

# Real Estate Investment Portfolio And Real Estate Investment Climate In Batangas Province

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**Abstract:** This study aimed to characterize the real estate investment portfolio and describe the real estate investment climate in Batangas province particularly the residential real estate property. The researcher used descriptive research design to attain its objective. Questionnaire is the primary instrument used to gather pertinent data from the 391 residential real estate investors from different subdivisions and condominium projects within Batangas province. The researcher used stratified proportional random sampling to determine the qualified respondents of the study. In order to analyze the data gathered, frequency, percentage, mean and One way Analysis of Variance were utilized. Findings revealed that the common real estate investment portfolio in Batangas province are single detached properties, funded through their salary, paid through instalment basis and owned the property for 6 to 10 years. The status of real estate investment climate is favorable in terms of socio-cultural, technological, economic, ecological and political aspects. There is significant difference on the assessment of the respondents to socio-cultural aspect when grouped according to source of fund to buy the property and years of ownership; technological aspect when grouped according to source of fund to buy the property; economic aspect when respondents are grouped according to source of fund and financial option to buy the property; ecological aspect when respondents are grouped according to financial option to buy the property; political aspect when respondents are grouped according to real estate property purchased and source of fund to buy the property.

**Keywords:** Real Estate, Investment Portfolio, Investment Climate, Batangas Province

## I. Introduction

It is an acceptable fact that investment is one of the key drivers of economic growth. In fact, investment is component of the gross domestic product using expenditure approach. According to Economy Watch (2013) investment ranges around 19.14 percent of the total GDP of the country.[1] Commonly, Filipinos make their investment in different types of vehicles such as ownership investment, lending investment, and cash equivalent .[2] Among of the vehicles that are known to most is the ownership investment. This includes stocks, real estate, business and precious object. In this type of investment, the investor owns the asset and expects to increase its value in the future (Wong, 2015). Currently, real estate investment contributes a lot in the economic growth of the Philippines among of this ownership investment. As a matter of fact, real estate industry contributes 9 percent of the total gross domestic product as of 2015. [3] Real estate, as a general term, describes the built environment, which plays a vital role in every aspect of the Philippine economy, society and environment. Businesses and society can't function without the services of commercial property, including the provision of offices, shops, factories, housing and many other forms of real estate. Residential property is one of the drivers of the Philippine economy. As a matter of fact, it contributes 8.3 percent in the total Gross Domestic Product of the Philippines as of the 4<sup>th</sup> quarter of the year 2014. This also covers housing, renting and business ownership .[4] Though there are some reports stating that the year 2016 will be a very challenging yet exciting year for the country's property sector as real estate developments, real estate executive and expert Andy Manalac still optimistic on the potential of the industry particularly the residential property since there are still a lot of areas not only in Metro Manila but actually all over the country that presents a lot of potential. Furthermore, he states that investors are currently starting to realize that the actively growing market for tenants to lease their units are the BPO workers and no longer limited to the expats, although they are still the ones

patronizing the high-end and luxury condominium projects. [5] Although Philippines has many exciting residential investment opportunities which are commonly a luxurious one, there are concerns arising regarding affordability of residential properties. It is estimated that the country lacks of about 5 million housing units, and that number can only grow as prices soar in the coming years. [6] The disequilibrium in the residential property market is due to the less attention given by the developers on the changes in the market behaviours. They merely rely on their researches about their target market which are lack of information on whole aspect of real estate investment portfolio. Variation of the market behaviour time to time, individual to individual, is the primary concern not only by the real estate developers, but as well as the real estate brokers. Changes in the taste and preferences of the potential residential investors are very crucial in the operations of the business. Inconsideration on the consumer behaviour may lead to excess in the supply of particular real estate property or shortage on the other property which may lead to deviation of the residential property portfolio of the whole market. Usually the behaviour is affected by external and internal aspect of real estate properties which is also known as the investment climate. Investment climate is the conditions of a locality that affect whether individuals and businesses are willing to lend money and acquire a stake in investing. These investment climate covers the socio-cultural, technological, economic, ecological and political aspects. These aspects are the common consideration of an individual in choosing their real estate investment portfolio. As one of the best real estate investment hub in the country, Batangas province considered very promising for the residential real estate investors due to its perfect proximity to Metro Manila. The province is considered a perfect place for vacation home or retirement abode due to its topography which is the combination of rural and urban . [7] Batangas became attractive to the market since Batangas promotes tourism and as one of the externalities of this, real estate industry increases its value

