



Methods and models for international comparative approaches to real estate development



Graham Squires^{a,*}, Erwin Heurkens^b

^a University of Birmingham, England, UK

^b TU Delft, Netherlands

ARTICLE INFO

Article history:

Received 20 April 2015

Received in revised form

11 September 2015

Accepted 3 October 2015

Keywords:

Real estate development

Land use planning

Comparative methods

Development models

ABSTRACT

Real estate development is a significant factor in planning the built environment. It shapes the way people live and work, and by doing so enables human activity to evolve. Real estate development forms a contemporary reflection of social, economic, environmental, and political forces at hand. Furthermore, due to globalization, we are increasingly witnessing similar trends for space despite institutional differences existing between countries and cities contained within their national borders. In this conceptual paper, we place a firm rationale towards international comparative real estate development study. Furthermore, we demonstrate current international comparative methods and a range of real estate development models, set against a new conceptual model in this field. It is put forward that this new model can be used within international comparative methods for study of real estate development both within and between national boundaries.

© 2015 Elsevier Ltd. All rights reserved.

1. Introduction

Around the globe real estate development forms a contemporary reflection of societal needs and the market demand for specific places. Due to globalization, however, we seem to notice similar trends in this field. For instance, it is widely acknowledged that, in many development practices around the globe, property investment in urban development has changed radically as a result of the global financial crisis (GFC) and economic downturn (Parkinson et al., 2009; PwC and ULI, 2012; Ball, 2010). For example, the 'new normal' economic climate and liquidity position of developers puts real estate in an entirely new spotlight.

Other more general observations include a seemingly unparalleled real estate boom shared by developing countries and cities, and on the contrary a search for alternative development models in developed countries in times of austerity and beyond. However, the deeper reasons and explanations for these similar trends can often be attributed to locally-rooted circumstances, path-dependencies, and institutions. Such notions ask for a better understanding of real estate development. It increases the relevancy of drawing lessons from other real estate development contexts, thereby taking into

account the limitations of specific context-dependent institutional characteristics.

The objective of this study is to develop a model that assists in understanding international approaches to real estate development. As such, the model can provide scholars a cognitive tool to understand and compare real estate development practices across different institutional settings. In order to do this, the paper is structured to include a rationale for studying international real estate development. Following the rationale is a review of the various different methods available to assist in an international approach—such as the comparative method. From this, there is then a series of recent model representations of real estate development. This culminates in a new model provided to demonstrate and capture some of the complexity of real estate development. Finally, the conclusion reflects on the possibilities and limitations of our approach towards international real estate development.

2. Rationale towards international comparative real estate development study

Methodologically, if context is everything, can a comparative approach produce any meaningful contribution? For research in real estate, focusing on the principles of real estate markets (e.g. Dent et al., 2012; Baker and Chinloy, 2014), real estate development (e.g. Miles et al., 2007; Peiser and Hamilton, 2012; Reed and Sims, 2014), and real estate finance and investment (e.g. Brueggeman and

* Corresponding author.

E-mail addresses: g.squires@bham.ac.uk (G. Squires), E.W.T.M.Heurkens@tudelft.nl (E. Heurkens).

Table 1
Objectives when creating a new model for comparative real estate development study.

1.	Comprehend interdependency, complexity, challenges of real estate development (e.g. partnerships in real estate development)
2.	Obtain a better understanding of how concepts for real estate development become effective in different contexts (e.g. market models being the same for instance)
3.	Obtain a better understanding by comparing various international real estate development contexts (e.g. development in growth city context)
4.	Increased need for and interest in new perspectives and insights from successful real estate development practices (e.g. lesson-drawing)

Source: Authors.

Fisher, 2010; Archer, 2014; Manganelli, 2014; Morri and Mazza, 2014) are often geographically bounded and/or specific to a real estate sector or market. Others take international real estate as focal point of study to explain investment strategies that work in particular contexts (Hines, 2001), or favor discussing how local real estate practices work (i.e. portraying overviews) over drawing comparative international analyses (Levine, 2013; Tiwari and White, 2010; Taylor and Kalin, 2013). More specifically Lizieri (2009) develops an important framework for understanding real estate and the transformation of the built environment in financial centres, with more non-comparative interconnections between the location of financial activity across the globe. Adams and Tiesdell (2013) provide a thorough conceptual overview of real estate development characteristics in relation to spatial planning on an urban scale—although these matters are again not comparatively drawn.

