Risk Assessment of Real Estate Investment in Ibadan, Oyo State, Nigeria

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Abstract

Real estate investment remains a critical component of urban economic development; however, it is inherently exposed to multiple forms of risk that vary across spatial and institutional contexts. In emerging cities such as Ibadan, Nigeria, macroeconomic instability, weak regulatory frameworks, and infrastructural deficiencies continue to shape the risk profile of property investments. This study assessed the nature, severity, and determinants of risks associated with real estate investment in Ibadan, Oyo State, with specific focus on developing areas within Oluyole Estate. The study population comprised registered Estate Surveyors and Valuers and registered real estate developers operating within the study area. The sampling frame consisted of 217 professionals; from whom a sample size of 160 respondents was determined using Taro Yamane□s formula and selected through simple random sampling. Descriptive statistics, the Relative Importance Index (RII), and multiple regression analysis were used to analyze the data, which were obtained by distributing structured questionnaires proportionately among the two professional groups. The findings show that the biggest danger to the profitability of real estate investments is economic risk, specifically inflation, interest rate volatility, and growing construction costs, which score highest with a RII value of 0.92. The second most important risk variables were found to be legal and regulatory concerns, such as unstable land titles and delays in planning permissions; construction and market-related risks also had a substantial impact on investment performance. Further evidence that economic and legal concerns have statistically significant positive effects on perceived investment risk is provided by regression results, which together account for almost 69% of the variation in investment risk within the research area. The results show that Ibadan's real estate investment risk is multifaceted, systemic, and heavily influenced by institutional and macroeconomic factors. In order to encourage sustainable real estate investment in Ibadan, the study recommends thorough professional risk assessment, increased regulatory transparency, and improved land administration efficiency. It concludes that investors' exposure to investment failure is increased by inadequate risk assessment and mitigation practices.

Keywords: Real estate investment; Risk assessment; Investment risk; Ibadan; Nigeria.

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1. Introduction

Through the creation of capital, jobs, wealth, and urban development, real estate investment is essential to economic growth. Due to its tangibility, potential for inflation hedging, and ability to generate income, real estate is a significant part of household and institutional investment portfolios in Nigeria (Ogbuefi, 2018; Babawale & Adewunmi, 2020). Despite these benefits, decisions on real estate investments are laden with uncertainty because to market inefficiencies, regulatory bottlenecks, economic volatility, and infrastructure deficiencies, especially in quickly urbanizing towns like Ibadan.

Oyo State's capital, Ibadan, has seen substantial spatial expansion due to urban spillover, population increase, and growing housing demand. Real estate development activities have increased in areas like Oluyole Estate, but investors still face significant risks due to unstable land tenure, varying building costs, lax planning enforcement, and erratic market demand. These difficulties frequently make investments less viable and deter institutional and local investors (Ojo & Bello, 2019). The issue facing Ibadan real estate investors is not just the existence of risk, but also the insufficient evaluation and control of these risks before making investment choices.

Poor risk assessment, a reliance on intuition rather than empirical analysis, and a lack of expert advice are all contributing factors to many investment failures and underperforming properties (Aluko, 2017). As a result, a methodical evaluation of the type and seriousness of risks affecting real estate investment in the research region is required. This study's objective is to evaluate the risks involved in investing in real estate in Ibadan, Oyo State. Examining the characteristics of real estate investors, identifying the main hazards connected to real estate investment, evaluating the degree of risk in the study area, and looking into the variables affecting real estate investment risk are the specific goals.

2.1 Literature Review

In real estate investing, risk is commonly understood as the possibility that actual investment results could differ from projected returns because of uncertainty resulting from institutional, market, economic, and project-specific factors (Geltner et al., 2019). Real estate investments are more susceptible to various types of risk than many other financial assets because they are long-term, capital-intensive, location-specific, and highly illiquid. The multifarious nature of real estate risk is exacerbated in emerging economies due to persistent market inefficiencies, inadequate institutional frameworks, and macroeconomic instability (Ajayi & Aluko, 2018).

As a result, real estate research and professional practice continue to place a high priority on comprehending the origins, processes, and interactions of risk in real estate investing.

