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Real Estate Research in Europe

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Real Estate Research in Europe¹

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Real Estate Research in Europe

Abstract

We investigate the evolution from 2000 to 2015 in the proportion of papers published by authors with a European affiliation in the three main international real estate journals. Then, we analyze papers with at least one European author and/or concentrating on Europe published from 2008 to 2015 in the two main European real estate journals by authors' country of affiliation, by country of study and by theme. Finally, we analyze linkages between country of affiliation and country of study and theme, respectively. Our results show that the proportion of papers published by European authors in the three main international real estate journals has increased during the 2000-2015 period. Our analyses of papers published in the two European real estate journals suggest that U.K.-based researchers are the most prolific. There is also a strong 'home bias' in that authors largely focus on the country in which they are based. The interest in housing and valuation increased markedly during the period. Finally, we report linkages between country of affiliation and theme.

Introduction

Many initiatives have been undertaken during the past twenty years or so to foster real estate research in Europe. A significant step was the creation in 1994 of the European Real Estate Society (ERES) to create an international real estate network between academics and professionals across Europe. ERES is dedicated to promoting and advancing the real estate discipline and specifically property-based research throughout Europe. ERES

organizes an annual conference (since 1994), two annual industry seminars (since 2003) and one annual education seminar (since 2005). ERES is part of the federation of regional real estate societies, the International Real Estate Society (IRES).

At its 23rd annual conference in Regensburg (Germany), ERES introduced sessions with discussants in order to raise standards and to provide authors with as much feedback as possible. To be considered for one of those sessions, authors had to submit a full paper (rather than an abstract). The response to this innovation was very encouraging with a total of 84 full paper submissions, resulting in 46 papers being accepted after the review process.

ERES launched its journal, the *Journal of European Real Estate Research (JERER)*, in 2008. The main objective of the journal is to publish papers of theoretical and practical relevance to the real estate profession in Europe. Three issues are published annually and over 110 papers have been published to date. Two special issues have appeared so far, with some more planned for the future. Another major European real estate journal, the *Journal of Property Research (JPR)*, was created in 1984². It mainly focuses on real estate investment and development but papers on a broad range of topics have been published. *JPR* has established itself as a leading journal in the field. Many other real estate journals (such as the *Journal of Property Investment and Finance* and the *Journal of Corporate Finance*) and real estate-related journals (such as *Housing Studies* and *Urban Studies*) are also based in Europe.

Several other important research initiatives should be mentioned, such as the many real estate and real estate-related conferences organized in Europe. The American Real

² Up until 1990, the journal's name was *Land Development Studies*.

Estate and Urban Economics Association's international conference has taken place in Europe on several occasions. The 2016 conference, for instance, took place in Alicante (Spain). The European Network for Housing Research (ENHR) and the European Regional Science Association (ERSA) each hold an annual conference. Several real estate research symposiums have been organized in Europe, often in collaboration with universities from the United States and/or Asia. Such symposiums have taken place, for instance, at the Universities of Cambridge, Maastricht and Tilburg. Finally, several organizations, such as the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) and the European Public Real Estate Association (EPRA), regularly issue calls for papers inviting researchers to submit proposals for funding and/or access to their data for research purposes.

Against this background of initiatives which have taken place to foster real estate research in Europe, this article seeks to analyze important dimensions of that research³. We investigate the evolution from 2000 to 2015 in the proportion of papers published by authors with a European affiliation in the three main international real estate journals (*Real Estate Economics* - REE, *Journal of Real Estate Finance and Economics* – JREFE and *Journal of Real Estate Research* - JREER). Then, focusing on papers with at least one European author and/or concentrating on Europe, we analyze papers published from 2008 to 2015 in the two main European real estate journals (*JERER* and *JPR*) by authors' country of affiliation, by country of study and by theme. Finally, we analyze linkages between author's country of affiliation and country of study and theme, respectively.

³ This paper is based on a keynote address which was delivered at the 23rd annual ERES conference in Regensburg (Germany).

Our results show that the proportion of papers published by European authors in the three main international real estate journals has increased from 4% to 18% during the 2000-2015 period. The proportion of papers by authors from Asia has also increased slightly, while the proportion of papers by North American authors has diminished markedly from 84% to 64%. Focusing on papers with at least one European author and/or concentrating on Europe published in the two main European real estate journals, we show that U.K.-based researchers are the most prolific, with also many papers written by researchers based in Germany, Italy and the Netherlands. With respect to the country of study, a strong focus on the U.K. emerges as a reflection of the size of the market and availability of data. There is also a strong 'home bias' in that authors largely focus on the country in which they are based. A very limited number of papers appear to be theoretical. The interest in housing and valuation increased markedly during the period to reach a combined proportion of 44% as of 2015. We also report clear linkages between country of affiliation and theme.

The remainder of the paper is organized as follows. We present a brief literature review next. Our method is discussed in the following section. We then turn to the analysis of publications by authors' region of affiliation. We then examine publications by country of study before analyzing them by theme. A final section provides some concluding remarks.

