

Property Valuation & Management: In the eye of the tornado of change: A model of the major challenges facing the real estate profession

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ABSTRACT

For many years the property profession has been discussing the impact of change, through technology, globalisation, blurring of professional boundaries, commoditisation, securitisation, and the dramatic shift in societies, cultures and demographics.

Adopting the “tornado” analogy used by others in the analysis of technological change, this paper suggests that the property profession is in the eye of the storm and that very quickly a maelstrom of inter-related change drivers are set to challenge many of the basic tenets of valuation, management and agency practice.

The paper examines the key business drivers, the scenarios that are currently being developed for the future and develops a “property challenge model”. Using case study topics and data the paper maps the potential impacts of the key drivers and discusses how the numerous influences may lead to significant shifts in the provision of new property products and services, the skills needed to deliver the new products, and ultimately the property profession itself. The examination of change, and the drivers creating this change is made from a business and client perspective. A synthesis of key management concepts and expectations of the future direction of businesses and organisations is used to underpin and evaluate the property challenge model.

Finally an analysis of what the profession must do to respond to these challenges is presented - including new skills, new perspectives and the need for continuous education.

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JS6 New Directions in Valuation Methodologies II

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