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The Boston real estate landscape in a flat economy in a flat world

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Just when you thought you would scream if another person trotted out their list of the three most important things in real estate, as if, duh, real estate is a supremely local business, and sites don't pick up and move all that often, along comes the notion that "the world is flat," and no industry is immune to its fearful consequences and unheralded opportunities. Tom Friedman's best selling book of that name offered dire predictions of Chinese and Indian companies eating ours for lunch—software engineers, telemarketing boiler rooms, insanely cheap stuff for Kmart shelves. Friedman went on to propose flat world thinking: accepting and even harnessing the new global reality. You may well ask, just how does the flat world affect the real estate industry as practiced in the Northeast now that the economy has gone flat too?

Perhaps it will take someone outside the usual box to shed some light on this timely question, say a landscape architect with past experience in real estate development and brokerage. For my two cents, working as I do with Chinese real estate developers and sometimes U.S. based developers entering the China market, the local business of real estate will very soon be able to benefit from flat world thinking in several ways.

(1) Adopt sustainability Best Management Practices. Many BMPs are being tested in Europe and Asia that for some reason are quicker on the uptake than we are. Obvious example: Green roofs began in Germany decades ago. Certain technologies like solar panels are becoming dominated by Chinese producers. They also dominate in solar-powered air conditioning, too—now there is a win-win. In an increasingly competitive market, sustainability wins

(2) Hedge business risk—diversify. While the most localized players cannot afford to, the Tishman Speyers of this world are out and about, diversifying their already hefty portfolios. China is a market of interest, even corrected of bubbles in the major eastern seaboard markets. But where there is a will there is a way—just ask the Chinese.

(3) Work with Chinese investors in our local market. Already this is happening, despite the tight regulation by China of foreign investment by Chinese nationals. But when they come, it is all cash. From what I see in market preferences being built in China, they love western styled villas with all the fixins — Jacuzzis, infinity pools, outdoor kitchens, you name it. Our prices are cheaper than theirs now.

(4) Fresh design advice. There are lots of fresh ideas out there, not necessarily premium priced, much more likely competitively priced. Boston may be a conservative town, but there are recent signs of design risk-taking even in the public realm like open space along the Boston waterfront. Private projects in the hands of overseas investors show a flair for fresh design that might just be contagious.

Like many firms across a variety of industries paying ever more attention to doing business overseas, Boston-based design firms have been active in international markets for decades, exporting expertise to parts of the world less well endowed with highly educated design professionals, as well as competing in markets with plenty of local talent. For those of you attending Buildboston on November 18, you have a great opportunity to hear it straight from the leading local landscape architecture firms, the folks who live and breathe how to give your projects the very best in curb appeal and that all-important first impression. One way to set a local project apart is the fresh look that a landscape architecture firm with an international practice can provide. Many of them have set up satellite offices in overseas markets, competing with firms local to those markets.

In some rare instances, the paradigm is even beginning to flip: the occasional foreign-based design firm setting up shop stateside and creating jobs right here: home office overseas, Boston satellite office. And why not? We may not appreciate it enough here in Boston, but overseas Boston is a brand of excellence. And that brand consists of three things: Harvard, MIT and intellectual property. Opening an office in such a place speaks volumes to customers in other markets; at least it does to ours. In Boston, the birthplace of landscape architectural professional education (Olmsted, coiner of the name, came to Boston from New York), innovation like this is not over yet, not by a long shot. That is flat world thinking we can believe in.

For a lively discussion on local landscape architects working overseas, please join me and my peers at Buildboston, "Boston Landscape Architects Working Abroad," workshop A67, 3:30 - 5 p.m. on November 18th with Evelyn Bergaila, director of operations, Martha Schwartz Partners; Chris Jones, principal, CRJA; Gavin McMillan, Hargreaves Associates; Bill Taylor, principal, CRJA, and moderator Isabel Zempel, senior associate, Sasaki Associates.

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