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# **ASSESSMENT 1**

## **Investigate the challenges to start an entrepreneurial business in real estate sector in the UK**

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## **DISSERTATION – PROPOSAL**

### **Investigate the challenges to start an entrepreneurial business in real estate sector in the UK**

#### **Introduction**

##### **1.1 Background**

Entrepreneurial venture is defined as a business organization which places opportunisms and innovation at its core for producing economic as well as social value. Opportunities are pursued by the entrepreneurial ventures, and they are characterized highly through innovation in order to create value and attain growth (Newman and Gough, 2020). However, various potential barriers might arise while initiating and running entrepreneurial business. thus, this research will be carried out with the aim of identifying and understanding the challenges or barriers for starting and entrepreneurial business in real estate sector of UK.

##### **1.2 Research problem and gaps**

The main problem or gap that is focuses through this study is the challenges faces by an entrepreneurial venture while operating in the real estate sector. Whole research will be outlines on the basis of this problem. There are various factors of business's internal and external surrounding that arises various challenges. Range of potential challenges and barriers will be assesses through this study. Specific focus of this research will be on real estate sector of uk. These barriers arising while conducting business activities can act as potential threat to the viability of enterprise. Risk associates with the challenging factors will be investigates within the research.

##### **1.3 Research Aim, Research Questions and Objectives**

###### **Aim:**

Investigate the challenges to start an entrepreneurial business in real estate sector in the UK

###### **Objectives:**

- To analyse the functions of real estate sector that needs to be taken in consideration while starting a new business.

- To evaluate the challenges for starting an entrepreneurial business in real estate sector within UK
- To recommend strategy for starting successful business in real estate sector within UK

### **Research questions**

- What are the possible challenges that might be faced while starting an entrepreneurial business in real estate sector of UK?

### **1.4 Research Rationale**

The research is required to enlighten the problems encountered by entrepreneurial business in real estate sector. Various challenges can arise for the business organization while commencing its operations (Pandey and Pandey, 2021). These challenges arise either from external or internal business environment which can potentially affect the profitability of the organization. Also, new ventures are more prone to such factors and their consequences. Therefore, it is crucial for them to identify and understand challenges so that they can be dealt effectively. Main rationale for conducting this research is to investigate the challenges that might be encompassed by the entrepreneurial organization operating within real estate sector of UK and recommend suitable strategies.

### **1.5 Expected Contributions**

While conducting this research it is expected to develop understanding on the contemporary challenges of business commencement in real estate sector especially for the entrepreneurial ventures. Thorough investigation on this issue can reflect its root causes. With the help of knowledge and understanding of this challenges, various practices will be outlined. Therefore, this research will contribute to increasing the available literature for the scholars as well as the business organizations that are operating in the real estate sector of UK.

## **Literature review**

### **Theme 1: Concept of entrepreneurship**

According to the Marona and Tomal, (2020), entrepreneurship is the concept referring to one's ability and readiness for organizing and running business enterprise while taking various risks and dealing with uncertainties for generating profitability. As an economic concept, entrepreneurship is connected with labour, land, capital and natural resources. Entrepreneur is the person who pertains the abilities for establishing and administering start up despite of various risk factors in order to make profits. Vision of the entrepreneurs define discovery and risk taking perspective for creating social and economic value. Entrepreneurship is described as the indispensable part of country capacity for succeeding in the competitive global markets. Source of new ideas and innovation are generated through the concept of entrepreneurship. New ideas are being brought by entrepreneurs within the market while replacing the old ones. An enterprise can range from small size to multinational company.

### **Theme 2: Functions of real estate sector of UK**

As per the views of Li, Shen and Huang, (2019), Real estate refers to the original property which comprises land and improvements. It includes fixtures, buildings, structures, roads and various utility systems. There are various types of real estate such as land, residential, commercial and industrial. Real estate industry carries out various functions that are associated with land and building. Development, sales and marketing, brokerage, property management, lending and various professional services such as legal service are offered by real estate industry. Real estate development is defined as the process which include purchasing land, construction and renovation of building for selling or leasing them. sales and marketing function of this industry is aimed at promoting a property for the purpose of selling or renting. Further, real estate brokerage firms operate for facilitating transactions between buyers and sellers of the property. Moreover, property management function of real estate industry helps the owner to rent out a portion of their property to others. lenders in the real estate provides debt funding for the purpose of building or buying properties. Lastly, professional services in this industry includes legal assistance, accounting etc., of properties.

### **Theme 3: Contemporary challenges encountered by the entrepreneurial business in real estate sector**

Stein, (2019), stated that, in the current times, various challenges are faced by the organizations operating in real estate industries. These challenges threaten the profitability of the organization. Firstly, higher dependency on physical labour of this industry is major challenge which increases barriers for the organizations to commence their activities smoothly. Although, conflicts with labour is not a new challenge but they are increased tremendously in contemporary times due to various disagreements. Frequent strikes are holed by the labour regarding pay rates or other demands from the real estate owners which causes delay in the projects. Operational efficiency of the organization is affected heavily due to this challenge. Further, surging cost of raw material that are essential for conducting business activities is a challenges faced by the organizations in real estate industry. After pandemic, inflation is prevailing in markets because economies at the global level were heavily affected. Balance between demand and supply of commodities is intensely disturbed due to the pandemic. Therefore, suppliers offer the raw material at hiked prices which reduces the profitability of the organization. lastly, environmental challenges are significant to the real estate industry as various natural phenomenon cause severe damage to the ongoing projects and properties. Also, implications of government on the real estate industry for meeting the sustainable development goals results in additional operating cost for the organization. These challenges increase difficulties for the company's survival.

