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Buy-And-Hold Investment Strategy and Financial Sustainability of Real Estate Firms: Evidence from Uasin Gishu County, Kenya

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Abstract: Financial sustainability is essential for the long-term growth, profitability, and competitiveness of real estate firms. However, many firms continue to experience financial challenges arising from unstable rental income, fluctuating property values, and ineffective investment decisions. Despite the importance of long-term investment strategies, empirical evidence on the influence of the buy-and-hold investment strategy on the financial sustainability of real estate firms in Kenya remains limited. This study examined the effect of the buy-and-hold investment strategy on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The study was anchored on Markowitz's Portfolio Theory and adopted a positivist research philosophy and a descriptive cross-sectional research design. The target population comprised 542 employees from 31 registered real estate firms in Uasin Gishu County. A sample of 230 respondents was selected using Slovin's formula and proportionate stratified and simple random sampling techniques. Primary data were collected using structured questionnaires and analyzed using the Statistical Package for Social Sciences (SPSS) version 29. Descriptive statistics, Pearson's correlation analysis, and simple linear regression analysis were employed to analyze the data. The descriptive findings revealed that respondents generally agreed that the buy-and-hold investment strategy positively influenced the financial sustainability of real estate firms, as indicated by an overall mean score of 3.845 and a standard deviation of 1.028. The findings suggested that firms adopting long-term property ownership, stable rental income generation, property retention, and capital appreciation practices were more likely to achieve sustainable financial performance. Correlation analysis found a strong, positive, and statistically significant relationship between the buy-and-hold investment strategy and financial sustainability ($r = 0.691$, $p < 0.001$). Regression analysis further showed that the buy-and-hold investment strategy significantly influenced financial sustainability, explaining 47.7% ($R^2 = 0.477$) of the variation in financial sustainability. The regression model was statistically significant ($F (1,228) = 207.915$, $p < 0.001$), while the regression coefficient indicated a positive and significant effect ($\beta = 0.691$, $B = 0.678$, $t = 14.420$, $p < 0.001$). Consequently, the study rejected the null hypothesis that the buy-and-hold investment strategy has no statistically significant effect on financial sustainability. The study concluded that the buy-and-hold investment strategy significantly enhances the financial sustainability of real estate firms through stable rental income, long-term capital appreciation, and improved financial resilience. The study recommends that policymakers formulate supportive regulatory and fiscal policies that encourage long-term property investment, while real estate firm managers should strengthen the adoption of buy-and-hold strategies through strategic property acquisition, effective portfolio management, and regular property maintenance to improve long-term financial sustainability.

Keywords: *Buy-and-Hold Investment Strategy, Financial Sustainability, Real Estate Firms, Portfolio Theory, Uasin Gishu County, Kenya.*

I. Introduction

The real estate sector remains one of the most significant contributors to economic growth worldwide because of its role in capital formation, job creation, wealth accumulation, and infrastructure development. In recent years, however, heightened economic uncertainty, inflationary pressures, rising interest rates, and market volatility have compelled real estate firms to adopt investment strategies that enhance long-term financial sustainability rather than focusing solely on short-term profitability. Consequently, strategic investment decisions have become increasingly important in enabling firms to maintain stable cash flows, preserve asset values, and improve resilience against economic shocks. Recent studies indicate that firms implementing long-term investment strategies are more likely to achieve sustainable financial outcomes through enhanced portfolio stability and efficient resource allocation (Joshi & Choudhury, 2024). Among the investment approaches used in the real estate industry, the buy-and-hold strategy has gained considerable attention because it can generate consistent rental income while allowing investors to benefit from long-term property appreciation. The strategy involves acquiring properties and holding them for extended periods, with the expectation of capital gains and stable income. Compared to speculative investment approaches, buy-and-hold investments are associated with lower transaction costs, reduced exposure to market fluctuations, and improved portfolio resilience. Consequently, the strategy has increasingly been recognized as an effective mechanism for promoting long-term financial sustainability in real estate investments (Muli *et al.,* 2024).

Financial sustainability has become a critical indicator of organizational success because it reflects an organization's ability to generate sufficient revenues, maintain liquidity, meet financial obligations, and finance future growth without excessive reliance on external funding. Unlike conventional financial performance measures that focus primarily on profitability, financial sustainability emphasizes the firm's long-term capacity to survive, adapt, and create value for stakeholders. Organizations that successfully integrate sustainable investment strategies into their operations are better positioned to withstand financial uncertainties while maintaining competitive advantage in increasingly dynamic markets (Njeru *et al.,* 2025). Across Africa, rapid urbanization, population growth, and increasing housing demand have stimulated substantial investments in the real estate sector. Nevertheless, many real estate firms continue to face financial constraints from inflation, high financing costs, limited access to long-term capital, and unpredictable market conditions. These challenges have intensified the need for investment strategies that enhance organizational sustainability while minimizing financial risks. Empirical evidence suggests that strategic investment and risk management practices significantly improve organizational performance and long-term financial resilience within the real estate sector (Ekisa et al., 2026).

