

Co-Creation of Value in Real Estate Investments

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ABSTRACT

In the services management literature the role of the customer as co-producer of a service is widely described. At the moment there is a shift in the literature that the supplier (of services as well as goods) is a co-creator in the value process of the customer.

Based on a literature review on co-creation of value in services management, this paper explores the possibilities in a Critical Realist way, how co-creation of value can be established in commercial real estate investments. In the real estate investment literature there has not been much focus on value creation from a management perspective and/or a service perspective.

One of the key findings is that suppliers need to have an understanding of the customer learning process and relationship experience processes as well an understanding of their own learning process. When other participants are involved in the supply chain, such as real estate agents and property managers who can be viewed as suppliers to the owner and the tenant, it means that more time needs to be spent on understanding. Time can be reduced if more parts of the service process are managed like a production process with clear specifications enhancing the understanding.

Keywords - Real estate investments, Value analysis, Value-in-use, Co-creation, Management, Critical Realism.

Paper type - Conceptual paper based on Doctorate study

Introduction

This conceptual paper about ‘co-creation of value in real estate investments’, is based on a literature review that I have conducted for my doctorate thesis on ‘integrated management of institutional real estate standing investments’. Academic literature¹ about the management of real estate investments (for rent real estate) is not present in the management literature nor in the real estate literature. Therefore I performed a literature review that was aimed at the concept of co-creation of value, that was introduced by Prahalad and Ramaswamy (2000), to explore the possibilities of applying the research findings to the management of real estate. Value and co-creation can be seen as important characteristics in real estate (investing), because real estate is very capital intensive and where many stakeholders are involved.

The research and the results are presented according to the philosophy of science of Critical Realism (Bhaskar, 1978)². According to this philosophy a real world exists independent of our knowledge of it (objective ontology). This real world is complex as it is stratified and not all structures and mechanisms can be observed in the so called empirical domain.

Knowledge about this reality is subjective (subjective epistemology). This means that we all can observe facts differently because they are shaped by our knowledge, experiences and theories. We act scientifically in this paradigm of Critical Realism, if there is a “systematic attempt to express in thought the structures and ways of acting of things that exist and act independently of thought” (Outhwaite, 1987:20). Understanding and explanation can only be done through a critical examination of all relevant aspects including that of the researcher (Sayer, 1992).

¹ Articles that are published in double or triple blind peer reviewed journals

² In enclosure 1 a more detailed description of Critical Realism in relation to other paradigms is presented.

Co-creation of value

In the management and marketing literature, value creation has been described traditionally as the result of a value exchange process between customers and suppliers. Originally the suppliers were seen as the creators of value in a business process and the customers were targets. The market was a place for value exchange and value extraction (Prahalad, 2004).

The role of the customer was first redefined in the academic literature with regard to services (different from goods) in the period 1970-2000. Customers were not only seen as customers but can also be seen as suppliers of input to service provider processes. Customer inputs can be self-input (mind or body), input of tangible belongings (real estate) and customer provided information (Lovelock, 1983), (Wemmerlöv, 1990).

Sampson and Froehle (2006) described in their unified services theory (UST): "with service processes, the customer provides significant inputs into the production process.....The presence of customer inputs is a necessary and sufficient condition to define a production process as a service process" (2006: 331). The customer in a service process has been described as being a co-producer or as a partial employee of the service firm providing the service, later shifting towards the customer who co-creates value in the business process (Vargo and Lusch, 2004; 2008).

The customer in this context can be for example the ultimate user, the purchaser or can be the indirect customer such as a regulating organization and can be identified as individuals or groups who act within a social network.

Prahalad and Ramaswamy (2000) argued that in modern business, there are no longer well defined roles between the customer and the supplier in general. Roles of the customer or the supplier (of services and/or goods), are far more complex than simple supplier-customer relationships where the customer is the passive buyer. Customers and suppliers are in fact part of an enhanced network of suppliers of services and goods, partners, investors and customers. Suppliers and customers can both compete for value, negotiate, co-create, co-develop and collaborate. Sometimes customers and suppliers can even be competitors.

