Towards Inclusive and Sustainable Real Estate Industry Competitiveness complementing economic definition with multi-stakeholder focused approach

In today's world of turbulence and repeated economic crisis, firms, as well as industries, face new challenges and opportunities. This complexity requires thinking in a systemic way of the whole system, rather than looking at few parts of the system. When the global recession started in 2007, it dragged down the global economy with financial loss of more than $22 trillion in the U.S alone as per Government Accountability Office study (Melendez, 2013)."This was a crisis of confidence given that people's trust in governments and businesses were at an all-time low"(Alburai, 2016) and continue to be. Countries and regions that are too costly for doing business with a little focus on competitiveness and innovation throughout the entire legislative process are losing global leadership and ground towards main competitors. The key buzz word that resonates in this regard to restoring trust and order is multi-stakeholder's centered sustainable competitiveness, since the traditional business centered competitiveness may not work anymore.

The majority of the literature written on competitiveness focused on firms while few studies touched on real estate industry level competitiveness apart from the application of Porter's diamond model. (Vidican et al., 2013) believe that in order for governments to achieve inclusive competitiveness, there should be focus on socioeconomic development outcomes as well as stakeholders' engagement in decision making. Moreover, according to (Turok, 2004, p.2), it is crucial for competitiveness to go beyond economic performance to " explore underlying sources of improved economic performance" calling for looking at physical, social,

and institutional assets that may impact firms. The industry that is being studied here, real estate, represents 70% of global wealth and touches everyone's life being an investor/owner or tenant(Hartenberger, 2015). In addition to its economic importance as a strategic sector in the economy, this industry has substantial sustainability impact through development, resources, and waste generation during construction as well occupation phases. With the introduction of Sustainable Development Goals, the competitiveness of this industry is becoming more important. More than 828 million people worldwide still live in slums, and 330 million households are financially stretched by housing costs in addition to the failure of many Public -Private partnerships in this industry(United Nations, 2015).

In light of the above complexity and dynamism of the world, there is a need to have a new thinking about real estate industry's competitiveness beyond business centered economic definition to more of inclusive multi-stakeholder approach. This new thinking will help government policy makers to better manage the industry to achieve the desired political, economic and social objectives.

Thus the research aims at reaching a comprehensive multi-stakeholder's *definition* of Real estate industry level competitiveness; Find *high-level determinants of competitiveness* at real estate industry level; develop a dynamic framework of Real estate industry level competitiveness with a *purpose of enhancing competitiveness; and* provide a tool for *decision makers and stakeholders* to enhance the competitiveness of the real estate industry.

 To develop insightful analysis on real estate competitiveness from multiple stakeholders, phenomenological qualitative research will be used. By understanding

the meaning of the lived experience of 36 participants representing six stakeholders i.e. investors, tenants, developers, policy makers, brokers and consultants , common themes on the industry and its future are identified. New competitiveness model is developed based on common themes and findings. The city of application is chosen to be Dubai given its nature as a booming cosmopolitan city that attracted more than 200 nationalities and witnessed a booming real estate market.

By analyzing policy-makers, developers, brokers, tenants, investors, and consultants' responses about challenges, opportunities, and the future of the real estate industry, the following key areas stand out as key determinants of real estate industry's inclusive competitiveness:

- The tradeoff between the built environment cost and quality

- Economic sustainability

- Environmental sustainability

- The government and legal certainty

- Political sustainability

- Resilience

- Social sustainability.

The research findings confirm the importance of dealing with real estate industry as a system with interconnected parts. On one side, quality and affordability are central determinants of real estate industry's competitiveness which is in line with traditional competitiveness theories. However, by following **multi-stakeholder approach , new themes such as sustainability, system thinking and central government role come to play important role in driving competitiveness.** Different

stakeholders look beyond economic value of buildings to the total offerings of the neighborhood and city ; beyond economic to social and environmental pillars of sustainability.

To conclude, the proposed model can help governments in understanding city's competitive advantages by applying a multi-stakeholder approach to understand determinants of real estate industry level competitiveness and thus to enhance it.

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