In Kenya, the real estate sector has experienced remarkable growth over the past decade owing to increased urbanization, infrastructure expansion, and rising demand for residential and commercial developments. Despite this growth, the sector continues to face challenges including rising construction costs, constrained mortgage financing, fluctuating property prices, and declining purchasing power. These challenges have affected the financial sustainability of many real estate firms, increasing the importance of adopting effective investment strategies that generate stable returns while preserving organizational financial health. Recent empirical studies have demonstrated that strategic management practices and investment decisions significantly influence the performance of real estate firms operating within Kenya's dynamic business environment (Kiprotich & Waithaka, 2025; Mwanjama & Kivui, 2025).

Uasin Gishu County has emerged as one of Kenya's rapidly growing real estate markets due to increased urban development, expanding commercial activities, population growth, and improved infrastructure. Despite these opportunities, many real estate firms continue to experience financial sustainability challenges characterized by irregular cash flows, prolonged property holding periods, increasing operational costs, and limited access to affordable financing. Although previous empirical studies in Kenya have examined competitive strategies, risk management practices, and investment diversification in relation to organizational performance, relatively few studies have specifically investigated the influence of the buy-and-hold investment strategy on the financial sustainability of real estate firms, particularly within Uasin Gishu County. Existing studies have largely concentrated on financial performance or organizational performance rather than long-term financial sustainability, thereby creating an empirical and contextual gap that this study sought to address (Ngui & Muthimi, 2025; Ochieng & Kuso, 2025). This study therefore examined the effect of the buy-and-hold investment strategy on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The findings are expected to contribute to the growing literature on strategic real estate investment by providing empirical evidence on how long-term investment strategies influence the financial sustainability of firms operating in emerging property markets.

1.1 Statement of the Problem

Despite the continued growth of Kenya's real estate sector, many firms continue to experience financial sustainability challenges characterized by declining property uptake, rising financing costs, increasing operational expenses, and constrained cash flows. Although the sector contributed over 9% to Kenya's Gross Domestic Product (GDP), the average uptake of real estate properties declined from 23.3% in 2020 to 20.9% in 2021, while non-performing loans to the sector increased by 48%, indicating growing financial vulnerability among property developers and investors (Central Bank of Kenya, 2024). Additionally, although the sector recorded 33.7% growth between 2019 and 2023, many firms continue to struggle to maintain long-term financial sustainability due to market uncertainties and financing constraints (Kenya National Bureau of Statistics [KNBS], 2025). The buy-and-hold investment strategy has been widely recommended for generating stable rental income and long-term capital appreciation. However, empirical evidence on its influence on the financial sustainability of real estate firms remains limited, particularly within Kenya's emerging property markets. Existing studies have primarily examined investment strategies in relation to financial or organizational performance while paying little attention to financial sustainability as an outcome variable (Chirchir *et al.,* 2024; Muli *et al.,* 2024). Furthermore, few studies have specifically focused on real estate firms operating in Uasin Gishu County, despite the county's rapid urban expansion and growing property market. This conceptual and contextual gap necessitated this study to examine the effect of the buy-and-hold investment strategy on the financial sustainability of real estate firms in Uasin Gishu County, Kenya

1.2 Objective of the Study

To examine the effect of the Buy and Hold strategy on the financial sustainability of real estate firms in Uasin Gishu County, Kenya.

1.3 Research Hypothesis

$\mathbf{H_{01}}$: Buy and Hold Strategy has no statistically significant effect on the financial sustainability of real estate firms in Uasin Gishu County, Kenya.

1.4 Significance of the Study

This study contributes to the growing body of knowledge on strategic investment and financial sustainability by providing empirical evidence on the influence of the buy-and-hold investment strategy on the financial sustainability of real estate firms. The findings enrich the literature on real estate investment by extending the understanding of how long-term investment strategies support sustainable financial outcomes in emerging markets. For real estate investors and firm managers, the study provides evidence-based insights into the effectiveness of the buy-and-hold investment strategy in enhancing financial sustainability. The findings may inform strategic investment decisions aimed at improving cash flow stability, asset value appreciation, and long-term organizational resilience. The study also offers practical implications for policymakers and industry regulators, including the Ministry of Lands, Public Works, Housing and Urban Development, the Capital Markets Authority, and professional bodies within the real estate sector. The findings may support the development of policies and investment frameworks that promote sustainable real estate development and strengthen the sector's financial stability. For financial institutions and investment advisors, the study provides empirical evidence that may inform lending decisions, investment appraisal, and the design of financial products tailored to long-term real estate investments. These insights can improve risk assessment and support more sustainable financing of property developments. Finally, the study serves as a valuable reference for scholars and future researchers by providing empirical findings that can be used for comparative studies and further investigations on investment strategies and financial sustainability within the real estate sector and other investment-intensive industries.

