Methods and models for international comparative approaches to real estate development

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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.

Key Words:
real estate development, land use planning; comparative methods, development models

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-dependency, 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 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, 2000), or favor discussing how local real estate practices work (i.e. portraying overviews) over drawing comparative international analyses (Levin, 2004; Tiwari et al., 2010; Kalin and Taylor, 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 (2012) 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.

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 to 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

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 such as 'lesson-drawing–policy transfer', 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 study can allow comparison of cases such as comparing real estate development between different cities, or also compare similar national contexts (e.g. between more 'developed' nations) and see how specific real estate development elements such as key stakeholders involved are different. This is all assuming that a case study is considered as a geographical case study; other case-study structures can be used, for instance a case study of institutional structures (e.g. networked or hierarchical) are the basis of the 'case'. Proponents of case-study approaches are aware that case studies can synthesize with other methodological approaches and that case-study approaches are not mutually exclusive (Yin, 2009).

3.2. Lesson-drawing Methods

Lesson-drawing is another method that can be synthesized with a more holistic conceptual model being proposed for making international study of real estate development (Janssen-Jansen et al., 2008). The interest in lesson-learning here is, thus, as a lens to interpret the international approaches of real estate development. Definitions of lesson-drawing have been described as the explicit effort by one government to learn from the experience of others (Wolman, 2009). Thus, we follow Rose (1993) who argued that, in responding to a demand to 'do something', a government will want to ensure success by: (1) relying on what has worked before (a backward-looking strategy) and learning lessons from the past; or (2) establishing a proxy evidence base by learning lessons from similar policies deployed in similar contexts elsewhere (a forward-looking strategy) (cf. Wolman, 2009). In addressing the latter, it is, of course, essential to be aware of the contrasting time–space contexts of case study countries (Rose, 1993).

3.3. Policy Transfer Methods

At the outset, policy transfer refers to the process by which actors borrow policies developed in one setting to develop programmes and policies within another – it is an important area to study because transfer is a common phenomenon (Dolowitz and Marsh, 1996). Policy transfer is seen as being a greater task than lesson-drawing in terms of forming clear outputs for practical use (Mossberger and Wolman, 2003). It is argued that whilst lesson-drawing offers the potential for comparing how policymakers behave with the expectations of lesson-drawing, policy transfer is even broader in scope, encapsulating lessons, other forms of 'voluntary' adoption and 'coercive' processes. Policy transfer is very difficult to disentangle from other forms of policymaking and researchers will find it very difficult to form clear outputs of practical use for assessing claims about changes in the importance of 'transfer'. However, policy transfer is not dismissed as being too complex to handle if there is a focus on certain elements of the policy transfer concept and developing clearer outputs and measures of transfer might be one way to develop the approach (James and Lodge, 2003). In this instance the focused policy-transfer element is on real estate development. Five key aspects of policy transfer writing are now considered, they involve: (1) diffusion; (2) rational frameworks; (3) lesson-drawing; (4) structure–agency; and (5) metaphors and discourse.

Policy transfer also experiences amendments made to a policy by international pressures such as fitting any other multilateral regulatory agreements. This is in addition to changes in transfer born from third party external impacts, such as ensuring that specific communities in real estate development are not adversely impacted upon. Furthermore mixed features of transfer may include conditions being attached to an imported policy, such as central government fiscal control of real estate development activity. In return, this may be met by obligations of groups such as the public sector taking on some financial risk in a real estate development project. More coercive features of policy transfer at the other end of the spectrum could affect the eventual transferred policy package. For instance, direct imposition of a fixed rate of development tax or the inability to force a policy through due to strong pressure-group activity could change its appearance. Further coercive affects that will have to be considered in a policy transfer is the influence of party lines that are being pursued such as an austerity agenda. Coercion may also originate from the pressure of think tanks and lobbyists that have been pioneering experts in initiating the policy for transfer.

3.4. Hybrid Methods

This section develops a combined lesson-learning and policy-transfer model that plots various 'levels of lesson-drawing' to the 'likelihood of transfer' to generate a more integrated theory when considering any levels of policy transfer (Spaans and Louw, 2009). In doing so, inspiration between different contexts can be made such as real estate development inspiration from clustered contexts within developing countries could be transferred to developed countries. Moreover, real estate development learning can be made between countries that share quite similar contexts, such as learning from real estate development within the boundary of sub-Saharan African countries.

