants of Consumer Behaviour**

Some internal determinants of consumer behaviour are explained below.

### **2.5.1 Motivation**

Motivation is the power that propels a person to purchase and use a product or service. It clarifies why people buy what they do and what they want to achieve. The disparity between actual and desired states of giving rise to needs. There are two types of needs:

utilitarian and hedonic/experiential. Hedonic demands generate subjective responses, joys, and aesthetic considerations, whereas utilitarian needs lead to review of objective product features or advantages; in a buying choice, it is typical for utilitarian and hedonic requirements to coexist (Srinivasan, 2006). As the gap between the desired and real state of being widens, arousal is awakened in the form of a drive. When the desire to satisfy the perceived need grows strong enough, the customer will fulfil it. Wants are specific items that customers believe will meet their needs. Benefits are what customers get out of things and why they want them (Foxall and Goldsmith, 1994). As a result, a real estate buyer may attempt to simultaneously satisfy both practical demand for room and a hedonic need for status. An accurate valuation model must consider that the buyer's expectations are not restricted to monetary rewards.

### **2.5.2 Perception**

Perception entails identifying, selecting, organizing, and interpreting stimuli to make sense of the world around us. People use their five senses to receive inputs from their surroundings, which they must then analyse. People are selective in their interpretation of stimuli, favouring those that confirm and strengthen their pre-existing ideas. Consumers interpret what they see in so that it does not contradict their fundamental attitudes, personalities, goals, or aspirations. They pay attention to stimuli relevant to their current needs, wants, beliefs, and attitudes while ignoring everything else. The level of perceived risk in a possible purchase is a significant perspective in studying consumer behaviour. Consumers may face functional/performance, financial, physical, psychological, social, and time risks. The level of risk perceived is a function of the product (price, length of ownership, cost of switching, other items and services required



to be consumed with it), the consumer's attributes (resources, desire to obtain and use information, experience), and external forces (information available, options to reduce the consequences of the choice). Consumers' mental images of towns, neighbourhoods, and architectural styles tend to persist due to perceptual filtering. If a city is perceived as unsafe, consumers will pay attention to news reports about crime in the area. When a town is seen as safe, however, the same customer is more likely to disregard crime episodes as isolated incidents.

Similarly, if a consumer views residential real estate as safe but industrial real estate as risky, no amount of financial analysis will be able to persuade them otherwise. Learning and knowledge Information processing refer to the sequence of events when information is presented to a person's senses, attended to, interpreted, understood, and accepted, and then stored in memory for future decision-making. This information is transformed into beliefs, attitudes, and intentions through mental processing, which influence product selection and related aspects of the purchase. It may be difficult for real estate marketers to communicate with potential buyers and tenants until the consumer recognizes the need for a shift.

### **2.5.3 Attitudes**

Attitude is a general assessment of anything that incorporates cognitive beliefs, emotional feelings, and behavioural intentions. Attitudes can differ in strength, direction (positive or negative), and consistency (Eagly and Chaiken, 1993). Furthermore, not all viewpoints are held with the same level of certainty (Berger, 1992). Direct experience with a product usually results in more confident attitudes than those based on indirect experience. Confidently held attitudes are frequently more strongly dependent on direct

behaviour (Berger, 1992; Fazio and Zanna, 2007). When a customer is unsure about an attitude, they are more inclined to look for more information before making a decision. Less confident attitudes are also more susceptible to change.

## **2.6 COVID 19 AND ITS EFFECT ON THE REAL ESTATE INDUSTRY**

The COVID-19 pandemic, also known as the coronavirus pandemic, is a coronavirus disease. COVID-19, according to WHO 2020, spreads by a multitude of routes, the most common of which are saliva and other physiological fluids, as well as excretions. The virus can transmit through direct touch, and the frequency with which it spreads through fomites is unknown (contaminated surfaces). Although the exact path of transmission has yet to be determined, infection is most likely to occur when people are close to one another for an extended period. In mild situations, people can be contagious for up to 10 days, and for a longer amount of time in severe cases. The period is normally around five days, although it can be one and fourteen days. Several vaccines are being developed, but none have yet completed clinical trials (Kelland k 2020). Although medications to suppress the virus are being developed, the first treatment is now symptomatic. Social distancing, wearing a mask, ventilation and air-filtering, hand washing, covering one's mouth when sneezing or coughing, sanitizing surfaces, and monitoring and self-isolation for persons exposed or symptomatic are all recommended preventive strategies for covid 19.

### **2.6.1 How it affects the Real Estate Industry**

Covid 19's replies have wreaked havoc on worldwide social and economic systems. It resulted in the cancellation of events or anything that involved social gatherings.

Xenophobia and discrimination have been reported against Chinese persons and those assumed to be Chinese or from locations with high infection rates. (2020, Duarte F).

Below are a number of the possible implications that emerged:

**1. It's now officially open house for online tools:**

Many people have turned to digital and internet tools for remote working and enjoyment as they have been compelled to work from home. As we all become more accustomed to using online services to connect, it has altered the way realtors interact in a various ways.

**2. Purchasing Real Estate:**

It is now impossible to obtain property without some form of personal interaction, although authorities may see benefits in employing online technologies, such as permitting paperwork to be signed electronically. This might help to expedite the process of buying and selling real estate. Land is on the verge of a paradigm shift. We now have the combination of changing social behaviors, which will reset the industry and the confrontation between the digital and physical spaces. Although the exact shape has yet to be determined, these motifs may hint at the direction of travel (Michael 2020).

**2.7 Links and Theoretical framework**

Some previous research related to customer expectation and covid 19 listed below:

Author(s)	Research Aim

Iveta Pukite (2017)	The goal of the study is to figure out what factors are most important in assuring customer satisfaction in real estate management firms.
Benjamin John .S. (2017)	The goal of this study is to see how e-commerce may be used to shape client perceptions about residential real estate.
Araloyin F.M and Olatoye .O. (2020)	The purpose of this study is to provide an analysis of real estate consumers' perceptions of service quality in Lagos, Nigeria, in order to improve consumer satisfaction and service quality in the real estate agency industry.
Linqi Wang (2013)	The study's goal is to look into client purchasing habits. A case study of Vanke co ltd in China in the form of a survey analysis from the standpoint of buyers and investigate what the buyers feel about real estate marketing.
R. Aswin Rahadi et. Al (2012)	The goal of the study is to investigate the factors that influence price allocation for home products and to develop a pricing approach that can be used to determine the level of residential product price uniqueness.
Bashkim Nuredini (2020)	The study's goal is to examine the implications and consequences of the global epidemic produced by

	Covid-19 on the global real estate market.
Michael Dotsin & B. Dunlap (2020)	The purpose of this study is to conduct an analysis of the real estate brokerage sector in order to determine the determinants of service quality, the level of service quality, and feasible strategies to improve service quality.
Max Kummerow & Joelle Chan Lun (2019)	The goal of the study is to determine how information and communication technology has affected the real estate industry.

## CHAPTER THREE

### RESEARCH METHODOLOGY

Chapter three of the study presents the methodology adopted to find answers to the interview questions formulated to guide the study. The chapter embodies the research philosophy, research design, research approach, instrument and methods of data collection, data analysis, and limitation of the selected research method.

