

# REAL ESTATE

## PROPERTY MARKETS AND SUSTAINABLE BEHAVIOUR

THE NATURAL AND BUILT ENVIRONMENT SERIES



PETER DENT, MICHAEL PATRICK  
AND YE XU

ROUTLEDGE

# Real Estate

Property markets and  
sustainable behaviour

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Peter Dent, Michael Patrick and  
Ye Xu



First published 2012

by Routledge

2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

Simultaneously published in the USA and Canada

by Routledge

711 Third Avenue, New York, NY 10017

*Routledge is an imprint of the Taylor & Francis Group, an informa business*

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*British Library Cataloguing in Publication Data*

A catalogue record for this book is available from the British Library

*Library of Congress Cataloging in Publication Data*

Dent, Peter.

Real estate : property markets and sustainable behaviour / Peter Dent, Michael Patrick, and Ye Xu.

p. cm. – (The natural and built environment series)

Includes bibliographical references and index.

1. Real estate business. 2. Real property. 3. Right of property. I. Patrick, Michael. II. Xu, Ye. III. Title.

HD1361.D46 2012

333.33–dc23

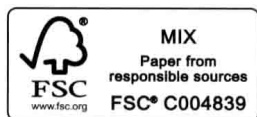
2011047697

ISBN: 978-0-415-59143-0 (hbk)

ISBN: 978-0-415-59144-7 (pbk)

ISBN: 978-0-203-11794-1 (ebk)

Typeset in Stone Serif and Akzidenz Grotesk  
by Saxon Graphics Ltd, Derby.



Printed and bound in Great Britain by  
TJ International Ltd, Padstow, Cornwall

# Real Estate

Traditional studies of the property market have tended to focus solely on commercial and legal issues, but the growing importance of the issue of sustainability means that a different approach is needed.

This new textbook provides an overview of property within a market context, examining the complex nature of property rights and issues related to both investors and occupiers. At the same time it assesses property from the perspective of financial, social and environmental sustainability. Topics covered range from the characteristics of property and depreciation, to ownership and development through to investments and sustainability reporting. The book concludes with key skills in sustainable knowledge needed by those working in the real estate industry.

Written by an author team of experienced property professionals, this essential introductory textbook is well suited for property, planning and architecture students on undergraduate, graduate and conversion courses, as well as those on CPD and training programmes in related areas.

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# Acknowledgements

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The authors would like to acknowledge the help and support of the following:

John Comerford, for his cartoons, his support and his passion for promoting the climate change agenda to the surveying profession.

Paul Roach for challenging the way we think about real estate. Milena Tasheva-Petrova for sharing her ideas on Chapter 3.

Caroline Pang, Andrew Nelson and Patricia Connolly from RREEF for their help and guidance in putting together the case study material contained in Chapter 9.

Staff and students at Brockwood Park School who participated in the focus groups which helped to form part of the case study material used in Chapter 10.

Paul Comerford and Michael Henderson from AECOM Design + Planning who provided the material for Chapter 11.

Paul Winter from CORPRA for the case study material in Chapter 12 and other material in that Chapter which formed the basis of a paper which appeared in the *Corporate Real Estate Journal*. Also for his contribution of the case study material in Chapter 13.

Paul McNamara from PRUPIM who provided the case study material for Chapter 14.

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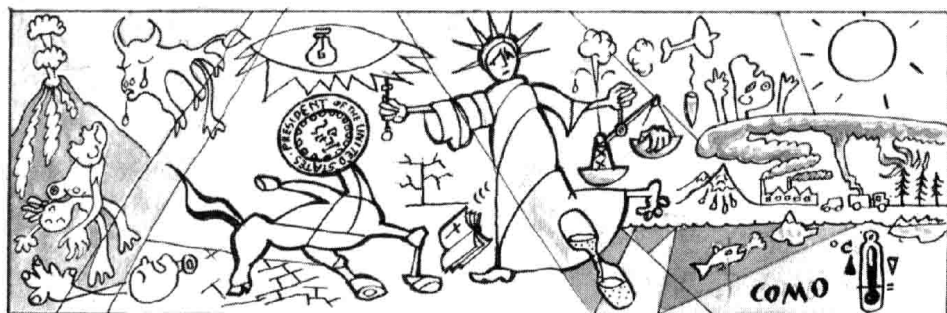
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## Section I

