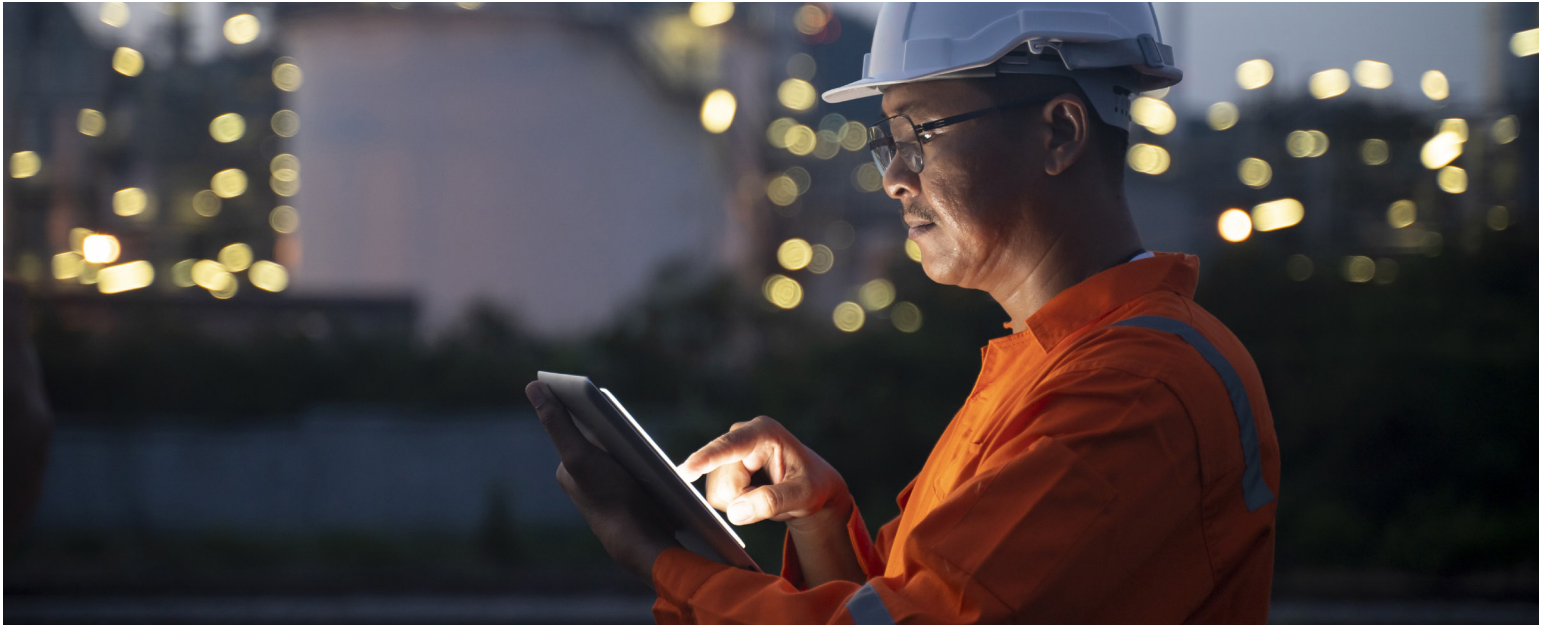


New MIT Think Tank Focuses on Sustainable Asian Real Estate



According to a recent article by the Massachusetts Institute of Technology (MIT), things are moving fast in the Asian real estate market. More specifically, MIT outlines that: “Every 40 days, a city the equivalent size of Boston is built in Asia.”

And while this means exciting development prospects for anyone involved in Asian commercial real estate (CRE), it also means that sustainability, and an innovative approach to growth, are becoming ever more important.

With those issues in mind, MIT’s Center for Real Estate (MIT CRE) recently launched the Asia Real Estate Initiative (AREI), with the goal of “connecting sustainability and technology in real estate.”

Addressing Climate Issues Through Innovation

During 2021’s United Nations Climate Change Conference, the real estate sector was identified as a key target for reducing global emissions, and one of the sectors Asian governments are aiming to transform to meet environmental targets.

Zhengzhen Tan, director of AREI, puts it like this: “One of the most pressing calls is to get to net-zero emissions for real estate development and operation.”

As a part of that goal, AREI is focusing on research across three main themes:

- The future of real estate and live-work-play dynamics;
- Connecting sustainability and technology in real estate; and
- Innovations in real estate finance and business

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Tan points out that the choices investors and developers make in the region now will “lock in environmental footprints” for the next decade and adds: “We hope to inspire developers and investors to think differently and get out of their comfort zone.”

Sustainability in Mind in 2022

The initiative comes in the midst of a strong recovery trend for Asian CRE markets, with PwC’s Emerging Trends in Real Estate® Asia Pacific 2022 report noting that: “Transactions are rebounding after nearly two years of lockdowns and travel embargoes.” The report also adds, however, that the investment landscape in Asia has changed, particularly in terms of how different real estate assets are used.

One of the key trends highlighted in the report is a move towards renovating buildings to change usage or upgrade their environmental performance to a higher standard.

Speaking to the impact AREI is expected to have on this developing landscape, faculty director of MIT CRE and AREI faculty chair, Professor Siqi Zheng, had this to say: “The research on real estate sustainability and technology could transform this industry and help invent global real estate of the future.”

He adds that merging tech and real estate can help developers build out strategies that are “green, smart, and healthy.”

Global Climate Concerns

In the coming years, it’s likely CRE will see a larger global shift towards these types of sustainability initiatives as developers and investors become more environmentally conscious, and aim to address climate change challenges. For the savvy CRE professional, it’s a space worth keeping a sharp eye on as we move to make green initiatives part of the broader real estate picture.