The concept of co-creation changed when it was interpreted that value is not created by the supplier, but value is created by the customer in his own value generating process (Grönroos, 2000, 2008). The customers create value for themselves in their everyday practices. The supplier of services and/or goods can only co-create value in the customer value creation process and the supplier should look for co-creation opportunities. There can be multiple points of interaction as customers can be groups (companies, departments) or individuals. All points of interaction are opportunities for co-creation of value.

What is the value that can be created through co-creation of value? Value in the context of the perspective from the customer (also called customer dominant logic or customer logic) can be economical value, relational value or psychological value (Chan *et al.*, 2010; Xie *et al.*, 2008). These values can be real or only perceived by the customer. From the perspective of the supplier, value can also be real or perceived economical value, relational value and psychological value.

These values can be present or perceived at group level or individual level and are net of transaction costs including risk premiums (Chan *et al.*, 2010; Etgar, 2006).

Value can be positive but also negative. Probably when value is perceived negative, customers and suppliers will not co-create value as it is suboptimal for both parties (Jaworski and Kohli, 2006).

In order to co-create value, there must be some form of understanding between customer and supplier that goes further than the value in exchange concept and includes all activities or experiences (Heinonen *et al.*, 2010). These activities or experiences can be related to the exchange, but can also be unrelated as for example brand experiences. Brands can be defined as “collaborative, value co-creation activities of firms and all their stakeholders and brand value in terms of the stakeholders’ collectively perceived value in use” (Merz *et al.*, 2009: 328).

In the enhanced network of suppliers and customers (Prahalad, 2000), understanding is related to the competence of the network to transfer knowledge. This means that in the network that learning, teaching and transferring knowledge are essential skills. Especially if customers and suppliers are actively working together as in service activities (where the customer can be

seen as a coproducer), customers need to have some basic knowledge or additional knowledge and skills. In collaborating together suppliers and customers also learn from each other (Ojosalo, 2010) which can be essential for the network to continue to exist.

Co-creation of value as described in this paper is foremost a logical concept but also a theoretical concept, where not much available empirical research is available yet. There are however some critical issues that can be considered. Researching the concept of co-creation of value, needs an integrative view of all stakeholders involved, but should at least investigate the role of the customer and the supplier (at both individual as group level).

Plé and Cáceres (2010) raised an interesting question. If value can be co-created can value also be co-destructed? Co-destruction can be described as “an interactional process between service systems that results in a decline in at least one of the system’s well being” (Plé and Cáceres, 2010: 431). The authors argue that there can be accidental misuse, because customers or suppliers do not have enough knowledge or there could be a role conflict. There can also be intentional misuse when either supplier or customer is trying to improve its well-being while decreasing the well being of the other. Front line employees can be seen in this regard as a different system in itself rather than being a resource of the firm, who could try to improve their own well-being by enhancing their personal esteem, perceived status and job satisfaction (Plé and Cáceres, 2010: 431).

From the service literature there is much research available with regard to the difficulties about customer participation, customer co-production and customers as partial employees. Examples are role conflict and job stress (Chan *et al.*, 2010).

Management of real estate investments

Academic literature about the management process of real estate investments (for rent real estate) is hard to find in the management literature or in the real estate literature. No results were found in 2010 when searching in scientific databases such as Science Direct, Proquest and ISI Web of Knowledge in relation to key words for Real Estate (property, real estate),

Investments and Management (management, process, supply chain, value chain, strategy, organization, outsourcing, service and phrases of these key words) searching in the title, abstract and key words of academic publications. General descriptions about the management process of real estate investments are found in books such as Jarchow (1991), Van Gool (2007), Van Beukering (2008), Van Driel (2010), Miles *et al.* (2007).

In the general management literature real estate management or real estate investment management is not covered. There are however management articles that use examples that are real estate related.

There is in the real estate industry a need for research about the management. This need is sometimes explicitly expressed in the articles (Balch, 1994; Keeris, 2008). Also I have researched the need for an integrated management approach through a short questionnaire of 20 professionals active in the real estate industry (Bol, 2008). The conclusion was that 100% of the respondents (95% response rate) expressed the need for an integrated management approach to manage real estate more effectively and efficiently.

