

Editorial

# Real Estate: Discovering the Developments in the Real Estate Sector Using the Current Research Challenges

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"Agenda 2030" is a wide-reaching plan established by the United Nations, in which 17 Sustainable Development Goals (SDGs) with 232 related indicators highlight the most important economic, social, environmental and governance challenges of our time [1].

In this direction, the "Advancing Responsible Business in Land, Construction and Real Estate Use and Investment" report examined the real estate sector's impact in relation to the main areas in the UN Global Compact: human rights, labor standards, the environment and anticorruption. Furthermore, the report considered the practical application of the SDGs to the land, construction and real estate sector in relation to residential, commercial and public sector buildings as well as their respective stakeholders [2].

The land, construction and real estate sector is gaining all this attention and relevance because it represents more than half of the global wealth [2], and it is also one of the most influential sectors on the health and well-being of people and the environment. By providing housing, the land, construction, the real estate sector fulfils one of humanity's fundamental needs. From this perspective, housing is also identified as a right in the United Nations' Universal Declaration of Human Rights [3]. Through the realization of educational and recreational facilities for communities, the real estate sector has the potential to positively impact local economies by providing jobs and training. In addition, through their architectural, environmental or historical characteristics, real estate goods can also create cultural value [4].

Real estate markets are experiencing moments of great renewal: the many crises in recent years have forced us to rethink approaches and business, placing greater attention on the quality of buildings and on satisfying different demands. The topic of the sustainability of real estate investments has spread thanks to the sensitivity developed by stakeholders, the appearance of excellent case studies and the development of new structured methodological approaches.

The environmental impact caused by real estate goods represents about 30% of polluting emissions and 40% of energy consumption globally. These effects are exacerbated by the tendency to move towards large population centers, which increases the demand for and consumption of urban land that guarantees well-being and a good quality of life. At the same time, the real estate sector is estimated to provide 5 to 10% of employment and generate 5 to 15% of GDP in industrialized countries [4]. From the standpoints of climate changes and risks deriving from extreme natural events, adapting to a noticeably different environment is not just about controlling the temperature, but it also encompasses the impact of variations in the demands of customers, who in turn are guided by climate change. And this is in addition to the possible damage linked to extreme natural events which, in our new normal, can occur much more often than ever before. These situations have not passed unnoticed, and the real estate sector is increasingly under pressure from authorities and the public to address environmental and social issues.

Real estate investments orient the characteristics of buildings in terms of environmental and social sustainability. The environmental dimension concerns elements such as the design and management choices of construction materials and energy efficiency



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and consumption reduction policies to minimize the overall impact. The social dimension includes the quality of spaces with reference to livability, interaction with the local community and the adoption of an approach oriented towards satisfying housing and land demands. It is estimated that by 2030, about 60% of the world population will live in cities; it follows that social considerations will be increasingly important in the process of evaluating interventions on buildings. The environmental dimension is once again placed alongside the renewed centrality of the social dimension: the demographic increase causes an increase in the consumption of resources and the production of waste. The tendency to occupy urban areas and leave rural areas is particularly evident in developing countries, where population growth is more pronounced. However, humanity is consuming more resources than it can generate. The topic of land consumption has multiple facets, ranging from the use of agricultural areas to serve urban centers to the progressive urbanization of the territory.

The economic inefficiency of unused assets is a further problem that causes various types of critical issues, whereas the reuse of existing assets can instead represent an important contribution in environmental, economic and social terms. All this is without neglecting the presence of historical and landscape constraints, uncertainty in investment returns, the well-being of occupants, social equity in public–private partnership interventions (for example, relating to social housing and university residential construction) and relations with local communities and with the public administration in real estate investment processes.

The aim of *Real Estate* (ISSN 2813-8090) [5] is to fulfill all these open challenges, and the journal should be of interest to anyone working on real estate and its applications. It is intended to be an international, peer-reviewed, open access journal (free for readers) that publishes original articles, critical reviews, research notes and short communications on the real estate sector in its broadest aspects. Researchers are encouraged to publish their theoretical, computational and experimental research relating to real estate. In addition, reports concerning research collaborations and projects by governments and others, which can provide useful knowledge and guidance to a broad array of readers, are also welcome. To ensure important aspects of real estate receive adequate attention, the journal intends to publish Special Issues dedicated to focused and important topics in this field.

The scope of the journal is broad; however, it aims to be specific in its sector, and papers dealing with all aspects of real estates are welcome. The primary objective of *Real Estate* is to investigate and expand the frontiers of knowledge that cover business decision-making applications through scholarly real estate research. Topics of interest include, but are not limited to:

- Real estate market analysis;
- Real estate appraisal;
- Real estate literature;
- The economic and financial valuation of real estate projects;
- Social discount rates;
- Real estate capitalization rates;
- Real estate policies and regulations;
- Land property;
- The appraisal of real rights and limitations of property use;
- Sustainable real estate;
- Econometrics models;
- Real estate location and site selection;
- Real estate risk management;
- Choice decision-making processes in the real estate field;
- Real estate finance and mortgage markets;
- Buildings' costs and depreciation;
- Real estate tax rules;
- Corporate real estate and industrial plants;

- Housing and urban economics;
- Social housing;
- Real estate portfolio diversification;
- Real estate development, sustainability and regeneration;
- Energy efficiency and real estate;
- Real estate economics and finance;
- Real estate data analysis;
- Spatial models for real estate;
- Building management;
- Interactions between real estate and resources/land development (ecology, natural resources, climate, local communities, public policy and economic development).

The need for a new journal is underscored by the fact that the various disciplines involved in the real estate sector often publish in specialized journals that deal with wider and miscellaneous scientific fields. This limits the potential for cross-disciplinary learning and inhibits efforts to discover and overcome the current frontiers of knowledge in the real estate field.

I expect that *Real Estate* will become a premier journal for research in this field. To achieve this objective, all members of the editorial and production offices will work hard to provide the best service possible. On behalf of the journal's founders, editorial board and staff, we look forward to your contributions to *Real Estate* and, more importantly, to their impact on the advancement of all areas in real estate.

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## Short Biography of Author



**Prof. Dr. Pierfrancesco De Paola** is a Professor in Real Estate Appraisals and Economic Valuation of Investment Projects in the University of Naples “Federico II” (Italy). He is a Building Engineer and has a PhD in the Conservation of Architectural and Environmental Heritage (Curriculum: the Economic Valuation of Conservation Projects, achieved at the “Mediterranean” University of Reggio Calabria, Italy). He is an ordinary member of S.I.E.V.—the Italian Society of Appraisal and Valuation. He has participated to research projects in collaboration with various universities around the world in the field of infrastructure cadastre, quantitative methods for the estimative analysis of the real estate market, the innovative green building supply chain and improving nature-smart policies through innovative resilient valuations. He is an expert in appraisals of ordinary and extraordinary properties, damage appraisals, corporate valuations and cost appraisals for the construction of civil and industrial buildings and equipment. He is the author of many research and scientific publications in international journals in the fields of real estate and the economic valuation of investment projects. His research interests include econometric models; mass appraisal; the real estate market; risk management; urban and real estate economics; real estate investments; building management; the economic valuation of real estate investment projects; environmental economics; transport economics; sustainability; knowledge management; corporate valuations.

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