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# Introduction and Concepts



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# 1 Introduction

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## Introduction

Property markets and sustainable behaviour? Surely, everything that needs to be said about these two has already been said. There are a wealth of books on markets and market mechanisms. Every other book that we pick up seems to have ‘sustainability’ somewhere in the title. So, why is this book different? The answer is that we believe that this book covers ground that has not appeared in others nor has it been covered in the way that we cover it here. We hope that it stimulates discussion, reflection and ultimately action based on knowledge and understanding rather than knowledge alone.

We tend to think that once we have given something a name (e.g. sustainable development), discovered how it fits into our world, so that we can describe it, then we understand it (Loori 2007). In this whole process, however, we argue that it may be necessary to reflect on our attitudes and behaviours in order to get closer to understanding the complexities of sustainable development or sustainability. We do not necessarily prescribe changes of behaviour. We simply make the point that we can all influence, as individuals, the nature of property (both physical and financial), the markets within which it is transacted (both local and global), the way it is financed (direct or indirect) and the way it is used (as a part of strategy or apart from strategy).

Oskamp (2000) asks the extent to which behavioural change is needed towards sustainability. His answer: a value system that moves away from human mastery over nature to one of harmony with nature. However, it is not so much change that is needed but ‘...a complete mutation of consciousness’ (Krishnamurti 2007: 37).

## The theme of the book

The essential theme running through this book is the behaviour of individuals as professionals, and organisations as part of the institutional framework of

markets. The emphasis of the book is on real estate markets but, of necessity, it will cut across other markets as well. If we believe that we are living and working unsustainably, then current behavioural patterns, and how they have emerged, need to be understood and set against the need for change and the introduction of new business models.