Besides these explicit expressions, it might be useful to refer to the fact that real estate is very capital intensive and the real estate literature published in general, covers a very broad area of risks and issues that should be managed. The Investment Property Forum (IPF, 2000) for example conducted an empirical research study concerning the assessment and management of risks in the real estate investment industry in the United Kingdom. One of the results of the study was a total of just under 1,600 specific real estate risks, which were categorized to 57 separate categories of which the 15 selected risks are (IPF, 2000: 4): “income/structures, covenant strength, obsolescence-economic, liquidity, location, management issues, economic context, national market factors, contamination/environment, local market factors, sector bias, yield level/shift/relativity, market/portfolio/asset volatility, diversification issues and lettability/occupier potential”. Management issues are mentioned as a separate category, but in fact it could be argued that all the mentioned risk categories are management issues.

A reason that the management of real estate (investments) is poorly covered in the literature could be that real estate is a phenomenon that is too complex. This complexity is not about the fact that we cannot understand parts of it, but it is complex because it is local, the product is

heterogeneous and transformational, and there are many stakeholders involved (Bol, 2011). This means, that there can be more perspectives about real estate (investments). This is also true with regard to management, where there is no one best way of managing or organizing.

Co-Creation of value in real estate investments

If co-creation of value means that suppliers of goods and services can only co-create in the value process of the customer, what does this mean for the management process of real estate investments (standing investments in for rent real estate) ?

In the first place there needs to be determined who the customer is in a real estate investment. This depends on the type of real estate investment. If we only consider standing investments, the customer can be the tenant and user of the rented space, as often is the case in offices or residential investments. In hotel or retail investments, the tenant can be seen as the customer, but the end customer can be the client who stays the night in the hotel or does the shopping in the retail store.

Secondly the enhanced network should be made as explicit as possible. In practice there can be different situations. If the real estate investment is owned by an investor who does all the real estate related activities for the tenant, then there is a relatively simple supplier-customer relationship. The situation can be complex if the owner is governed by shareholders and the parts of the management (portfolio management, asset management, property management) are outsourced to third parties. These third parties do in fact have at least two customers, the owner of the real estate and the tenant.

If it is the customer (mostly the tenant) creates value in his every day activities and the supplier can only co-create, than the supplier should have an understanding of the customer. In particular about the customer learning process and relationship experience processes. When other participants are involved in the supply chain, such as real estate agents and property managers who can be viewed as suppliers to the owner and the tenant, it means that more time needs to be spent on understanding. Especially if real estate is complex to describe,

because it is local, heterogeneous and transformational, and has many stakeholders. Co-creation of value in such an enhanced network can have many role conflicts and knowledge transfer can be difficult. This means that in the network learning, teaching and transferring knowledge are essential skills. Another way that transfer of knowledge can be achieved is by managing parts of the service process like a production process with clear specifications enhancing the understanding.

Discussion

This paper is still in progress. It gives a rough outline of the idea of co-creation of value and what it can mean for real estate investments.

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Enclosure 1

Bol, N.J.T. (2011) Is there added value in using different paradigms in real estate research?
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Is there added value in using different paradigms in real estate research?

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ABSTRACT

Much research has been published about real estate by practitioners and academics. Real estate is not a homogeneous phenomenon, as every asset is a composite product on a local market with many stakeholders. How do academics and practitioners in this field deal with all the perspectives and how do they create knowledge on what they find? As we know: “science is built up of facts, as a house is built of stones; but an accumulation of facts is no more a science than a heap of stones is a house” (Poincaré, 1905).

This paper explores the possibilities to enhance the value of real estate research and the accumulation of knowledge by using different paradigms. It also addresses the rigour-relevance debate, to whether academic researchers and practitioners can collaboratively produce research or can they only irritate each other (Kieser and Leiner, 2009)?