because of major road construction that make it accessible to all. Road projects that will definitely boost the real estate of Batangas are the Nasugbu-Ternate Road Project. A tourism and agricultural highway that would connect the coastal areas of Batangas and Cavite to Metro Manila, the Quezon-Batangas Coastal Road, which will inter-connect different towns of Batangas and Quezon and will end at Batangas Port are on-going, and nearing completion. Upon completion of the road projects and improvements of the South Luzon Expressway, analysts are optimistic that the value of properties in Batangas will go on an upward trend. Real estate properties in Batangas are of reasonable value, compared to other nearby provinces. Batangas seems to be perfect place to build your vacation home or as a retirement abode. Beside the proximity of the province to Manila, individual have the option to choose which environs they prefer to stay on. If they want a cool breeze for your dwelling, Lipa City and Batulao in Nasugbu are ideal places to build your home. Both are located in highlands where the weather is cool and breezy almost all year round. In the town of Nasugbu, development of vacation subdivisions and condominiums are visible especially near the highlands and beaches of Nasugbu. Same thing goes in the towns of Calatagan, Lian, San Juan and other booming towns of Batangas. One good aspect in settling in Batangas is the peace and order situation of the province. It has the lowest crime rate and almost all Batangueños do speak the English language. Schools, hospitals, malls, restaurants and grocery stores are generally of world standards. Foreigner that would like to settle in the province, there are a lot of houses for you to lease/rent. It is the most trouble free option for an expat to get a place to stay. Residential property in Batangas province is a growing industry. This can be observed based on the different real estate developers that arise like a mushroom within the province. Despite these characteristics, real estate brokers tend to shift their preference of selling product from Batangas to other nearby provinces. It seems that selling residential properties in Batangas is challenging due to different taste and preferences of the possible buyers. They are looking for more specific details of the properties in which the developers failed to consider. Another instances of the problem of residential properties in Batangas is that most of the investors are come from different provinces and serve as their only townhouses but there are a lot of Batangueños who do not still owned houses. Some of their reasons is that most of the residential properties offered are too expensive, and those affordable housing are located far from their work. Looking at this scenario, all of these boiled down to the deficiency of environmental scanning. With the help of this study, proper planning of what residential property shall be develop may be formulated so that those problem may be solved.

## II. Objective of the study

This study aimed to describe the real estate investment portfolio and real estate investment climate of Batangas province. Specifically, this attempts to answer the following objectives:

1. To characterize the residential real estate investment portfolio of the respondents in terms of the following:
  - 1.1 real estate property purchased?
  - 1.2 source of money to buy real estate property;
  - 1.3 financial option to buy the property/ies;
  - 1.4 number of years of ownership;

2. To assess the status of real estate investment climate of Batangas Province in terms of the following aspects:

- 2.1 socio-cultural;
- 2.2 technological;
- 2.3 economic;
- 2.4 ecological;
- 2.5 political;

3. To determine if there is significant difference in assessment on the status of the aspects of real estate investment climate when responses are grouped according to real estate investment characteristics?

## III. Methodology

The researcher used descriptive-comparative as the research design of the study and stratified proportional random sampling in choosing the respondent of the study. The respondents of the study were 391 registered members or the spouse of the registered members of homeowners association from 16, 889 members calculated using Cochran samples size formula. In case of the spouse, the researcher ensures that they were married before the property was purchased. The wife of the registered member of homeowners association was considered by the researcher as qualified respondents since real estate properties are conjugal property once it was acquired after their marriage. This is in accordance with the Article 114 of the Civil Code of the Philippines. The researcher prepared a questionnaire that was constructed and validated by the experts in the field of real estate industry. The questionnaire consists of specific questions designed to gather responses from the respondents. The respondents' assessment on the specific aspects of real estate investment portfolio particularly on their residential property was assessed. The questionnaire is composed of two main parts. The first part compose of checklist to characterized the real estate investment portfolio in terms source of money to buy real estate property, financial option to buy the property, number of years of ownership, and real estate property purchased. The second part determine the respondents assessment towards the status of the aspects of real estate investment climate in terms of socio-cultural, technological, economic, ecological, and political. The researchers use the value of interpretation by using a five-point scale and its equivalent verbal descriptions to find out their assessment. Before the actual survey, the researcher conducted a dry-run as part of validation process. The researcher surveyed 30 respondents from Calamba, Laguna using the constructed questionnaire. The result of dry-run was tested through a reliability test and it has a cronbach alpha value of 0.921 which signifies that the questionnaire is reliable. Since the researcher used stratified random sampling, the questionnaires were distributed proportionally per strata. Using the table of random numbers, the questionnaires were given based on the house number or member number based on the list of members in homeowners association. In case there were no available respondents and the target respondents refuse to answer, the researcher replaced them using the next number on the table of random numbers. Replacement was done only in case of refusal or the respondents were not available within the period of the survey but if the respondents were not available on the day but available on the other day, there will be a call back where in the questionnaire were given and the researcher returned on the following day. To analyze the responses, the researcher used a Likert scale and assigned a

