

INDIVIDUAL NEEDS CONFRONTED WITH THE DEMAND ON REAL-ESTATE MARKET

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Summary

In this article, we would like to present the demand for real-estates in the light of elementary human needs introduced in Maslow's theory. The publication also undertakes a trial for answering to the question "Is necessity of purchasing a real-estate is more or less important?" There by main factors that motivate people's conditions of purchasing have been characterized.

Key words: individual needs, real estate market, demands

Demand is an important element of every market, including the real-estate one. Its size, as well as the relations that come by through the other market units such as supply and price, are relevant for the situations on the market of real-estates and grounds designated for their placement. Generally, it is obvious that demand is only partially exposed on the market of needs when it is compared to any price that is supported by the peoples purchasing force. So, in a matter of fact, under the definition of demand we should also understand effective demand, which is payable and means the need for a amount of merchandise, that consumers can buy in occasion of possessed supplies of money⁴. On the other side, potential demand, Is an expected amount that tends to purchase specified commodities which feature a described number of clients, the amount of produced supplies

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4 Mieszczanowski M., *Ekonomia Zarys popularny, Książka i wiedza*, 1987, str.68

that can be bought also for the volume of to be established transactions and their summed price. The meaning of potential demand causes us to create a forecast that will feature the number of committed transactions in the future, as well for other occurrences like for example the fact, that real-estate prices may rise. That may cause a fortune selection among potential customers, that's in a purpose of letting the demand and supply scale slowly equalize. In the world of economics, demand belongs to a category with a narrower range than needs. Needs' can be identified with potential demand only then, when one part of the necessities', are supported by a budget later on leads to creating effective demand⁵. Potential demand expressed in figures depending on the size of needs often constitutes first moving closer to the actual demand. So if demand is created by needs, then, to clearly understand the problem, we must specify the meaning of necessity. Necessity is a state felt by an individual who has a deficiency in something, it also relates to the structure of the organism with individual experience and the place of the individual in the society, is essential to supporting her at using, enabling the development for her, keeping the determined social role as well as preserving the public balance⁶. This state can be eliminated after satisfying your needs, whereas the opportunity that leads to this situation later on activates all kind of human activities. Maslows⁷ theory about the hierarchy of needs claims that, if you want to meet the needs of the higher class it is necessary to achieve lower orders at first. The amount of human needs is unlimited (an accomplished goal tends for achieving another one). Acting of understood needs as the subjectively felt divergence between the actual state of affairs and the desired state is the most important motive for taking the process of managing consisting in converting stores into economic goods which serve for catering. Abraham. H. Maslow made a classification of human needs, there he included examples like:

- physiology needs
- need of security
- need of membership
- need of acknowledgement
- need of fulfillment

Maslow thinks, the needs are from superbly elementary that later on lead to the most advanced. What appears, once more, to satisfy advanced whims, we must start from fulfilling all those lower level humors. On the

5 Kucharska – Stasiak E., *Nieruchomości a rynek*, WNP, Warszawa, 1997, str. 39

6 *Nowa encyklopedia powszechna*, PWN, Warszawa, 1997, str.127

7 Maslow A., *Motywacja i osobowość*, PWN, Warszawa 2006, str. 62-64

lowest step of the hierarchy there are placed typical biological necessities. It has been confirmed that if these needs are realized, later on we can think about other ones. Lower level necessities play a dominating role in the process of human motivation for as long as they don't get realized. After satisfying those needs in a rightful way, the units' attention concentrates on the necessities of the higher form. So, on the base of our observations, we can notice that people who had reached their "Necessity dreams" tend to be full of themselves, loving, curious, lovely, safe, confident, full of ideas and creative. These people have full control in crossing and realizing their bounds of elementary human needs in quick and ambitious way. Whatsoever after that, people can attend in creating their satisfying evolution of their own potential known as fulfillment⁸. Also there is a gauge which claims that the necessity scale depends to the social and cultural development. As higher the gauge presents itself, than right with it the ratio describes a more advanced unit.

House owning⁹ on the list of humanity needs is claimed to be one of the most important good, which should be in our possession. Concurrently it's a social need which like no other one has such an influence on peoples' communities and accommodations. Possessing and shelter requirements have been claimed as main needs of human existence. It has been accompanying man since their very beginnings. Its ways of fulfilling changed with social development. Starting from the knowledge of using natural conditions helped people in assuring them shelter. Further on, people mastered new building techniques, which gave new possibilities for setting architecture for those intentions. Generally, the civilization leap, taught us how to form a way of satisfying our real-estate needs, to the one that we consider nowadays. Under the understanding of an act¹⁰, self-contained housing is a separated by permanent borders found within a building, a house or a team of houses which serve for house need realization. A flat, according to the previous establishment is claimed as a good of first need, it also conditions normal behavior in the society. Appropriate facilities for living, are good for family durability, also it plays a main role for harmonic expansion in a local society. Being absent in solving house issues, cause a process of segregation in each and every level of community organizations. These dependences prove that

