Cambridge Real Estate Research Centre

Department of Land Economy
University of Cambridge
AN APPLIED RESEARCH AGENDA IN REAL ESTATE

The Cambridge Real Estate Research Centre was formed in 2013 to respond to the broadening of the national and international research agenda in real estate and to bridge the gap between academic theory and commercial practice in the sector. As part of the Department of Land Economy, the centre leverages the unique resources of The University of Cambridge to deliver world-class research on real estate, commercial real estate and other investment property and real assets.

The Centre:
The primary aim of the Centre is to be a leading international research centre and to build and maintain a stream of applied real estate research that is innovative, interdisciplinary and industry-relevant. The Centre focuses and coordinates commercial real estate and real asset research within the Department of Land Economy, working to raise the profile of that research in the wider academic and business communities and with policy makers. The Centre acts as a hub for industry liaison, networking with other academic organisations, professional bodies and industry to ensure that its research is relevant and has maximum impact.

Main Areas of Research:

- The economic analysis of real estate investment, and modeling of global real estate capital flows and prices;
- The role and performance of real assets in investment portfolios, and the interaction of real asset and credit markets;
- The role of real estate in urban development and urban competitiveness;
- Behavioural influences in real estate markets; and
- The impact of social, political, environmental and technological change on real estate markets.

The work of the Centre will drive forward the latest, informed thinking around real estate policy and practice, with a global outlook, but with a natural specialisation in UK real estate.

“CRERC is a non profit making organisation with any surpluses used to support further research and education in the Centre, the Department of Land Economy and wider university.”
**RESEARCH**

Research is at the heart of CRERC’s core strategy. The centre aims to provide a dynamic environment within which a progressive research culture can flourish.

**Research Projects**

The Centre’s research projects, whether independent, conducted collaboratively with industry, chosen by our advisory board of industry experts or bespoke—are rigorous, objective and focused on the key issues for industry and our partner organisations.

**Recent research projects** include studies on investment in non-traditional real estate sectors and on the potential for institutional investment in social housing (both for the Investment Property Forum); an analysis of the link between environmental sustainability and property performance (for GRESB); research on the relationship between leverage, decision-making and performance for real estate funds and property companies/REITs (the latter part-funded by EPRA). Ongoing research includes analysis of ownership patterns in London offices; the determinants of global real estate capital flows at the national and urban level; and an investigation of the relationship between REIT decision-making and market sentiment indicators.

Examples of our research outputs:

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**Who Owns The City?**

Exploring the shifts in ownership of London Offices.

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**“What is property for investment purposes?”**

Project for the Investment Property Forum

Looking at the drivers of risk and return for infrastructure, residential and other non-traditional real estate as well as for more traditional sectors. Considering how the type of investment vehicle/wrapper, exposure to business, operational risks and other factors influence whether an asset is considered property.

Through identifying those issues critically relevant to real estate, the Centre is able to provide the **bespoke, applied research** that industry needs in order to maintain its growth and responsible development. Our research also underpins our consultancy services and education programmes for business.
### Future Research Priorities

The Centre has identified a number of areas for future research but is always keen to hear the views of key market players as to their own priorities. Areas currently earmarked for research include:

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<th>Area</th>
<th>Research Questions</th>
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<td><strong>Risk Characteristics of Real Estate Vehicles</strong></td>
<td>What is the role of institutional, organisational and capital structure characteristics of real estate investment vehicles in determining the risk exposure and performance of indirect real estate investments?</td>
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<td><strong>Real Assets and Non-Traditional Real Estate</strong></td>
<td>How does the investment performance of non-traditional real assets such as infrastructure compare and relate to that of traditional investments in office, retail and industrial property?</td>
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| **Sustainability, Resilience and Performance**                      | What are the links between the environmental sustainability of investment properties on their value and investment returns? What are the connections between building-level sustainability and urban resilience?  
**The Centre benefits from its close ties with the Urban Land Institute and the World Economic Forum Council on the future of cities and real estate in this area.** |
| **Ownership, Globalisation and Yield Structures**                   | What are the implications of growing global capital flows into local real estate markets in terms of performance and property values in those markets, especially when capital is sourced at different costs? |
| **Technology, Risks and Opportunities**                            | What is the impact of technology on real estate markets and the risk and return of real estate assets?  
**The Centre has forged links with the Department of Engineering’s Smart Infrastructure and Construction Centre to help explore this area.** |
| **Real Estate Risks in a Multi-Asset Class Portfolio**              | What are the approaches to identifying risk and uncertainty in real estate investment in the context of multi-asset class frameworks?  
**The Centre is part of the Cambridge Finance Network, which supports the interdisciplinary nature of the work in this area.** |
| **Investor perceptions and preferences**                            | What is the role of real estate as an investment for high net worth individuals as compared to other investor groups? How do real estate-related preferences differ between generations and what are the implications for the investment market? |
| **Long-run capital growth and depreciation**                        | What is the long-run performance of property across different segments? What factors determine the rate of depreciation and economic obsolescence of property? |
| **Place-making and regeneration**                                   | What is the role of mixed-use developments, both in terms of performance and impact relative to smaller single-use developments, on local economies, infrastructure and policy? |
**OUR PEOPLE**

The Centre is led by Professor Colin Lizieri, Centre Director, and Nick Mansley, Executive Director, who have over 25 years of real estate research experience.