Literature Review

Several papers have sought to analyze real estate research, mostly with the aim of ranking institutions and researchers. Those papers highlight the dominance of U.S. institutions on real estate research but also indicate a significant presence of Asian and European institutions. Analyzing papers published in *REE*, *JREFE* and *JRER* from 1973 to

2008, Jin and Yu (2011) show that U.S. institutions not surprisingly dominate research in real estate, although six non-U.S. universities (three in Europe, two in Asia and one in Canada) appear within the top 50 institutions. Cashman and Fairbanks (2014) analyze publications in five real estate journals (*REE*, *JREFE*, *JRER*, *Journal of Real Estate Portfolio Management* and *Journal of Housing Research*) from 2000 to 2012. Three European and two Asian Universities are within the top 25 institutions worldwide. Saginor's (2015) ranking, based on articles published in *REE*, *JREFE* and *JRER* from 2011 to 2015, shows that 11 non-U.S. institutions (five in Asia, five in Europe and one in Canada) are within the top 40 world institutions.

Of particular relevance to this paper, Chan, Hardin, Liano and Yu (2008) assess the contributions of international researchers and institutions in nine real estate journals for the 1990 to 2006 period. They report that both the Asia-Pacific and European regions have increased their influence on the top tier of real estate literature. The North American region, while still the dominant source of real estate research, has seen its share of publications in academic real estate journals decline. Universities from Singapore, Hong Kong, Australia, the United Kingdom, Sweden and the Netherlands are found to be leaders in their respective regions. Focusing on papers published in *REE* only, the analysis by Hendershott, Thibodeau and Smith (2009) confirms the internationalization of real estate research. During 1986-1994, only 2% of papers published in *REE* had a non-U.S. co-author. This increased to 7% in 1995-2000 and surged to 22% in 2001-2008.

With respect to the main themes of papers published in real estate journals, Dombrow and Turnbull (2004) examine publications in *JREFE* and *REE* for the period 1988-2001. Over the whole period, the three main themes were mortgages, investments and appraisal. The proportion of papers for the first category slightly diminished during the

period, while it increased for the latter two categories. The weight of papers in housing and public policy diminished during the period. Dombrow and Turnbull's analysis further reveals that real estate is largely an empirical field. Winson-Geideman and Evangelopoulos (2013) find a slow convergence in the topics of papers published in *REE*, *JREFE* and *JRER* during the past three decades (four for *REE*), suggesting that the discipline's maturation is accompanied by a process of scope clarification. They report that a set of 11 topics is shared among the three journals. These topics include research methods, REITs, brokerage, urban land, rent, appraisal, taxes, capital and leverage, real estate publications, auctions and leases.

Method

To analyze the evolution of the proportion of papers published by authors who are based in Europe, we consider papers published from 2000 to 2015 in *Real Estate Economics*, the *Journal of Real Estate Finance and Economics* and the *Journal of Real Estate Research*. Those journals are widely regarded as the three leading real estate journals (Gibler and Ziobrowski, 2002; Hardin, Liano and Chan, 2006). For authors with more than one affiliation, we only consider the main affiliation (i.e., the affiliation that appears first). For papers with multiple authors, each author is assigned a fraction of the paper. Authors are assigned to one of the following regions: North America, Europe, Asia, Australia-New Zealand or 'Other'.

To analyze publications by authors' country of affiliation, country of study and theme, we consider papers with at least one European author and/or focusing on Europe which were published during the 2008-2015 period in the *Journal of European Real Estate Research* and the *Journal of Property Research*. The time period is constrained by the year of *JERER*'s launch (2008). For this part of the analysis to be significant, we maintain that it is

important to concentrate on real estate journals that publish the bulk of their papers on topics of relevance to a European audience and that will also largely have European-based authors. We also want the focus of a journal to be general rather than specific so that a wide range of themes can be analyzed. Both journals meet those requirements and moreover have a strong reputation in the field of real estate research in Europe. Other journals were discarded either because they were specific rather than general real estate journals (*Journal of Property Investment and Finance*, *Journal of Corporate Finance*, *Housing Studies* and *Urban Studies*) or not focused mainly on European real estate research (*REE*, *JREFE* and *JRER*).

For authors' country of affiliation, we consider only the main affiliation of each author. Authors who do not have a European affiliation are classified in the 'Outside of Europe' category. We further consider the country of study. When the focus of a paper is on more than one European country, the paper is classified as 'Pan-European'. Papers focusing on non-European countries or comparing various regions (possibly including Europe or some European countries) are classified as 'Non-European and Pan-Continental'. Papers can also be theoretical. We further analyze the papers published in *JERER* and *JPR* by theme. The following categories are considered: corporate real estate, development, financing, housing, investment, listed real estate/REITs, non-listed real estate, sustainable real estate, urban/regional analyses and valuation. Papers whose focus does not fall within any of those categories are classified in the 'Other' category. A paper with more than one theme is assigned to multiple categories. Finally, we estimate the propensity for authors, given their country of affiliation, to focus on a particular country or on a particular theme.