#### 3.1 Research Philosophy

Philosophy accounts for the underlying principles that guide the study. Aliyu, Singhry, Adamu & Abubakar (2015) revealed that individuals carry out study to confirm an existing theory, or proposed new theories or body of knowledge. This shows that research is meant to solve a problem or clear doubts. This study seeks to assess the impact of the COVID19 pandemic on customer expectation in the real estate sector. It is a qualitative research that works on the premise that there is no “absolute” truth given that truth is contextual, and every individual respondent’s level of exposure, experience, and knowledge indicates its level of contribution to the body of knowledge that is under investigation. The researcher aimed to ask questions on the subject being investigated to gain insight from the experience and knowledge from the participants of the study. Such knowledge could be used to form new theories.

Another branch of research philosophy is “Ontology”. Ontology is rooted in two Greek words: *onto-* which means ‘being’ and *logia-* which means ‘science, study or theory’. Crotty (1998, p.10) defines it as “the study of being”. It asks the question of the “nature of reality” (Denzin & Lincoln 2005, p. 183). It is about what the world sees as reality

rather than the reality from an individual point of view (Greener, 2011:6). As a result, reality is excluded from human “consciousness” or “experience”. This debate leads to two schools of thoughts: critical realist and relativist ontologies, also known as objectivism and constructionism. Critical realism believes that reality is independent of the human mind but it is not concerned whether such reality is “comprehensible or directly experienceable” (Levers, 2013). In other words, the critical realist does not prompt epistemological awareness. For Letourneau and Allen (2006), critical realists posit that the world can exist independent of the human mind. It is nearly impossible for the human mind to understand the world in total, but, one can only explain the part of the world which one has come in contact with. This indicates that the critical realist views science as being saddled with the responsibility of identifying phenomena and finding out the best way of describing the entire world from the partial fragments and glimpses of individual perspective (Bergen, Wells, & Owen, 2010). Clark, MacIntyre and Cruickshank (2007), following this assumption, revealed that understanding of the world following this school of thought can only be achieved through reasoning rather than pure observation. This is because it is easier to observe the result of the casual forces than the causal forces themselves (Levers, 2013: p.2).

On the other hand, relativist ontology sees reality as finite and subjective and depends on individual experience (Denzin & Lincoln, 2005). For this school of thought, no world exists outside human studies, as such, reality is inseparable from human experience, which implies that the two entities are inseparable. Reality is therefore human experience, and human experience is reality (Levers, 2013). The implication of this school of thought to the present study is that there are multiple realities when

determining the impact of the COVID19 pandemic on customer expectation in the real estate sector. Individual customers have their own experience, and thus reality regarding this topic comes from the different opinions, experiences and knowledge bases of the individual participants in the study.

This study is also built on the Interpretivists realities, which see reality as a social construct and subjective (Mutch, 2005). Willis (1995) sees interpretivist views of reality as anti-'foundationalists'. This implies that there are multiple definitions of reality, and none of these definitions could be considered right or wrong since the description is based on their individual experience, knowledge or exposure. Thus, reality or knowledge is only acquired through "language, consciousness and shared meanings" (Myers, 2009). Knowledge as being bone through making inferences, observation and interpreting data as it is in the case of this study. This is why the findings of this study are based on the collective views of different participants in the real estate sector. Their views were assembled using context analysis, content analysis or thematic analysis in deriving information gathered through the use of tools such as interviews as an instrument for data collection. This study relies on the intricacies of the human sense as the situation unfolds. Furthermore, the present study's sole objective is to develop new knowledge and not to test any hypothesis or theory. In its attempt to reach a larger number to elicit responses from the study's participants, the study uses interview as the instrument tends to give participants the chance to express their views on the subject being studied.

Another branch of philosophy is epistemology is concerned with what constitutes adequate knowledge in a field of study. It involves the process adopted by research in



the search for knowledge. It examines the association between the researched and the researcher. In this stance, questions arise: What is the relationship between the researcher and the researched? How do we know about a particular knowledge? What can be counted as knowledge?

From the perspective of epistemology, the interpretivist/constructivist believes in producing theoretical framework that fits with its worldview. That is why some set of interview questions were developed to guide this study. Questions such as:

- What are the changes that the real estate investor has experienced due to the current pandemic?
- Which area of the real estate market has the pandemic affected the most?
- Which element interest customers more when purchasing a resident?
- How has the pandemic affected price in the real estate market?
- What are the most used strategies been employed to meet the expectations of customers?
- Which kind of residence is the most purchased during the pandemic?
- What is your biggest challenge during this pandemic?
- What has been the effect of the pandemic on the real estate industry?

Among others will be asked and the responses elicited will form the basis of our discussion.

### **3.2 Methodological paradigm**

Methodology as the third research paradigm is proposed by TerreBlanche and Durrheim (1999). Method reveals detailed processes on how the study derives a given result. Sarantakos (2005) opined that this paradigm allows for the ontological and epistemological principles to be made practical following the methodology's guidelines. This implies that methodology sets the parameter of a study. The positivist style is to adopt a quantitative study that requires relevant data to be collected and manipulated to quantify variables numerically. Because of its accuracy, truth is derived through the confirmation and duplication of observable findings (Guba and Lincoln, 2005). This approach adopts statistical measures to evaluate its data and test its hypotheses (Trochim, 2000; Kim, 2003); through the adoption of valid and reliable evidence.

On the other hand, the interpretivists (Like in this study) adopts qualitative methodology. This method enables participants to have their realities or knowledge based on their exposure and experience. From this view, truth is incorporated in the experience of an individual participants. It is this knowledge that constitutes meaning. Going by this school, learning can be influenced by the researcher's assessment as he becomes active in the study and relates with the participants. Most time, the researcher participates in an interview, focus group discussions or observations (Merriman, 1998). This type of methodology gives the researcher the chance to have first-hand information about the group being studied. In the view of Candy (1991), the constructivists and interpretivists view knowledge as multifaceted implying that no one person can account for the totality of knowledge. Hence the view that events ought to be studied as they occur in their natural setting. In this study, data collection was based on interviews

where the researcher met with target respondents at their places of work; ask them questions and record their responses.

### **3.3 Research Design**

Yin (2002) defines a study design as the logical sequence linking empirical data with the research questions and conclusions. A research study design provides the general organization and the direction of an investigation alongside a structure that guides the collection of data and analysis. This study design allows the researcher to study a particular phenomenon – in this case, the interaction between COVID19 Pandemic and its impact on customer preference in the real estate sector. In this study, a sample is adapted to enable the researcher to gain personal contact with the subjects being studied. This study design is the most preferred because it provides a detailed contextual analysis of the subject being studied. It also helps in providing answers to the "how" or "why" questions.

### **3.4 Study Population**

The study focuses solely on 12 different real estate agencies in North Cyprus in Kyrenia and Nicosia.

### **3.5 Sampling approach/technique**

The study also adopted a non-probability sampling technique to select sample size among the agents selected in the real estate sector in Kyrenia and Nicosia in North Cyprus. Nonprobability allows the researcher to select its sample based on personal factors or certain unique characteristics essential for the study. In the case of this study, the sampling is done based on the participants' knowledge of subject being investigated

and the researchers' willingness to participate in the study and their availability at the time of this study. The study was carried out in the real estate sector in North Cyprus in Kyrenia and Nicosia where twelve real estate agents were selected using purposive sampling technique to constitute the sample size for the study.