II. Literature Review

This section reviewed the theoretical and empirical literature on the buy-and-hold investment strategy and financial sustainability. It synthesized recent studies, identified existing knowledge gaps, and provided the theoretical foundation that informed the study hypothesis

2.1 Theoretical Review

Harry Markowitz developed modern Portfolio Theory (MPT) in 1952 through his seminal article *Portfolio Selection*, published in *The Journal of Finance*. The theory revolutionized investment management by proposing that investors should construct portfolios that maximize expected returns while minimizing risk through diversification. Markowitz argued that investment decisions should be based not on the risk and return characteristics of individual assets alone, but on the overall risk-return profile of the entire portfolio. The theory assumes that investors are rational and risk-averse and therefore seek to optimize returns for a given level of risk by combining assets whose returns are not perfectly correlated (Markowitz, 1952). Modern Portfolio Theory remains a foundational theory in finance and investment management and has been widely applied beyond financial securities to other investment classes, including real estate. The theory posits that strategic asset allocation and diversification reduce unsystematic risk while enhancing long-term returns. In the real estate sector, the theory suggests that investors can improve portfolio performance by acquiring quality income-generating properties and holding them over an extended period to benefit from rental income and capital appreciation. Such long-term investment decisions enhance portfolio stability, reduce transaction costs associated with frequent buying and selling, and contribute to sustainable financial outcomes. The theory was considered appropriate for this study because it provides a strong theoretical explanation of how the buy-and-hold investment strategy influences financial sustainability. The buy-and-hold strategy aligns with the principles of Modern Portfolio Theory, as it emphasizes acquiring and retaining valuable real estate assets to optimize returns while minimizing investment risk. By generating stable rental income, facilitating capital appreciation, and promoting efficient portfolio management, the strategy enhances the long-term financial sustainability of real estate firms. Therefore, Modern Portfolio Theory provided the theoretical foundation for examining the effect of the buy-and-hold investment strategy on the financial sustainability of real estate firms in Uasin Gishu County, Kenya.

2.2 Empirical Review

Alhashel *et al*. (2018) investigated the profitability of technical trading rules relative to buy-and-hold strategies across nine Asia-Pacific securitized real estate markets between 1995 and 2015. Using historical market data, the study found that while technical trading strategies outperformed buy-and-hold strategies in some markets, buy-and-hold remained a viable long-term approach because it generated stable returns under normal market conditions. However, the study focused on market indices rather than firm-level financial sustainability and was conducted in developed capital markets. Consequently, its findings cannot be generalized to real estate firms operating in emerging markets such as Kenya. Muli *et al.* (2024) examined the influence of investment strategies on the performance of real estate companies in Kiambu County, Kenya. Using an explanatory research design, the study found that investment strategies significantly enhanced organizational performance by improving property acquisition decisions, portfolio management, and long-term profitability. The study concluded that firms adopting strategic investment approaches achieved superior organizational performance. However, the study measured organizational performance rather than financial sustainability and did not isolate the effect of the buy-and-hold strategy. The present study addressed this gap by examining the influence of the buy-and-hold strategy on financial sustainability among real estate firms in Uasin Gishu County.

Atieno and Maina (2024) investigated the effect of corporate growth strategies on the performance of selected real estate firms in Nairobi City County. The study established that strategic growth initiatives significantly improved firm performance by enhancing market expansion and operational efficiency. Nevertheless, the study focused on corporate growth strategies instead of investment strategies and used organizational performance as the outcome variable. It also focused on firms operating in Nairobi City County, creating a contextual gap that the present study sought to address by examining financial sustainability among real estate firms in Uasin Gishu County. Kiprotich and Waithaka (2025) examined the influence of competitive strategies on the performance of property development firms in Nairobi City County. Using descriptive and inferential statistical analyses, the study found that differentiation, cost leadership, and focus strategies significantly enhanced organizational performance. However, the study emphasized competitive strategies rather than long-term investment strategies such as buy-and-hold and assessed organizational performance instead of financial sustainability. Therefore, the findings could not adequately explain how buy-and-hold investment influences the long-term financial sustainability of real estate firms.

