

WHAT MOTIVATES REAL ESTATE INVESTORS

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ABSTRACT

From the hierarchy of needs as identified by various scholars, housing is the second in hierarchy thus proving a cornerstone of human needs. Therefore, governments, both state and federal will be tasked to ensure housing policies are put in place to improve economic growth and development of its citizens. From this problem, there have been increased opportunities for private-public partnerships (PPPs) to reach out to the goal of provision of quality and affordable housing. This has led to boosting entrepreneurial culture in the real estate markets. The study seeks to give an insight into several factors concerning real estate entrepreneurial activities. The paper explains the motivations of entrepreneurial culture, objectives of the real estate investment, preference of real estate investments among entrepreneurs, the risk of real estate entrepreneurship and emerging trends in real estate investments.

Keywords: Real estate investor, motivation, real estate risk, capital restrictions, personal growth.

1. INTRODUCTION

Entrepreneurship is among the four factors of production as defined in economics with the other three being land, labour and capital. Entrepreneurship involves the process of innovations and risk-taking with the aim of making a substantial return on investment.

Within the macroeconomic definition, entrepreneurship refers to the advancement of economic processes while microeconomic definition refers to entrepreneurship as the process that is responsible for growth and development through the activities of pioneering, innovations and risk-taking (Lee & Kim, 2018).

Basically, entrepreneurship involves the process of organizational creation, or its renewal and innovation with the aim of making a return. Entrepreneurs are individuals or groups, who are responsible for creating new organizations, renewing existing business or undertaking innovations either independently or within a corporate system.

Therefore, entrepreneurs are responsible for the increased quest for growth and development through innovation by carrying out various business permutations (Kaušale & Geipele, 2015).

Entrepreneurs all over the world play a significant role in the growth and development of the economy. This is substantiated by their contribution to national economies through continuously fronting innovations, starting and running businesses categorized as SMEs that contribute largely to providing employment to locals (Abdulai, 2015).

The significance of entrepreneurship in economic development compels governments and affiliate agencies within each country to continuously provide an enabling environment to ensure continued growth.

Real estate is regarded as land and any improvements made to the land which may include permanent annexures to the land. Real estate property differs widely from personal property in that for real estate property there must be evidence of permanent fixing on the land and are possible to make improvements. Real estate entrepreneurship refers to the innovations around land and permanent assets on land.