### **3.6 Instruments for Data Collection**

The current study adopted the primary source of data through a self-made unstructured questionnaire, which was used as an interview guide to help guide the researcher on how best to gather information from the respondents. Data collection was done in person as the researcher scheduled appointments with each respondent on an individual basis based on their convenience. The interview was recorded using phone and was later transcribed.

### **3.7 Validity and Reliability of the Instrument**

The interview guide developed in line with the research questions was given to the supervisor to ascertain the face and content validity of the instrument. Unsuitable items were either modified or removed subject to the supervisors' comments, from which an improvised version of the questionnaire was used in data gathering. To ascertain the reliability of the items in the questionnaire, expert opinion was obtained from two academicians of Near East University, and two professionals from the real estate sector and pilot study were conducted on ten professionals of the real estate sector to ascertain the closeness of their responses. This was to test the reliability of the study as it is believed that there is no exact method of determining the reliability in a qualitative research (Rolfe, 2006:307). Golafshani (2003) adopted this model, which forms the

premise for ensuring the study's quality and trustworthiness. Thus adopting the proposition of Golafshani (2003), the current study was able to check the similarities in the responses using content analysis.

### **3.8 Data Analysis**

In this study, thematic analysis was adopted to determine the primary themes elicited from the various responses elicited from the respondents. Thematic analysis is used in a qualitative research to analyse data. It emphasizes significant themes. Braun and Clarke (2006; 79) pointed out that thematic analysis emphasizes identifying, examining and recording patterns or themes found within the data to form the basis for discussion. Patterns adopted in describing phenomenon in relation to particular research questions are referred to as themes. In this study, the steps proposed by Braun and Clarke (2006) to guide thematic analysis was adopted. This starts with generating initial codes, searching for the theme, reviewing the theme, defining the theme, and producing a descriptive report. In this study, the key themes include: 'COVID19'; 'impact' 'customer expectation'; 'changes in real estate investor'; 'experience'; real estate market...affected'; 'element that interest customers more when purchasing'; 'strategies ... employed'; 'biggest challenge'; "resulting effect" among others.

### **3.9 Limitations of the Method**

The study was not without its limitations. For one thing, the result derived from the study cannot be generalized, thus creating a limitation in the application of the study's outcome to other organizations. Part of the limitation was finding English speaking agents, some of the real estate agents were ready to help but find it a bit difficult to

express themselves with English thus a great limitation to the study, also some of the real estate companies refused to take part in the study due to time because of their busy schedule.

### **3.10 Research Ethics**

Denscombe (2010) pointed out that ethical issues arise during a study probably resulting from the context or the nature of the study. Therefore ethical factors considered in this study were to ensure that the participants' consents were sought before commencing the study. With the obligation to respect the participants' rights, values, and wishes, it was ensured that the researcher had a written permission to carry out the study in the chosen organization. The researcher only recorded the conversation if the interviewee approved. All the data collected was done anonymously without exposure of participants names. The objectives of the study were spelt out to the respective participants. The privacy of the participants and the institution were duly respected. Finally, all materials used in gathering information concerning the individual participants and the institutions were properly discarded to uphold confidentiality. Data collected were subjected to analysis without any form of manipulation.

## CHAPTER FOUR

### DATA PRESENTATION AND RESULTS

Chapter four of this study presents the data collected in the course of this study by means of interview; the analysis of the data collected using thematic analysis and discussion of the result. The presentation is made according to the themes identified. A total of 12 real estate consultants were interviewed, and the result is attached as appendices 1-9. In the study, the respondents were labelled using figures ranging from 1-12 to ensure the confidentiality of the participants. The outcomes of the analysis are presented subsequently according to each research question.

#### **Theme 1: Changes in real estate due to current pandemic**

The first theme that also reflects the first research question identified in this study is the changes that investors in real estate experience due to the current pandemic. As elicited from the interview, this was revealed that changes experienced in the real estate sector following the current COVID19 pandemic vary in both nature and severity. One of the respondents pointed out that the industry has experienced both positive and negative changes.

*“The COVID19 pandemic has changed the real estate sector both in a good and worse way...”* (Extract from Respondent 1, 2021 interview)

It was a positive change for residents who moved to larger and more comfortable apartments during this period but negative to the commercial and retailer’s aspect of real estate; the changes were rather negative. In the first place, there was a remarkable drop in sales following the lockdown during the period. As a result, shops and offices

were closed, making it impossible for renters to pay their bills. Also, some of the outlets used for lounging were left unused given that business tycoons who usually lounge in such facilities were trapped in their parent companies and forced to stay in their respective countries to run their businesses.

*“It affected negatively because due to the pandemic many companies close their gates to the foreigners and there is no chance to travel, and...” (Respondent 3, 2021)*

Other negative changes include a decrease in demand (Respondent 2, 2021) as offices were no longer in use. Some clients who already started the process of buying the apartment from some estates put it on hold because they would instead want to have a physical inspection of the apartment they are paying for, which the lockdown made impossible:

*“... a lot of clients tend to believe only if they travel down to see what we are offering them” (Respondent 3, 2021)*

To this set of clients, digital transactions do not go down well with them. They can negotiate and reach a compromise digitally but could only make payment after physical inspection. This put the business on a standstill. From the result deduced from the interview, the severity of the impact of the COVID19 pandemic in the real estate sector was high during the first phase when there was total lockdown for all sectors but hospitals.

*“The first phase of the pandemic affected it badly because of the inability to go out anymore” (Respondent 4& 5, 2021)*

However, after the first waves and people began adapting to the new normal, real estate began witnessing growth and improved sales since most people saw the need to get a more prominent place for their family for more privacy. Another respondent also added that attention was diverted from purchasing an apartment because people were



scared and thus focused on other things, so many others decided to save more money for emergencies. These actions make the sales rate drop drastically. But this situation did not last for long as an adaptation to the problem and acceptance of COVID19 as a reality; lives resume to normal, so also are businesses including real estate businesses.

*“it also has a positive impact on the real estate industry because people now want their privacy thereby requesting for bigger apartments like villas.” (Respondent 5, 2021)*

The result of this study is in agreement with De Toro, Nocca, and Buglione (2021), whose study also indicated a negative impact of COVID 19 on the real estate market. In the same vein, De Toro et al (2012) revealed that the first phase of the pandemic had the severest impact on real estate as all businesses were at a standstill. In the same vein, the result aligns with Allen-Coghlan and McQuinn (2020) who revealed that people were ‘stuck’ in their own homes during the first phase of the COVID 19 pandemic, which also means putting business activities at a standstill. In their views, businesses were affected negatively, leading to demand-supply shock. Likewise, the study by Sharifi and Khavarian-Garmsir (2020) revealed that the “stay-at-home” policy enforced during that first phase of the pandemic also put a ‘stagnant tag’ in the real estate market. However, the study all agreed alongside the current study that the area mostly affected and negatively is the areas of sales and retails given that offices were closed, lounges were on standstill and even when digital method was adopted to upturn sales, the prospective clients always opted for physical meetings to inspect the property before making any form of payment.