numerical value for each response where in 5 stands for Very Important, 4 is Important, 3 is slightly important, 2 is less important while 1 stands for not important. The total assigned value was tabulated and got the weighted mean. The scoring system for each item was interpreted as follows:

**Table 1: Scoring of Responses**

Arbitrary Scale	Range	Verbal Interpretation
5	4.50 – 5.00	Highly Favorable
4	3.50 – 4.49	Favorable
3	2.50 – 3.49	Moderately Favorable
2	1.50 – 2.49	Less Favorable
1	1.00 – 1.49	Not Favorable

In this study, the following statistical tools and techniques will be used to assess data being gathered. In order to arrive at the result, the researcher used Statistical Package for Social Sciences (SPSS) to ensure the accurateness of the numerical figures.

**Frequency.** This was used to characterize the real estate investment portfolio in terms of source of money to buy real estate property, financial option to buy the property, number of years of ownership and real estate property purchased.

**Percentage.** It is the conversion of the relative frequency into a part of a whole. This is done by dividing the frequency in each class interval by number of samples and multiplies it by 100.

**Mean.** This was used to describe the aspect of real estate investment climate in terms of socio-cultural, technological, economic, ecological and political.

**One-Way Analysis of Variance.** This was used to determine the significant differences on the assessment of the respondents when grouped according to source of money to buy real estate property, financial option to buy the property, number of years of ownership and real estate property purchased.

#### IV. Results and discussion

This section present and discuss the results of this study. The researcher used tables and text to present the result. Characteristics of Real Estate Investment Portfolio Table 2 presents the characteristics of real estate investment portfolio in terms of real estate property purchased.

**Table 2: Characteristics of Real Estate Investment Portfolio in terms of Real Estate Property Purchased**

Real Estate Property Purchased	F	%
single detached	122	31.20
Townhouse	43	11.00
midrise condo	3	0.77
Duplex	52	13.30
Apartment	103	26.34
vacant lot	49	12.53
town house and apartment	1	0.26
single detached and vacant lot	4	1.02

apartment and vacant lot	3	0.77
town house and vacant lot	6	1.53
townhouse and midrise condo	2	0.51
single detached, townhouse,	1	0.26
townhouse, townhouse, and midrise condo	1	0.26
No Response	1	0.26
<b>Total</b>	<b>391</b>	<b>100.00</b>

It can be noted that most of the respondents purchased single detached having the 122 frequency or 31.20 percent. This was followed by those who own apartment with 103 respondents or 26.3 percent, duplex with 52 frequency or 13.3 percent. Vacant lot got 49 frequency or 12.5 percent while townhouse has 43 respondents or 11 percent. On other hand, combination 1 (town house and vacant lot) have 6 respondents or 1.53 percent, combination 2 (single detached and vacant lot) got 4 respondents or 1.02 percent. Combination 4 (townhouse and midrise condo) have 2 respondent or 0.51 percent. Furthermore, combination 5 (town house and apartment), combination 6 (single detached and townhouse), combination 7 (townhouse, townhouse, and midrise condo) and no response have frequency of 1 or 0.26 percent. Table 3 shows the characteristics of real estate investment portfolio in terms of source of fund to buy the real estate property. Like in the real estate property purchase, the source of fund to buy the property has multiple responses. As presented in the table 2, most of the respondents' source of fund to buy the property is through their salary with 115 or 29.40 percent. This was followed by the combination of salary, loans and savings with 30 responses or 7.70 percent. Third on the rank are the loans and combination of salary and loans with 26 responses of 6.60 percent. Upon examining the result shown by table 2, it can be noted that the primary source of fund is the salary and loan. This is due to the fact that most of the Batanguenos are employed and primary depend on their salary. At the same time, there is no financial institution who will grant a loan to an individual who doesn't have source of income.