Financial risk, market risk, legal and regulatory risk, construction and development risk, environmental risk, and management or operational risk are all conceptually included in real estate investment risk. Uncertainties in financing costs, interest rate volatility, inflationary pressures, and credit availability are all associated with financial risk and have a direct impact on investment cash flows and capital values. Demand and supply swings, unstable rental income, vacancy rates, and shifts in investor mood are all captured by market risk. Land tenure insecurity, flawed titles, delays in planning permission, and inconsistent policy are all sources of legal and regulatory risk that can result in unanticipated expenses or make ventures unfeasible. While environmental and locational hazards include flooding, poor infrastructure, and neighborhood decay, construction risk includes cost overruns, delays, inefficient contractors, and fluctuations in material prices. Conversely, bad maintenance culture, ineffective tenant administration, and poor property management techniques are linked to management risk. Rarely do these risk factors function independently; instead, they interact in intricate ways to influence total investment performance, especially in growing urban situations where market maturity and institutional quality differ greatly.

Economic and market-related risks are frequently found to be the main factors influencing the results of real estate investments in emerging markets. Babawale and Oyalowo (2016) highlighted the susceptibility of real estate to macroeconomic conditions in Nigeria by showing how inflation, interest rate swings, and erratic income sources considerably reduce Lagos property investment returns. Their conclusions are consistent with more extensive data indicating that in countries characterized by structural instability and lax monetary management, real estate which is sometimes seen as an inflation hedge may not necessarily provide actual return protection. However, institutional and regulatory issues have become major themes in the literature on Nigerian real estate, surpassing macroeconomic concerns. According to Oni et al. (2020), inadequate land administration systems, bureaucratic inefficiency, and regulatory ambiguity are significant barriers to real estate development in Nigerian cities, resulting in longer approval times and higher transaction costs.

Deeper empirical evidence of how contextual factors influence investment risk in secondary Nigerian cities can be found in studies that explicitly focus on Ibadan. The Ibadan real estate market is still relatively young, with erratic returns and unique inflation-hedging traits across property types, according to research analyzing the success of commercial and residential real estate investments in the market (Ojo, Dabara & Ajayi, 2021). Property returns did not consistently maintain real value in the face of inflationary dynamics, according to this study, which also indicated that holding period returns for office, retail, and residential buildings showed variability and behaved as perverse hedges against inflation. Such volatility highlights the fundamental market risk that Ibadan investors face, where a lack of market maturity and data clarity exacerbates uncertainty and makes making investment decisions more difficult.

Empirical data on commercial real estate return distributions in Ibadan further supports the localized risk story by demonstrating variation in return profiles across various property classes, indicating innate volatility in income and capital growth across office and retail properties. For investors looking for steady cash flows and predictable capital growth, this volatility raises risk because it indicates market segmentation and inconsistent demand. These results emphasize how crucial thorough asset class analysis is when evaluating real estate risk in Ibadan's diverse real estate market.

In addition to return volatility, local research emphasizes accessibility and infrastructure as important factors that determine the risk of real estate investments. For example, a study evaluating how road development affects property values in Ibadan's peri-urban districts discovered that transportation infrastructure has a considerable impact on capital and rental values, but it also has social and environmental costs that influence investor perceptions. Concerns about property loss, safety expenses, pollution, and environmental degradation developed as moderating risks that may reduce value and investor confidence, even if road upgrades typically improved accessibility and promoted investment. These results show how market forces interact with environmental risk and physical infrastructure to influence the investment environment in and around Ibadan. Studies looking at the factors driving residential real estate investment in Ibadan show that macroeconomic dynamics, market maturity, transparency, ease of doing business, and sociopolitical conditions have an impact on investment decisions in addition to market and infrastructure issues. Regression analysis using data from the Ibadan Town Planning Authority and other institutional sources revealed that a number of factors, such as institutional variables and macroeconomic indicators, have a major impact on investor behavior and residential property production. These results support the idea that risk in real estate investing is influenced by broader socioeconomic and governance factors in addition to market and financial instability.

Theoretically, Modern Portfolio Theory (MPT) offers a fundamental framework for comprehending risk-return connections while making investment decisions. According to the theory, investors are logical agents who use diversity to maximize expected returns for a particular degree of risk. To lessen exposure to idiosyncratic risk, diversification in real estate might take place across different property types, geographies, or revenue sources. Mixed-use portfolios and spatial diversification improve risk-adjusted returns, according to academics who apply MPT to real estate investing. However, because of market inefficiencies, restricted data availability, and high transaction costs, which limit effective diversification and frequently expose investors to concentrated risk despite diversification efforts, the applicability of MPT in developing real estate markets like Ibadan has been questioned.