## **Theme 2: Changes in homebuyers' expectation**

The changes in real estate also bring with it changes in customers' expectations. This could mean that the COVID19 pandemic also brings about changes in homebuyer expectations. As elicited from the respondents homebuyers, following the aftermath of lockdown, now prefer buying bigger apartments with attached gardens, comfortable and spacious. Some demand complex neighbourhood such as villas. Others prefer houses with more privacy, peaceful areas with not too many people. Some started purchasing properties in the highland with mountainous view, good and cool environment, among others. The change in taste is understandable given that the lockdown exposes the masses to the importance of a spacious environment and garden that they could use to keep busy, grow some vegetables, play around, etc.

*"...much demand for bigger apartments that is more comfortable and spacious. Apartments with gardens in it." (Respondent 1, 2021)*

Some of the homebuyers asked for larger discounts for their purchases; some requested postponement or extension of deadlines because of the pandemic to gather more resources to continue. However, some respondents indicated that instead of buying properties, some of the homebuyer began selling theirs (Respondent 8, 2021; Appendix 2); while other participants believed that there was no noticeable change in the homebuyer expectations (Respondent 7, 2021; Appendix 2).

The result of this study is inconclusive given the differences in the opinion of the interviewees. However, the study agrees with Tanrıvermiş (2020), whose study also revealed that the COVID19 pandemic had impacted several businesses, including real estate. Although Tanrıvermiş (2020) decided that consumers' taste changes due to COVID19, the study did not show how and why.

### **Theme 3: Changes in business strategies in real estate in the face of COVID19**

In the face of COVID19, businesses were drastically affected, including real estate. To adapt to these changes, real estate business owners are also expected to make some changes to march the changes triggered by the COVID19 pandemic. As elicited from the respondents, the estate realtors changed their strategies to accommodate the needs of their customers. For instance, one of the interviewees pointed out that because of the impact of COVID19, the real estate industry began constructing low-cost houses, especially in rural areas and outskirts of the cities (Respondent 1, 2021, appendix 3). Apart from low-cost buildings, there was also a change in the marketing strategy – from the contact to contact transaction prior to COVID19 pandemic to online marketing and other digital transactions (Respondent 2, 3,4,5 -12, 2021; appendix 3).

Some extracts are:

*Started promoting houses more on social media, made visual tours, provided more details about the homes, including their locations (Respondent 11, 2021; appendix 3).*

*“...increase the usage of electronic communication; online service” (Respondent 11, 2021; appendix 3).*

Other means include online video calls, social media, and 360 photos. This result agrees with Gujral, Palter, Sanghvi and Vickery (2021) and Wilmoth (2020) respectively who also revealed that businesses, including real estate have embraced online/digital economy in their business transactions. According to Aladejebi (2020), embracing digitalization has become the ‘new normal’ which presently has been utilized for marketing using social media platforms.

#### **Theme 4: Difficulties in meeting customers' expectations in the COVID19**

Sometimes, the company faces difficulties in adjusting its price, product, services, and quality, among others to meet customer's need. This is more complicated in a situation where customers' expectation varies. In view of this scenario, this study investigated the difficulties real estate realtors have to undergo to meet customers' expectations in the COVID19 pandemic. From the data collected so far, it is revealed that companies still find it hard to meet customers' expectations (Respondents 1, 2021; appendix4). They are faced with using different innovative measures like zoom meetings, WhatsApp, and online platforms to meet their target. These are a few measures adopted to cope with the communication barrier. However, most prospective customers refused to adopt these measures for lack of trust. Some who adopted this means to communicate still refuse to make payment until there is a physical inspection. As a result, 3D videos of properties and houses were uploaded online and on social media to gain trust and visibility. To deal with customers' complaints, real estate dealers create a platform where customers can send and receive feedback and make it active (Respondent 2, 2021; appendix 4). To deal with reservation contracts, the companies within the real estate sector are becoming more flexible with their prices, services, and quality, to meet the needs of their clients. Both developers and clients should reach a middle ground so that both will benefit (Respondent 3; 2021; appendix 4). They also attempt to motivate their clients not to give up their investments continually. Since digital resources are mightily used, and cybercrime is still on the rise, the most significant challenge is

gaining the client's trust. The companies ensure regular communication to keep the clients updated.

*Trust is built with the clients by keeping them more informed about the situations of things in the country and having more time for them (Respondent 6; 2021; appendix 4*

However, a handful of the participants said there have not been any difficulties facing the sector for the time being. The study agreed with Jalagat (2015), who showed that changes are inevitable in business; it has both advantages and disadvantages.

### **Theme 5: Market size and growth of the industry prior to and during the COVID19 pandemic**

The study also seeks to compare market size and growth prior to, and during the COVID19. Although it was not done quantitatively by stating the exact difference in market size and growth in the industry in terms figure or percentage, however, the interviewees descriptively explain the changes in the industry in terms of market size and growth. According to the study, a significant part of the estate demand is from foreigners and travelers; following the restriction of movement, there is a drop in the real estate market in North Cyprus (Respondents 1, 2021; Appendix 5). Other respondents who share the views that there has been a significant fall in the market size due to COVID19 include Respondents 3, 4, and 6. (appendix 5); there are some who agreed that at the first phase of COVID19, especially during the lockdown, there was a complete stop in the growth in real estate as people panic following the disease (Respondents 6, 9, 11 & 12, 2021; Appendix 5). The drop in the market size and growth is given to the fact that real estate was now left in the hands of local customers. During

the onset of COVID19, people were uncertain how to deal with the 'strange virus' which causes panic and slow decision making. However, as several innovative measures are being discovered, coupled with the vaccine availability, people have accepted the new normal and decided to live with it. With this recent decision, normalcy has also returned in the real estate business. There has been significant growth in the market size in real estate.

### **Theme 6: Marketing Strategies in the face of COVID19 in the real estate sector**

The study also investigated the marketing strategy that the real estate sector adopted in the face of COVID19. The result from the individual indicated that like every other business during the COVID19 pandemic, the real estate companies have also adopted online and digital marketing where houses are presented online on social media, using technological tools like a 3D tour of houses (Respondents 1,2, & 3, 2021; Appendix 6). Some uses zoom meetings, voice calls, zoom videos, pictures, social billboard, and other online platforms, social media (Respondents 1, 4, 7, & 8, 2021; Appendix 6). Other measures include instagram and social websites. All these measures have been adopted for marketing, but these marketing strategies do not exclude the traditional methods of face to face meetings. However, a deal can now be concluded online, and transactions made using bank credit can be extended up to 20 years (Respondents 8, 2021; Appendix 6).

### **Theme 7: the extent to which online services has helped real estate businesses in the phase of the COVID 19 pandemic**

The study has revealed that online services have been of immense help to the real estate business, especially in the phase of the COVID19 pandemic. The study showed

that all presentations are now carried out online (Respondents 1&2, 2021; Appendix 7); it bridges the communication gap between clients and the company (Respondents, 3, 4, 5 &7, 2021; Appendix 7). The interviewees described online services as extremely helpful, very helpful, during the COVID19 lockdown period, till date. Some extracts:

*It has been beneficial; all communication are made via an online platform now. Extremely helpful because we do all presentations, meetings, and so on via the online platform (Appendix 7).*

### **Theme 8: Changes in online services to make it more effective due to the COVID19 pandemic**

The study also investigated the sector to determine if there were changes in their online services to accommodate the changes brought about in the business due to COVID19 Pandemic. This is important because most real estate companies were already utilizing their online service prior to COVID19. If that be the case, there is a need to modify further the services to be more effective. The interview has diverse opinions from the different respondents depending on their different experiences in their diverse companies. For instance, while some respondents revealed that there had been no changes in their online service platform, the only difference was it was in use more during the COVID19 pandemic (Respondents 1, 8,& 9, 2021; Appendix 8).

