

# Property Investing: Evaluating the Opportunities and Challenges in the Modern Real Estate Market to Maximize Profits and Manage Risk Effectively

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## Abstract

Property investment is one of the attractive investment options with significant profit potential, but it also faces various challenges in the modern real estate market. This research aims to evaluate the opportunities and challenges that exist in property investment as well as develop effective strategies to maximize profits and manage risks. The research method uses a mixed approach, including literature studies, quantitative surveys, qualitative interviews, and case studies. The results show that portfolio diversification, urbanization growth, and technological innovation are the main opportunities that investors can take advantage of. On the other hand, challenges such as price fluctuations, economic instability, and regulatory changes require a sound risk management strategy. Investors need to adapt scenario planning and invest in properties that meet sustainability standards to meet these challenges. In conclusion, by understanding market dynamics and implementing the right strategies, investors can increase their potential profits and manage risk effectively in the modern real estate market.

**Keywords:** Property Investment, Real Estate Opportunities, Investment Challenges, Risk Management, Real Estate Technology.

## 1. Introduction

Property investment has long been considered one of the most stable and profitable forms of investment, with the potential to provide significant returns through the appreciation of asset value and rental income. In the midst of increasingly dynamic global economic developments, the modern real estate market presents promising opportunities for investors, both on an individual and institutional scale. However, along with these opportunities, complex challenges also arise, ranging from fluctuations in property prices, changes in government policies, to financial risks that can affect the value of investments (Johan, 2024).

The modern real estate market is no longer only influenced by traditional factors such as location and demand. Technology, urbanization, demographic changes, as well as global economic factors are now playing an important role in determining market dynamics. For example, technological developments have made it easier for investors to access information, but it has also increased the level of competition and accelerated changes in market trends. On the other hand, rapid urbanization in some countries has created great opportunities in property development, but it has also created challenges such as congestion and rising cost of living (Pellu, 2023a).

Property investment requires a deep understanding of the various factors that affect the market. One of the key aspects is the need for local market analysis that includes price trends, rental demand, and growth projections. In many markets, changes in government policies or infrastructure can significantly affect property values. Therefore, monitoring and analyzing these developments is very important for investors to make the right decisions.

Innovations in technology have also brought about major changes in the way investors analyze and transact (Rustiarini & Sujana, n.d.). Digital platforms and data analysis tools allow investors to access more accurate and real-time market information, thereby improving investment efficiency and effectiveness. However, these technological advancements also introduce new challenges, such as the need to adapt to new tools and the risks associated with data security (Books and Letters from 2024).

Environmental challenges are also increasingly relevant in the context of property investment. Issues such as climate change and sustainability are increasingly influencing investment decisions. Properties that are environmentally friendly or that meet sustainability standards tend to have better value and are more acceptable to tenants or buyers who are increasingly concerned about environmental issues. Investors need to consider these factors in planning and managing their investments (Sudirjo et al., 2023).

The financial aspect also plays a crucial role in property investment (Pellu, 2023). Factors such as loan interest rates, maintenance costs, and potential taxes on profits should be considered to ensure that the investment is profitable in the long run. Additionally, a prudent financing strategy, including loan type selection and debt management, is essential for optimizing profits and reducing financial risk (H. Holle & Manilet, 2023).

With a wide range of opportunities and challenges at play, the study aims to provide in-depth insights into how investors can identify and capitalize on opportunities in the modern real estate market, while confronting challenges that may arise. This approach involves analyzing the key factors affecting the market, as well as developing effective strategies to maximize profits and manage risk holistically.

In addition, government policies related to taxes, zoning regulations, and interest rates have also affected the real estate market, creating a constantly changing playing field for investors. These risks need to be carefully managed to ensure that property investments not only provide maximum returns, but also remain sustainable over the long term. Therefore, it is important for investors to not only focus on the potential profits, but also have a clear strategy in place in managing the risks associated with property investments.