**Colin** has advised international bodies, governments, professional and private organisations on real estate investment, and has published widely on real estate finance, investment and office market dynamics.

**Nick** is a Senior Visiting Fellow and provides consultancy to fund managers and property firms drawing on a wealth of experience, including as head of the global multi-manager business at Aviva Investors, responsible for c.$20 billion of investments across all asset classes.

The Centre brings in a number of key Department staff with the expertise and proven capability of delivering the highest calibre of applied research and a breadth of research interests, including:

- **Dr Helen Bao**: behavioural finance and strong links with Chinese organisations and investors;
- **Dr Franz Fuerst**: sustainable/green buildings and the impact on rent and value and drivers of property company performance;
- **Dr Eva Steiner**: the impact of capital structure and credit markets;
- **Dr Thies Lindenthal**: long-run real estate performance and the impact of technology on the analysis of property markets.

**In addition to research the CRERC centre**

- engages with institutional investors, property companies, policy makers and other thought leaders nationally and globally around issues relating to real estate and real assets.
- produces a range of reviews, working papers, seminars and industry papers and contribute to major reports and papers relevant to today’s industry, to decision-making and future strategy.
- directs and provide modules in the MPhil programme on Real Estate Finance. supervise undergraduate, MPhil and PhD student dissertations

The Centre aims to foster the development of well-trained professionals and researchers and offer them career progression within the University and real estate sector. **Doctoral students** associated with the Centre work on a wide range of topics, including: land value taxation models, mean variance models and forecasting, international REIT risk decomposition, bank debt covenants and real estate lending.

The Centre is able to draw on the expertise of a wide circle of industry experts, academics and expert researchers from across the University and from the many international and global industries based in Cambridge.
**NETWORKS AND PARTNERSHIPS**

The Centre collaborates with academic, corporate and government partners to shape our research agenda, keeping it current, challenging and industry relevant.

Within Cambridge, the Centre is part of the [Department of Land Economy](https://www.clg.cam.ac.uk) of the [University of Cambridge](https://www.cam.ac.uk) and our work combines the perspectives of the faculty of the Department notably finance, economics, planning, environmental policy and spatial analysis. The Centre works closely with other research centres and networks to maximise the value of the research produced. These include, within the Department, 4CMR – the Cambridge Centre for Climate Change Mitigation Research, and the Cambridge Centre for Housing and Planning Research.

The Centre hosts the world’s largest long-term annual [Cambridge Real Estate Principal Investor Event](https://www.cambridgetechhub.com), an arena for topical debate of industry issues for investors.

The [Cambridge Property Research Club](https://www.cambridgetechhub.com) brings together heads of research in major property and fund management organisations. These events raise our profile as a world class centre in real estate research.

**Sponsorship and Partnerships**

The Centre has a small, yet growing number of sponsor companies who support our research mission. Our sponsorship aim is currently focused on building our academic research capacity in Cambridge and in creating strategic relationships with leading organisations to drive forward the leadership and change agenda for the Real Estate industry.

The relationship with partner organisations may include:

- Access to a unique real estate research facility—research, data and the expertise.
- Bespoke, joint or collaborative research projects focused on key strategic issues for the individual organisation.
- Consultancy, support and advice for industry research teams and management.
- Bespoke executive training and development, conferences or events.
- Assistance in building awareness and providing a potential talent pipeline for organisations amongst the international student cohort.

If you would like to find out more about sponsoring the Centre please contact Nick Mansley, Executive Director of the Centre. Email. nm558@cam.ac.uk
OUR OTHER WORK
As well as acting as a focus for research the Centre continues to develop other services to industry and businesses, working with organisations to address their particular challenges and to inform their individual leadership strategies and decision-making through:

Consultancy Seminars, Events and Presentations
The Centre has the expertise and are able to draw on a wide network of industry experts, to deliver consultancy, bespoke seminars, events or presentations on topics agreed with the organisation and designed to support the particular aims and objectives of the individual organisation.

Research Support
In addition to agreed collaborative research projects, the Centre can offer support to industry research teams in the form of:

- research away days in Cambridge introducing key issues in current real estate research, facilitating discussion on research topics, introducing guest speakers from other relevant disciplines, and providing a forum where strategic discussions may be held away from day-to-day work pressures;
- advice on technical and analytic matters and assistance with the wider dissemination of research work, to help businesses enhance their reputation for thought leadership within the real estate industry.

Executive Training and Development
We work with organisations to devise specifically tailored training and development programmes for senior and high performing employees, the leaders and future leaders within organisations. Cambridge provides a stimulating environment, away from the workplace, where participants can take full advantage of the opportunities for personal and professional growth and build stronger relationships with colleagues.

Current issues in real estate finance, investment and strategy are explored, as well as other important themes for business, such as leadership, decision making and managing change in a real estate context.

A programme of challenging and thought provoking sessions, facilitated by business leaders and expert practitioners provides fresh approaches and challenge current thinking.

The aim is for employees to return to the workplace with skills and insights that add value to their organisations.

“I feel genuinely honoured to have been selected for the course and to have exposure to the calibre of academic lectures was very humbling – there were a number of instances when I thought to myself – wow.”
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For further details about us please visit the centre’s website at
www.crerc.landecon.cam.ac.uk

Supporters of The Cambridge Real Estate Research Centre:

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