*“Not much change other than an increase in the usage of the online service”  
(Respondents 1, 2021; Appendix 8)*

On the other hand, some respondents revealed that their online platform was modified to include more services and designs to make it more attractive and create for regular zoom meetings. The online platform was designed to be more fascinating, colorful; even

music, videos and beautiful pictures have adorned the platform to make it more welcoming. There has been regular updating of houses' pictures. The companies' websites have been made more professional and entertaining, allowing background music, location has been pinned in the platform and more detailed descriptions of each property with pictures and statistics have been included in the websites and other online platforms to increase its visibility, among others. Some extracts:

*Introduced some entertaining things to the online presentations like background music, pictures, to make clients more comfortable and not scared to invest due to the pandemic (Respondents 6, 2021; Appendix 8)*

The result of this study supports that of some earlier research which revealed that businesses are going digital as a response to the ongoing COVID19 (Aladejebi, 2020)

### **Theme 9: Factors that influence customers purchasing intention of real estate properties**

The result of this study revealed that peoples' taste differs according to the situations. Therefore, in the face of COVID19, the study investigated factors that influenced customers' intention to purchase real estate properties. As revealed in the study, uncertainties makes some customers delay their purchases, while some rather began selling their properties instead of purchasing (Respondents 1& 8, 2021; Appendix 9); the need of comfort influences some and convenience (Respondents 2, 4, 5, 7 -12, 2021; Appendix 9) which makes them seek for bigger apartments; some were faced with fear (Respondents 3, 2021; Appendix 9); as a result cancelled their reservations. For this group of people, they feared that the pandemic will kill everyone and thus there is no need for investment; some needed a place that could solve other needs like fruits, veggies, etc. as such they preferred apartment like villa where they can do gardening,



(Respondents 4, 2021; Appendix 9); some are influenced by the sense of security and as such buy property only on areas that they know is secured.

### **Theme 10: The future of the real estate Market**

The final theme elicited from the study is to examine the future of the real estate market. The result elicited from the participants in the survey revealed that in spite of the ups and down the sector is facing due to the COVID19 pandemic, the real estate industry has a bright future as demand for properties will increase (All respondents, 2021; Appendix 10). The study participants unanimously agreed that the real estate business has a bright future as both demand and price will increase. The anticipated future increase gives credit to the new marketing strategies involving social media, the internet, zoom, and other technologically driven tools. This will lead to low cost but increases market size. Perhaps the fall in deposit interest rate is one of the motivating factors that will impact the future growth of the real estate sector (Respondent 1, 2021; Appendix 11).

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

This study investigated the impact of COVID19 on customer expectations in the real estate sector. The study addressed how Covid-19 pandemic affect the way real estate sector meets up with expectations of their customers before the occurrence of the Covid-19 pandemic and how they are meeting up with the expectations of customers during the pandemic. This chapter presents a summary of findings, conclusion and recommendations.

#### 5.1 Summary of findings

The result of this study was based on the interview carried out among 12 real estate consultants in North Cyprus. Data collected were transcribed, analyzed descriptively using thematic analysis. Ten themes were discovered and discussed. The result is presented below thus:

1. The first theme discovered is the changes in real estate due to the current pandemic. According to this result, real estate experienced both positive and negative changes due to COVID19, which also varies in severity. The negative changes were first witnessed in the first phase of the outbreak in which there was total lockdown, making business standstill, facilities like shops and lounges, were not in use during that period. However, the introduction of several measures help curb the spread of the virus, businesses began picking up. The result supports the findings of previous studies such as De Toro et al. (2012), Allen-Coghlan and

McQuinn (2020) and, Sharifi and Khavarian-Garmsir (2020), respectively who had similar results.

2. The second theme from the study is changes in homebuyers' expectations. The study revealed diverse views on this subject: while some respondents revealed no remarkable changes in customer expectations, others believe that customer taste changed as most customers now go for bigger apartments with a comfortable and spacious garden. This result agrees with Tanrıvermiş (2020), who revealed that consumers' tastes changed due to COVID19.
3. Another theme is changes in business strategies in real estate in the face of COVID19. To accommodate the changes in costumers' expectations, real estate businesses also change their business strategies to accommodate customers' need. Some of the changes include the adoption of digital transactions, online marketing and social media. This result is in agreement with Gujral, Palter, Sanghvi and Vickery (2021) and Wilmoth (2020) respectively, who also revealed that businesses, including real estate, have embraced online/digital economy in their business transactions in the face of Covid19 pandemic.
4. Another theme from the study is difficulties in meeting customers' expectations in the COVID19. To this theme, the study revealed that companies within the real estate sector made lots of adjustments to their usual ways of doing business to accommodate the influence of COVID19. While some companies made a smooth transition without facing any difficulties, other companies were confronted with one challenge or another, such as doubling their usual efforts but receiving an

even lesser result. Other challenges include gaining customer trust did not come that easily; among others, the result supports Jalagat (2015).

5. The fifth theme that emerged from the study is “increase in market size and industry growth prior and during COVID19 pandemic. The study’s result indicated that there was a significant drop in the market size and growth in the real estate sector during the early state of COVID19 pandemic. However, the trend changed as businesses began adapting to the ‘new normal.
6. Another theme from the study is related to marketing strategies in the face of COVID19 in the real estate sector. The result of the survey indicated that real estate businesses changed from traditional marketing to adopting online marketing, including zoom meetings, voice calls, zoom videos, pictures, social billboards, and other online platforms, social media.
7. The study also revealed the extent to which online services has helped real estate businesses in the phase of the COVID 19 pandemic. The study’s result indicates that the real estate sector utilizes online services extensively to enhance communication, and marketing.
8. The study revealed the changes in online services to make it more effective due to the COVID19 pandemic. The results from this interview have diverse opinions from the different respondents depending on their distinct experiences. While some respondents revealed that there have been no changes in their online service platform, the only difference being that it has receive more attention. Others revealed that their online platform was modified to include more services and designs to make it more attractive, more professional and entertaining, and

allow background music, location pinned in the platform and more detailed description of each property with pictures and statistics have been included in the websites and other online platform to increase its visibility, among others.

9. The study investigated the factors that influence customers purchasing intention of real estate properties and revealed factors such as fear of the unknown, desire for more comfort, and security influence customers' purchasing intention of real estate properties. For this group of people, they feared that the pandemic will kill everyone and thus there is no need for investment. Some needed a place that could solve needs like fruits, veggies, etc. thus they preferred apartment like villa, where they can do gardening (Respondents 4, 2021; Appendix 9). Some are influenced by the sense of security and as such buy property only on areas that they know is secured.
10. The final theme of the study is to examine the future of the real estate market. All the respondents indicated that the real estate business has a bright future as both demand and prices of properties will increase simultaneously.

## **5.2 Theory Contribution**

The present study gave information about the impact that covid 19 pandemic has had on customer expectations in the real estate industry been the first research that was made on the topic in Northern Cyprus.

By assessing the impact covid 19 pandemic has had on customer expectations, the current study adds to research on how customers' expectations might change during natural disasters. The study is a significant addition to the way customers respond/react

in terms of their expectations in times of a natural disaster like covid 19. It is the first study to explicitly explore the impacts covid 19 have on expectations of customers in North Cyprus and the world at large, to the best of the researcher's knowledge.