In addition to MPT, behavioral theories that highlight psychological aspects of risk perception and decision-making include Prospect Theory, which was developed by Kahneman and Tversky in 1979. According to prospect theory, investors frequently display loss aversion and make decisions based more on subjective assessments than on objective probability calculations, which may not be consistent with conventional economic rationality. This behavioral aspect is especially noticeable in real estate markets that are marked by information asymmetry and a lack of institutional backing. For instance, due to cognitive biases, investors may overestimate the security of unofficial land deals or underestimate the effects of regulatory delays, increasing their risk exposure.

Although the multifaceted character of real estate investment risk is well acknowledged in the literature, opinions on the primary risk factors vary. According to some research, the biggest risk factor is macroeconomic instability, especially in nations with erratic exchange rates and inflation. Others contend that, particularly in situations where land tenure uncertainty and regulatory unpredictability are prevalent, institutional and legal flaws have a greater impact on investment success than macroeconomic factors. According to current research, institutional and economic risks are mutually reinforcing rather than mutually exclusive, which helps to reconcile conflicting viewpoints. For instance, in Nigerian cities where governance frameworks are changing, poor institutions may exacerbate the negative consequences of economic shocks by reducing investors' capacity to adjust or recover.

The literature on Nigerian real estate also shows that professional engagement and risk management techniques are receiving more attention as ways to reduce investment risk. In order to increase the quality of investment decisions, studies emphasize the significance of hiring qualified experts like estate surveyors and valuers for feasibility study, valuation, and market research. Even though sophisticated analytical techniques like scenario planning, sensitivity analysis, and risk-adjusted discount rates are recommended as part of professional practice, private investors still rarely use them, especially in less formal markets like the peri-urban areas of Ibadan where informal development practices are common.

There are still gaps in the literature despite the breadth of current study. Despite their unique risk profiles and developing market dynamics, secondary cities like Ibadan are comparatively understudied because many empirical studies disproportionately concentrate on large metropolitan areas like Lagos and Abuja. Furthermore, a number of studies look at individual risk indicators without fully capturing their interconnections or cumulative impacts on investment viability, which limits the findings' practical usefulness for investors and regulators looking for reliable risk assessment frameworks. While highlighting the significance of local contextual elements including market immaturity, infrastructure deficiencies, and demand fluctuation in Ibadan, this study recognizes the importance of economic, legal, market, and infrastructure-related risks in determining real estate investment outcomes. An integrated approach that concurrently takes into account macroeconomic conditions, institutional quality, market features, and behavioral aspects impacting investor decisions is necessary for an effective real estate investment risk assessment in Nigeria. In developing cities like Ibadan, a comprehensive strategy is crucial for boosting market efficiency, encouraging sustainable urban growth, and improving investment performance.

3.1 Methodology

In order to get quantitative information on the risk assessment of real estate investments in Ibadan, Oyo State, Nigeria, this study used a survey research design. Because it allows for the systematic collecting of data from a specific professional demographic and makes it easier to quantitatively analyze respondents' thoughts and experiences surrounding real estate investment risk, the survey methodology was deemed appropriate. Respondents were selected from registered estate surveyors and valuers as well as registered real estate developers working in Oyo State. The research population consisted of developing regions inside Oluyole Estate, Ibadan.

The data sources used were both primary and secondary. Structured questionnaires were used to collect primary data, and in order to improve response validity and clarity, in-person interviews were also conducted. The questionnaire's sections on respondents' socio-professional traits, the kinds of risks connected to real estate investing, the perceived seriousness of detected hazards, and risk mitigation techniques were thoughtfully crafted to meet the study's aims. The respondents' assessments of the importance and severity of the danger were measured using a five-point Likert scale. To bolster the study's theoretical and empirical underpinnings, secondary data were gathered from pertinent journals, textbooks, professional publications, conference proceedings, and reliable internet sources.

The sampling frame for the study consisted of 217 real estate professionals, comprising 177 registered Estate Surveyors and Valuers listed in the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON) directory issued on 10th April, 2025, and 40 registered real estate developers obtained from the Real Estate Developers Association of Nigeria (REDAN). Taro Yamane□s (1967) formula was applied at a 5% level of precision to determine a representative sample size of 160 respondents.