**Table 3: Characteristics of Real Estate Investment Portfolio in terms of Source of Fund to Buy the Property**

Sources	F	%
Salary	115	29.40
Relatives	35	9.00
Loans	26	6.60
Savings	31	7.90
Remittances	8	2.00
Income	2	0.50
Pension	4	1.00
salary and pension	24	6.10
salary and loans	26	6.60
salary and saving	23	5.90
Salary and remittances	1	0.30
relatives and loan	6	1.50
relatives and savings	2	0.50
loans and savings	24	6.10

loans and remittances	1	0.30
salary, relatives and loans	4	1.00
salary, loans and savings	30	7.70
salary, savings and remittances	1	0.30
relatives, loans and savings	8	2.00
relatives, savings, and remittances	1	0.30
loans, savings and remittances	1	0.30
salary, relatives, loans and savings	14	3.60
salary, loans, savings and remittances	1	0.30
loan, savings and income	1	0.30
salary, relatives and savings	1	0.30
salary, relatives, loans, savings, remittances and income	1	0.30
<b>Total</b>	<b>391</b>	<b>100.00</b>

**Table 4 :** Characteristics of Real Estate Investment Portfolio in terms of Financial Options to Buy Real Estate Property

Financial Options to Buy The Real Estate Property	F	%
Cash	99	25.32
Salary Deduction	29	7.42
Instalment	263	67.26
<b>Total</b>	<b>391</b>	<b>100.00</b>

Table 4 shows the characteristics of real estate investment portfolio based on financial options to buy the houses or condominium. The table reveals that 263 or 67.26 percent of the respondents pay or paying their houses through instalment basis. Ninety nine (99) or 25.32 percent of the respondents pay their property in cash basis while 29 or 7.42 percent of them is through salary deduction. Since house and lot as well as condominium are large investment, only few can purchase it in a cash basis. Usually it is in an instalment basis through banks and in-house financing. Since real estate property in subdivision and condominium are somewhat luxury, the demand is very elastic with respect to price and mode of payment. Any changes in price of mode of payment that are favourable in the part of investor will create a big demand for the real estate property. Moreover, it can be deducted from the findings that the respondents are economically wise. Spending large amount of cash in the property leads to higher opportunity cost since the money may earn higher yields once invested in other investment vehicle. At the same time, it is also important that individual must also liquid especially during the case of emergency.

**Table 5:** Characteristics of Real Estate Investment Portfolio in terms of Number of Years of Ownership

Number of Years of Ownership	F	%
5 years and below	147	37.60
6 - 10 years	147	37.60
11 - 15 years	47	12.02
above 15 years	45	11.51
No Response	5	1.28
<b>Total</b>	<b>391</b>	<b>100.00</b>

Table 5 displays the characteristics of real estate investment portfolio in terms of number of years of ownership. It can be noted that most of the properties are owned by the respondents ranging from 5 years and below and 6 to 10

years based on their frequencies. Both of the brackets got 147 responses or 37.60 percent. On the other hand, 47 or 12.02 percent of the respondents owned their property for 11- 15 years while 45 or 11.51 percent of the investors owned the property for more than 15 years. It is also noted that there are 5 investors or 1.28 percent failed to response in the question. Based on the table, it is revealed that the residential real estate investors owned their property for less than a decade. Most of their property can be considered less depreciated. This finding can be attributed to the fact that subdivision and condominium units industry in Batangas and even in CALABARZON started to take-off just 10 years ago. From a traditional connotation of the Batangueños' that their home must be inherited and as much as possible their family and relatives must live in the same compound. However, due to urbanization and security purposes, the concept of subdivision as well as condominium arises. The opening of the Batangas International Port as well as the tourism campaign of the local government of Batangas increases the demand for private subdivisions and compound. Status of Real Estate Investment Climate of Batangas Province Table 6 presents the respondents assessment on the status of socio-cultural aspect of real estate investment climate. Looking on the overall weighted mean, it has a value of 4.12 and verbal interpretation of favorable. This implies that the socio-cultural aspect of real estate investment climate in Batangas province is good for those who wants to invest.. Among the components of socio-cultural aspect, access to public health and safety got the highest weighted mean of 4.57 and verbal interpretation of highly favorable which implies that the residential property projects are very accessible to hospitals and clinic where there are available medical practitioners. The second highest component of socio-cultural aspect is the accessibility of the educational institutions. The item got 4.41 weighted mean and verbal interpretation of favorable. This means that it would be good to invest in residential property in Batangas since most of the project are near schools and universities.