In this context, the study aims to evaluate the various opportunities and challenges that exist in the modern real estate market, as well as provide guidance for investors to maximize profits while managing risk effectively. This approach is expected to help investors make more informed and strategic decisions in property investment, amid evolving market dynamics.

## 2. Research Methods

This study uses a descriptive approach with a mixed method methods) to evaluate opportunities and challenges in the modern real estate market, as well as to develop effective strategies in maximizing profits and managing property investment risks. The research method consists of the following steps (H. Zuchri, 2021):

- a. Literature Studies (Kholilah & Iramani, 2013)
  - 1) Objective: To develop a theoretical basis and a deep understanding of the modern real estate market, including market trends, technological innovations, government policies, and environmental factors that affect property investment.
  - 2) Procedure: Collecting and analyzing journal articles, books, industry reports, and other related publications. The relevant literature will be reviewed to identify the main concepts, theories, and findings related to property investment.
- b. Quantitative Survey
  - 1) Objective: To collect quantitative data on investor perceptions and investment practices in the current real estate market.
  - 2) Procedure: Develop a questionnaire designed to evaluate aspects such as investment strategies, challenges faced, and risk management approaches. The questionnaire will be disseminated to property investors, real estate agents, and industry professionals through online and in-person platforms. The data collected will be statistically analyzed to identify trends and patterns.
- c. Qualitative Interview
  - 1) Objective: To gain in-depth insights from experts and practitioners in the field of property investment regarding opportunities, challenges, and effective strategies.
  - 2) Procedure: Conduct in-depth interviews with financial experts, experienced property investors, real estate managers, and industry consultants. Interviews will be arranged with semi-structured guidance to discuss specific issues and gain practical perspectives. The interview data will be analyzed using thematic analysis techniques to identify key themes and relevant insights.
- d. Case Studies
  - 1) Objective: To analyze concrete experiences from successful and failed property investment cases to identify the key factors influencing investment returns.
  - 2) Procedure: Selecting several case studies from different types of properties and different markets. Data regarding the investment process, strategic decisions, and deliverables will be collected and analyzed to understand the factors that contribute to success or failure. This case study will provide practical context and valuable lessons for investors.

e. Data Analysis

- 1) Objective: Compile and interpret the results of surveys, interviews, and case studies to provide comprehensive strategic guidance.
- 2) Procedure: Quantitative data from the survey will be analyzed using statistical software to identify patterns and relationships. Qualitative data from interviews and case studies will be analyzed to identify themes, trends, and practical insights. The results of this analysis will be synthesized to formulate effective strategy recommendations.

f. Validation of Findings

- 1) Objective: To ensure the accuracy and validity of the research findings.
- 2) Procedure: Using data triangulation by comparing results from surveys, interviews, and case studies. Findings will be consulted with industry experts for feedback and validation. This process will help strengthen the conclusions and recommendations produced.

### 3. Results and Discussion

#### 3.1 Results

##### 3.1.1 Opportunities in the Modern Real Estate Market

###### a. Diversification of Investment Portfolio

Diversification of an investment portfolio is a strategy used by investors to reduce risk by allocating funds to different types of assets. The basic principle of diversification is that not all assets will move in the same direction at the same time. By spreading investments across different asset classes—such as stocks, bonds, real estate, and commodities—investors can protect themselves from the huge losses that may occur if one asset loses value. Research in this area shows that diversification can increase the potential for returns while reducing the overall volatility of the portfolio (Febriyanto, F. (2018).

One of the main benefits of diversification is the reduction of company or industry-specific risks. For example, if an investor only owns shares in one company and the company is in trouble, the entire investment will be affected. However, if the investor owns shares in several companies in different sectors, losses on one stock can be offset by gains from other stocks. Additionally, a diversified portfolio tends to provide more stable returns compared to a portfolio concentrated on one or two assets. This is because price fluctuations

in the market are not always directly correlated between various asset classes (Primajati, G., & Ahmad, A. (2018).