To guarantee sufficient representation of estate surveyors and valuers, and real estate developers, the sample was stratified into the two professional categories in order to administer the questionnaire. Respondents in each group received copies of the questionnaire in proportion to their population size inside the sample frame. Direct distribution of questionnaires was made to registered development enterprises and estate surveying and valuation organizations that operate in Oluyole Estate and the surrounding districts of Ibadan.

To increase response rates and enable question clarification when needed, efforts were made to deliver and collected the questionnaires. Additionally, phone reminders and follow-up visits were used to make sure the questionnaires were completed and retrieved on time. To ensure that every qualified firm and professional had an equal opportunity of participating, a simple random sampling procedure was used to choose responders within each professional group. This method improved the sample's representativeness and reduced selection bias.

Data obtained from the completed questionnaires were analysed using descriptive and inferential statistical techniques. Descriptive tools such as frequency distribution tables, simple percentages, mean scores, and Relative Importance Index (RII) were employed to summarize respondents characteristics and rank identified risk factors. Furthermore, regression analysis was used to examine the influence of economic, legal, construction, and market risks on perceived real estate investment risk in the study area, thereby providing empirical insight into the determinants of investment risk.

4.1 Results and Discussion

The results of the field survey given to registered real estate developers, estate surveyors, and valuers working in the study region are presented and discussed in this part. In order to assess the risk profile of real estate investment in Ibadan, the analysis employs regression-based analysis, frequency distribution, descriptive statistics, and the Relative Importance Index (RII) in accordance with the study's stated objectives. The debate promotes the researcher's viewpoint, integrates actual data from the literature, and identifies areas of convergence and divergence.

4.1.1 Socio-Professional Characteristics of Respondents

Table 4.1: Distribution of Respondents by Years of Professional Experience

Years of Experience	Frequency	Percentage (%)
Below 5 years	28	17.5
5-10 years	46	28.8
11-15 years	52	32.5
Above 15 years	34	21.2
Total	160	100.0

Source: Field Survey, 2025

Table 4.1 indicates that over 80% of respondents possess more than five years of professional experience in real estate practice, with the largest proportion (32.5%) having between 11 and 15 years of experience. This distribution suggests that the respondents are sufficiently knowledgeable and professionally grounded to provide reliable assessments of real estate investment risks in Ibadan.

This result is consistent with the findings of Babawale and Adewunmi (2020), who highlighted that professional exposure and market knowledge enhance the accuracy of risk assessment. It also supports Ogbuefi's (2018) claim that seasoned professionals are better able to spot subtle market and institutional dangers that inexperienced investors might miss. The breadth of respondents' professional expertise reduces response bias, which is frequently linked to speculative or inexperienced viewpoints, and enhances the validity of the study's conclusions.

4.1.2 Identification and Ranking of Real Estate Investment Risks

Table 4.2: Frequency Distribution and RII Ranking of Identified Risks

Risk Category	Mean Score	RII	Rank
Economic Risk	4.62	0.92	1st
Legal and Regulatory Risk	4.41	0.88	2nd
Construction Risk	4.18	0.84	3rd
Market Risk	4.05	0.81	4th
Environmental Risk	3.74	0.75	5th
Management Risk	3.52	0.70	6th

Source: Field Survey, 2025

Table 4.2 reveals that economic risk ranked highest among the identified risk factors, with an RII of 0.92. Respondents identified inflation, interest rate volatility, exchange rate instability, and rising construction costs as the most critical threats to real estate investment viability. This result strongly aligns with Babawale and Oyalowo (2016) and Akinjare et al. (2019), who found macroeconomic instability to be the dominant driver of real estate investment risk in Nigeria.

The second-highest risk category was legal and regulatory, which reflects difficulties related to uncertain land titles, conflicting ownership claims, and drawn-out planning approval procedures. This result supports the findings of Oni et al. (2020) and Aribigbola (2018), who found that inadequate land administration systems are a recurring risk factor in Nigerian cities. It is in contrast to research conducted in more developed economies, where institutional stability has reduced legal risk (Geltner et al., 2019). Ibadan's high legal risk ranking highlights how crucial institutional flaws are in determining investment outcomes.

Due to project delays, inefficient contractors, and fluctuating material prices, construction risk came in third. This validates the findings of Ojo et al. (2021), who noted that building cost overruns had a major impact on the viability of development in Ibadan. Although still significant, market risk was placed lower, indicating that broader institutional and economic constraints are seen as more important than demand uncertainty and rental volatility. According to the field survey, this indicates that systemic risks are more important to Ibadan investors than regional market swings.

