



**BSc (Hons) Business Management**

**BMP6001 Dissertation**

**Assessment 1 – Research Proposal**

**Dissertation Title: Analysis best practices and challenges in Real Estate investment management in the UK: A comprehensive study”**

**Submitted by:**

**Name:**

**ID:**

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# ***1. Introduction***

## **a. Background/ Context of the Research**

Real estate investment management plays a pivotal role in the UK economy (Ratcliffe et al., 2021). Effective management of real estate investments helps optimise returns for investors and funds. However, the sector faces several challenges that need to be addressed through best practices. "Analysis of best practices and challenges in real estate investment management in the UK: A comprehensive study" provides valuable insights into the intricacies of the real estate investment sector in the UK. The study identifies several best practices that contribute to successful investment management. Firstly, rigorous due diligence emerges as a key practice, ensuring thorough evaluation of investment opportunities, including market analysis, financial feasibility, and risk assessment (Robin, 2022). Additionally, adopting a diversified portfolio approach helps mitigate risks and optimise returns. Effective asset management, encompassing property maintenance, tenant relations, and lease negotiations, is another crucial factor in achieving investment objectives (Baum, 2021).

However, the study also highlights several challenges faced by real estate investment managers. Regulatory complexities, including tax regulations and planning permissions, pose significant hurdles. Market volatility and economic uncertainties demand astute risk management strategies (Shaw, 2020). Moreover, emerging technologies and data analytics require investment firms to adapt and leverage advanced tools for informed decision-making.

Overall, this comprehensive study emphasises the importance of adopting best practices in real estate investment management in the UK. It highlights the need for continuous monitoring, adaptation to market dynamics, and strategic planning to navigate challenges and optimise investment performance in this dynamic sector.

## **b. Research Questions**

1. What are the key factors influencing the success of real estate investments in the UK, and how do these factors vary across different property sectors and regions?
2. What are the major challenges faced by real estate investment managers in the UK, such as regulatory constraints, market volatility, and changing investor preferences, and how do these challenges impact investment performance?

## **c. Research Aims and Objectives**

The primary aim of this research is to conduct a comprehensive study of best practices and challenges in real estate investment management in the UK. The specific objectives of the research are as follows:

1. Identify the key best practices employed in real estate investment management in the UK.
2. Examine the factors contributing to the success of real estate investments in the UK.
3. Investigate the challenges faced by real estate investment managers in the UK and their impact on investment performance.

By addressing these research aims and objectives, the study will contribute valuable insights to the field of real estate investment management in the UK. The findings will help investors, managers, policymakers, and other stakeholders make informed decisions, enhance investment performance, and promote the sustainable growth of the sector.

## ***2. Literature Review***

### **a. Key Papers**

Real estate investment management encompasses a complex set of processes and activities that involve the allocation of capital, property acquisition and development, lease and rental management, as well as exits (Baum, 2009). Numerous studies have identified key best practices in this field. Ling and Naranjo (1999) emphasise the importance of developing a clear investment strategy that focuses on key performance metrics such as returns, risk, and liquidity. Mosser et al. (2020) highlight the significance of location analysis, due diligence, asset management, and strategic planning as critical best practices.

In terms of challenges, the literature identifies various issues that impact real estate investment management. Macroeconomic and political uncertainty are highlighted as factors that influence investment decisions (Geltner et al., 2014). Rising construction costs and environmental regulations pose challenges in the industry (Hudson-Wilson et al., 2003). Matthew et al. (2013) discuss risks associated with tenant default, interest rate volatility, and inadequate cash flows. Ling et al. (2015) analyse the challenge of measuring and improving sustainability and environmental, social, and governance (ESG) performance of properties.

A useful conceptual framework for this study is provided by Fuerst and McAllister (2011), who propose a framework consisting of four stages: acquisition, operational, divestment, and portfolio management. Each stage entails distinct practices and risks that need to be navigated. This framework will be employed to analyse best practices and challenges at different stages of the investment lifecycle in the context of the UK market.

