From *modelling tools* towards the *market itself* – an opportunity for sustainability assessment?

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Short history of our activity

• 2001, Alicante, ERES-Conference
• 2003, Helsinki, ERES-Conference
• 2004, Bari – lecture/seminar
• 2006, Delft – 1th seminar (OTB, RICS)
• 2007, Delft – 2nd seminar (OTB, NTNU)
• a forthcoming book (RICS, Blackwell)

We have compared accuracy and other performance of several methods/techniques – simple, advanced and emerging – on same datasets
Conclusion of last year’s seminar and our forthcoming book

• Need for a better understanding of differentiated market processes and micro structures

• Context dependent market modelling performance is potentially a powerful finding

• Apart from estimation of market value, a market needs to be classified based on its particular features – tangible as well as intangible ones

• The market structures are being shaped by institutional and behavioural processes that involve considerations of a differentiated and partly qualitative nature.
Opportunity to provide tools for sustainability analysis?

• there is also an economic sustainability – or sustainable market!
• long term perspective related to a corresponding development in measurements of affordability and QOL
• not the same as ‘economic efficiency’
• E.g.: (despite comments by World Bank Experts) the context is NOT favourable for all CEE countries: corruption and backwardness!
Is the outcome non-economically sustainable, **economically sustainable**, or completely unsustainable?

<table>
<thead>
<tr>
<th>Development of quality and prices</th>
<th>The quality does not increase</th>
<th>The quality or economic security increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>The price level increases</td>
<td>P+, Q–: price bubbles without a link to quality improvements; <strong>unsustainable</strong></td>
<td><strong>P+, Q+: economically efficient and (at least) economically sustainable</strong></td>
</tr>
<tr>
<td>The price level does not increase</td>
<td>P–; Q–: economically efficient but unsustainable</td>
<td>P–; Q+: bargains; economically inefficient but <strong>environmentally and socially sustainable</strong></td>
</tr>
</tbody>
</table>
Value and price is reflected in the market type

- Market type
  - Structures
    - Economic value
  - Processes
    - Non economic value
    - Market change
    - Change in sustainability criteria