Most of the real estate research is using a Positivist paradigm. This paradigm is probably widening the rigour-relevance gap, because knowledge is not objective. Understanding other paradigms, such as Constructivism and Critical Realism can be helpful in understanding to how knowledge can be generated and accumulated about real estate. Critical Realism is the most relevant paradigm if research is about an objective ontology (reality). Acquiring knowledge about real estate should be based on the value in use. This means that research should be focussed on the value creation process of specific target groups and how real estate co-creates value for them.

Keywords - Real Estate, Explicit knowledge, Implicit knowledge, Critical Realism, Constructivism, Positivism, Theoretical contribution, Co-Creation, Value in use.

Paper type - Conceptual paper

Introduction

Over the years much research has been published by academics and professionals about real estate. Real estate is however a very broad concept. It can be interpreted as the housing of our human activities in a specified time period, including buildings, land, infrastructure and all related processes of stakeholders involved. Real estate is therefore not a homogeneous concept that can easily be defined with clear boundaries (Keeris, 2008). Even the physical assets are not homogeneous based on their unique location, building specifications and use (Royston, 2004) (King and Young, 1994). Further, real estate can be approached from many disciplines such as economics, finance, law, technology, sociology and psychology, but also as a combination of disciplines (multidisciplinary or interdisciplinary).

When real estate is not homogeneous and is determined by local markets with many different stakeholders who can have different perspectives and different interests, is it then possible to construct general scientific theories through the process of induction like in the natural sciences?

General theories or objective knowledge about real estate is probably not possible, because real estate is a complex phenomenon and is for an important part socially constructed as it can mean different things for different stakeholders depending on the circumstances. In other words, “the world can only be known under particular descriptions, in terms of available discourses, though it does not follow from this that no description or explanation is better than any other” (Sayer, 2000:2). Knowledge itself is not objective. Facts and observations are not the same for everyone as they are shaped by our knowledge, traditions and theories. That is why knowledge in this respect is often referred to as ‘theory-laden’ and ‘value laden’.

Alternative paradigms

If we take a look at the research that has been published by academics and professionals: what is this research telling us? Is it leading to general scientific theories or is it just a pile of information containing useful information for those who can find it? Or as Poincaré (1905) said it: “science is built up of facts, as a house is built of stones; but an accumulation of facts is no more a science than a heap of stones is a house”.

If real estate is a phenomenon that is heterogeneous, local and involves many different stakeholders it raises the question: what paradigm should we use?

Positivism is often seen as the regular and only paradigm of science (Easterby-Smith *et al*, 2008). Positivism can be described as the philosophy of science where there is real a world that exists independent of our knowledge (objective ontology) and where it is possible to acquire knowledge about this world in an objective way that is for everyone the same and means for everyone the same (objective epistemology). In the introduction paragraph of this article the proposition has been challenged that it is possible to acquire objective knowledge and general truths about real estate. Induction, where we generalize from specific cases, is difficult in real estate, because of all the varieties in locations, objects, stakeholders and contexts.

There are other philosophies of science or paradigms than Positivism. In this article two other paradigms are described based on a different combination of ontology and epistemology.

These are Constructivism and Critical Realism (see figure 1). Both philosophies believe that knowledge is socially constructed (subjective epistemology) instead of objective.

Constructivism has a different proposition towards reality as it believes that there is not one real world or one reality (subjective ontology). External reality in this paradigm is merely a projection of our cognitive structures with no independent status. Only the phenomenal world exists and our interpretation of it (Johnson and Duberley, 2000). “Scientific accounts and theories are not accorded a privileged position; they are equivalent to other accounts (including lay ones)” (Robson, 2002: 25). According to this philosophy there are no rational criteria for choosing among different theoretical frameworks, other criteria can be just as relevant, such as moral, aesthetic or instrumental values. Important are the role of language, the meaning of experience and behaviour instead of immutable empirical facts and a priory theory. Qualitative methodologies are most frequently used.