Ngui and Muthimi (2025) investigated the effect of risk management strategies on the performance of real estate companies in Nairobi City County. The study established that effective risk management practices significantly improved project performance by reducing operational risks and enhancing organizational outcomes. Although the findings demonstrated the importance of strategic management in improving firm performance, the study did not examine investment strategies or financial sustainability. In addition, it was undertaken in Nairobi City County, whose market characteristics differ from those of Uasin Gishu County. Terer and Roche (2026) examined the effect of real estate investment on the financial performance of insurance companies in Kenya using a census of licensed insurers. The findings revealed that real estate investment had a positive and statistically significant effect on financial performance, indicating that long-term property investment contributes to improved financial outcomes. However, the study focused on insurance companies rather than real estate firms and measured financial performance instead of financial sustainability. Therefore, its findings cannot be directly generalized to real estate development firms operating in Uasin Gishu County.

2.3 Conceptual Framework

The conceptual framework illustrated the relationship between the buy-and-hold investment strategy and financial sustainability of real estate firms. It was developed from Modern Portfolio Theory and empirical literature to guide the examination of the proposed relationship between the study variables.

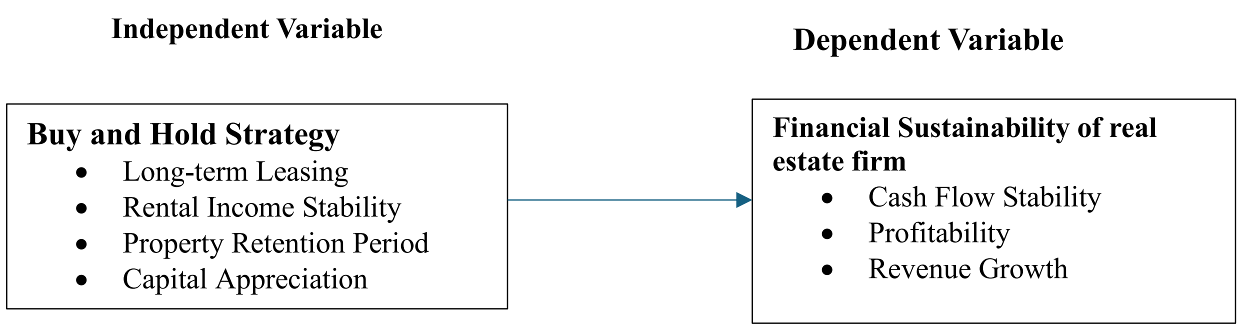

Figure 1: Conceptual Framework

III. Methodology

This study adopted a descriptive cross-sectional research design to examine the effect of the buy-and-hold investment strategy on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The study targeted 542 employees from 31 registered real estate firms operating in Uasin Gishu County, including management staff, finance and accounting officers, operations and asset management staff, and sales and marketing executives. A simple random sampling technique was used to select the participating respondents, while stratified random sampling was employed to proportionately allocate the sample across the four employee categories. A sample of 230 respondents was determined using the Slovin (1960) formula. Primary data were collected using a structured questionnaire comprising five-point Likert-scale items. The questionnaire captured information on the buy-and-hold investment strategy and financial sustainability, measured using indicators relating to rental income stability, profitability, cash flow adequacy, and long-term solvency. A pilot study involving 23 respondents from selected real estate firms in Nakuru County was conducted to assess the instrument's suitability. Content validity was established through expert review, while reliability was evaluated using Cronbach's Alpha coefficient; the buy-and-hold strategy and financial sustainability constructs recorded coefficients above the recommended threshold of 0.70, indicating acceptable internal consistency. Ethical principles, including informed consent, voluntary participation, confidentiality, anonymity, and approval from the Kabarak University Research Ethics Committee (KUREC) and the National Commission for Science, Technology and Innovation (NACOSTI), were observed throughout the study. Quantitative data were analyzed using SPSS version 29 through descriptive statistics, Pearson correlation analysis, and simple linear regression analysis to determine the effect of the buy-and-hold investment strategy on the financial sustainability of real estate firms. The relationship between the variables was estimated using the following regression model:

$$FS=\beta_0+\beta_1 BHS+\varepsilon$$

Where FS represents Financial Sustainability, BHS represents the Buy-and-Hold Investment Strategy, β_0 is the intercept, β_1 is the regression coefficient, and ε is the error term. Diagnostic tests, including normality, multicollinearity, heteroscedasticity, linearity, and autocorrelation, were conducted to ensure that the assumptions of regression analysis were satisfied, thereby enhancing the validity and reliability of the study findings.