### **5.3 Conclusion**

Business owners and managers are interested in meeting their customers' expectation, given that customers' satisfaction remains the most essential key to business sustainability. Satisfaction increases when customer expectations are met; this attracts loyalty and patronage. Historically, customers have expectations ranging from reasonable price, quality, and quantity, fairness, excellent services, among others; however, the definition of customers' expectations in the modern world include proactive service, personalized interactions, and connected experiences across channels. Customer expectation encompasses everything that a customer expects from a product, service or organization. It is important to note that customers do not necessarily have fixed expectations, and different situations determine their shift in interest vis-à-vis expectation. One of such shifts is the outbreak of COVID19, which has left a diverse impacts on individuals and businesses, thus influencing purchasing decisions. This study assessed the impact of the COVID19 pandemic on customer expectations in real estate. Based on the result from this study as presented above, this study concludes that

1. COVID19 pandemic has a significant impact on the real estate business. The impact is in two forms: positive and negative. At the onset of the virus, especially during the lockdown, the companies within the sector were on total lockdown, which also shut down their business. The primary reason was that more than half

of their customers came from foreign countries and were trapped because of the lockdown; however, as people got used to the changes and the lockdown eases, the business began picking up. It was possible because new business strategies such as online and digital transaction and social media marketing were adopted to counter the impact of lockdown, and social distancing.

2. People values changed during natural disasters from individual deals to collective values; before pandemic people were thinking of their expectations, but due to the pandemic, people tend to stick together and think more of collective's values like the population in the family and how to make a living more comfortable.

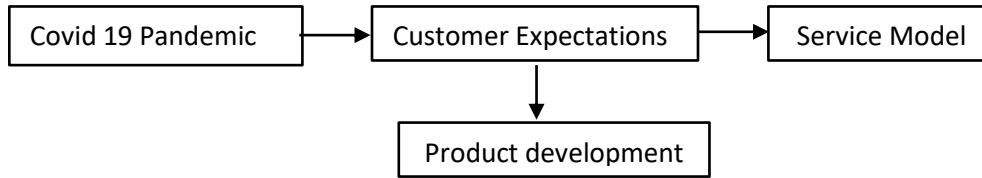
#### **5.4 Recommendations**

This study's result is an eye-opener that reveals the business world is characterized by uncertainties that may disrupt business at any point. To be better equipped given such a trying period in industry, this study recommends constant research and data collection on the new trend in the real estate business to identify changes and come up with other perspectives for the future of the real estate market.

Since businesses are going online, the study recommends that real estate consultants should utilize all forms of disruptive technologies such as artificial intelligence, social media, among other, to enhance its visibility and level of acceptance to a wider population.

From the study, a model was designed based on the work found analysis to help realtors and developers to know what has been done and what needs to be done in the

phase of pandemic. It is also recommended to apply this model to change customer expectations and conduct research using it in future studies.



### **CONCEPTUAL MODEL**



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## Appendix

### EFFECT OF CHANGE IN CUSTOMERS EXPECTATIONS ON REAL ESTATE INDUSTRY DURING COVID 19 PANDEMIC

#### INTERVIEW REPORT Appendix 1

<b>Interview Question 1: In your opinion, how have covid 19 affected the real estate industry?</b>	
Response 1:	The covid19 pandemic has changed the real estate sector both in a good and worst way, all part of the real estate were affected in different ways. Good for residential part of the real estate because people living in small apartment wants to move to a more comfortable apartment. Some part that real estate that it became worst for was the commercial and retail part of the real estate because shops were closed down, offices weren't used anymore because people started working more from home.
Response 2:	It affected it in many vast ways because there was a decrease in demand due to inability of clients to travel down to check out what they want, a lot of clients tend to believe only if they travel down to see what we are really offering them
Response 3:	It affected negatively because due to the pandemic many companies close their gates to the foreigners and there is no chance to travel, and we cannot sell though we shove digitally but people like to see and feel their property before payment.
Response 4:	The first phase of the pandemic affected it badly because of the inability to go out anymore but nowadays people are more aware of it and not as scared of it as before anymore
Response 5:	The industry was affected negatively during the first phase of the pandemic due to the lockdown, but as time pass by, it also has a positive impact on the real estate industry because people now want their privacy thereby requesting for bigger apartments like villas.
Response 6:	Initially when the pandemic started, it reduced the focus of people purchasing houses, everyone was scared but nowadays, people tend to have gotten over the fear. So initially it affected the industry badly but now things are getting better
Response 7:	Initially when the pandemic started, it was shocking and quite dominant, affecting a lot of business negatively but now, it is good because people are not as shocked as before anymore and business is moving back to normal gradually.
Response 8:	Initially when the pandemic started, buying and selling reduced because people were scared of spending money but rather to save as no one knew how long the lockdown due to the pandemic will last but after a while, everything started getting back to normal. So simply put, at the beginning

	of the pandemic, the real estate industry was affected negatively but now, things are getting more better.
Response 9:	In a bad way at first because everyone was shocked and scared but now, it has made people see need to buy and invest in the real estate.
Response 10:	It affected it in a way that many people could not come into the country which of cos hindered sales at first and it made rent prices to drop, there was a swift change of dynamic in the company from flat to villas in the country. So, in its early stage, it affected the industry in a negative way but now it has affected it positively. Flat rate has dropped to like 10% and villas to like 80%.
Response 11:	After the first lockdown, the sector was affected badly, many foreigners stopped coming in, and this made sales go down and as time goes by, we started selling properties to local customers. So, at first the pandemic affected the industry very bad but now it is better.
Response 12:	At first, the pandemic affected the real estate in a negative way due to the shock and fear of it but as of now, things are getting better and business is moving well.

## Appendix 2

<b>Question 2: How do you think homebuyers' expectations have changed due to covid 19?</b>	
Response 1	It changed from what they were before the pandemic because during the pandemic there were much demand for bigger apartments that is more comfortable and spacious. Apartments with gardens in it.
Response 2	The expectations have not really changed, just that people prefer a bigger apartment now due to the pandemic because no one knows when the pandemic will end.
Response 3	Discounts were required, there was a plea that deadlines of construction processes should be postponed because of the pandemic. Customers also wants an extension in periods of there reservations due to the pandemic.
Response 4	Nowadays people want to live in complex neighborhood like villas. People have the thought of the pandemic in a way that should incase anything comes up again and people will be asked to stay at home, they need bigger apartments so as to have more free space and enjoyment.
Response 5	Nowadays people look for houses with more privacy, peaceful area with not too many people and with a good environment.
Response 6	Expectations have changed from people looking for just house but they are now looking for home, a comfortable space and not just a place to sleep or lay head
Response	There has not been any massive difference in what buyers expects, just

7	that people now want a more comfortable place for them and their loved ones.
Response 8	Due to the pandemic, instead of buying properties, people started selling so as to save more to protect themselves in case the lockdown due to the pandemic lasts long.
Response 9	Before people were convenient with just a house but now what they expect is a place they can feel more convenient because during the lockdown everyone was at home, no place to go, no fun things to do. So, it made homebuyers to request for houses with better views, villas, houses with gardens, pools and the rest.
Response 10	People who lived in flats wanted a house with garden as they got bored in flats so they prefer a place they can go out to enjoy.
Response 11	People got tired of their house and started purchasing properties in the highland with mountainous view, good and cool environment, so that when the ban of travelling is lifted, they can have a place to do holiday.
Response 12	The wants of people have changed now due to the lockdown that was in place as a result of the pandemic, people now prefer a house with more comfortability like houses with a garden.