There are several diversification strategies that have proven effective. Asset class diversification involves allocating funds into various asset classes such as equities (stocks), fixed income (bonds), and alternatives (real estate, hedge funds). Geographic diversification means investing in international markets to reduce risks associated with domestic economic conditions. Sector diversification involves selecting investments from various industrial sectors such as technology, healthcare, energy, and consumer, which can minimize the negative impact of a sector's downturn.

Empirical evidence supports the effectiveness of diversification. Research by Ibbotson Associates shows that a well-diversified portfolio can reduce risk by up to 30% without sacrificing returns. In addition, research by Harry Markowitz (1952) introduced the concept of "frontier efficient," which describes the optimal combination of assets that provide the highest returns for a given level of risk.

Overall, diversifying an investment portfolio is an important strategy for investors to achieve their financial goals while minimizing risk. By effectively applying the principles of diversification—both through the selection of diverse asset classes and geographical spreads—investors can build portfolios that are more resilient to market fluctuations.

#### **b. Growth in Urbanization and Housing Demand**

The growth of urbanization is a global phenomenon that has a significant impact on housing demand in urban areas. The process of urbanization marked by a population shift from rural areas to big cities has increased the need for decent and affordable housing. Rising property prices, a shortage of affordable housing, and changes in the type of housing needed are some of the direct impacts of this growth. The main challenges in meeting housing demand include inadequate government regulations and policies, inadequate supporting infrastructure, and environmental issues that are often

overlooked in development. To overcome these challenges, solutions such as the development of efficient urban planning policies, investment in infrastructure, and collaboration between the private and public sectors are needed. By implementing a holistic and sustainable approach, we can effectively manage the impacts of urbanization and create an inclusive and sustainable urban environment for all citizens (Salmah, E., Harsono, I., Ismiwati, B., Wijimulawiani, B. S., & Handayani, T. (2024).

To ensure the successful implementation of these solutions, it is important for the government, developers, and the community to work together synergistically. The government needs to develop and implement urban planning policies that support the development of affordable housing and accelerate the licensing process for new housing projects. In addition, investment in infrastructure should be expanded to include transportation, utilities, and public facilities that support quality of life in rapidly evolving urban environments. Collaboration between the private and public sectors can encourage innovation in housing development, including the use of technology and environmentally friendly design. Communities also play an important role by engaging in local dialogues and initiatives to ensure that their needs and aspirations are considered in the urban planning process. With these steps, we can create solutions that not only meet current housing needs but also prepare cities for future growth, maintain a balance between urban expansion and environmental preservation, and ensure a better quality of life for all urban residents.

### **c. Technology and Innovation in Market Analysis**

In today's digital era, technology and innovation play a very important role in market analysis. Advances in information and communication technology allow companies to collect, analyze, and utilize market data in a more efficient and effective way. This study aims to explore how technology and innovation contribute to market analysis and their impact on business decision-making (Hartatik, H.,

Rukmana, A. Y., Efitra, E., Mukhlis, I. R., Aksenta, A., Ratnaningrum, L. P. R. A., & Efdison, Z. (2023).

Technological developments have seen rapid advancement in recent years, with the emergence of a variety of new tools and platforms that allow for more in-depth market analysis. An example is the use of big data, which allows companies to collect and analyze large amounts of data from various sources, such as social media, customer surveys, and sales transactions. It provides better insights into consumer behavior and market trends. Additionally, artificial intelligence (AI) is used to analyze patterns in data that humans can't do manually. Machine learning algorithms can help predict future consumer behavior based on historical data. Predictive analytics techniques also allow companies to forecast the results of various marketing strategies before they are implemented, which supports more informed decision-making.

Innovation is also seen in data collection methods, with new approaches such as online surveys becoming increasingly popular due to their low cost and ability to reach a wider audience quickly. The use of social media provides a new way to gather direct feedback from consumers, with sentiment analysis to understand the public's perception of a brand or product. Additionally, the Internet of Things (IoT) enables the collection of real-time data from connected devices, providing insights into product usage and consumer preferences.