IV. Findings

This section presents the findings of the study on the effect of the buy-and-hold investment strategy on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. It begins with the response rate and respondents' demographic characteristics, followed by descriptive statistics, diagnostic tests, correlation analysis, and simple linear regression results. The findings are presented in line with the study objective and hypothesis to determine the effect of the buy-and-hold investment strategy on financial sustainability

4.1: Response Rate

A total of 230 questionnaires were distributed to the targeted respondents. Table 1 presents the findings.

Table 1: Response Rate

	Sample Size	Completely Filled	Non-Response Rate
Frequency	230	200	30
Percentage	100%	87%	13%

The researcher administered 230 questionnaires to respondents to investigate the effect of asset management strategies on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. Of the 230 questionnaires administered, 200 were completed and returned, resulting in a response rate of 87%. Babbie (2012) argues that a response rate of 65% or higher is considered sufficient for analysis. Therefore, the 87% response rate was highly appropriate for conducting data analysis

4.2: Descriptive Statistics

Descriptive statistics summarized the characteristics of the study variables and helped explain the distribution, central tendency, and variability of the data. In this study, the descriptive analysis aligned with the research objective, focusing on the buy-and-hold investment strategy and the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The analysis was based on responses obtained from the sampled respondents and was presented using frequencies, percentages, means, and standard deviations where appropriate. The descriptive results provided insights into respondents' perceptions of the study variables and formed the basis for the subsequent inferential analyses.

4.2.1 Descriptive Statistics for Buy and Hold Strategy

The researcher sought to assess respondents' level of agreement with statements regarding the effect of the buy-and-hold strategy on real estate firms in Uasin Gishu County, Kenya. The findings are shown in Table 2.

Table 2: Buy and Hold Strategy

Statement	N	SA		A		Ne		D		SD		Mean	Std
		n	%	n	%	n	%	n	%	n	%		
The organization focuses on securing long-duration tenancy agreements.	200	44	22	64	32	44	22	48	24	0	0	3.520	1.092
Property leases are structured to support stable long-term occupancy.	200	60	30	84	42	34	17	16	8	6	3	3.915	1.034
Monthly income from rental properties remains relatively constant.	200	60	30	80	40	36	18	24	12	0	0	3.880	0.982
Rental payments contribute to predictable cash inflows.	200	84	42	60	30	32	16	24	12	0	0	4.020	1.040
Real estate assets are held over extended periods for long-term gain.	200	72	36	68	34	36	18	24	12	0	0	3.940	1.018
Property retention is used to minimize long-term market risk.	200	72	36	84	42	26	13	12	6	6	3	4.008	0.956
Retained properties have seen significant increases in market value.	200	50	25	58	29	46	23	42	21	4	2	3.550	1.078
The firm benefits from capital growth through long-term property holding.	200	62	31	82	41	34	17	16	8	6	3	3.925	1.025
Overall Mean and SD												**3.845**	**1.028**

N = Sample Size; SA = Strongly Agree, A = Agree, Ne = Neutral, D = Disagree, SD = Strongly Disagree; n = Frequency, % = Percentage; Std = Standard Deviation.

The results revealed that most respondents believed the buy-and-hold investment option is one of the factors that enables the financial sustainability of real estate companies in Uasin Gishu County. Firms do structure long-term property leases and set them up to support stable occupancy, relatively stable rental income, and predictable cash inflows from regular rental payments, with respondents agreeing to each of these (M = 3.915, SD = 1.034; M = 3.880, SD = 0.982; M = 4.020, SD = 1.040, respectively). The relatively high mean scores indicate that buy-and-hold strategies offer stable income and enhance cash flow predictability, which are key to long-term financial sustainability.

The findings also reveal that companies have a positive attitude toward keeping real estate assets for the long term for financial returns (M = 3.940, SD = 1.018) and toward reducing market risks through real estate retention (M = 4.008, SD = 0.956). This suggests that many consider long-term ownership an effective way to protect against market volatility and maintain long-term financial outcomes.

In the latter, however, respondents had lower agreement (M = 3.520, SD = 1.092) with the use of long-duration tenancy agreements and with significant market value increases for retained properties (M = 3.550, SD = 1.078). The lower mean scores and higher standard deviations indicate that property retention benefits vary across companies, likely due to differences in investment decisions, market conditions, and property location. However, most respondents reported that they believe long-term real estate ownership promotes capital growth (M = 3.925, SD = 1.025), underscoring the importance of buy-and-hold strategies for achieving the financial sustainability of real estate companies.