### Appendix 3

<b>Question 3: What are the changes the real estate industry has executed in the phase of this covid 19 pandemic?</b>	
Response 1	The real estate industry having understood the situation of the covid 19 worked with the construction industry to build houses accordingly for low cost in the rural areas (i.e: outskirts of the cities)
Response 2	Before the pandemic, it was more of a contact-to-contact transaction but now the industry has moved or has gone more online due to the pandemic.
Response 3	The biggest change that the industry embarked on is making more use of digital marketing because the client cannot come here due to the pandemic. Also, for local markets, the industry uses the traditional method through implementation of billboards/flags.
Response 4	The industry is now 100percent online, the industry now does more online selling, use more of the social media, then more technological equipment is now been used.
Response 5	The industry now practices more of online sales, online video calls, the industry went more online and more flexible, the whole process of buying went online.



Response 6	The industry has now gone more online; all transactions and marketing are been made/done with the use of online platforms.
Response 7	Electronic communication has increased with people, the industry now offers a virtual viewing and 360 photos of houses with people without them having to leave their houses.
Response 8	The first thing that was done when covid 19 started and everyone was scared was to put on hold all new projects. After which the industry went fully online to communicate with clients and make them see reasons not to be scared.
Response 9	Social media became the order of the day, became more acquainted with the use of online services to carryout transactions and marketing.
Response 10	Started promoting houses more on social media, made visual tours, provided more details about the houses including their locations.
Response 11	Started more online sales, and also gave clients more attention.
Response 12	The major change was to increase the usage of electronic communication; online service became the order of the day as it became the only means of communicating with clients.

#### Appendix 4

<b>Question 4: How do you manage difficulties experienced in meeting the expectations of customers in the covid 19 pandemic?</b>	
Response 1	By understanding this are hard times so put more effort into the job by doing what u normally do before twice or thrice to get same result because demand is low. It is hard to make meetings with client face to face so the industry has to get other ways to communicate with people by organizing zoom meetings, online showing of the houses.
Response 2	The industry has created a platform online where people can complain and suggest on how to improve their services and the industry have been very active to this respect.
Response 3	For reservation contract, the industry talks to developers to find a middle way to help the clients. Also, the industry do more calling, gives more attention to the clients to relieve them about the problems.
Response 4	The industry keeps their customer psychology high so that they won't lose hope or feel down, and this are more accomplished by the use of the social media and some technological equipment.
Response 5	The main difficulty is people wanting to see and touch or feel what they are purchasing and to make them comfortable, the industry try to build trust with them by introducing reputable companies to their presentations to make them feel safer.
Response 6	Trust is been built with the clients by keeping them more informed about the situations of things in the country and having more time for them.
Response	The industry gets close with their clients more thereby no difficulty

7	experienced.
Response 8	There hasn't been any difficulty so far in meeting the needs of clients.
Response 9	There hasn't been any difficulty experienced from my client yet because I build trust with my clients, but if any difficulty arises depending on the kind of difficulty, we will look for ways to sort it out.
Response 10	The major difficulty right now is finding houses for sale because most owners are foreigners and they can't enter the country and to sort it out, we try to convince them that we can do all their paper works without any issue, then we try and explain to them and let them know how the pandemic has affected value of their houses and let them know it is the right time to sell.
Response 11	Did more zoom meetings and visual viewings of the houses for them to be more acquainted with the houses to be able to select anyone of their choice.
Response 12	No difficulty experienced as of now, we meet up with schedule and we communicate constantly with the clients, so thus far no difficulty experienced.

### Appendix 5

<b>Question 5: How do you compare the market size and growth of the industry before and during the covid 19 pandemic?</b>	
Response 1	The significant part of the real estate demand comes from abroad and because of the restriction of travel, it temporarily downsized the market in North Cyprus.
Response 2	There has been more growth during the pandemic due to much demand of bigger apartments from clients
Response 3	The market size is low because of the pandemic, people are scared to do investment because they are not sure when the pandemic will finish.
Response 4	Before the pandemic the industry was growing well but during the pandemic, there was an alt to the growth because everyone was trying to get to know what covid 19 is all about and people were scared.
Response 5	what they are offered but it is not so again now. : Due to the pandemic, the process of making decision were a bit longer thereby making a decrease in growth and size during the pandemic. Because people make their decision faster before the pandemic when they come and see/feel
Response 6	Due to the shock of the pandemic, there was a downturn in the growth of the industry but things are getting normal back now
Response 7	It all depends on the client base and the company client base are mostly foreigners/African student, and they still make investment so there has not been any specific change in that effect, the growth and size are still same
Response	At first it went down because people were shocked but as time passes,

8	it got better and comparing it now, it is better because more people are investing in real estate now. The pandemic has help bring out the better part of North Cyprus
Response 9	During the early stage of the pandemic, it reduced up to like 50% but it is getting better now.
Response 10	The market size right now is the local people staying here and it made sales to reduce but not too low. So comparing it, the growth went down a little.
Response 11	Initially, the pandemic affected sales and it went down, but after pandemic, the pandemic will give double size or number of sales in North Cyprus.
Response 12	Our market size presently are the local customers due to the pandemic so the market size has reduced and due to this, the growth of the industry reduced during the pandemic.

### Appendix 6

<b>Question 6: What new marketing strategies have you put in place in response to customer expectations due to the covid 19 pandemic?</b>	
Response 1	The industry now do more of online presentations of the houses, more use of the social media and other technology tools, 3d tours of the houses.
Response 2	The industry has taking control of the situation and introduced more zoom meetings sections, 3d tours of houses, more online presentations and interactions with the client to build more trust.
Response 3	The industry does regular zoom meetings, for different clients in different countries, they talk about lifestyle in the country, introducing the country they represent to their various clients, try to calm clients down about the covid 19 pandemic.
Response 4	The industry does zoom videos, voice calls, they put in good arrangements in the pictures to make clients more satisfied of what they plan to purchase.
Response 5	The industry does zoom videos, voice calls, they put in good arrangements in the pictures to make clients more satisfied of what they plan to purchase.
Response 6	Marketing is now majorly via online platform, the industry now do more of online presentations of the houses, 3d tours of the houses to make people more attached to the house they will like to purchase.
Response 7	Started using more of social media for visibility and social billboard also.
Response 8	Went fully into online service, for the purchasing product, bank credit was extended, also payment were extended up to like 20years.
Response 9	Started communicating with clients through all social media platforms, always online and active to response of clients. So we are been

	reached faster than before because we are always available for the clients.
Response 10	Did virtual tours of houses, started writing in different languages, started promoting more on Instagram, literally the industry moved from face to face into social websites.
Response 11	Considered online buying for clients because if they are waiting to come down here before buying, price might have gone up but now they can buy online and secure their property, then come any time after the travelling ban has been lifted.
Response 12	Started doing zoom meetings with clients, virtual view of the houses, more calls were made so as to keep the clients informed of the situation of things in the country.