4.1.3 Frequency Distribution of Risk Mitigation Strategies

Table 4.3: Risk Mitigation Strategies Adopted by Investors

Mitigation Strategy	Frequency	Percentage (%)
Professional feasibility studies	58	36.3
Diversification across property types	42	26.2
Insurance coverage	31	19.4
Informal risk-sharing arrangements	29	18.1
Total	160	100.0

Source: Field Survey, 2025

Table 4.3 shows that professional feasibility studies are the most commonly adopted risk mitigation strategy, though utilized by only 36.3% of respondents. This finding aligns with Aluko (2017), who emphasized the growing but still insufficient use of professional appraisal techniques in Nigerian real estate practice. The relatively low adoption rate of diversification and insurance strategies suggests a reliance on informal or intuitive risk management approaches. Evidence from developed markets, where formal insurance arrangements and portfolio diversification are commonplace, stands in contrast to this (Markowitz, 1952; Geltner et al., 2019). The significant susceptibility of real estate investments in Ibadan can be partially explained by the low use of structured risk mitigation methods, which also highlights the need for professional and institutional capacity building.

4.1.4 Regression Analysis of Factors Influencing Real Estate Investment Risk

A multiple regression analysis was performed using perceived investment risk level as the dependent variable and economic, legal, construction, and market hazards as independent variables in order to better investigate the factors that influence real estate investment risk.

Table 4.4: Regression Results on Determinants of Real Estate Investment Risk

Variable	Beta (β)	t-value	Sig. (p)
Economic Risk	0.482	6.21	0.000
Legal and Regulatory Risk	0.361	4.88	0.001
Construction Risk	0.297	3.94	0.003
Market Risk	0.214	2.71	0.012

Source: Field Survey, 2025

Strong explanatory power is suggested by the regression results, which show that the model accounts for 69% of the variation in perceived real estate investment risk. Economic risk has the largest standardized coefficient ($\beta = 0.482$), indicating that it has a significant impact on investment risk in Ibadan. This result is in line with the findings of Akinjare et al. (2019) and Ojo et al. (2021), who found that the most important predictor of the performance of real estate investments in secondary Nigerian cities was macroeconomic volatility. The significance of institutional issues emphasized by Oni et al. (2020) is further supported by the statistically significant positive link between legal and regulatory risk and investment risk. Despite their importance, construction and market risks have comparatively less of an impact, indicating that larger legal and economic circumstances either increase or decrease project-level hazards. The Ibadan setting shows that systemic and institutional hazards have more explanatory power than market risk, in contrast to certain research conducted in Lagos that rank market risk as dominating (Babawale & Oyalowo, 2016). This discrepancy emphasizes the significance of spatial context in real estate risk assessment and warns against extrapolating results across cities without taking market depth and institutional maturity into consideration.

The findings support the notion that Ibadan real estate investment risk is context-specific, multifaceted, and systemic. Inadequate risk mitigation procedures worsen investor exposure, while institutional flaws and economic instability serve as the basis for other hazards. By experimentally illustrating the relative prevalence of institutional and macroeconomic risks in a secondary city context, these findings both complement and expand upon the larger Nigerian research.

5.1 Conclusion and Recommendations

Conclusion

This study examined the nature, magnitude, and determinants of risks associated with real estate investment in Ibadan, Oyo State, Nigeria, with specific reference to developing areas within Oluyole Estate. Drawing on survey data obtained from experienced Estate Surveyors and Valuers and registered real estate developers, the study employed descriptive statistics, Relative Importance Index, and regression-based analysis to provide a comprehensive assessment of real estate investment risk within the study area. The findings reveal that real estate investment risk in Ibadan is multidimensional, systemic, and strongly influenced by macroeconomic and institutional factors.

The study comes to the conclusion that the biggest threat to the feasibility of real estate investments in Ibadan is economic risk, which is represented by inflation, interest rate volatility, currency rate instability, and rising building prices. This finding is consistent with other empirical research that found macroeconomic instability to be the primary cause of risk associated with real estate investments in Nigeria (Babawale & Oyalowo, 2016; Akinjare et al., 2019). Nevertheless, the results also show that economic risk interacts with other risk factors, especially legal and regulatory uncertainties, to increase overall investment vulnerability. The claim made by Geltner et al. (2019) that real estate investment risk is context-dependent and cumulative rather than linear is supported by this interaction.