The overall mean score of 3.845 and a standard deviation of 1.028 imply that respondents generally agreed that the buy-and-hold strategy has a positive effect on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The relatively high overall mean indicates strong consensus on the benefits of buy-and-hold practices, including long-term leasing, rental income stability, property retention, and capital growth, although views vary on capital appreciation and tenancy agreement implementation. Theoretically, these findings affirm the integrated applicability of Markowitz's (1952) Portfolio Theory in explaining how long-term property retention strategies translate into measurable financial sustainability outcomes within the county's real estate sector.

These results align with findings by Mbogo (2019), Omondi (2020), and Kirui (2021), who found that buy-and-hold strategies significantly enhance financial performance through stable rental income and long-term capital appreciation. Effective buy-and-hold management enables firms to generate predictable cash flows, minimize exposure to short-term market risks, and achieve steady revenue growth, thereby supporting long-term financial sustainability.

4.3 Correlation Analysis

Correlation analysis was conducted to determine the strength and direction of the relationship between the buy-and-hold investment strategy and the financial sustainability of real estate firms in Uasin Gishu County, Kenya. Pearson's Product-Moment Correlation Coefficient was used because the study variables were continuous and measured on an interval scale. The analysis established whether a statistically significant relationship existed between the independent and dependent variables before conducting regression analysis. Table 3 presents the correlation analysis results.

Table 3: Correlation Analysis Results

Variables	Buy-and-Hold Strategy	Financial Sustainability
Buy-and-Hold Strategy	1	
Financial Sustainability	0.691**	1
Sig. (2-tailed)	0.000	
N	**230**	**230**

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

The findings in Table 3 revealed that there was a strong positive and statistically significant relationship between the buy-and-hold investment strategy and the financial sustainability of real estate firms ($r = 0.691$, $p = 0.000$). The positive correlation coefficient indicated that an increase in the adoption of the buy-and-hold investment strategy was associated with an improvement in financial sustainability. Specifically, firms that retained investment properties over extended periods were more likely to experience stable rental income, improved profitability, adequate cash flows, and enhanced long-term solvency. The correlation coefficient of 0.691 suggested a strong positive association between the two variables, implying that the buy-and-hold investment strategy played an important role in enhancing the financial sustainability of real estate firms. Because the p-value (0.000) was less than the 0.05 significance level, the relationship was statistically significant. Therefore, the study concluded that the buy-and-hold investment strategy had a significant positive relationship with the financial sustainability of real estate firms in Uasin Gishu County, Kenya. These findings provided sufficient evidence to proceed with regression analysis to determine the extent to which the buy-and-hold investment strategy influenced financial sustainability.

4.4. Model Summary

Regression analysis was conducted to determine the extent to which the buy-and-hold investment strategy influenced the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The model summary presents the strength of the relationship between the independent and dependent variables as well as the proportion of variation in financial sustainability explained by the buy-and-hold investment strategy.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.691	0.477	0.475	0.468

a. Predictors: (Constant), Buy-and-Hold Investment Strategy

The results in Table 4 indicate that the regression model produced a correlation coefficient of $R = 0.691$, demonstrating a strong positive relationship between the buy-and-hold investment strategy and the financial sustainability of real estate firms. The coefficient of determination ($R^2 = 0.477$) indicated that 47.7% of the variation in financial sustainability was explained by the buy-and-hold investment strategy, while the remaining 52.3% was attributable to other factors not included in the model. The Adjusted R^2 of 0.475 showed that, after adjusting for sampling error, the model's explanatory power remained virtually unchanged, indicating that the model was stable and reliable. Additionally, the standard error of the estimate (0.468) suggested that the observed values of financial sustainability closely fitted the regression line, implying that the model provided a reasonably good prediction of financial sustainability among real estate firms in Uasin Gishu County, Kenya. These findings confirmed that the buy-and-hold investment strategy was an important predictor of financial sustainability and justified further evaluation of the model using ANOVA and regression coefficient analysis.

4.5 Analysis of Variance (ANOVA)

Analysis of Variance (ANOVA) was conducted to determine whether the regression model was statistically significant in explaining the effect of the buy-and-hold investment strategy on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The ANOVA results assessed the overall fitness of the regression model by comparing the variation explained by the model with the unexplained variation. Table 5 presents the results.