It is important to acknowledge what is meant by 'systems', as it constrains the likelihood of transfer and the level of lesson-drawing from one country to another. Authors like De Jong (1999), Maladouh et al. (2002), and Dühr et al. (2010) illustrate for instance that 'systems' can consist of several context-dependent institutional aspects such as welfare, cultural, legal-administrative, political-economic and planning systems. To a certain degree such systems can be grouped into families of nations (Maladouh et al., 2002). However, almost without exception most countries have a mixture of systems that does not find its equal somewhere else. Therefore, drawing lessons from international examples of real estate development is most likely to occur at inspiration and learning level (e.g. Heurkens, 2012). Moreover, particular insights on the operational level of actions involved with real estate development – including formal relations (such as procedures) and informal practices (such as roles) – might contain better possibilities for institutional transplantation than aiming at constitutional or policy area levels (see De Jong, 1999).

3.5. Stakeholder Methods

Another important method to study international approaches to real estate development is through the stakeholder method. The stakeholder method involves a taxonomy used to identify the key people who have to be won over in a project – such as a real estate developer, financier, planner, government official or community member. This stakeholder approach is supplemented by stakeholder planning where the agent builds-up support to help them succeed. Again, using the real estate development example, stakeholder planning could be the consideration of a participatory set of committee members that will be consulted at various phases of the real estate development project. The application of this selection of stakeholders and their support could be analysed internationally as there would be comparable agents such as planners in a development that may also vary in significance across national boundaries.

A key review of stakeholder method literature demonstrates that there is a growing popularity in its use and that this reflects an increasing recognition of how the characteristics of stakeholders – as individuals, groups and organizations – influence decision-making processes (Brugha and Varvasovszky, 2000). Furthermore, stakeholder references are frequently found to be of relevance here, such as stakeholder ‘approaches’, stakeholder ‘frameworks’ and stakeholder ‘issues’ (Clarkson, 1995). Most importantly here is stakeholder ‘approach’ theory, that is largely and originally attributed to management (Friedman, 1984). This focus on management of stakeholders with respect to a particular action means that use of stakeholder approaches in analyzing international cases of real estate development tends to be focused on the people part of the approach – such as in implementation.

3.6. Comparative Methods

In making international comparative analysis, there is a healthy respect for time- and place-dependent circumstances which we call context – there is therefore almost always to some degree an element of ‘context-dependency’ or ‘path-dependency’ (Heurkens, 2012). The risk at one end of the context spectrum is if an insular and navel-gazing approach is taken when claiming that context is everything – an open mind is needed for knowledge and understanding to flourish. In doing so it is the aim to start making sense of differences and similarities of context (Pickvance, 2001). Furthermore, this comparative thinking allows some conceptual equivalence. Conceptual equivalence being the way in which the same conceptual constructs or models can be placed in equivalence to each other, as would be applied to the logical field of mathematics (Pickvance, 2001). Even when direct equivalence can be made, particularly where unique features are being recognized, any limitations of knowledge transfer can still benefit those making the comparative analysis as wider lessons can be drawn from real estate development scenarios (Janssen-Jansen et al., 2008).

Comparison in method is well embedded in contemporary research and has a rich history. For instance, as the world becomes increasingly more complex and interrelated, particularly with respect to greater porous national boundaries, the more debates on the place and process of comparative research have multiplied (May, 2011). There is certainly open debate on the opportunities and problems of such comparative methods. More positively there is the opportunity to both explore the particularities of local experiences whilst understanding the forms and consequences of the general process (Heynen et al, 2006). Clear spatial examples of comparison of the local and global phenomenon are those such as comparing spatial divisions across different industrial geographies (Massey, 1995).

For others beyond the social sciences, comparative research can be seen as impractical, unfeasible and even undesirable - for the simple view that comparison is impossible due to the fundamental incompatibilities of concepts, cultures, and units of analysis (May, 2011). The intention here is not to over-philosophise the intricacies in the benefits and drawbacks of comparative methods, but to engage the comparative method with a model of real estate development that can be used within and between national boundaries. The desire here to develop an internationally valid model is believed to be helpful within the comparative method, and there is certainly international academic excellence and policy-transfer reputation that can be gained from such modeling (May, 1995).