The impact of the application of technology and innovation in market analysis is significant. Access to real-time data allows companies to make decisions faster, while the data collected allows for better personalization of marketing according to consumers' individual preferences, improving the customer experience. Automation of the analysis process also reduces the need for manual labor, thus saving on operational costs.

However, despite the many advantages, companies also face challenges, including data privacy issues that are a major concern with the increase in data collection. Companies must ensure compliance with data protection regulations. Data quality is also very



important for gaining accurate insights, as inaccurate or incomplete data can lead to incorrect conclusions. Additionally, overreliance on technology can reduce a deep understanding of the market if it is not balanced with human analysis.

Overall, technology and innovation have revolutionized the way companies conduct market analysis. By leveraging modern tools such as big data, AI, and other innovative data collection methods, companies can gain valuable insights that support their strategic decision-making. However, challenges related to data privacy and information quality still need to be considered so that these benefits can be maximized without posing risks to companies and consumers.

### **3.1.2 Challenges in the Modern Real Estate Market**

#### **a. Price Fluctuations and Economic Instability**

Price fluctuations are a phenomenon that is influenced by various factors, such as changes in demand and supply, monetary policy, and external events such as global crises or natural disasters. This research reveals that fluctuations in food prices have a greater impact on inflation compared to non-food goods. Economic instability, which is often characterized by high volatility in key economic indicators such as GDP and unemployment rates, is also found to be more significant in countries with high price fluctuations. Developing countries, in particular, tend to be more vulnerable to external shocks that can lead to price spikes. The impact of price fluctuations and economic instability is very felt on the community, especially the low-income group. An increase in the price of basic goods can reduce people's purchasing power and increase the poverty rate. In addition, economic uncertainty can hinder investment and create a less conducive business environment (Liestyowati, L., Possumah, L. M., Yadasang, R. M., & Ramadhani, H. (2023).

To continue the analysis regarding price fluctuations and economic instability, we need to consider some additional aspects (TH, S. R., Ramadhan, A. A., & Yasin, M. (2023):

- 1) Countermeasures Strategies: To address the impact of price fluctuations and economic instability, various strategies can be



implemented. The government can formulate fiscal and monetary policies that are more responsive to changes in economic conditions, such as interest rate adjustments and subsidy allocations for vulnerable groups. In addition, the development of a more effective social safety net system can help protect low-income groups from the impact of rising prices of basic goods.

- 2) The Role of the Private Sector: The private sector also has an important role to play in dealing with the impact of price fluctuations. Companies can implement risk management strategies, such as supply chain diversification and hedging contracts to protect themselves from fluctuations in raw material prices. Additionally, investments in technology and innovation can help companies to be more efficient and responsive to market changes.
- 3) Education and Awareness: Increasing education and economic awareness among the community is also important. Training programs on financial planning and budget management can help individuals and families to better deal with price changes and economic uncertainty.
- 4) Infrastructure Development: Investments in infrastructure, such as transportation and storage facilities, can help reduce the impact of price fluctuations by improving the efficiency of the distribution of goods and reducing logistics costs. Good infrastructure can also strengthen economic resilience to external shocks.
- 5) Monitoring and Evaluation: Finally, it is important to conduct regular monitoring and evaluation of the policies and strategies implemented. The data collected should be analysed to assess the effectiveness of the intervention and make adjustments if necessary.

With a comprehensive and integrated approach, the impact of price fluctuations and economic instability can be reduced, and economic resilience and people's welfare can be improved. Effective

management requires cooperation between the government, the private sector, and the community to create a more stable and sustainable environment.

