

# Particular Aspects of Entrepreneurship on Real Estate Market

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## Abstract

Business results are determined by several factors, therefore, the companies need continuously to improve their efficiency, especially in the real estate trading market. The decisions of the market participants, particularly the decisions the government and business sector have also a large social significance. The purpose of the study is to determine particular aspects of entrepreneurship on the real estate market, in order to provide scientifically-business proposals for the companies operating in the real estate market. Several peculiarities of the industry require a more detailed study, which should be taken into account by the entrepreneurs by conducting market analysis and developing business strategy. The comparative method, historical approach method, data analysis and expert assessment method have been used in the study. The results of the study and developed recommendations can be applied to improvement of the operational efficiency and work planning of the companies operating in the industry.

*Keywords:* real estate market, entrepreneurship, construction, real estate operations, company management

## Introduction

**Relevance of the study** is determined by the fact that the business sector representatives, operating in the real estate market and the construction sector, should make decisions in accordance with a number of real estate market peculiarities that make it different from other industries. Real estate market development is being affected by internal and external factors, including the economic development of the country, as well as international events in the economic and financial markets. The purpose of the research is to determine particular aspects of entrepreneurship on the real estate market, in order to provide scientifically-business proposals for the companies operating in the real estate market.

The following tasks have been set in order to achieve the objective of the study: to explore thematic scientific-research literature, as well as related scientific articles; to understand the essence of the immovable goods and real estate trading market and to identify the specific peculiarities; to collect and process statistical data on the real estate market and to determine its development impact on the business sector; to explore the real estate sector and to find solutions for the competitiveness improvement of the companies operating in the real estate industry; to summarize the results of the study and to develop scientifically-business proposals for the companies operating in the real estate market. The results of the study and developed recommendations can be applied to improvement of the operational efficiency and work planning of the companies operating in the industry.

## Methodology of Research

The comparative method, historical approach method, data analysis and expert assessment method have been used in the study. The scientific research literature, scientific articles have been analysed, as well as the work with statistical databases.

## Findings/Results

The overall economic and real estate market development affects the real estate price level, and real estate price fluctuations are much more pronounced than the consumer price fluctuations. Price fluctuations affect changes in demand and the number of transactions in the industry, which, in turn, significantly affect the financial performance of the companies in the sector. The company personnel and their level of competence have a significant role in the real estate trading sector, because it

significantly affects the quality of the service provided. Real estate mediation field also presents high significance of external factors. Real estate market is also significantly influenced by events in society and the overall national trends. The companies cannot directly affect them, only can realize the preventive measures in order to reduce the potential problems, by using the company's strengths. Industry involves also the problem of employee turnover and lack of highly skilled employees with a high level of competence, so the people management is important in the companies operating in the industry. Before hiring new staff, it is important to assess the need for their training. Real estate trading companies are recommended to expand the existing offerings in order to maximize the potential choice of customer objects. The cooperation between the customer and the company's employees is also important, as well as the continuous optimization of the customer relationship management. Special attention to the real estate business should be also paid to direct sales skills.

## Conclusions

Regular real estate market analysis will enable the companies operating in the industry to determine the segments of the real estate market, the areas and the moment to focus attention and employees, as well as market analysis gives an opportunity to explore industry trends for the extension. Ratio of construction and operations of the real estate industry in the balance is higher than the overall average index of other sectors. Business failure within the sector could affect the company's partners and other involved parties, especially creditors, considerably more than in other sectors. Barriers to entry to the construction sector are higher than to the real estate trading sector, as they often require the largest amount of funds, as well as there are difficulties due to limited choice of land and other real estate sites as they should meet several criteria at once, which is determined by investor. Government institutions should make more use of other countries' positive experience in market regulation, as well as should effectively apply the fiscal and monetary policy instruments. Currently, the economic rising phase and increasing number of transactions in the market provide the opportunities to increase the market share of the companies, by cooperating more actively with developers, banks and other real estate mediation companies, as well as to search for new partners. Companies are recommended to use a number of marketing communication methods in order to actively communicate with the public, to expand the existing marketing channels, continuously to complement the customer data base, as well as to develop the quality planning system in the company. The role of the state in the real estate market and the overall regulation of the national economy is important, as the income from real estate sales partially migrate to other sectors of the national economy, thus providing a positive impact on the overall development of the country. Successful regulation of the industry and professionalism of the entrepreneurs in the real estate industry could reduce existing industry risks.

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