8 Gerrig Richard J., Zimbardo Philip G., *Psychologia i Zycie*, PWN, Warszawa, 2009, str. 380

9 Krzeczowski K., *Kwestia mieszkaniowa w miastach polskich*, nakładem Związku Miast Polskich, Warszawa, 1039, s.31

10 Ustawa o własności lokali z dnia 24 czerwca 1994 r. o własności lokali (Dz.U. nr 85 z dnia 27.07.1994 r., poz. 388 z późn. zm.)

a real-estate has a social character. This testifies the variety of functions that a house can comply, like for an instance¹¹:

security function (safety for physical and psychological health, also against the climate) biological function (rest, consumption, hygiene factors, simplifying in taking care over children, the elderly and sick),

- humanistic function (the houses relations in a wider understanding of this word) - with a general order of local relations, which are formed thanks to family and neighbor bond),
- cultural-education function (binds with children's and adults' education, self-studying, raising, physical and esthetical forms, active and inactive rest, family celebrations and traditional rites),
- economic function (function of employment),
- social function (main factors of family and outgoing life).

A flat, as consumption good, satisfies the most important demand that developed in our consciousness, it is the demand of having privacy and assurance of being safe, and concurrently it conditions the possibility and level of realizing the remaining necessities. A house¹² is a team of rooms in which we can live and also serve ourselves in doing other daily practices. Each room has a separate entrance that is isolated by building borders. They give an opportunity of living and independent house management. The technique conditions are precisely explained by the Construction Law¹³. It is an expensive market commodity, which purchasing is most of the time overtaking financial possibilities of the interested homebuyer. The price poses a serious barrier, which makes it much more difficult in fulfilling your necessity and to own your own real-estate. Naturally, the fulfillment of this need by less wealthy can be committed by renting an apartment. In turn, possessing a flat or its rent doesn't always satisfy demands. Most of the time we reveal a financial deficiency and it comes difficult in maintaining this problem and the one where we must pay the rent fee. In society there has appeared a group of people, who don't have the possibility of affording a flat or even to discharge a rented one unanimously with the order of the free markets rent fee. However, following the civilization leap, there also appears a wider treatment of a house, a house as an elementary need, a very

11 Worwa J., Sytuacja mieszkaniowa i społeczne aspekty polityki mieszkaniowej w Polsce, w: Zadania społeczne. Pod redakcją Z. Pizsa, AE Wrocław 2002 s. 373

12 Rozporządzenie Ministra Infrastruktury z 12 kwietnia 2002r. w sprawie warunków technicznych, jakim powinny odpowiadać budynki i ich usytuowanie, Dz U 2002, nr75, poz.690 ze zm.

13 Ustawa z dnia 7 lipca 1994 r. Prawo Budowlane, Dz U 1994, nr 89, poz. 414. Tekst jedn. Dz U 2000, nr 106, poz.1126 ze zm.

important condition that has influence on human's personal development. Irrespectively to these demands, which satisfy, are nowadays obvious and basic. A real-estate should, and even must take part in fulfilling high row needs, also help in simplifying its users in self realizing. Most people prefer to improve their personality, intellectual performance, career fulfillment which is more commonly realized, also the fact of the need of festivities. At this moment what we should focus on, is that fulfillment of elementary needs as well as the higher ones cannot be held in the same level in each and other apartments. Distinctive are also expectations of the residents, even in reference to most basic demands and not only to the higher ones. They result from individual preferences, lifestyle or fashion, attained the standard of living, and even the amount of time spent in the apartment. Housing needs of each person very often result due to changes that occur in our lives (for example, the desire to be independent, marriage, larger family or accidents). Such examples could occur very often and they could be multiplied many times especially considering the fact that every man will be guided by other conditions, depending on what stage of life he/she currently is. Housing needs dependent on many factors, for example, primarily domestic. However keep in mind that the basic condition that transforms the individual needs are forming the potential demands in effective financial capabilities. These are shaped by every human individual savings or credit skills. They are subjective in nature and poses similar flats in different ways to meet the needs of primary and secondary education, especially considering the fact that the demand for flat occurs in the age of human empowerment. This happens when young people do not have a sufficient amount of cash to be able to make their purchase.

At this point, it is necessary to ask a question, whether the need for housing is the need of lower or higher order?

Summation

In recent times the treatment of housing is becoming an important element of the development in human personality. Nevertheless, it is worth noting than a good basic essential life of every human who is responding to the needs of primary and higher order needs. Living conditions of man and his family determine the organization of social life and its spatial structure. They provide not only fulfilling the duties of family and civil rights, but also participation in the social, economic, cultural and political life. A clear answer to this question is very problematic, especially when

every household should be able to have an apartment, regardless of the situation, and execution as widely a particular purpose requires high activity of financial services, public sector and local government; particularly the sphere of legislation providing a framework Legal to initiate and continue the process.

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