Publications by Authors' Region of Affiliation

Figure 1 shows the share of publications in *REE*, *JREFE* and *JRER* by continent of authors' affiliation from 2000 to 2015, whereas Figure 2 shows the proportion of publications by continent as of 2000 and 2015, respectively⁴. Consistent with prior research (Chan, Hardin, Liano and Yu, 2008), the two figures suggest that authors with a North American affiliation largely dominate research in the three main international real estate journals although their relative influence decreased from 84% in 2000 to 64% in 2015. The proportion of papers by European-based researchers increased significantly from 4% in 2000 to 18% in 2015. The share of papers by authors from Asia increased from 11% to 15%, while the share of papers by Australian and New Zealand authors increased from 1% to 3%. Although real estate research in 2015 is still largely dominated by contributions by North American authors, the share of papers by researchers who are based outside of North America now exceeds one third. European-based authors contribute about one half of the papers from outside of North America.

Figure 3 shows the share of publications in *JERER* and *JPR* from 2008 to 2015 by authors' country of affiliation. U.K.-based authors dominate with 38% of the papers published. Many factors contribute to the dominance of the U.K. in real estate research. The U.K. market is the largest real estate market in Europe, creating a need for much research to better understand the market but also leading to the development of appealing databases that can in turn be used by researchers. The U.K. is also the country in Europe in which university real estate programs are the most developed (D'Arcy and Taltavull, 2009). Papers written by authors from outside of Europe represent 12% of all papers, reflecting the

⁴ The 'Other' category is omitted from Figure 2.

fact that many European authors have international co-authors but also the attractiveness of European real estate markets to test various research hypotheses. Researchers from Germany, Italy and the Netherlands also contribute significantly to real estate research. Many other countries are represented; however, with a proportion of only 4% or less.

Publications by Country of Study

Figure 4 shows the share of publications in *JERER* and *JPR* from 2008 to 2015 by country of study. The main country of investigation is the U.K. (28% of papers have the U.K. as their sole focus). Again, this reflects the need for much research for that market but also the better availability of data both for housing and commercial real estate markets. Given that more than one third of researchers in Europe are based in the U.K., it is also unsurprising that so many papers focus on the U.K. Interestingly, 21% of papers compare various European real estate markets, thus providing insights into the comparative functioning of European markets. Many papers (13%) focus on either non-European markets (given how our sample is created, those papers have at least one European author) or on pan-continental markets (i.e., both European and non-European data are used). Four other countries (Germany, Netherlands, Italy and Sweden) are each the sole focus of 5% to 6% of studies. Only 3% of papers are theoretical, reflecting the fact that real estate research is largely empirical in nature (Dombrow and Turnbull, 2004).

Many interesting facts emerge from the analysis of the linkages between the authors' country of affiliation and the country of study⁵. Authors appear to focus mostly on the

⁵ The matrix of propensities for authors, given their country of affiliation, to focus on a particular country is available from the author upon request.

country in which they are based, with the exception of authors from Austria and Finland where they focus on pan-European data (usually including data for their own country). When focusing on a single country other than their own, authors (from outside of the U.K.) focus on the U.K., reflecting again the greater availability of data for that country. When one considers authors from large countries only, those from Germany are the most prone to having a pan-European focus. Finally, studies with a non-European or pan-continental focus are authored not surprisingly by non-European researchers but also authors from Finland, Switzerland and the U.K.

Publications by Theme

Figure 5 shows the share of publications in *JERER* and *JPR* from 2008 to 2015 by theme, while Figure 6 shows that share as of 2008 and 2015, respectively. Figure 5 suggests that valuation, housing, and investment and portfolio management are the three most important themes with a combined 55% of papers. Listed real estate/REITs and sustainable real estate are two other popular themes with 8% and 6% of contributions, respectively. The other categories account for 5% or less of contributions. Notable trends emerge from the analysis of Figure 6. The proportion of papers focusing on valuation has increased significantly, from 5% in 2008 to 25% in 2015, whereas the proportion of investment and portfolio management papers has decreased from 18% to 8%. The latter trend is likely due to authors of investment papers submitting an increasing proportion of their work to business and finance journals to respond to the requirements of business schools in which those authors are largely based rather than to a decreasing interest for those topics. The proportion of studies focusing on listed, non-listed and sustainable real estate increased (the latter two categories did not even appear as of 2008 yet the sustainable real estate category

accounted for 11% of studies in 2015), while the proportion of development and corporate real estate papers decreased during the period. At 14%, the proportion of papers on listed real estate appears quite high given the value of such assets relative to the real estate universe and likely reflects the availability of data for such investments. As of 2015, there were no papers focusing on urban and regional issues, while such papers accounted for 9% of studies as of 2008.

The analysis of the linkages between the authors' country of affiliation and the theme of a paper clearly suggests that some themes are more popular in some countries⁶. U.K.-based researchers focus mostly on valuation, whereas German authors focus on investment. Dutch researchers concentrate on development, housing and urban/regional. Italian authors focus on financing and non-listed real estate. Researchers from outside of Europe focus on investment and listed real estate. Finally, valuation and housing are popular themes across countries.