Table 5: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	47.700	1	47.700	**207.915**	**0.000[b]**
Residual	52.300	228	0.229		
Total	**100.000**	**229**			

a. Dependent Variable: Financial Sustainability
b. Predictors: (Constant), Buy-and-Hold Investment Strategy

The ANOVA results presented in Table 5 indicated that the regression model was statistically significant in explaining the relationship between the buy-and-hold investment strategy and the financial sustainability of real estate firms. The model yielded an F-statistic of 207.915 with 1 and 228 degrees of freedom and a corresponding p-value of 0.000, which was below the 0.05 significance level. The findings therefore showed that the regression model predicted financial sustainability significantly better than a model without the buy-and-hold investment strategy. This implied that the buy-and-hold investment strategy made a statistically significant contribution to explaining variations in the financial sustainability of real estate firms in Uasin Gishu County, Kenya. Consequently, the overall regression model was considered adequate and appropriate for estimating the effect of the buy-and-hold investment strategy on financial sustainability, thereby justifying the interpretation of the regression coefficients.

4.6 Regression Coefficients

Regression coefficient analysis was conducted to determine the magnitude and direction of the effect of the buy-and-hold investment strategy on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The regression coefficients were used to estimate the prediction model and to establish whether the buy-and-hold investment strategy significantly influenced financial sustainability. Table 6 presents the results.

Table 6: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	**Std. Error**	**Beta**		
(Constant)	0.982	0.211	–	4.655	0.000
Buy-and-Hold Investment Strategy	0.678	0.047	0.691	14.420	0.000

Dependent Variable: Financial Sustainability

The regression coefficient results presented in Table 6 indicated that the buy-and-hold investment strategy had a positive and statistically significant effect on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The unstandardized regression coefficient (B = 0.678) implied that a one-unit increase in the buy-and-hold investment strategy would result in a 0.678-unit increase in financial sustainability, holding all other factors constant. The standardized coefficient (β = 0.691) indicated that the buy-and-hold investment strategy had a strong positive influence on financial sustainability. The corresponding t-value of 14.420 and p-value of 0.000 demonstrated that the effect was statistically significant at the 5% level of significance. Since the p-value was less than 0.05, the null hypothesis that the buy-and-hold investment strategy has no significant effect on the financial sustainability of real estate firms was rejected.

The estimated regression model was therefore expressed as:
Financial Sustainability = 0.982 + 0.678(Buy-and-Hold Investment Strategy)
The regression equation indicated that, even without the buy-and-hold investment strategy, financial sustainability would have a baseline value of 0.982. However, increasing the adoption of the buy-and-hold investment strategy significantly enhanced the financial sustainability of real estate firms. These findings were consistent with the correlation analysis ($r = 0.691$), model summary ($R = 0.691$; R^2 = 0.477), and ANOVA results ($F = 207.915$; $p < 0.001$), confirming that the buy-and-hold investment strategy was a significant predictor of financial sustainability.

4.7 Hypothesis Test Results

The study tested the following null hypothesis to determine whether the buy-and-hold investment strategy had a statistically significant effect on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The hypothesis was evaluated using simple linear regression analysis at a 5% level of significance. The decision to reject or fail to reject the null hypothesis was based on the regression coefficient, t-statistic, and the corresponding p-value. Table 7 presents the hypothesis test results.

H_0: *The buy-and-hold investment strategy has no statistically significant effect on the financial sustainability of real estate firms in Uasin Gishu County, Kenya.*

Table 7: Hypothesis Test Results

Hypothesis	**Beta (β)**	**t-value**	**p-value**	**Decision**	**Conclusion**
H_0: Buy-and-hold investment strategy has no statistically significant effect on the financial sustainability of real estate firms in Uasin Gishu County, Kenya.	0.691	14.420	0.000	Reject H_0	Buy-and-hold investment strategy had a positive and statistically significant effect on the financial sustainability of real estate firms in Uasin Gishu Count

The findings presented in Table 7 indicated that the buy-and-hold investment strategy had a positive and statistically significant effect on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The standardized regression coefficient ($\beta = 0.691$) indicated that an increase in the adoption of the buy-and-hold investment strategy was associated with a corresponding increase in financial sustainability. The regression coefficient was statistically significant, as evidenced by a t-value of 14.420 and a p-value of 0.000, below the 0.05 threshold. The results further demonstrated that the overall regression model was statistically significant ($F(1,228) = 207.915$, $p < 0.001$) and explained 47.7% of the variation in financial sustainability ($R^2 = 0.477$). These findings confirmed that the buy-and-hold investment strategy significantly predicted financial sustainability among real estate firms in Uasin Gishu County.

Since the p-value (0.000) was less than the significance level of 0.05, the study rejected the null hypothesis (H_0) and accepted the alternative hypothesis. The study therefore concluded that the buy-and-hold investment strategy had a positive and statistically significant effect on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. This implied that firms that adopted buy-and-hold investment strategies were more likely to realize sustainable financial outcomes through stable rental income, enhanced profitability, improved cash flows, and strengthened long-term financial sustainability.