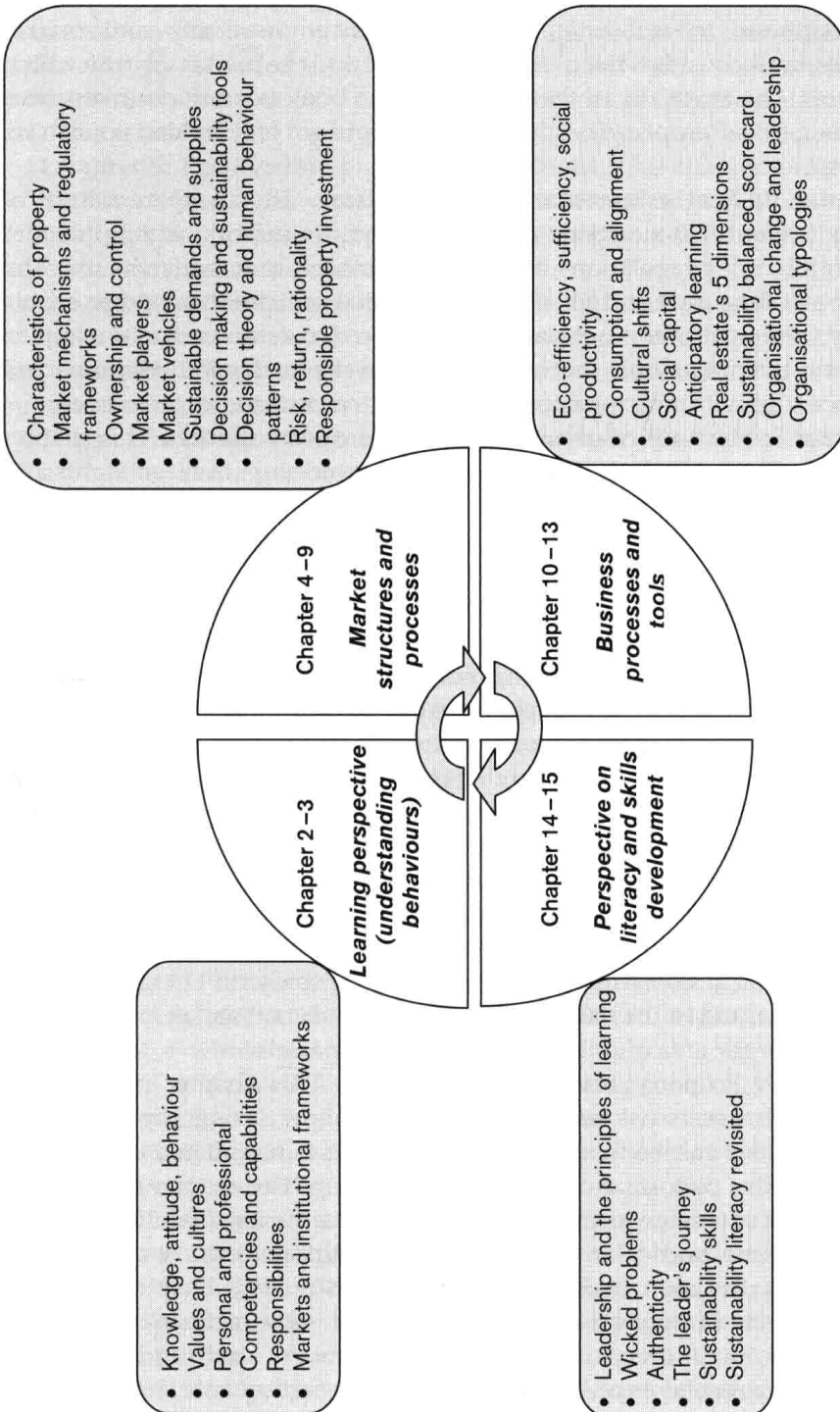
The book takes a transdisciplinary approach, integrating, horizontally, disciplines such as economics, psychology, education, technology and social science, and, vertically, at empirical, pragmatic, normative and value levels. The book addresses both reflection in modes of thinking and reflexivity in courses of action. Acknowledging ambiguity in the concept of sustainability, the authors do not attempt to add it as a layer in decision making. Instead, the reader is encouraged to recover what might have been perceived to have been lost or, at least, overlooked over the centuries through industrialisation and latterly globalisation. This approach is not intended to undermine the benefits of industrialisation, but simply to see these in a post-industrial setting and identify the tensions created around the concept of sustainability. Some of the issues surrounding this concept and its meaning will be addressed later.

Our approach therefore seeks to consider a more participatory response that could lead to longer term sustainable solutions rather than what appears to be the current vogue for short termism in much of the actions of commerce, government and individuals. This involves *responsible* actions on the part of professionals who advise clients on real estate matters principally through different forms of *dialogue* to communicate *sustainable* ideas to meet *sufficient* needs.

## The structure of the book

The book is divided into four parts as shown in Figure 1.1. A starting point for the book is to establish a ground on which this participatory response is based. Accordingly, the first part of the book includes an examination of the concepts of 'value', 'sustainability', 'transdisciplinarity', 'sustainability literacy' and 'knowledge' and their impact on behaviour and the way we might think about markets as complex systems generally and real estate specifically. This then leads onto a chapter that considers culture as an evolving process of collective knowledge and its implicit and explicit social construction. It is important to see the built environment within a cultural setting, not just as the physical symbol of a society, but as an integral part of the social fabric. Real estate is a tangible representation of meaning for many organisations. It is also the ground on which much sustainability discussion takes place (buildings representing a major contributor to carbon emissions). From this, the chapter questions the gaps that exist between values and actions specifically as they relate to sustainable behaviour and real estate. Finally, some examination of markets and their ability to evaluate sustainable variables is included in preparation for more detailed consideration later in the book.





**Figure 1.1**

Structure of the book