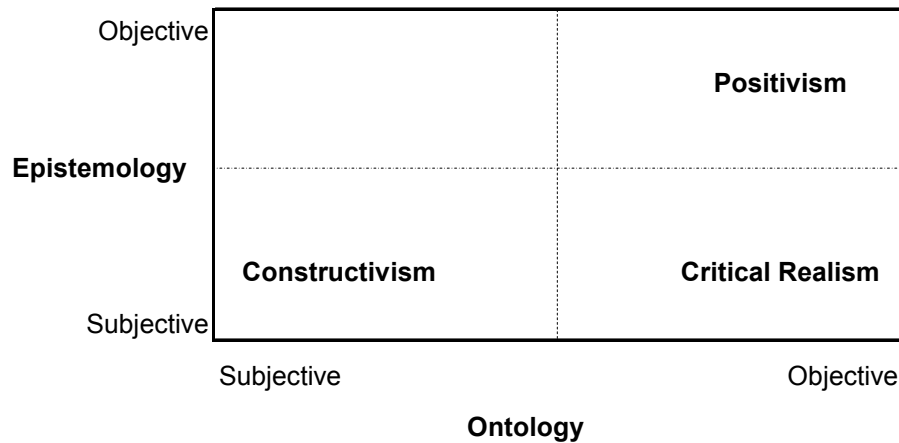


Figure 1: Positioning the paradigms Positivism, Constructivism and Critical Realism (Bol, 2009)

Critical Realism does believe that there is one real world (objective ontology) independent of our knowledge, as Positivism does. However Positivism can be described as a ‘flat’ ontology (Sayer, 2000), where they claim that there is only one reality and that reality can be observed. According to the paradigm of Critical Realism such a view of reality is too simple. According to Critical Realism not everything can be observed and that these unobservable parts are still part of reality. This means there is a metaphysical part, which is rejected by Positivism.

Critical Realism identifies a stratified interconnected reality of three domains, which are: the real domain, the actual domain and the empirical domain. The real domain according to Critical Realism consists of objects, their structures, relations and powers (mechanisms) that exist independently of our knowledge of it.

The activation of the powers (mechanisms) and its effects belong to the actual domain and are called events Bhaskar (1978). The actual domain is a rather theoretical concept and difficult to understand. In this domain it is possible that although the powers have been activated no event takes place. According to Outhwaite (1987: 22): “causal mechanisms can neutralize one another in such a way that no event takes place”.

The empirical domain can be described as the domain of our experience and perceptions. Experiences of the other domains can be possible, but it is contingent, which means that it is not necessary nor is it impossible.

| | Domain | | |
|-------------|--------|--------|-----------|
| | Real | Actual | Empirical |
| Mechanisms | √ | | |
| Events | √ | √ | |
| Experiences | √ | √ | √ |

√ = area of investigation

Table 1: Critical Realism: what can be investigated or known to exist (Bhaskar, 1978)

What becomes clear in this ontology of Critical Realism (stratified reality) is that there are structures and powers (mechanisms) that are existent in the world that can lead to events and experiences under certain (necessary and possible) circumstances.

The following example makes clear how the empirical domain relates to the real domain: Traffic jams that occur on the highway on Saturday mornings, when IKEA opens its doors, are happening in the empirical domain. We can observe them. In the real domain there are physical objects (building, parking space, roads) and underlying structures and mechanisms such as planning laws that apply which include restricted opening hours and restricted parking causing the traffic jams. When in the actual domain the event of a Saturday where these mechanisms are activated, we can experience in the empirical domain the traffic jams.

The example shows that causation is much more complex than a simple cause and effect relation as often is assumed in Positivism. Critical Realism believes that events are not pre-determined to happen but depend on contingent conditions. Also the same mechanism can produce different outcomes depending on the context and spatio-temporal relations with other objects (Sayer, 2000).

The epistemological question is: how do we get knowledge of this stratified reality according to the paradigm of Critical Realism? According to Critical Realism the ultimate goal of science is to get knowledge of the objects and structures that exist and their powers in the real domain. However Critical Realism acknowledges that our knowledge is fallible and we might never get true knowledge. We act scientifically if there is a “systematic attempt to express in thought the structures and ways of acting of things that exist and act independently of thought” (Outhwaite, 1987:20). If we experience phenomena that we do not understand yet these phenomena can be studied through a process called retrodution (Blaikie, 1993) or the

process of hypothesis formulation.