4. Existing conceptual models of real estate development

Methods highlighted above, can be used whilst framing a research problem around a clear conceptual model(s). Over the years, numerous models of real estate development have been constructed. Here the focus is on four main theoretical models: (1) equilibrium models, (2) institutional models, (3) agency models and (4) event sequence models. These models of real estate development draw on those recognized by Healey (1991) and further discussed by Ratcliffe et al. (2009). Adams and Tiesdell (2012, pp. 75–76) summarize the main characteristics of the four models of real estate development as follows (see Figure 1).

Figure 1: Conceptual models of real estate development

Equilibrium models

- Origin: Neoclassical economics
- Market demand-supply effecting real estate development process

Institutional / Structure models

- Origin: Urban political economy
- Forces/dynamics organising real estate development process relationships

Agency models

- Origin: Behavioural/institutional economics
- Actors & relationships in real estate development process

Event sequence models

- Origin: Estate management
- Management of real estate process stages

Source: Adapted from Healey, 1991; in: Ratcliffe et al, 2009, p.329

In the following sections the models are brought out in more detail and focus towards an application for thinking about international approaches to real estate development. Further, the following sub-sections seek to demonstrate that the models are not mutually exclusive but provide a clear conceptual underpinning and choice of an appropriate model, or parts of the model, when applying more context-dependent real estate development examples.

4.1. Equilibrium model

In isolation the equilibrium model is centred more within the origins of neoclassical economics. In an era of economics, but still applied today, equilibrium models 'assume that development activity is structured by economic signals about effective demand, as reflected in rents, yields, etc.' (Healey, 1991, p. 221). Here the assumption is that the development process is driven by demand for new property and that supply should be brought forward to meet demand. The operation of the 'market' might be impeded by a number of factors such as inadequate information (e.g. producers and consumers) and supply-side blockages (e.g. planning systems). Moreover, in equilibrium models, the activity of real estate development is seen as relatively unproblematic, as transactions and investment will be activated by market signals as to land and property prices and rents (Healey, 1991).

Nevertheless, according to Healey (1991), this 'demand equals supply' approach fails to take into account the: (1) diverse forms of demand (e.g. use and investor demand); (2) non-economic interest of those involved in development (e.g. public landowners pursuing environmental or social benefits from land sales); (3) considerable uncertainty in assessing future gain (e.g. timescale of development process); (4) distortions produced by valuation and appraisal methods to assess risk and reward (e.g. different approaches to establishing land prices and calculating property investment risk); and (5) complexity of the development process (e.g. considerable time, different actors, shifting power balances).

As such, equilibrium models are helpful in understanding real estate development for more standard types of projects, in relatively stable conditions exemplary for active property markets and the absence of market domination of large operators. This hardly does justice to the strategies, interests, and activities of the production side of the development process. As such, insight into the institutional dimensions of real estate development is required as well.

4.2. Institutional model

Another model for conceptualizing international approaches to real estate development is the institutional model, that focuses on institutional structures such as the real estate 'environment', 'market' and 'organizations' (Keogh and D'Arcy, 1999; in Adams and Tiesdell, 2012). Institutional models explore the forces that organize the relationships of real estate development and that drive its dynamics (Healey, 1991). Moreover, Adams and Tiesdell (2012) argue that institutional models are grounded in 'new institutional economics' which represent an important addition to economic mainstream thinking. It is based on the concept of 'transaction costs' (e.g. information search, contract bargaining, contract enforcement). To reduce transaction costs 'institutions' are needed. According to Scharpf (1997) institutions constitute the written and unwritten preconditions for human interaction. Or as Hamilton (1932) puts it: the way of thought and action of some prevalence embedded in the habits of a group or the customs of people. Daamen (2010) emphasizes that institutions can be defined in more detail. They consist of the: (1) formal rules which actors have to follow (e.g. law); (2) social norms that actors will generally respect; and (3) symbol systems, cognitive scripts and moral templates that produce the meaning of phenomena in a particular place and time. Adams and Tiesdell (2012) argue that institutions in real estate development include governance structures or 'rules of the game' (e.g. property rights, development control) required to minimize uncertainty in human interaction.