#### **b. Government Regulations and Policies**

The involvement of various stakeholders in the regulatory drafting process is a key finding that highlights the importance of active participation in policymaking. This involvement not only increases the legitimacy of the policy but also ensures that the resulting policy is more relevant to the actual needs of the community. However, many of the resulting regulations are still of poor quality because they are not evidence-based, which results in legal uncertainty and difficulties in implementation in the field. The evaluation process of regulatory impacts is often not carried out systematically, so many policies cannot be adjusted or improved based on feedback from implementation on the ground. In addition, the public often faces difficulties in accessing information about existing regulations, hindering public participation in the decision-making process and supervision of their implementation. To increase the effectiveness of regulations, there is a need to improve stakeholder engagement, regulatory quality, evaluation processes, and information accessibility, so that the resulting policies can be more responsive, transparent, and effective in meeting the needs of the community.

- 1) **Strategies to Increase Stakeholder Engagement:** Increased stakeholder engagement can be done by implementing more inclusive consultation methods. Governments and policymakers need to hold dialogue forums, surveys, and discussion groups to gather input from a wide range of stakeholders, including communities, the private sector, and non-governmental organizations. The use of technology such as online platforms for public consultation can facilitate the participation process and

ensure that the voices of various community groups can be heard.

- 2) Evidence-Based Regulation Development: To improve the quality of regulation, it is important for the policy-making process to be evidence-based. This involves collecting and analyzing relevant data as well as an in-depth study of the potential impact of the proposed policy. Regulators need to use tested methodologies and conduct policy trials on a small scale before full implementation. This will help minimize risks and increase the likelihood of policy success.
- 3) Improvement of the Policy Evaluation Process: Policy evaluation must be carried out systematically and continuously. The evaluation methodology should include performance measurements, feedback from on-the-ground implementation, as well as long-term impact analysis. Regulators need to establish clear performance indicators and mechanisms to conduct periodic assessments, as well as ensure that evaluation findings are used to improve and adjust existing policies.
- 4) Improving Information Accessibility: The accessibility of information regarding regulations must be improved to ensure better public participation. Governments need to provide clear, accessible, and understandable information to the public through various channels, such as official websites, social media, and public information campaigns. In addition, simplifying the language of regulations and providing information in a user-friendly format can help the public understand and be more actively involved in the decision-making and monitoring process.
- 5) Collaboration and Transparency: To create more effective policies, collaboration between various institutions and transparency in the policy-making process must be improved. The involvement of government agencies, the private sector, academia, and civil society organizations in policy discussions can enrich perspectives and solutions. Transparency in decision-

making and reporting of evaluation results will also build public trust and ensure accountability.

By implementing these strategies, the process of making regulations can become more responsive, relevant, and effective in responding to the challenges faced by society. Efforts to improve stakeholder engagement, regulatory quality, policy evaluation, and information accessibility will contribute to better policy development and more successful implementation.

### **c. Environmental and Sustainability Risks**

Environmental risk can be defined as the possibility of events that can cause damage to ecosystems or human health due to human activities or natural factors. These risks include various aspects such as pollution, climate change, biodiversity loss, and natural disasters. Concrete examples include air and water pollution that can have a negative impact on human health, as well as a decrease in soil quality that affects food production (Flor, A. G. (2018).

#### **1) The Relationship between Environmental Risk and Sustainable Development**

Sustainable development aims to meet the needs of current generations without compromising the ability of future generations to meet their needs. However, many development practices ignore long-term environmental impacts, creating risks that can threaten sustainability. Development activities such as deforestation, rapid urbanization, and industrialization often produce hazardous waste and greenhouse gas emissions that damage the environment. Continuous environmental degradation can trigger socio-economic problems such as poverty, social injustice, and resource conflicts, which directly affect the quality of life and well-being of people (Farhan, M. (2024).

#### **2) Environmental Risk Analysis**

Environmental risk analysis involves identifying and evaluating potential risks and their impacts on communities and ecosystems. Environmental risk analysis methods can be divided

into two main categories: qualitative analysis and quantitative analysis. Qualitative analysis involves interviews, surveys, and consultations with experts to understand people's perceptions of risk. In contrast, quantitative analysis uses statistical data and mathematical models to calculate the probability of risks occurring and their impact on the environment and human health. The combination of these two methods can provide a more comprehensive picture of environmental risks.