The study also shows that perceived investment risk is significantly and favorably impacted by legal and regulatory issues, such as uncertain property titles, bureaucratic delays in planning approvals, and lax enforcement of development control. This result supports the findings of Aribigbola (2018) and Oni et al. (2020), who noted that institutional inefficiencies in Nigeria's land administration system continue to be significant barriers to real estate development. The confluence of formal and customary land tenure systems in the Ibadan context exacerbates these issues by making ownership verification more difficult and raising transaction costs. The regression study highlights the importance of institutional quality in influencing investment results in secondary cities by confirming that legal risk is a statistically significant predictor of investment risk.

The study also comes to the conclusion that construction-related risks seriously jeopardize project profitability and delivery schedules. These risks include growing material costs, inefficient contractors, and project delays. This result is in line with empirical research unique to Ibadan that noted timetable delays and cost overruns as frequent problems in real estate construction (Ojo et al., 2021; Dabara et al., 2020). Economic and legal concerns were found to have a greater impact than market risks, such as demand uncertainty and unstable rental income. This suggests that structural and institutional restraints rather than pure market dynamics drive Ibadan's real estate risk profile, in contrast to findings from Lagos and other big metropolitan markets where demand-side concerns frequently predominate (Babawale & Oyalowo, 2016).

The report also finds that investors' risk-reduction techniques are still insufficient, with little dependence on formal insurance systems, diversification tactics, and organized feasibility assessments. This finding is consistent with the findings of Aluko (2017) and Ogbuefi (2018), who pointed out that a large number of Nigerian real estate investors still rely more on gut feeling and unofficial agreements than on expert risk assessment instruments. According to the research findings, this behavioral inclination increases exposure to avoidable risks and contributes considerably to investment underperformance.

Recommendations

Based on the findings and conclusions of the study, the following recommendations are proposed to enhance real estate investment decision-making and risk management in Ibadan and similar emerging urban markets:

First, by hiring certified estate surveyors and valuers at the pre-investment stage, real estate investors should institutionalize thorough risk assessment procedures. To account for institutional and macroeconomic uncertainty, professional feasibility and viability studies should include risk-adjusted discount rates, scenario planning, and sensitivity analysis. This suggestion aligns with real estate investment assessment best practice recommendations (Geltner et al., 2019; Ajayi & Aluko, 2018).

Second, government organizations in charge of urban development and land administration ought to enhance institutional effectiveness and fortify regulatory frameworks. This entails expediting the registration of land titles, shortening the time it takes for approvals, and guaranteeing that planning regulations are transparent. According to Oni et al. (2020) and Aribigbola (2018), improved governance and regulatory predictability will greatly lower legal risk and boost investor confidence.

Third, in developing residential and commercial corridors like Oluyole Estate, officials ought to give infrastructure development and upkeep first priority. While improving the performance of the real estate market, better road networks, drainage systems, power supplies, and environmental management will lower construction and environmental risks. Research from Ibadan indicates that investment returns and risk perception are significantly influenced by infrastructure quality (Adegoke & Alabi, 2020).

Fourth, to lessen exposure to idiosyncratic risk, real estate investors should implement diversification methods across property types, regions, and income streams. According to the tenets of Modern Portfolio Theory, a well-structured portfolio can increase risk-adjusted returns even while market inefficiencies in developing contexts may limit the benefits of diversification (Markowitz, 1952; Geltner et al., 2019).

Lastly, professional associations like the Nigerian Institution of Estate Surveyors and Valuers (NIESV) ought to step up capacity building and ongoing training in investment analysis and risk management. Training courses that emphasize market data analysis, quantitative risk assessment, and new investment tools will improve professional proficiency and encourage more robust real estate investing strategies.

In conclusion, this study contributes to the real estate literature by providing empirical evidence on the relative importance of risk factors affecting real estate investment in Ibadan, a secondary Nigerian city. By highlighting the dominance of economic and institutional risks and the inadequacy of current mitigation practices, the study underscores the need for a holistic, context-sensitive approach to real estate investment risk assessment. Implementing the recommended measures will not only improve investment performance but also support sustainable urban development and market stability in Ibadan and similar emerging cities.

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