Concluding Remarks

This study has shown that the proportion of papers published by researchers from Europe in the three main international real estate journals has increased significantly from 2000 to 2015. As of 2015, the proportion of papers by researchers from Europe is 18% and the combined proportion of papers published by authors from Asia, Australia-New Zealand and Europe is 36%. Although real estate research is dominated by researchers from North America (64% of papers published in *REE*, *JREFE* and *JRER* in 2015), the influence of

⁶ The matrix of propensities for authors, given their country of affiliation, to focus on a particular theme is available from the author upon request.

researchers from that region has diminished during the past 15 years (84% of papers were by North American authors as of 2000).

The U.K. appears to dominate real estate research in Europe both by country of affiliation and country of study. Germany, Italy and the Netherlands also have significant impacts on real estate research in Europe. Our analysis further reveals a strong 'home bias' in that authors largely focus their investigations on their own country. Comparative analyses of several markets (within Europe or across continents) are widespread. Very few studies focus on France or Spain. Theoretical papers only account for 3% of papers published in *JERER* and *JPR* during the 2008-2015 period. The interest in housing and valuation increased markedly during the period (44% of studies published in 2015 are in those two categories). The proportion of studies focusing on listed, non-listed and sustainable real estate also increased, while the proportion of development and corporate real estate papers decreased during the period. We further document a strong decline in studies focusing on urban/regional themes. Finally, strong linkages are found between the authors' country of affiliation and the theme of a paper.

In moving forward, it seems important that real estate researchers focus on how the body of knowledge can be expanded by taking advantage of specific features of European markets or of European data. For instance, considering Eastern Europe, the transition from a centrally planned economy to a market economy should constitute an interesting laboratory to examine various aspects of housing and real estate markets. Also, political and monetary integration in Europe provide a setting in which to test various hypotheses concerning real estate markets. For instance, the effect of such integration on portfolio strategies warrants further research. Differences in homeownership rates across countries

should be exploited further, in particular to assess the impact of cultural differences in tenure choice decisions. Many databases in Europe have unique features and could be used to advance real estate research. This is the case for instance of databases containing various property attributes as a result of the widespread use of the hedonic valuation method or of databases containing very long time series, for instance for housing markets.

The European Real Estate Society will continue to provide a forum for exchanges on such topics with the aim of increasing the presence of European researchers in the main international conferences and journals. For instance, *JERER* has recently issued a call for papers for a special issue on valuation in Central and Eastern Europe. The further development of sessions with discussants at the ERES annual conference should also be useful in promoting quality real estate research in Europe. As real estate research in Europe expands even further, all worthwhile initiatives are of course welcome.

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Figure 1 Share of publications in *REE*, *JREFE* and *JRER* by authors' region of affiliation, 2000-2015 (in %)

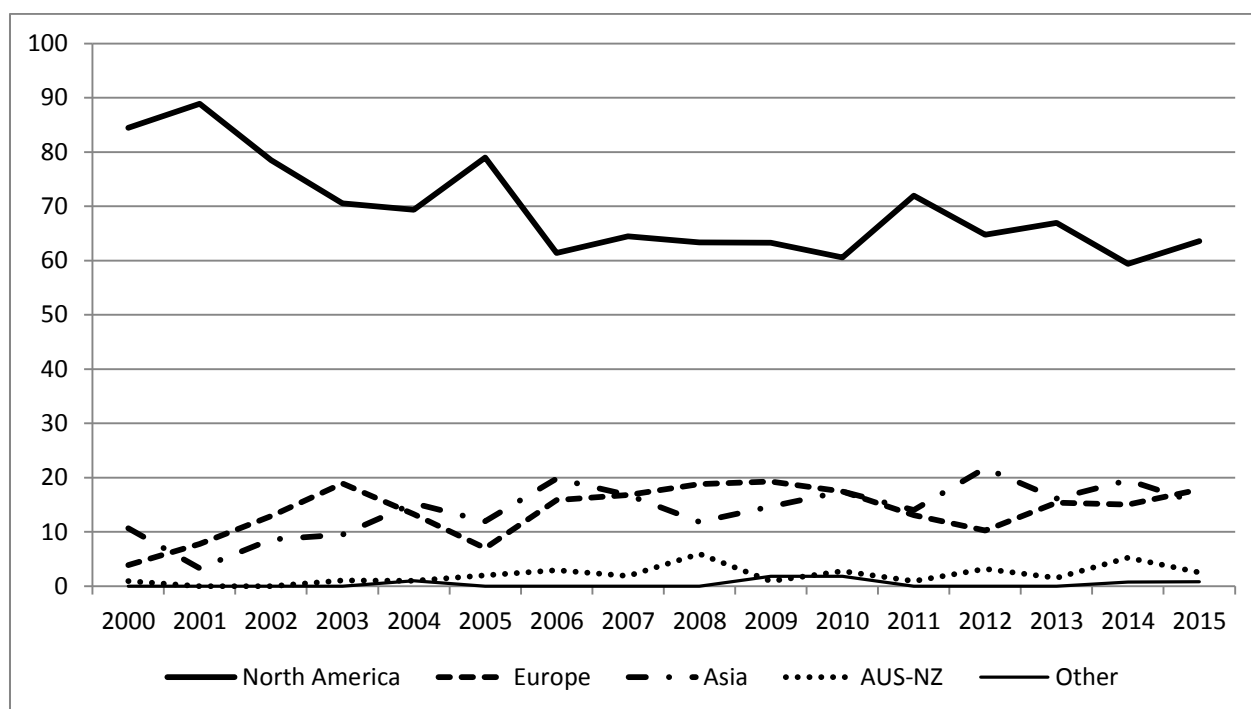


Figure 2 Share of publications in *REE*, *JREFE* and *JRER* by authors' region of affiliation, 2000 and 2015

