

**USING DISPARATE MARKET DATA TO MEASURE AND PREDICT FUTURE  
PERFORMANCE OF COMMERCIAL REAL ESTATE INVESTMENT IN  
EMERGING REAL ESTATE MARKETS: THE CASE OF NAIROBI CITY  
COMMERCIAL REAL ESTATE MARKET (2016-2018)**

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**ABSTRACT**

*Investment decisions are made today but the results are in the future. A typical investor is interested in knowing what has been the performance in the past and what the likely performance in the future will be. This requires the use of accurate and reliable data to assess the past and current performance and predict future performance. It is expected that the market and the economy at large will provide this data and hence the results could form the basis of making an informed decision. This scenario obtains in the developed world and mature economies but does not obtain in developing countries and emerging markets. This paper uses the data set adopted in developed markets to assess the current performance (2010-2015) and predict the likely performance in the coming years (2016-2018). The results indicate that the typical data set is not available and hence real estate data and data on the economy have been collected from disparate. Nevertheless, the performance has been 'good' and stable over the period under consideration and has been determined to a larger extent by inflation rate and interest rates. The performance is predicted to remain unchanged for the period 2016-2018. However, the unreliable information and the uncertainty associated with such information results in higher chance of deviation from the predicted performance. The analysis of the data indicates a standard deviation of 6.4 and 2.56 for total rate of return and return on investment respectively. This, therefore, suggests that performance of commercial real estate investment will be lower in the future than it is presently.*

*Keywords: Investment, Reliable Data, Emerging Markets & Standard Deviation*

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