### Appendix 7

<b>Question 7: How have the use of online service been helpful in the phase of the covid 19 pandemic?</b>	
Response 1	It has been very helpful, because all presentations are now done online
Response 2	It has been very helpful in the phase of the pandemic because due to barrier of physical contact people has gone online thereby not making businesses to stop. It has been the major source of communication with customers.
Response 3	It has been very helpful and essential. It is the only means to communicate with clients due to the pandemic
Response 4	It has been very helpful because during the pandemic it was more of online working.
Response 5	During the pandemic, without the use of online service, the industry might have closed down so it has been very helpful.
Response 6	It has been very helpful, all communication are been made via online platform now.
Response 7	It has been very helpful; the use of online service is more now than before
Response 8	Online service has been very helpful as it is the major if not only means of communicating with the clients.
Response 9	Extremely helpful because we do all presentations, meetings, and so on via the online platform.
Response 10	It has been very helpful because people have realized the importance of social media and it's the major means through which the industry communicates with clients.
Response 11	It is everything now for the real estate business.
Response 12	Online service is now the major if not only means of communicating with clients, so it has been very helpful.

### Appendix 8

<b>Question 8: What changes did you introduce for your online service to be more effective due to the covid 19 pandemic?</b>	
Response 1	Not much change other than increase in the usage of the online service.
Response 2	The online service was used more, regular zoom meetings, designs were made more fascinating so as to make the client more satisfied.
Response 3	More regular zoom meetings, good designs were made to make the clients more informed.
Response 4	Making of good videos to show during the zoom meetings, getting the latest/upgrade of the respective applications they were using. Now as they present the video, there is a bit of music, pictures, things not to make the presentation boring.
Response 5:	The industry started making more zoom presentation and calls.
Response 6	Introduced some entertaining things to the online presentations like background music, pictures, just to make clients more comfortable and not scared to invest due to the pandemic.
Response 7	More virtual view of houses and zoom calls.
Response 8	Nothing really, just started using it more than before
Response 9	Not much change, just became more available and online, and started using it more for marketing and communicating.
Response 10	More professional shot of houses, pin the location on websites so people can see where the house is, and we make everything we have online before more detailed.
Response 11	Online viewings, showing of property online, also online meetings.
Response 12	We make the presentations more entertaining; pictures of the houses were of good quality and also the designs are great

### Appendix 9

<b>Question 9: In your opinion, how has the covid 19 pandemic influenced customers intention to purchase real estate properties</b>	
Response 1	The ones who really need to make a purchase tend to push their limit to make the purchase but those who don't need to, suspended their plans till future dates.
Response 2	Due to the thought of not been certain when the pandemic will end, and everyone is meant to be indoors, it made people secure bigger apartments that will be more convenient and comfortable for them.

Response 3	In a negative way, customers are more afraid to buy anything, some clients even cancelled their reservations due to the pandemic. But also, in a positive way because clients believe North Cyprus is a safe place. But it is more of the negative.
Response 4	People were thinking before that the pandemic will not finish and this made people to move from small neighborhood or houses with small gardens to a more convenient/complex neighborhood where they can have enough fun in case the pandemic does not finish early. The construction company start constructing buildings with villas on demand and also makes small apartment with ground floor garden like a villa. More houses with good view were demanded.
Response 5	The demand for bigger apartment increased.
Response 6	It has made customers to want to secure apartments that are more comfortable and not just houses but to secure a place they can call home
Response 7	It made rentals more massive, people now want bigger and more comfortable apartments
Response 8	In its early stage, it made people stop buying but rather selling and saving money but right now, people are seeing reasons to invest in real estate.
Response 9	Initially the normal understanding of a lot of people is to get a house where they can just lay their head and get to work the next day but the covid 19 came and brought lockdown so a lot of people stayed at home and were working from home and this made them change their need of a house to a place more convenient and lively.
Response 10	It has influenced it because people living in flat decided to go for houses with garden so as to get out, put their feet on the ground, people realize money in the bank does not really profit a lot but investing it will yield more.
Response 11	The beginning of the pandemic made people to sell their properties fast which led to properties been cheap, but not anymore. Now people are purchasing properties with more comfortability
Response 12	It made customers desire more comfortable apartment, the demand for apartments like villas increased due to the pandemic.

### Appendix 10

<b>Question 10: How do you see the future of real estate market?</b>	
Response 1	The future is bright; things are picking up so demand will go up.
Response 2	Its future is bright, more people are investing which leads to more demand, and more demand leads to increase in price.
Response 3	In a positive way because clients now believe it is the best time to

	invest in real estate and this will boost sales thereby making the industry grow more. It is going to be good if there is no earthquake, people are not as afraid of the pandemic as before so there is more investment, price is not going down again also so the future is bright.
Response 4	It is bright, nowadays a lot of people are investing and it makes demand more and prices get higher
Response 5	It has a great future; more people are investing in real estate now
Response 6	Marketing is now majorly via online platform, the industry now does more of online presentations of the houses, 3d tours of the houses to make people more attached to the house they will like to purchase.
Response7	It is going to be great; people are investing more nowadays
Response 8	The future of real estate is bright; customer capacity is getting larger by the day
Response 9	Its future is good; it is a great industry
Response 10	In the next couple of months, it will be really great, more emails are coming in with people showing great interest in buying and investing
Response 11	Very big because market is picking up, the industry gets busier every day, people now tend to buy more due to the pandemic.
Response 12	The future is great, after the pandemic a lot of people will invest more in the industry and this will make the industry grow more.

### Appendix 11

<b>Question 11: Is there anything else you will like to add?</b>	
Response 1	In these conditions, where deposit interests are falling and the risk of many investment instruments cannot be measured, real estate will remain as the best investment tool that can bring a possible decrease in the short term, and especially an increase in value and a certain amount of fixed income in the medium and long term. Each individual or firm may need to revise, divest and/or diversify their portfolio based on their position or investment/asset management strategy.
Response 2	None, the questions have covered a lot.
Response 3	None
Response 4	Nothing to add
Response 5	Human beings just need to be patient with each other, people should invest in North Cyprus even Forbes magazine named it as the number one place to invest in for mountainous properties.
Response 6	None
Response 7	This is a good time to invest or register your interest in the real estate.
Response 8	None
Response 9	Not at all.
Response 10	Not really.
Response 11	Smart real estate agent should completely change their way of working due to the pandemic. If they did not change their tactics of

	working as before, they will not get too far in the business in this present time.
Response 12	Nothing at all.



## EFFECT OF CHANGE IN CUSTOMER EXPECTATIONS ON REAL ESTATE INDUSTRY DURING COVID-19 PANDEMIC by Bamidele Charles Olaiya

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BİLİMSEL ARAŐTIRMALAR ETİK KURULU

30.09.2021

Dear Olaiya Bamidele Charles

Your application titled “Assessment of the impact of covid 19 pandemic on customers expectation in the real estate industry” with the application number NEU/SS/2021/1040 has been evaluated by the Scientific Research Ethics Committee and granted approval. You can start your research on the condition that you will abide by the information provided in your application form.

Assoc. Prof. Dr. Direnç Kanol

Rapporteur of the Scientific Research Ethics Committee

**Note:**If you need to provide an official letter to an institution with the signature of the Head of NEU Scientific Research Ethics Committee, please apply to the secretariat of the ethics committee by showing this document.