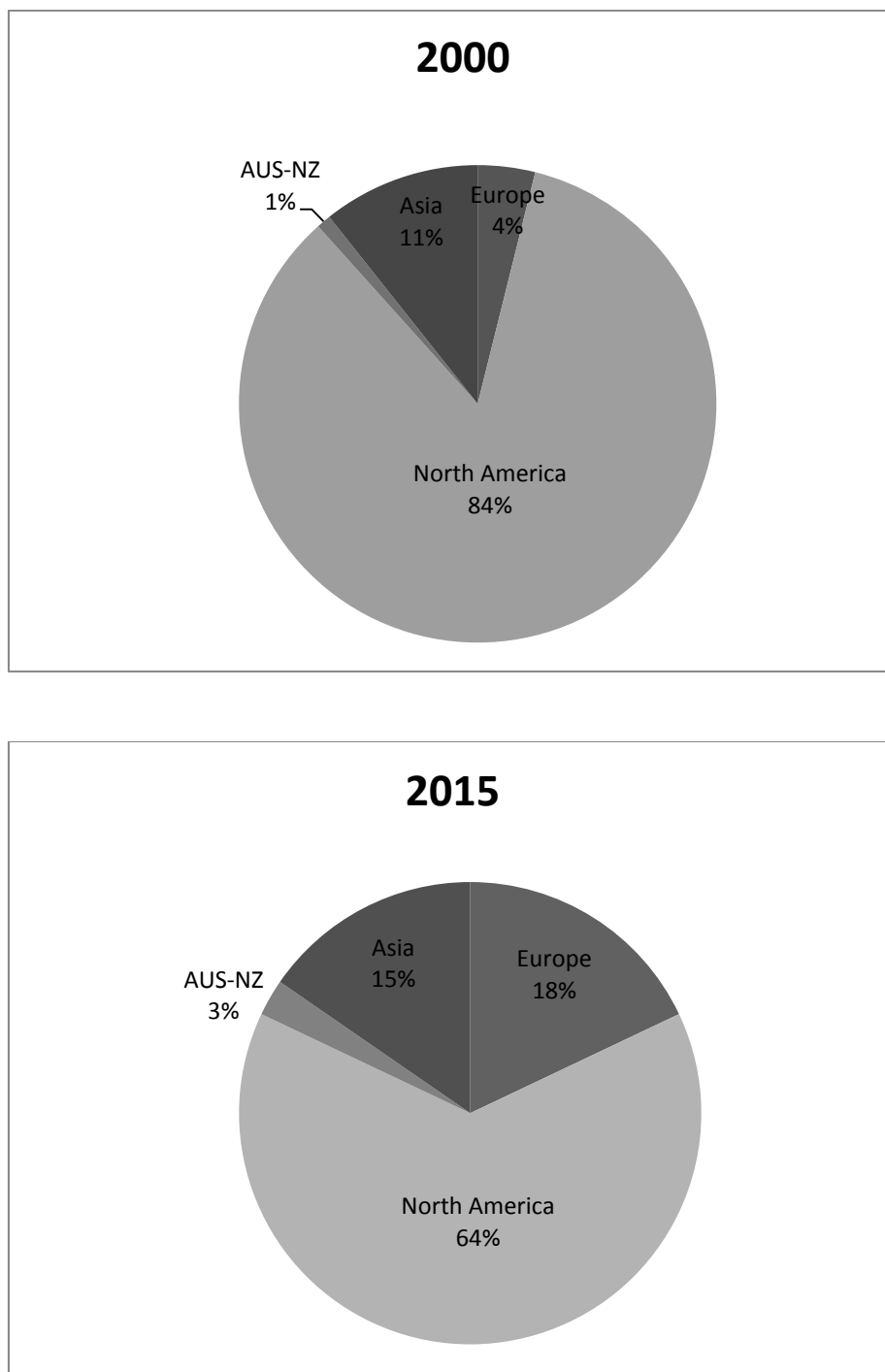


Figure 3 Share of publications in *JERER* and *JPR* by authors' country of affiliation, 2008-2015

