Efficient market hypothesis, Real estate market, Random walk hypothesis, and Weak form efficiency. I. Introduction. These characteristics lead to strong evidence of inefficiencies arising from the real estate market, surprising they are claims that this market is generally efficient. Because of the nature of this market and the claims that the market is also efficient like the stock market, the question of efficiency for this market (real estate) is important. Academic journal article Real Estate Economics. Market Efficiency and Return Statistics: Evidence from Real Estate and Stock Markets Using a Present-Value Approach. By Fu, Yuming; Ng, Lilian K. Read preview. Securities markets are generally efficient in that securities prices adjust to new information instantaneously to eliminate any arbitrage opportunities (see Fama 1991). The goal of this paper is to address this issue. Corgel and deRoos (1999) summarize the extraordinary risk and return relationships found in private real estate markets. Private real estate returns have an abnormally low coefficient of variation relative to other risky assets, including real estate securities, and exhibit little correlation with stock market returns and returns on real estate securities. Gunther Maier, Shanaka Herath. Real Estate Market Efficiency: A Survey of Literature. SRE-Discussion 2009/07. 2009. Majority of studies provide evidence supporting inefficiency of the real estate market while several studies maintain the notion of real estate market efficiency. 1. Introduction. The Efficient Market Hypothesis (EMH) was defined and classified into its three versions in the mid 1970s, and the number of empirical efficiency tests of various financial markets grew since the early 1980s. Various types of real estate exist, each of them posing specific challenges and issues for investors and analysts. Important types are: housing, office, shopping centres, industrial buildings and infrastructure real estate.