### 3) Environmental Risk Mitigation Strategy

To achieve sustainable development and minimize environmental risks, it is important for governments and other stakeholders to implement effective mitigation strategies. Some mitigation strategies include:

Natural Resource Management: Implementation of sustainable management practices such as forest conservation, environmentally friendly management of agricultural land, and fisheries management to maintain ecosystem balance and prevent further damage.

Public Policy: Implementation of strict regulations on industrial pollution, control of greenhouse gas emissions, and use of hazardous chemicals. These policies must be monitored and enforced consistently to ensure compliance and effectiveness.

Community Education: Increasing public awareness and understanding of the importance of environmental protection through educational programs, information campaigns, and training. This education can change behavior and support active participation in environmental conservation efforts.

By implementing a holistic and integrated mitigation strategy, it is hoped that the negative impact of environmental risks can be minimized, so that sustainable development can be achieved and community welfare can be improved.

### **3.1.3 Effective Strategies to Maximize Profits and Manage Risk**

#### **a. Scenario Planning and Risk Management**

Understanding risk is a crucial first step in scenario planning and involves identifying threats and opportunities that can impact business operations. These risks can come from a variety of sources, both external factors such as regulatory changes, market fluctuations, and natural disasters, as well as internal factors such as company policies and dependence on certain suppliers. The first step in risk management is to identify potential risks that the company may face. This process includes a thorough assessment of the external and internal environment, as well as classifying risks into categories such as operational, financial, and reputational. After the risks are identified and classified, the company can conduct an impact and feasibility assessment to determine the priority of necessary actions (Suwinardi, S. (2016).

Scenario planning is a strategic method used to formulate a plan based on various future possibilities. Important steps in scenario planning include identifying alternative scenarios by determining various positive and negative scenarios that may occur, assessing the impact of each scenario on business aspects such as operations, finances, and reputation, and developing a response plan by making concrete actions for each scenario identified. By using this approach, organizations can be better prepared for changes in the business environment.

The integration of scenario planning with risk management offers several significant benefits. First, it allows for better decision-making by providing an in-depth understanding of potential risks. Second, improve business resilience by building resilience to uncertainty through planning for various possible outcomes. Third, increasing the trust of stakeholders such as investors, employees, and customers through transparency in risk management. Finally, it

helps in innovation and growth by identifying new opportunities in the midst of existing challenges (Hermawan, W. (2019).

#### **b. Investing in Sustainable Property**

Sustainable property refers to buildings that are designed, constructed, and managed with environmental impact in mind. This concept includes the use of environmentally friendly materials, energy efficiency, good water management, and design that minimizes negative impacts on local ecosystems. Sustainable properties often meet certain standards, such as LEED (Leadership in Energy and Environmental Design) or BREEAM (Building Research Establishment Environmental Assessment Method), which demonstrate a commitment to sustainability and efficiency (Puspitasari, I. (2017).

Investing in sustainable property offers a variety of significant benefits. One of the key benefits is operational cost savings, as energy efficiency and better resource management can significantly reduce utility bills (Ajustina, F., & Nisa, F. L. (2024). Additionally, the value of sustainable property assets tends to increase faster compared to conventional properties, providing an advantage for investors when selling properties in the future. Sustainable properties also have appeal to tenants looking for eco-friendly living or commercial space, often willing to pay more for the amenities and services offered. Additionally, many governments provide tax incentives or subsidies for sustainable property development as part of efforts to encourage environmentally friendly practices. Investing in sustainable property can also enhance the reputation of companies or individuals as pioneers in sustainability, attracting positive attention from consumers and other stakeholders (Atikah, N., & Sayudin, S. (2024).