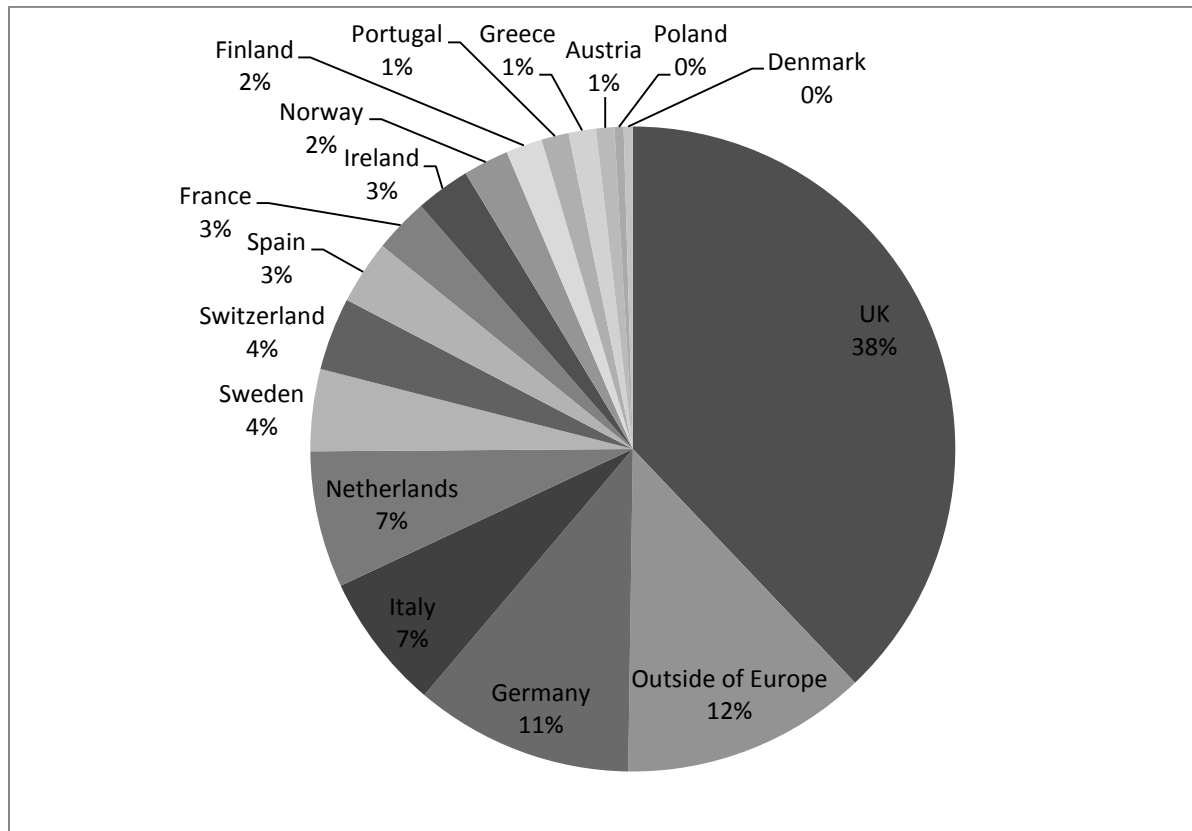


Figure 4 Share of publications in *JERER* and *JPR* by country of study, 2008-2015