Keogh and D'Arcy (1999) argue that we can conceive the operation of real estate development markets as a three-level institutional hierarchy. First, the real estate environment is defined by the political, social, economic and legal rules by which society is organized. Such institutional rules differ from place to place, even within one country, let alone between nations. Second, the property market can also be seen as an institution as it operates as a network of rules, conventions and relationships. For instance, Alexander (2001) emphasizes that by assessing development rights, planning helps to create a more stable environment for real estate markets. Third, as Daamen (2010) recalls, institutions can also consist of property market organizations that over time by interaction and action, shape real estate development. Notice that these institutional levels influence one and another. For instance institutional rules constrain the actors in their actions, but institutional organizations also shape institutional rules and development culture for instance.

To further underscore, this institutional model reflects the forces and dynamics organizing real estate development processes and relationships. However, this model has the disadvantage of primarily focusing on real estate development markets, as behaviours of individual actors and path events effecting real estate development, and the relationships between the institutional environment, markets and organizations, are not operationalised.

4.3. Agency role-based model

The agency role-based model can incorporate a multitude of players that have different interests in real estate development, and with networked connection to each other and other markets. According to Healey (1991) agency models focus on the actors in the development process and their relationships, used to describe the real estate development from a behavioural or institutional point of view. Adams and Tiesdell (2012) argue that real estate development is an intensely social process in which relations between people, often nurtured over many years, matter intensely in determining outcomes. For instance, a particular mix of agencies with dominant positions (e.g. land or property owners, planning authorities, investors) to a large extent determine what the development possibilities of a certain place are. Adams and Tiesdell (2012) argue that the distinction between actors and roles in the development process is a crucial one. Actors are organizations or individuals, while roles constitute the parts these actors play in the development process (e.g. developer, planner, investor and consultant). In more detail, Heurkens (2012, p. 57) defines an actor as 'an organization or representative individual actively involved in development projects', while a role can be seen as 'a coherent set of organizational tasks and related management activities carried out by actors involved in development projects'. Hence, a successful development process depends on the coordination between roles, which involves cultivating networks of trust between actors.

In agency role-based models it is important to understand which socially constructed networks of rules, conventions, and relationships, determine the coordination of development decisions. This happens in markets of various natures (e.g. political, land, financial and investment markets). Markets act as vital network hubs for development interests, since they enable relations with other key participants to be fostered, mediated, and negotiated (Adams and Tiesdell, 2012). Development interests are a key concept in the agency role-based models of the real estate development. For instance, in choosing particular sites to develop real estate, developers historically have avoided operating at brownfield locations as they are often interested in maximizing development return, which due to high remediation cost of inner-city sites might prove to be difficult (Tallon, 2013). Hence, for instance the role of planning authorities is to assist developers in mitigating unwanted development risks by providing financial or fiscal incentives for developers to regenerate brownfield sites, thereby potentially realizing public policy objectives as well. Therefore, in understanding real estate development it is important to understand the agency's interests that to a large degree determine the roles they can and want to play in the development process. In short, the agency role-based models open up the complexity of development activity, but lack a dynamic conception of the forces that 'drive' the development process (Healey, 1991).