Hence, to a certain degree, these studies lack full potential to explain and comprehend the interdependency, complexity, challenges and comparativeness of real estate development. However, in a globalizing world, it seems appropriate for scholars and practitioners to obtain a better understanding by comparing the various international real estate development contexts they wish to study or work in (Barkham, 2012). An institutional approach to international real estate has been one such leap to comparatively examine some aspects of development in different geographical contexts (Seabrooke et al., 2004). This may help to move beyond real estate valuation and appraisal methods, towards a wider understanding of how the conditions for real estate development become effective in different markets. Moreover, in the light of the enduring economic stagnation in Western countries, there seems to be an increased need for and interest in new perspectives and insights from successful foreign real estate development practices, as valuable lessons might be drawn from them.

Nevertheless, such a comparative international perspective on real estate development provides some research challenges in terms of methodology and model concepts. The challenge of comparing and understanding real estate development on a global scale is met by introducing some key methods and models in comparative international real estate development. Therefore, this paper examines relevant methods that could be applied to real estate development—such as lesson-drawing (Rose, 1991).

On the basis of these findings a new conceptual model is constructed, containing various characteristics and criteria by which different real estate development contexts in countries all over the world can be compared. Such a conceptual model to compare international approaches to real estate development is certainly something that is new and innovative to learning. Therefore, the paper's aim primarily is to enhance the depth of learning, plus encourage a stronger professionalisation of practice and policy in the built environment.

The movement towards a new model of comparative real estate development study meets several objectives. These can be broken down into four main sub-objectives (Table 1). The first objective is to comprehend the interdependency, complexity, and challenges

of real estate development. This could be, for instance, in practice where practitioners and policymakers need a better understanding of their role as interdependent stakeholders that operate in an increasingly complex and challenging system that requires mutual understanding, even if their own interests are at odds. A second objective is more conceptual and involves obtaining insight into how real estate development concepts travel across borders and the way they materialize in different contexts. The third overarching sub-objective is to add comparative insights to the rich body of knowledge in the academic field of real estate and property development. Lastly, an objective is in fulfilling the need for an interest in new perspectives from real estate development practices by drawing inspirational and transferable lessons for scholars and practitioners.

The inclusion of comparative understanding can sit within fields that have a similar professional understanding internationally—such as real estate and planning. Agents in real estate development are universally conceived, professional agent roles may differ under different structures within different national contexts, but their fundamental role is relatively clear to most people across the globe. It is not suggested that context is not important. Of course context and path-dependency is important, the point being here is that contexts can be comparable, and the individual real estate phenomena can be freed from context and therefore contrasted. For instance, the current rapid developing capital accumulation of wealth stored in the real estate of certain countries may share specific traits such as fears of gentrification and hopes of turning around blighted areas within its own national borders.

3. Existing methods for international real estate development research

It is also of importance to note that in this paper there is a focus on methods and concepts to aid new ideas and discussion. This is narrower to philosophical approaches of methodology that are of concern to the research process at large in the social sciences (Bryman, 2012). As examples, broad philosophical approaches could be those used more in the natural sciences with an emphasis on positivist approaches that operate in a closed system. Social sciences may take broader philosophical approaches that involve, inter alia, a degree of interpretation (interpretative), they may be socially constructed (structuralism) or possibly experienced (phenomenology) or used in practice (pragmatism). For the study and research of real estate development approaches, a *critical realist* stance is put forward as a useful aid in improving learning and knowledge - a non-dogmatic method in understanding a particular 'real' subject via multiple abstractions (Sayer, 1999).

To reiterate, what is of importance here is the methods and conceptual models that are developed to reveal international approaches to real estate development. Plus further enable a new method of analysis when comparing and contrasting both national case-study similarities and differences, in order to 'paint the bigger picture'. So within the following sections there will be discussion of some existing methods such as case-study methods, lesson-drawing methods, policy transfer methods, hybrid methods, stakeholder methods, and comparative methods.

3.1. Case-study methods

A case-study method is one way in which geographically bounded examples can be provided to give in-depth accounts of particular phenomena—such as, say, real estate development in a neighbourhood of New York, planning in the city of Berlin, or a national strategic infrastructure plan for the UK. As such a case

Download English Version:

<https://daneshyari.com/en/article/6547721>

Download Persian Version:

<https://daneshyari.com/article/6547721>

[Daneshyari.com](https://daneshyari.com)