However, there are several challenges that need to be considered. The initial cost of building or renovating into a sustainable property can be very high, including the cost of eco-friendly materials and energy efficiency technologies. Additionally, the lack of market knowledge about sustainability concepts can



hinder informed investment decisions. Changes in regulations related to green buildings can also affect investment in this sector, so investors need to keep up with government policy developments. Market risks, such as price and demand fluctuations, must also be considered.

Recent market trends show an increase in investment in sustainable property, both among institutional and individual investors (Setiantp, B. (2016). The demand for eco-friendly workspaces continues to grow, as many companies adopt sustainability policies. The use of smart technology to improve energy efficiency in buildings is also becoming more common. In addition, consumer awareness of the environmental impact of their choices is increasing, making tenants or buyers more selective about the sustainability nature of a property.

### **3.2 Discussion**

This research provides in-depth insights into the dynamics of the modern real estate market and how investors can take advantage of opportunities while facing existing challenges. Based on the results of the study, several key conclusions can be drawn:

- a. Significant Opportunities in the Modern Real Estate Market (Anggarini, n.d.):
  - 1) Portfolio Diversification: Diversification is an important strategy that allows investors to spread risk and increase potential profits. Having a portfolio consisting of different types of properties helps investors deal with market fluctuations and reduce dependence on one sector.
  - 2) Growth of Urbanization: Rapid urbanization in various regions creates great opportunities in the development of residential and commercial properties. Investors who invest in areas with a growing population and developing infrastructure have a great opportunity to make long-term profits.
  - 3) Technological Innovation: The use of technology-based analytical tools, such as big data and artificial intelligence (AI), allows investors to make more informed and responsive decisions to market changes.
- b. Challenges Faced by Investors (Assuri, 2022):
  - 1) Price Fluctuations and Economic Instability: Fluctuations in property prices and global economic instability are major challenges that can affect investment values and funding costs. Investors need to develop risk management strategies to overcome this uncertainty.
  - 2) Government Regulations and Policies: Changes in government policies, including taxes and zoning rules, can affect the cost and profitability of

investments. It is important for investors to monitor relevant regulations and adjust their investment strategies in accordance with applicable policies.

- 3) Environmental and Sustainability Risks: Environmental and sustainability issues are increasingly important in property investment. Properties that meet sustainability standards can face challenges related to upfront costs but offer competitive advantages in the long run.

c. Effective Strategies to Maximize Profits and Manage Risk (Rahmawati et al., 2021):

- 1) Scenario Planning and Risk Management: Investors who implement scenario planning and have a solid risk management strategy can be more effective in overcoming market crises and uncertainties. Good risk management includes insurance, liquidity reserves, and emergency planning.
- 2) Investing in Sustainable Property: Investing in properties that are environmentally friendly and adhere to sustainability standards can provide long-term returns, increase property values, and meet market demand that is increasingly concerned with environmental issues.

Overall, this study confirms that to succeed in property investment in the modern real estate market, investors need to combine a deep understanding of opportunities and challenges with an effective and sustainable investment strategy. With the right approach, investors can maximize profits and manage risk effectively in this dynamic market.

#### **4. Conclusion**

This research reveals that the modern real estate market offers a variety of significant opportunities for investors, but is also faced with complex challenges. Portfolio diversification, urbanization growth, and technological innovation are key opportunities that can be leveraged to maximize profits. Diversification allows investors to spread out risks and increase potential profits, while rapid urbanization creates a high demand for different types of properties. The latest technologies, such as big data and artificial intelligence, provide more accurate and efficient analysis tools. However, challenges such as price fluctuations, economic instability, and regulatory changes require serious attention. Price fluctuations and economic uncertainty can affect investment values and funding costs, while government policies and environmental issues can also add complexity. To address these challenges, investors need to implement effective risk management strategies, including scenario planning and investing in environmentally friendly properties. By understanding and adapting to market dynamics and implementing the right

strategies, investors can maximize profits and manage risk effectively in the ever-evolving real estate market.

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