The role of environmental uncertainty in the relationship between corporate social responsibility and enterprise value: Evidence from the real estate industry of China

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SUMMARY

After over three decades of accelerated expansion, China's real estate sector has entered a pivotal transitional phase toward a new development paradigm. The industry currently confronts a dual predicament characterized by default crises among leading developers and a simultaneous cooling of both supply and demand, compelling numerous real estate enterprises to undergo rigorous market consolidation. Since China's housing system reform, many real estate enterprises have systematically engaged in initiatives ranging from affordable urban housing to rural revitalization. These initiatives demonstrate substantive commitment to corporate social responsibility (CSR). The issue of how to achieve sustainable and stable development is now the paramount challenge confronting the real estate sector. We explored the moderating role of environmental uncertainty in the relationship between CSR and enterprise value in the real estate sector. We used 111 real estate enterprises listed on the Shanghai and Shenzhen A-share markets in 2010–2020 as the study subjects. We found the following. (1) Environmental uncertainty significantly moderates the relationship between CSR and enterprise value. At the macro-level, the increased environmental uncertainty of the entire industry enhances CSR's positive impact on enterprise value. At the micro-level, the increased environmental uncertainty of individual enterprises weakens this relationship. (2) Heterogeneity analysis by ownership type showed that when macro-environmental uncertainty is high, private enterprises are more likely than state-owned enterprises to achieve value enhancement through proactive CSR. The possible innovation and marginal contribution of this study can be summarized as the following two aspects. First, we reveal nonlinear dynamics under environmental uncertainty, which is a critical yet underexplored phenomenon in transitional economies. Second, we disentangle how macro-level regulatory shifts and micro-level organizational adaptations differentially moderate CSR's value implications. These findings position CSR not only as a crisis mitigation tool for real estate firms, but also as a strategy for sustainable development of industry.