To acquire knowledge of reality, problems and phenomena Critical Realism does not propose a single method for a critical examination. As a matter of fact, Critical Realism promotes the use of multiple methods, which could be a combination of surveys, interviews, ethnographic studies and discourse analysis and the use of different data sources and different researchers. This differentiation in methods, data and researchers is called triangulation. The use of every method (or datasource) however must be relevant for its use and must be used in an emancipated way. The choices that are made should therefore always be explained as well as the researchers own position.

How exactly the multiple approaches should be used does not become clear in the philosophy of Critical Realism. The use of multiple approaches raises practical issues (Gilbert, 2008). Each method has its own demands. There are also issues with regard to data handling, sequence of the research methods and also it requires that all methods are used in the right way by the researchers. There could be possible paradigm clashes within the research team.

Academic and professional real estate research in relation to the paradigms

Academic and professional real estate research has been criticized over the years. According to Souza (2000): “Academic real estate research has been criticized over the years for not producing theories and applications that can be transferred to industry for investment and portfolio decision-making, or to government for policymaking and administration.....Professional real estate research has been criticized by academics for not producing theories and applications that can be transferred to academia for broader knowledge building”. These criticisms are mostly grounded in the belief of a Positivist paradigm of science. In the literature this criticism is often referred to as the rigour-relevance debate or the rigour-relevance gap. Kieser and Leiner (2009) believe that the gap between science and practice is unbridgeable and should not even be attempted, because scientists and professionals would only irritate each other.

From a Constructivist point of view, academic and professional research publications are all descriptions of alternative ways that one can look at real estate. It is not necessary to evaluate the research in terms of their predictive power, explanatory value or truth value (Robson, 2002). They are important to stress the full complexity and that there can emerge concepts that can be useful depending on the context. This could be a fair way for all of us to judge the publications based on socially constructed criteria. These social constructions can be found in group norms within countries, sectors, institutions or departments.

Not much research (relatively speaking) has been published about real estate using the paradigm of Critical Realism. In searching the scientific databases (Proquest, ISI Web of Knowledge) no articles appear in the qualified academic journals that use the key words real estate and Critical Realism. There are however some fields of study that have adopted this paradigm such as urban studies and social geography.

Some articles with regard to real estate risk management and valuation try to show the complexity by referring to a stratified reality, such as Keeris (2009) who attempts to describe real estate by discerning three interconnected real estate domains: the physical real estate, the abstract real estate and the virtual real estate. The physical real estate domain refers to the building and the connected land to the building. The abstract real estate domain refers to aspects attached to the physical real estate but cannot be observed such as zoning, property rights, but also the different markets in which the real estate is in. The virtual real estate domain, refers to the imaginary world but which in real terms can be discussed for land planning purposes (ideas about the future).

As there is relatively not much research published using the Critical Realist paradigm, perhaps the published academic and professional research can be interpreted from a Critical Realist perspective as a collection of explicit descriptions of structures, mechanisms, events and experiences in real estate. These explicit descriptions can be seen as explicit forms of knowledge (Raelin, 2000).

| Modes of learning | Forms of Knowledge | |
|-------------------|--------------------|-----------------------|
| | Explicit | Tacit |
| Theory | Applied Science | Action Learning |
| Practice | Action Science | Community of Practice |

Table 2: Forms of knowledge and modes of learning (Raelin, 2000).

Most knowledge about real estate is still tacit as it houses our human activities and is therefore around us all the time. More explicit knowledge can benefit society as real estate is important for our human activities and as an asset it has unique features. Real estate in this respect is capital intensive and a large part of the economy is real estate related. Further real estate does have great impact on the natural environment and is impacting our climate as real estate.