## **Research methodology**

### **3.1 Research philosophy**

Research philosophy is categorized into several branches from which ontology will be pursued to conduct this research. Ontology is the philosophy that seeks the explanation and classification of entities (Mukherjee, 2019). This philosophy is chosen for conducting the study because it is suitable for classifying various challenges faced by the organizations.

### **3.2 Research paradigm**

There are two main types of research paradigms that are positivism and interpretivism. In order to conduct this research, positivism will be chosen by the researcher because it is emphasized on understanding the social world within an

objective way. It will be useful for studying the current challenges of the real estate industry in UK.

### 3.3 Research approach

Inductive and deductive are the two different research approach which are majorly used by the scholars. In order to investigate the aim of this research, deductive approach will be taken into consideration (Mishra and Alok, 2022). Deductive approach is the one where a theory is being taken at the initial stage and hypothesis is developed from it. The data s collected and analysed accordingly in order test the outlined hypothesis. This approach is best suited to the quantitative research which will be done within this study.

### 3.4 Research strategy

There are three basic types of research strategies that are qualitative, quantitative and mixed methods which are used for anticipating the type of data which needs to be gathered for while conducting the research. Quantitative research strategy will be followed by the researcher while gathering the data for investigating challenges of business commencement in real estate sector. Survey will be conducted for gathering data in the quantitative nature. This research strategy is chosen because it provides more accurate and practical outcomes in numerical form.

### 3.5 Sampling

Probability and non-probability sampling are the two techniques through which sample population for study can be selected. In order to gather data for this study, Non-probability sampling will be chosen (Zhang, Gong and Brown, 2023). On the basis on this sampling technique, 30 employees working at the managerial levels of organizations operating real estate sector will be targeted.

### 3.6 Data collection

Primary and secondary are the two approaches for collecting data. Both of these methods of data collection will be used consecutively by the researcher in order to acquire better knowledge on the topic of study. Primary data will be gathered through conducting survey and secondary will be obtained by taking reference from the journal and articles of previous scholars.

### 3.7 Data analysis

Data analysis is a set of activities that includes organizing, processing and interpreting the data in order to acquire useful outcomes. In order to analyse the data gathered within this research, SPSS software will be used as it apply the statistical

concept for interpreting the data in appropriate and accurate manner (Bairagi and Munot, 2019). This method of data analysis is chosen because it is suitable for interpreting the quantitative data.

### 3.8 Time prospects

|                 |                   | Apr-23                                | May-23                              |                                     |                                     |                                     | Jun-23               |                      |                       |                       |
|-----------------|-------------------|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| Section chapter | Title             | Week 4-5<br>20/04/2023-<br>30/04/2023 | Week 1<br>01/05/2023-<br>07/05/2023 | Week 2<br>09/05/2023-<br>15/05/2023 | Week 3<br>16/05/2023-<br>22/05/2023 | Week 4<br>23/05/2023-<br>30/05/2023 | Week 1               | Week 2               | Week 3                | Week 4                |
|                 |                   |                                       |                                     |                                     |                                     |                                     |                      |                      |                       |                       |
|                 |                   |                                       |                                     |                                     |                                     |                                     | 02/06/23-<br>7/06/23 | 9/06/23-<br>15/06/23 | 16/06/23-<br>22/06/23 | 23/06/23-<br>30/06/23 |
| 1               | Research proposal |                                       |                                     |                                     |                                     |                                     |                      |                      |                       |                       |
| 2               | Dissertation      |                                       |                                     |                                     |                                     |                                     |                      |                      |                       |                       |

### 3.9 Ethical consideration

Ethical requirement will be ensured throughout the research and various practices will be taken as ethical consideration. Informed consent of the participants will be taken prior to the research and data obtained will be stored securely in password protected storage.

## **CONCLUSION**

The above report has concluded an outlined design of research project that will be conducted with the aim of investigating the challenges faced by the entrepreneurial organizations in real estate sector of UK. A research proposal was drawn that initially stated the aim, objective and research question that are followed for structuring the whole project. Rationale for conducting this study was also provided along with the research problems and expected outcomes. thereafter, literature review was conducted to enlighten the concepts, challenges and theories that are associated with the aim. This review was useful for drawing knowledge upon the entrepreneurial venture and their vulnerability to various factors that creates challenges for them in attaining growth. Further, research methodology was drafted within the report which contain essential elements that will be pursued for conducting research. Research philosophy, research paradigm, research approach, research strategy, sampling, data collection, data analysis and ethical consideration. Also. Time prospects of the research project was reflected through Gantt chart. Lastly, risk register will be prepared for highlighting various potential risks that might arise while conducting the research. Strategies for mitigating these risks was mentioned as well. moreover, likeliness and impact of each risk was estimated on the scale of 0-5.

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## Appendix

| <b>Risk id</b> | <b>Risk</b>        | <b>Likelihood<br/>(0-5)</b> | <b>Impact<br/>(0-5)</b> | <b>Mitigation strategy</b>                                                                      |
|----------------|--------------------|-----------------------------|-------------------------|-------------------------------------------------------------------------------------------------|
| R001           | Psychological risk | 4                           | 5                       | Complete disclosure and debriefing should be done to avoid this risk.                           |
| R002           | Validity risk      | 2                           | 3                       | Ensure the validity and authenticity of the sources can be useful in mitigating this risk.      |
| R003           | Economic risk      | 3                           | 4                       | Proper budgeting and using alternative source can help in mitigating economic risk on research. |