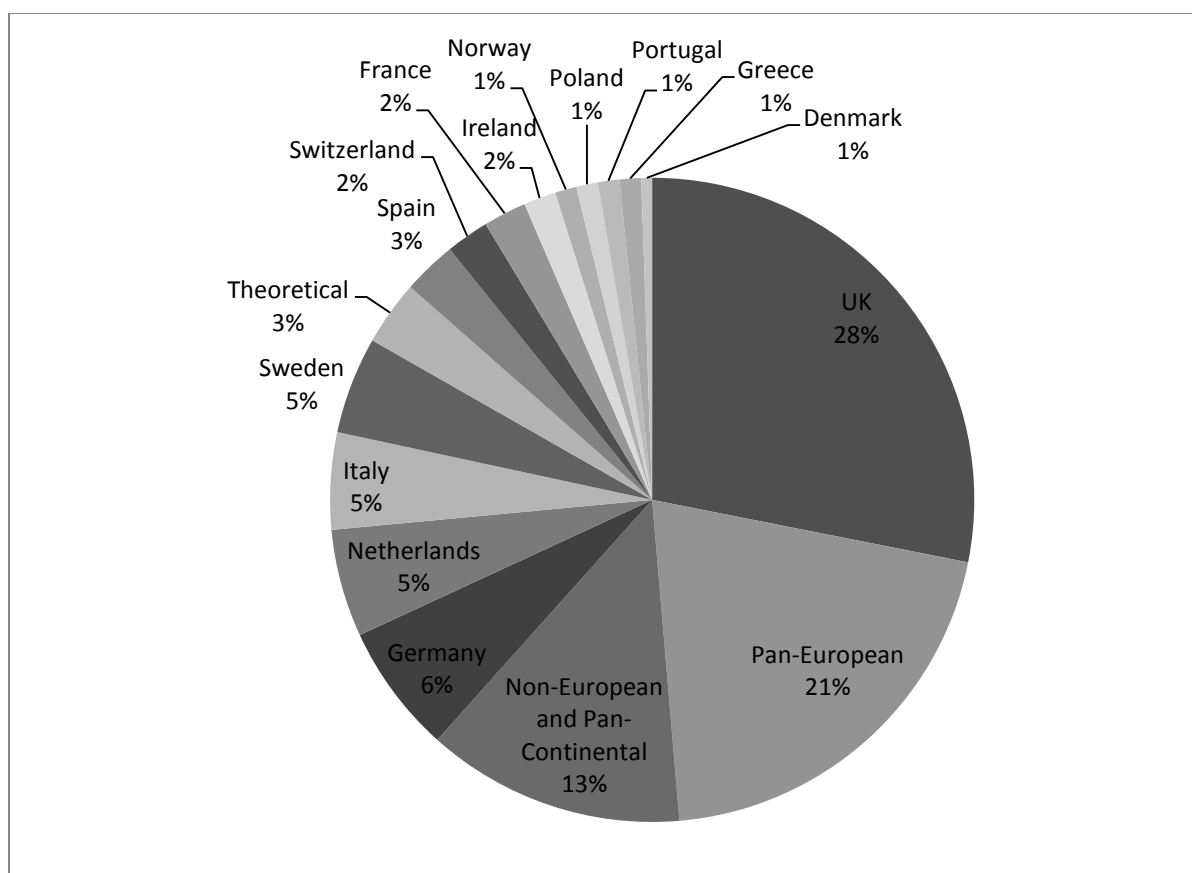


Figure 5 Share of publications in *JERER* and *JPR* by theme, 2008-2015

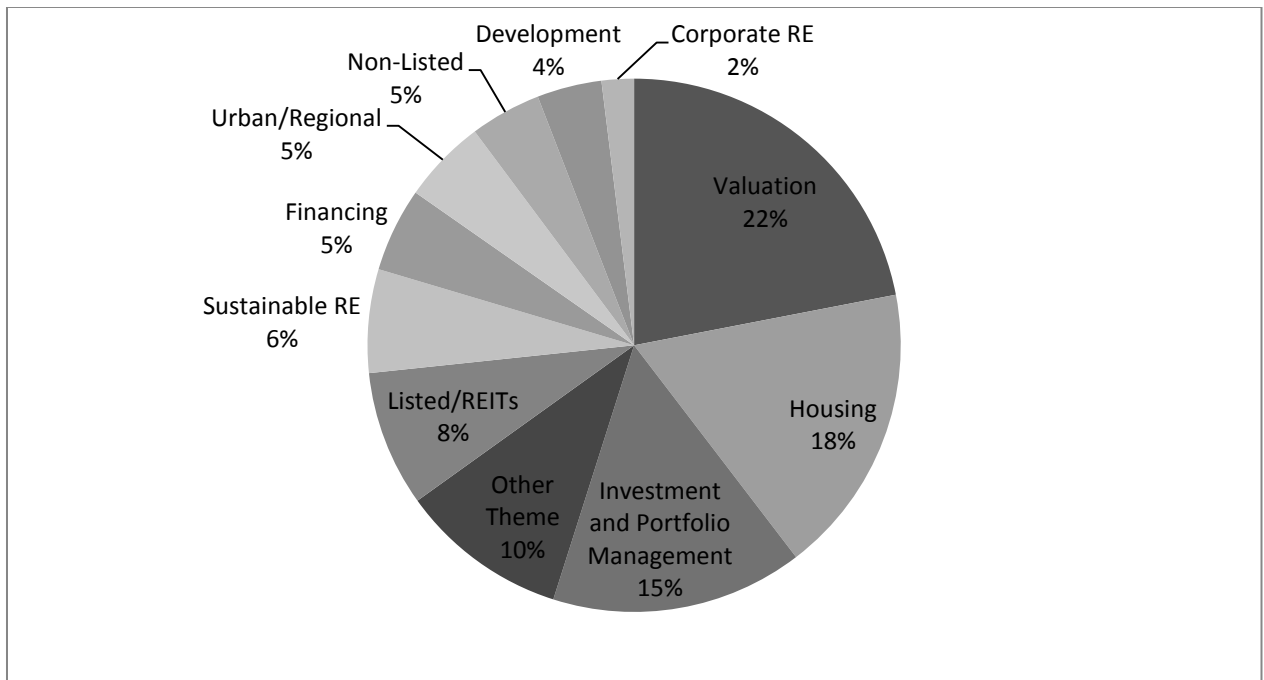
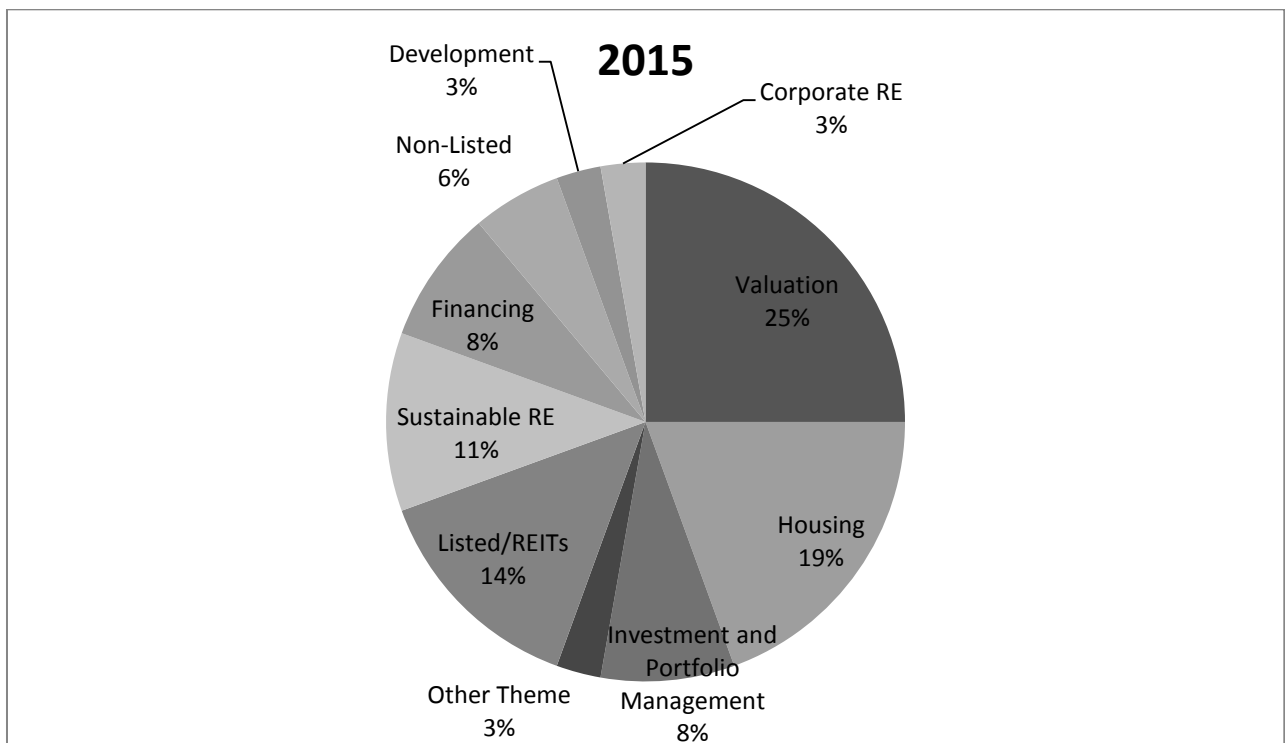