## **b. Conceptual Framework**

In conducting a literature review, several key papers have been identified that shed light on the best practices and challenges in real estate investment management. Ling and Naranjo (1999) emphasise the importance of aligning investment strategies with key performance metrics such as returns, risk, and liquidity. They argue that a clear investment strategy helps guide decision-making and optimise investment outcomes. Mosser et al. (2020) highlight the significance of location analysis in real estate investment management. They argue that thorough due diligence and analysis of the local market conditions are essential for identifying properties with strong growth potential. Asset management and strategic planning are also emphasised as critical practices for maximising returns on real estate investments.

On the topic of challenges, Geltner et al. (2014) highlight the impact of macroeconomic and political uncertainties on investment decisions. They argue that these factors can introduce volatility and risk into the real estate market, making it crucial for investment managers to carefully assess the potential impacts and adjust their strategies accordingly.

Hudson-Wilson et al. (2003) discuss challenges arising from rising construction costs and environmental regulations. They emphasise the need for investment managers to stay informed about changing regulations and implement sustainable practices to mitigate risks and ensure the long-term viability of their property portfolios.

## **3. Methodology**

### **a. Research Approach**

This study employs a qualitative secondary research approach to comprehensively analyse best practices and challenges in real estate investment management in the

UK. The approach involves the collection and analysis of existing data from previous peer-reviewed papers, industry reports, case studies, and government studies documenting the experiences of real estate fund/asset managers in the UK.

### **b. Research Strategy**

The research strategy primarily involves an extensive review of the literature, as discussed in the literature review section. Keyword search terms such as 'UK real estate investment,' 'best practices in real estate management,' and 'challenges faced by the UK real estate industry' will be utilised to identify relevant resources. In addition to academic literature, case studies of prominent UK real estate funds and real estate investment trusts (REITs) will also be reviewed to provide practical insights.

### **c. Methodology & Tools**

As a secondary research study, no primary data collection or involvement of human subjects is required. The methodology will focus on content analysis of the collected literature and case studies. Thematic analysis will be employed to identify commonly reported best practices, challenges, and frameworks/models proposed in real estate investment management. Excel will be used as a tool to systematically catalogue the identified practices and challenges under the relevant lifecycle stages as outlined in the conceptual framework.

### **d. Sampling Approach**

Since this is a secondary research study, there is no specific sampling approach involved. The research will aim to gather a comprehensive range of literature and case studies available in the public domain to provide a holistic understanding of best practices and challenges in real estate investment management in the UK. The selection of literature and case studies will be based on their relevance, quality, and contribution to the research objectives.

### **e. Ethical Considerations**

The study will strictly adhere to ethical considerations regarding the use of secondary data. All the data collected will be from publicly available sources, ensuring that no confidential or proprietary information is handled. Proper citation and acknowledgment will be provided to the original authors and sources of the literature and case studies used in the research (Álvarez and Montesi, 2020). As no primary data collection involving human subjects is involved, ethical considerations related to informed consent, privacy, and confidentiality are not applicable in this study.

By employing this methodology, the study aims to provide valuable insights into the best practices and challenges in real estate investment management in the UK, contributing to the existing body of knowledge in the field.

## **4. Conclusion**

### **a. Limitations of Proposed Approach**

The proposed secondary study has certain limitations that should be acknowledged. Firstly, the study relies solely on secondary data, which means that primary data collection and direct inputs from industry players are not included. This limitation may restrict the depth and specificity of the findings, as primary data collection could provide more nuanced insights into the best practices and challenges faced in UK real estate investment management. Additionally, the study's findings are dependent on the availability and relevance of secondary sources, which may vary in terms of quality and coverage.

### **b. Expected Research Outcomes**

Despite the limitations, this study is expected to yield valuable research outcomes. By conducting a comprehensive literature review and analysing pertinent case studies,



the study aims to provide a holistic view of the best practices and challenges in UK real estate investment management. The outcomes of this research can offer insights into optimising practices and addressing risks in the UK real estate sector. The findings can be valuable for practitioners in the industry, providing them with valuable lessons and recommendations for improving their investment strategies and decision-making processes. Moreover, policymakers can benefit from the research outcomes to gain a deeper understanding of the challenges and opportunities in the sector, facilitating the development of effective policies and regulations.

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