V. Summary of Findings

The study examined the effect of the buy-and-hold investment strategy on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The descriptive findings revealed that the respondents generally agreed that the buy-and-hold investment strategy positively influenced the financial sustainability of real estate firms, as evidenced by an overall mean score of 3.845 and a standard deviation of 1.028. The relatively high overall mean indicated that the firms widely embraced buy-and-hold practices, including long-term leasing, stable rental income generation, property retention, and capital growth as strategic investment approaches. Although the standard deviation suggested some variation in respondents' perceptions, particularly regarding capital appreciation and tenancy agreement implementation, the responses generally reflected consensus that the buy-and-hold investment strategy enhanced the financial sustainability of real estate firms. These findings further affirmed the applicability of Markowitz's Portfolio Theory (1952), which posits that long-term investment in diversified assets enhances returns while managing investment risk. In this study, sustained ownership and strategic management of real estate assets contributed to improved financial sustainability through stable income streams and long-term value appreciation.

The inferential findings established a strong positive and statistically significant relationship between the buy-and-hold investment strategy and the financial sustainability of real estate firms. Pearson's correlation analysis revealed a strong positive correlation ($r = 0.691$, $p < 0.001$), indicating that firms with higher levels of adoption of the buy-and-hold investment strategy were more likely to achieve higher levels of financial sustainability. The regression analysis further demonstrated that the buy-and-hold investment strategy significantly predicted financial sustainability, with the model explaining 47.7% ($R^2 = 0.477$) of the variation in financial sustainability. The ANOVA results confirmed that the regression model was statistically significant ($F (1,228) = 207.915$, $p < 0.001$), indicating that the model adequately explained the relationship between the buy-and-hold investment strategy and financial sustainability.

The hypothesis testing results further revealed that the buy-and-hold investment strategy had a positive and statistically significant effect on the financial sustainability of real estate firms ($\beta = 0.691$, $B = 0.678$, $t = 14.420$, $p < 0.001$). Since the p-value was less than the 0.05 level of significance, the study rejected the null hypothesis that the buy-and-hold investment strategy has no statistically significant effect on the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The findings therefore confirmed that increased adoption of the buy-and-hold investment strategy significantly enhanced the financial sustainability of real estate firms. Collectively, the descriptive and inferential findings demonstrated that the buy-and-hold investment strategy is an effective long-term investment approach for improving the financial sustainability of real estate firms through stable rental income, property value appreciation, and enhanced financial resilience.

VI. Conclusion

The study concluded that the buy-and-hold investment strategy is a key determinant of the financial sustainability of real estate firms in Uasin Gishu County, Kenya. The findings showed that firms adopting long-term property ownership strategies experienced improved financial sustainability through more stable rental income, sustained profitability, improved cash flow adequacy, and stronger long-term solvency. The significant positive relationship between the buy-and-hold investment strategy and financial sustainability indicated that retaining strategically selected investment properties over extended periods creates sustainable financial value and strengthens real estate firms' financial resilience. The study further concluded that the buy-and-hold investment strategy enables firms to benefit from both recurring rental income and long-term capital appreciation while minimizing transaction costs associated with frequent property trading. Consequently, the strategy contributes significantly to long-term financial stability and should be regarded as a sustainable investment approach for enhancing organizational financial performance and competitiveness within the real estate sector.

VII. Recommendations

7.1 Policy Recommendations

The study recommends that the national government, county governments, and regulatory agencies responsible for the real estate sector formulate policies that encourage long-term property investment through stable and predictable investment regulations. Such policies should strengthen investor protection, streamline land registration processes, and provide fiscal incentives that encourage long-term ownership of investment properties. These measures would enhance investor confidence and support the financial sustainability of real estate firms. The study further recommends that policymakers develop and implement regulatory frameworks that promote sustainable property management practices, including regular asset maintenance, efficient property utilization, and responsible investment planning. Such frameworks would encourage long-term value creation and strengthen the stability of Kenya's real estate sector.

7.2 Practice Recommendations

The study recommends that managers and investors in real estate firms strengthen the adoption of buy-and-hold investment strategies by prioritizing the acquisition of high-quality properties with strong long-term appreciation potential and reliable rental demand. Firms should also invest in regular property maintenance, asset improvement programmes, and strategic portfolio management to preserve property value and maximize long-term financial returns. In addition, real estate firms should strengthen their financial planning and investment decision-making by continuously monitoring market trends, diversifying property portfolios, and implementing effective risk management practices. These initiatives would improve rental income stability, enhance profitability, strengthen cash flow adequacy, and ultimately improve the long-term financial sustainability of real estate firms.

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