**Table 6:** Status of Socio-cultural Aspect of Real Estate Investment Climate

Socio Cultural Aspect	WM	VI
Number of population within the location	4.16	Favorable
Accessibility of educational institutions	4.41	Favorable
Access to public health and safety	4.57	Highly Favorable
Absence of discrimination in age and gender	3.72	Favorable
Accessibility of religious sites and facilities	4.30	Favorable
Literacy of the neighbourhood	3.85	Favorable
Availability of facility for party and celebration	3.89	Favorable
Strong family and friendship tights	4.22	Favorable
Presence of festivals	3.45	Moderately Favorable
Size of lot and floor area	4.33	Favorable
Rate of traffic volume	4.28	Favorable
<b>Overall Weighted Mean</b>	<b>4.12</b>	<b>Favorable</b>

The two items mentioned belong to the dimension of socio-cultural aspect of cultivation of mind, health and spirit. This is the primary concern of most of the developer since as of

now, increasing population tend to increase for this basic necessity which is health and education. People work to live in a decent world. Hence real estate developer take into account this consideration in choosing the location of their project. [8] Meanwhile, the item with lowest assessment is the presence of festival with 3.45 weighted mean and verbal interpretation of moderately favorable. The findings can be attributed to the fact that fiesta and barrio celebrations depends on the religious group were individual is belong. For most, they can live even there is no fiesta available within the locality.

**Table 7: Status of Technological Aspect of Real Estate Investment Climate**

Technological Aspect	WM	VI
Availability of variety telecommunication facilities	4.23	Favorable
Modern source of electricity	4.47	Favorable
Modern source of water supply	4.49	Favorable
Technology based materials used in construction of property	4.21	Favorable
Stability of internet connection	4.32	Favorable
Presence of sufficient and functional CCTV	4.26	Favorable
Availability of high technology based security system	4.20	Favorable
Modern and technology based design and architecture	4.13	Favorable
Automation of different facilities	3.96	Favorable
Adoption of on-line transactions	3.95	Favorable
Proximity of ports and airports	3.50	Favorable
Size of the roads and street	4.29	Favorable
<b>Overall Weighted Mean</b>	<b>4.17</b>	<b>Favorable</b>

Table 7 reveals the respondents' assessment towards the status of technological aspect of real estate investment climate. Looking on the overall weighted mean, it has a value of 4.17 and verbally interpreted as favourable As regards to the result of the assessment per technological aspect, respondents assessed the modern source of supply and electricity as favorable having a total weighted mean of 4.49 and 4.47 respectively. The two was followed by the stability of internet connection with a total weighted mean of 4.32 and verbally interpreted as favorable. The respondents also assessed the size of roads and street as good as shown by its total weighted mean of 4.29. At the same time, presence of sufficient and functional CCTV, availability of variety of telecommunication facilities, technology based materials used in construction, availability of high technology based security system, and modern and technology based design and architecture have a total weighted mean of 4.29, 4.26, 4.23, 4.21, 4.20 and 4.13 respectively and all of those items were verbally interpreted as favorable. It is also revealed in table 12 that automation of different facilities, adaption of on-line transaction and proximity of ports and airports has a total weighted mean of 3.96, 3.95, and 3.50 and still verbally interpreted as favorable. It is acceptable fact that water supply and electricity are basic necessity of every household in this era. This is the reason why most of the real estate consultants advise that it is important to set up the source of electricity, gas and water accounts well in advance of moving into a property. Generally, energy and water companies need at

least two business days' notice before you move so that meter reads and energization (if applicable) can be arranged. [9] Table 8 presents the assessment of the respondents about the status of economic aspect of real estate investment climate. Taking a closer look to the total overall weighted mean, it has a computed value equals to 4.31 and it can be concluded that the economic aspect of real estate investment portfolio is favorable.