A complicating factor in real estate research is that real estate is interconnected with society. Real estate in this respect can be seen as transformational, like in the TMSA (Transactional Model of Social Activity) model of Bhaskar. In this model Bhaskar shows the interconnection and transformation with the example where individuals make up society but society makes the individual. Individuals make society through reproduction and transformation but on the other hand that society makes the individual in a process called socialization. With regard to real estate one could say that initially real estate is created by society to serve its needs (activities) that needs to be housed, but when created it also acts as a condition (possibilities and impossibilities) to society and only changed over long time periods because of its locational aspects and planning periods, but the outcome is uncertain.

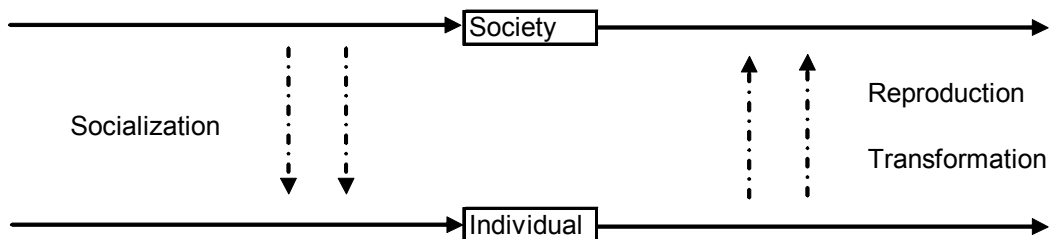


Figure 2: TMSA Model by Bhaskar (Archer, 1995)

Data and data collection is another complicating factor in doing real estate research. As real estate is a global phenomenon, locally determined by its location and stakeholders, this can mean that data is not provided because it is not in the interest of some of the stakeholders. Or it can mean that not all available data is of the same quality and is it not possible to test the quality of the data because of confidentiality. In a Critical Realist paradigm it is possible to deal with these complications by triangulation of using multiple data, data collection methods and researchers.

This all makes clear that real estate research in a Critical Realist paradigm can be a useful paradigm, probably more useful than Positivism and Constructivism. However as real estate is a global and complex phenomenon it shall never be possible to get a full understanding. There are too many objects, structures and mechanisms, where the same mechanism can produce different outcomes depending on the context and spatio-temporal relations with other objects. Using triangulation can be a good way of researching real estate, however it enhances complexity and there are issues to solve, for example if different methodologies can be combined? Perhaps in this context a deeper understanding of real estate can only be studied as part of specific activities of specified target groups. This is in line with the description that real estate is about the housing our human activities, but it is also in line with current marketing theory, where all goods and services are part of a co-creation process of customer value creation (Heinonen *et al*, 2010), (Grönroos, 2008). The added value of the paradigm of Critical Realism can be to study the circumstances where co-creation is taking place and what the role is of real estate related objects, structures and mechanisms. Objects and structures can be seen as value supporting resources (Grönroos, 2006) for specific target groups. This value is referred to as value in use and can be positive or negative (Plé and Cáceres, 2010).

Conclusion

Real estate is not a homogeneous phenomenon and much research has been conducted by academics and professionals. Roughly there are three paradigms from which to evaluate the research that has been conducted. From a Positivist perspective it is hard to evaluate the research because real estate is not homogeneous and there are many stakeholders that can have different perspectives.

A Constructivist perspective acknowledges that there are different views but also that there are different and socially constructed realities. Critical Realism as proposed by Roy Bhaskar (1978) takes into account that there are more perspectives, but there is however an objective and independent reality. This reality is complex (stratified reality) and hard to understand. In this paradigm it is necessary that no knowledge shall be based on or be the outcome of privileged access or as a result of power. This is difficult as much information is not accessible and power can be present as real estate is about unique locations that have a monopoly. If information would be available, this would perhaps be too much for us to understand. A deeper understanding of real estate can probably only be achieved if the research should be focussed on the human activities and the role that real estate can play in the value creation process of specified target groups. In other words: how can real estate co-create value or what is the value in use of real estate? Critical Realism could be a useful paradigm to study it. Further research should be done how in this paradigm of Critical Realism how complexity can be handled with regard to triangulation.

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