4.4. Event-based model

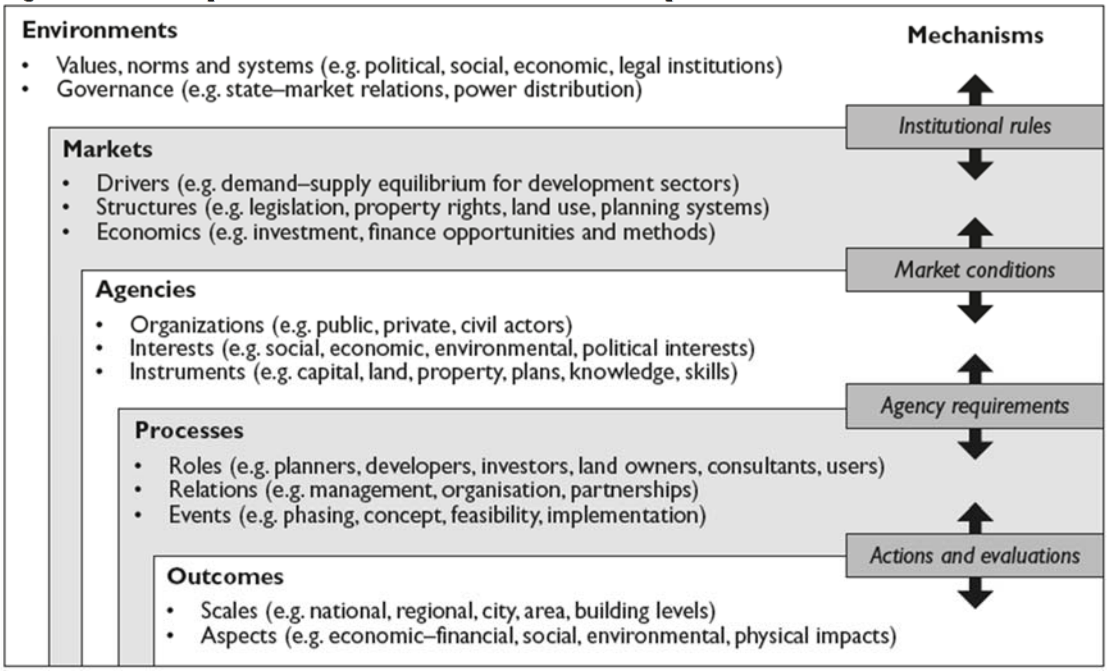
The event-based model is another real estate development model to consider for international study. According to Healey (1991) such event-sequence-based models enter more deeply into the complexity of the development process by unpacking it into constituent events. Adams and Tiesdell (2012) argue that such approaches to modelling real estate development are based on the seminal 'development pipeline' constructed by Barrett et al. (1978), with this model requiring simplifications to reflect more recent thought and practice. An event-based model, drafted by Adams and Tiesdell (2012) focuses on the events or stages of the development process - 'development pressure and prospects', 'development feasibility', and 'development implementation' – and aims to link them with the 'drivers for real estate development'.

As such an event-based model assists in understanding the dynamic conception of forces driving the development process. Moreover, it moves beyond the general conception that real estate development mainly consists of implementing or constructing development projects. While development events may take place in a different order, the essential development requirements of each stage must be completed before moving towards another one (Adams and Tiesdell, 2012). Such requirements are the analysis of the 'existing stock of real estate' that must be followed by a proper 'development concept' and ultimately 'development commitment' by actors, in order to move forward with delivering development schemes. However, since uncertainties may occur internally in the development requirements (e.g. development feasibility being affected by strict planning regulations or difficult site acquisition), and factors driving development externally shift constantly (e.g. development pressure and prospect being affected by economic downturns and consequent decreased demand for real estate), actual development output remains inherently unpredictable. It is therefore important to recognize the significance of such events to understand how real estate development commences in particular places and time. Taking this all into account, the event-based model presents possibilities of linking institutional characteristics of real estate development to the actual emergent processes of real estate development by incorporating complex and dynamic factors.

5. A new conceptual real estate development model

Given the methodological approaches and conceptual models, this next section proposes a new conceptual model in approaching international real estate development. This new model considers all previous mentioned models to bring forward a deeper underlying framework. Adams and Tiesdell (2012) argue that an ideal model for real estate development would successfully combine the various modal perspectives mentioned in the previous section. An attempt made by Healey (1992) to construct an all-inclusive institutional model of the real estate development process was to some degree been contested by both Hooper (1992) and Ball (1998). Considering the various theoretical lenses and complex nature of real estate development it indeed is a big challenge to produce such an 'ideal' model. Nevertheless, since we are dealing with an international comparative study it is at least important to make such an attempt. The primary goal of such a model would not be to explain real estate development in particular nations in detail, but rather enable international comparison between real estate development practices. The conceptual model for real estate development presented in Figure 2 is based on the work done by Keogh and D'Arcy (1999), but significantly adapted and enriched to embed and relate the principles of real estate development models illustrated in previous observations.