**Table 8: Status of Economic Aspect of Real Estate Investment Climate**

Economic Aspect	WM	VI
Transportation cost	4.37	Favorable
Access to resources	4.42	Favorable
Prices of basic necessity such as water and electricity	4.49	Favorable
Accessibility to work/job	4.45	Favorable
Availability of business opportunities	4.36	Favorable
Wages rate in the locality	4.2	Favorable
Number of business establishment	4.20	Favorable
Unemployment rate in the locality	4.05	Favorable
Availability of goods and services	4.45	Favorable
Interest rate	3.9	Favorable
Access to market	4.49	Favorable
<b>Overall Weighted Mean</b>	<b>4.31</b>	<b>Favorable</b>

As regards to the result of the assessment on the items under economic aspect, respondents assessed the access to market as favorable having a total weighted mean values equal to 4.49. At the same time both access to job/ work and availability of goods and services have a total overall weighted mean value of 4.45 and interpreted as favorable. These items were followed by the access to resources with a total weighted mean of 4.42 and verbally interpreted as favorable. The respondents also assessed the transportation cost and availability of business opportunities as favorable as shown by their total weighted mean of 4.37 and 4.36 respectively. At the same time, both wage rate in the locality and number of business establishment got a total weighted mean equal to 4.20 and interpreted as favorable. The unemployment rate in locality and interest rate 4.05 and 3.90 respectively and the two items were verbally interpreted as favorable. Understanding the result posted by table 7, those items that can be categorized under the microeconomic concern and particularly the one will affect their long term satisfaction got higher assessment. Compare to the macroeconomic aspects of real estate investment portfolio, microeconomic aspects valued most by the respondents since this is the most experienced by the individual. While macroeconomics focuses on the behavior of an economy, building a macroeconomic model requires an in-depth study of individual behavior.[10]

**Table 9: Status of Ecological Aspect of Real Estate Investment Climate**

Ecological Aspect	WM	VI
Air quality	4.59	Highly Favorable
Water quality	4.15	Favorable
Absence of noise pollution	4.46	Favorable
Availability of trees and plants	4.45	Favorable
Climate	4.47	Favorable
Earthquake resistance	4.49	Favorable
Rate of fire/burn occurrence	4.41	Favorable
Landslide resistance	4.36	Favorable
Resistance in volcanic eruptions	4.32	Favorable
Absence of wild animals	4.47	Favorable
Drainage system	4.05	Favorable
Absence of pest and vermin	4.37	Favorable
<b>Overall Weighted Mean</b>	<b>4.43</b>	<b>Favorable</b>

Table 9 shows the assessment of the respondents towards the status of ecological aspect of real estate investment climate. It can be gleaned that the overall total weighted mean is equal to 4.46 and verbally interpreted as favorable. Analyzing the components of the ecological aspects, air quality got the highest weighted mean which is equal to 4.59 and interpreted as highly favorable, Meanwhile earthquake resistance is considered favorable by the respondents based on weighted mean which is equal to 4.49. Both climate and absence of wild animals got computed weighted mean of 4.47 and verbally interpreted as favorable. The items about absence of noise pollution, availability of trees and plants and rate of fire/burn occurrence have computed weighted mean of 4.46, 4.45 and 4.41 respectively and these were verbally interpreted as favorable. Even the items regarding presence of pest and vermin, landslide resistance and resistance in volcanic eruptions were assessed by the respondents as favorable based on the computed weighted mean values of 4.37, 4.36 and 4.32 respectively. Lastly, items referring to water quality and drainage system post on the bottom two items among the ecological aspect with 4.15 and 4.05 weighted mean respectively. Both were also interpreted as favorable. Based on the findings, air quality in Batangas province was considered excellent by the respondent. This is due to the fact that the residential real estate projects are situated on the place near the beaches and mountains. At the same time those situated in the cities were designed that the residences are far from the highways to avoid pollution both air and noise. The findings can be supported by the report from Air Quality Monitoring System. As of 2004, Batangas got 127 µg/Nm<sup>3</sup>total suspended particles which is below to the standard criteria set by Article 12 of Philippine Clean Air Act of 1999. This means that the air is in good quality. [11]