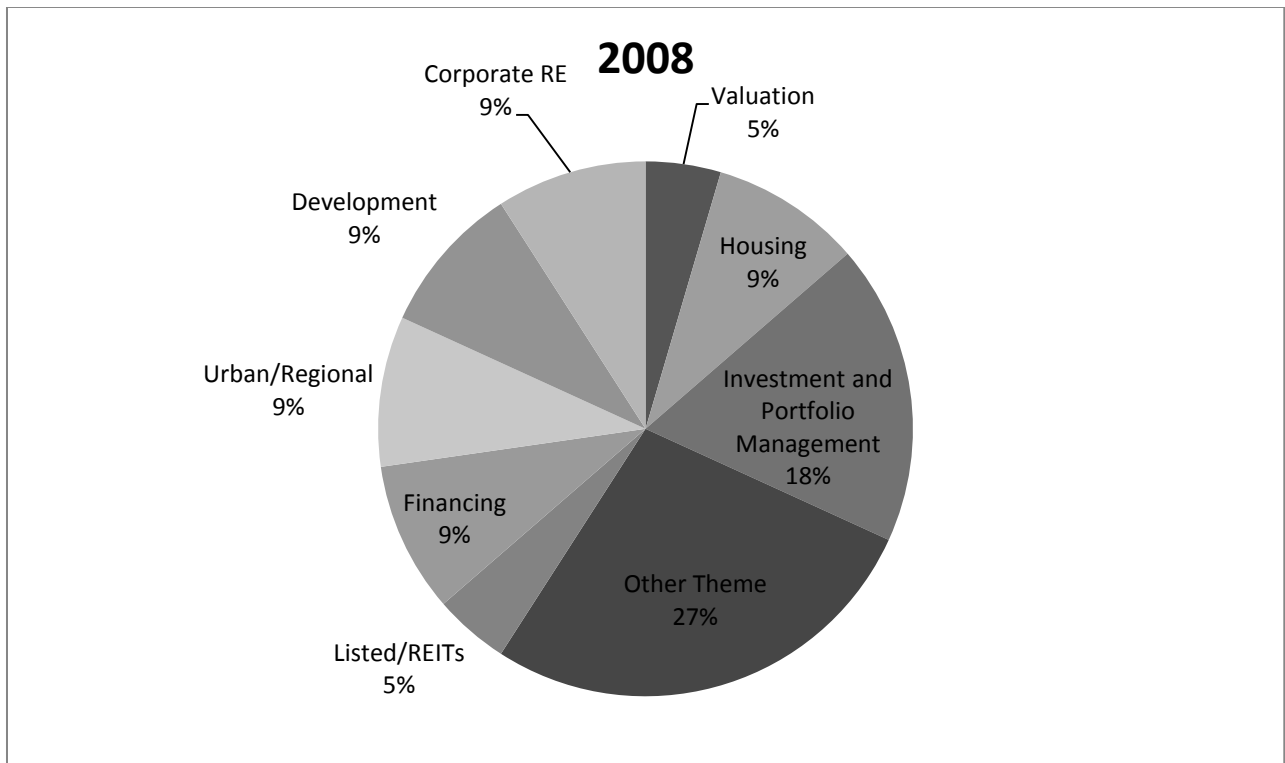


Figure 6 Share of publications in *JERER* and *JPR* by theme, 2008 and 2015



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