Figure 2: Conceptual model for real estate development



Source: Authors - Adapted from Keogh and D'Arcy (1999)

Table 2. The real estate development model layers and mechanisms definitions

Layer / Mechanism	Definition
Environments	The fundamental values, norms and systems that determine the institutional rules applicable to real estate development.
Markets	The diverse market drivers, structures and economics that determine the conditions under which real estate development can take place.
Agencies	The various organizations, interests and instruments that determine the agency requirements to be met in real estate development.
Processes	The different development process roles, relations and events that determine the development actions taking place in real estate development.
Outcomes	The related development scales and aspects that determine the evaluations of the real estate development result.
Mechanisms	The interlinking between institutional levels determining the way real estate development is

	constrained (institutional rules), conditioned (market conditions), organized (agency requirements), delivered (actions) and perceived (evaluations).

Source: Adapted from Squires & Heurkens (2015)

As for the model layers, (Figure 2 and Table 2) *environments* set the wider context for real estate development. Underlying socio-political-economic principles or values within a specific territory, such as varieties of neoliberalism, determine how systems are constructed and operated. For instance, Nadin and Stead (2008) argue that the Dutch spatial planning over the past decades has gradually shifted towards more development-led planning approaches, as a result of more liberal government policies to planning and other sectors. The integration of environments in the model enable institutional norms and values to vary, and also affect the way real estate development is governed as state-market relationships change. Nonetheless, at this level institutions remain rather solid and established. Various institutional theorists in political, economic and social sciences (e.g. Hollingsworth, 2000; Powell, 2007; Thorton & Ocasio, 2008; Scott, 2013) have identified that institutions are regulative, normative, cognitive structures and activities that provide stability and meaning to the behavior of organizations. This implies that understanding the (changes within the) institutional context of real estate development in specific territories is key to explaining how real estate development markets work. The environment imposes institutional rules for real estate development that are foremost translated into market behaviors, economics, and structures.

This layered model approach (Figure 2 and Table 2) allows us to interpret real estate *markets* as also formed by institutions – not just as an autonomous entity in themselves (Needham et al., 2011). Markets hold a certain logics often expressed in terms of its drivers, structures and wider economics. Markets are central to the way places are created and evolve over time (Adams & Tiesdell, 2013). A way to classify real estate market structures is by the traditional agricultural, land, residential, office, retail and industrial sectors. Each of these markets has its own drivers and wider economic context, with changing real estate demand-supply equilibria on their turn affecting investment opportunities. We perceive of market structures as more legislative 'rules of the game'. For example, planning systems and property rights are typical structures that allow real estate markets to function. They determine the way real estate development actors relate to one another. To continue with the previously set example of the Netherlands, several authors (Buitelaar, et al., 2011; Roodbol-Mekkes et al., 2012; Van der Krabben & Jacobs, 2013) point out that Dutch planning and real estate development witnesses a shift in land use governance and policy instruments, which increasingly adhere to property development activities and interests. These shifting structures have resulted in more private sector-led development practices and strategies across the country (Heurkens, 2012; Van der Krabben & Heurkens, 2014). In conclusion, by understanding market drivers, structures and economics, one is better equipped to identify the market conditions that shape agency decisions for real estate development.

Agencies are distinguished as a separate layer for understanding real estate development. They are primarily public, private and civic organizations with particular (combinations of) economic, social, environmental interests in real estate development. Organisational interests to a large degree are formed by organizational cultures and behaviors. For instance, property developers that are subsidiaries of philanthropic corporations (e.g. Vulcan Inc., Inter-Ikea, Tata) are more likely to include sustainability measures into their real estate development due to their corporate social responsibility strategies (Squires & Moate, 2012), than for instance volume house builders. In addition, agencies can possess and deploy various instruments in real estate development processes (e.g. capital, land, property, plans, knowledge– see Daamen, 2010). Such instruments might serve as powerful tools for agencies to influence development. For instance, when land is scarce, and development plans and investment for a site are ready, land owners in particular can exercise power over other agencies to hold on to their land consequently driving up land prices for developers. Such instruments are very specific for certain real estate development sites and countries. Therefore, to understand real estate development agencies, it is important to analyse and define their organizational interests and the instruments at their disposal, as these determine specific agency requirements for real estate development projects.