**Table 10: Status of Political Aspect of Real Estate Investment Climate**

Political Aspect	WM	VI
Amount of real estate property tax	4.28	Favorable
System of getting certificate of occupancy	4.09	Favorable
Stability and effectiveness of political system	4.05	Favorable
Ordinances towards safety and security	4.48	Favorable
Business and licensing and operating system	4.2	Favorable
Policy towards garbage collection	4.52	Highly Favorable
System of transferring the land titles	4.34	Favorable
Pricing regulation	4.32	Favorable
Quality control measures	4.29	Favorable
Government support for both business and individual citizen	4.25	Favorable
<b>Overall Weighted Mean</b>	<b>4.28</b>	<b>Favorable</b>

Table 10 shows the assessment of the respondents about the status of political aspect of real estate investment climate. Taking a closer look to the total overall weighted mean, it has a computed value equals to 4.28 and it can be concluded that the economic aspect of real estate investment portfolio is favorable. Overall, respondents assessed that policy towards garbage collection is highly favorable based on the computed weighted mean equals to 4.52. Meanwhile, respondents finds the ordinances towards safety and security, system of transferring the land titles, pricing regulation, quality control measures, amount of real estate property tax, government support for both business and individual citizen, business and licensing and operating system, system of getting certificate of occupancy and stability and effectiveness of political system as favorable based on their weighted mean equal to 4.48, 4.34, 4.32, 4.29, 4.28, 4.25, 4.20, 4.09 and 4.05 respectively. Upon the validation of the responses, it can be noted that all of the Homeowners pay their necessity fees for basic community services including the garbage collection. This is stated on the Section 8 of Implementing Rules and Regulations (IRR) of RA 9904 also known as Magna Carta for Homeowners and Homeowners Association. Result of the test of Significant Difference on the Assessment on the Status of Real Estate Investment climate when grouped according to investment portfolio characteristics

**Table 11: Significant Difference on the Assessment on the Status of the Aspect of Real Estate Investment Climate when Responses are grouped according to Types of Real Estate Property Purchased**

Aspect of Real Estate Investment Climate	F-value	p-value	Decision	VI
Socio-cultural	1.690	.067	Failed to Reject Ho	NS
Technological	1.661	.073	Failed to Reject Ho	NS
Economic	1.241	.253	Failed to Reject Ho	NS
Ecological	1.375	.175	Failed to Reject Ho	NS
Political	2.518	.003	Reject Ho	S

Legend: VI - Verbal Interpretation

NS- Not Significant  
Significant

S-

Table 11 shows the result of the test for the significant difference on the assessment on the status of the aspects of real estate investment climate when responses are grouped according to types of real estate property purchased. Based on the findings, political aspect got p-values equal to 0.003. This value is less than 0.05 thus the researcher rejects the null hypothesis. This means that there is significant difference on the assessment to the status of political and financial aspect of real estate investment portfolio when responses are grouped according to type of real estate property purchased. On the other hand, the p-values of socio-cultural, technological, economic and ecological got p-values of 0.7, 0.073, 0.253 and 0.175 respectively. These values exceed the 0.05 thus the researcher failed to reject the null hypothesis. This means that there is no significant difference on assessment on the status of socio-cultural, technological, economic and ecological aspect when responses are grouped according to types of property purchased.

**Table 12:** Significant Difference on the Assessment to Status of the Aspect of Real Estate Investment Climate when Responses are when grouped according to Types of Source of Fund to Purchase the Real Estate Property

Aspect of Real Estate Investment Climate	F-value	p-value	Decision	VI
Socio-cultural	2.527	.000	Reject Ho	S
Technological	2.666	.000	Reject Ho	S
Economic	2.014	.003	Reject Ho	S
Ecological	1.401	.098	Failed to Reject Ho	NS
Political	4.005	.000	Reject Ho	S

Legend: VI - Verbal Interpretation  
 NS- Not Significant  
 S- Significant

Table 12 shows the result of the test of significant difference on the assessment of the respondents to the status of the aspect of real estate investment climate when grouped according to profile. Looking on the p-value of the socio-cultural, technological, economic, and political and aspect, which is 0.000, 0.000, 0.003, and 0.000 respectively. These values are less than 0.05 thus the researcher rejects the null hypothesis meaning there is significant difference on the assessment of the respondents on the status of socio-cultural, technological, economic and political aspect when grouped according to source of fund to buy the property. On the other hand, the p-value of ecological aspect is equal to 0.098 which is greater than the critical value of 0.05. Thus the researcher failed to reject the null hypothesis. This connotes that there is no significant difference on the assessment of the respondents on the status of ecological aspect when they are grouped according to source of fund to buy the property.