In development *processes* agencies play certain roles (e.g. planners, politicians, banks, developers, contractors, investors, land owners, consultants, environmental groups, local communities and NGO's) to organize and manage development activity (Heurkens, 2012). It is important to understand that roles differ from agencies (Adams & Tiesdell, 2013). For instance, in some countries planners primarily are public officers while in others planners are employed by private developers. The same goes for the role of developer, which can be either public or private – or in partnership. Successful development depends on effective relations or the coordination between roles that take the form of all sorts of development partnerships. Public-private partnerships are commonly used vehicles worldwide to deliver real estate. However, Van der Krabben (2014) for instance signals the increased use of private-private partnerships in Dutch urban real estate development, which indicates a necessity for developers to overcome reliance on public investment. Consequently, major events can be linked to real estate development process phases including design, finance, realization and management stages. 'Events' can vary considerably, from an economic downturn to shifting organizational strategies, and may affect development stage activity significantly. Therefore, in particular contexts, it is crucial to understand the specific role of and relations between actors, and the events that determine the course of action in real estate development processes.

Real estate development *outcomes* can be evaluated at different scale levels. For instance, when studying the impact of real estate projects, one might consider its immediate surroundings, the neighbourhood, or the city limits as territorial boundary. What's more, outcomes can be studied on various aspects. In the same manner, it might be interesting to study whether such projects have contributed to certain economic aspects in a neighbourhood such as income levels, tourism spending, or retail turnover. Both scale levels and impact aspects can also be taken into consideration to evaluate environmental or social impacts of specific urban regeneration policies (Tallon, 2013). Outcomes of similar types of real estate development can differ from place to place and can be caused by various factors, which makes comparisons particularly difficult (Heurkens, 2012). Therefore, evaluating the outcomes of real estate development in different contexts is a challenge for scholars, as it involves choosing specific scales sand aspects of evaluation.

Finally, the *mechanisms* in our model need special attention. We have covered some of the mechanisms positioned between the institutional levels in the previous prose. Nevertheless, we want to emphasize that these mechanisms determine the way real estate development is constrained (institutional rules), conditioned (market conditions), organized (agency requirements), delivered (actions) and perceived (evaluations). Institutional mechanisms are not often the core subject of real estate development studies. Studies of neo-classical economic mechanisms in property research (e.g. pricing/market mechanisms) are widely present, but this is not how we conceive of mechanisms. From a comparative institutional point of view it is critical to understand that a mechanism offers opportunities to identify which institutional entities explain certain [real estate development] activities (cf. Hedström & Ylikoski, 2010). Therefore, mechanisms in particular are interesting research subjects in real estate development studies, especially to connect different institutional levels and thereby explaining the complexity of real estate development.

6. Conclusion

To conclude this paper, there is now a new conceptual model to potentially use within comparative methods in the study of international approaches to real estate development. This paper clarified the main rationale towards studying comparative international real estate development. In addition, by introducing various methods and models for comparative real estate development, we stress that such a comparative model could create the possibility of unraveling the complexity, interdependencies, and challenges of real estate development.

In terms possibilities, the laying out of models and methods have enabled a cognitive framework to allow those in real estate development theory and practice to learn and understand more beyond the site and beyond the national borders. This has shown that a global real estate 'market' is not the only focus of attention for international real estate scholars, but that there too can be a level of deeper insight into people and place that can be generated from a new real estate development model applied in the comparative method. In addition, the comparative method can often enrich and illuminate what is not always visible in the physical form and function – but also in the social, economic and political activities of multiple individuals engaging with (and within) many institutions. It is now possible to take bounded geographical national cases of real estate development to at the very least, provide some valuable insight.

However, the comparative model is limited in terms of generating particular deeper insights, such as comparing development agency behaviors and path dependencies in different countries. For these purposes, other more specific conceptual models could be developed for and applied to comparative real estate research methods. In that sense, our conceptual model is considered more holistic and generic in nature, fit for the purpose of generating general comparative insights on different relational levels or between real estate development scales. Hence, our model does foremost do justice to understand the interdependencies and challenges of real estate development on a comparative base, rather than its complexity that has been difficult to conceptualize into a model by other scholars. Therefore, we recommend scholars to apply the conceptual model developed in this paper in their own studies, to further validate its utility for international comparative real estate development research – and see the bigger picture.

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