**Table 13:** Significant Difference on the Assessment on the Status of the Aspect of Real Estate Investment Climate when Responses are when grouped according to Financial Option to Buy the Property/ies

Aspect of Real Estate Investment Climate	F-value	p-value	Decision	VI
Socio-cultural	.259	.772	Failed to Reject Ho	NS
Technological	.126	.882	Failed to Reject Ho	NS
Economic	3.638	.027	Reject Ho	S
Ecological	3.250	.040	Reject Ho	S
Political	.301	.740	Failed to Reject Ho	NS

Legend: VI - Verbal Interpretation  
 NS- Not Significant  
 S- Significant

Table 13 presents the result of Analysis of Variance (ANOVA) testing if there is significant difference on the assessment of the respondents on the status of the aspect of real estate investment climate when grouped according to financial option to buy the property/ properties. Based on table 13, it can be noticed that the p-values for economic and ecological aspects are 0.27 and 0.040 respectively. These p-values are less than 0.05 thus the researcher rejects the null hypothesis. This means that there is significant difference on the assessment of the respondents to economic and ecological aspect of real estate investment climate when grouped according to financial option to buy the property/ies. Meanwhile, the p-values of the aspects on socio-cultural, technological and political are 0.772, 0.882, 0.740, and 0.663 respectively. All of the p-values for the mentioned aspects are greater than 0.05 therefore the researcher failed to reject the null hypothesis. This means that there is no significant difference on the assessment of the respondents to the status of the aspects of real estate investment climate in terms of socio-cultural, technological, and political when they are grouped according to financial option to buy the property. Table 13 presents the result of the test for significant difference on the assessment of the respondents on the status of the aspects of real estate investment portfolio when grouped according years of ownership. Based on the p-value of the socio-cultural aspect, it can be gleaned that it is equal to 0.007 and it is less than 0.05 hence the researcher reject the null hypothesis. This manifests that there is significant difference on the assessment of the respondents to the status of socio-cultural aspect of real estate investment portfolio when they are grouped to years of ownership.

**Table 13:** Significant Difference on the Assessment on the Status of the Aspect of Real Estate Investment Climate when Responses are when grouped according to Years of Ownership

Aspect of Real Estate Investment Climate	F-value	p-value	Decision	VI
Socio-cultural	3.233	.007	Reject Ho	S
Technological	.871	.501	Failed to Reject Ho	NS
Economic	.203	.961	Failed to Reject Ho	NS
Ecological	.613	.690	Failed to Reject Ho	NS
Political	1.444	.208	Failed to Reject Ho	NS

The remaining aspects of real estate investment climate such as technological, economic, ecological and political aspects got p-values equal to 0.501, 0.961, 0.690, and 0.208 respectively. All of these values exceed 0.05 hence the researcher failed to reject the null hypothesis. This means that there is no significant difference on the assessment of the respondents to the status of the aspects of real estate investment climate in terms of technological, economic, ecological and political when respondents are grouped according to years of ownership.

## V. Conclusion

After analysing and interpreting the data gathered, the following conclusions were drawn:

1. The real estate investment portfolio in Batangas can be characterized as single detached properties, funded through combination of salary and loans, paid through instalment basis and owned the property for 6 to 10 years.
2. The respondents assessed that the status of real estate investment climate is favorable in terms of socio-cultural, technological, economic, ecological, and political aspects.
3. There is significant difference on the assessment of the respondents to socio-cultural aspect when grouped according to source of fund to buy the property and years of ownership; technological aspect when grouped according to source of fund to buy the property; economic aspect when respondents are grouped according to source of fund and financial option to buy the property; ecological aspect when respondents are grouped according to financial option to buy the property; political aspect when respondents are grouped according to real estate property purchased and source of fund to buy the property.

## VI. Recommendations

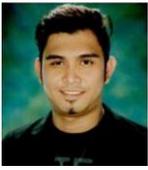
Based on the findings, the following actions were recommended:

1. For the real estate brokers and sales person, they may design a promotional tool that can attract female and can easily understand or comprehend by working adults.
2. For the real estate developers, continue their strategic planning in choosing location of their real estate properties. For the local government unit, they may take into considerations the celebrations and festivals.
3. Furthermore, for the HOAs, they may conduct their foundation for as their date of celebration or festival to strengthen the socio-cultural aspect.

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## Author Profile



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