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Accounting for Latent Variables in Real Estate Sustainability.

This study contributes to ESG accounting research and practice, from a transdisciplinary perspective focused on environmental value-creation.

Whilst development of the built environment requires statutory consideration of ecological and sustainability concerns, the latent impact of these concerns on value-creation are often only revealed to stakeholders after the design process is close to completion.

Whilst there has been a continuity of growth in demand from stakeholders for corporate ESG information (Wang et al, 2023), the practical application, understanding and incorporation of ESG values for those financing and investing in the development of real estate may differ from those designing real estate assets.

Communicating transparency in ESG disclosure to external stakeholders in real-estate development, requires an understanding of environmental positions on development intent and anticipated outcomes. Understanding these decision-making positions and processes will support accountability in those commissioning and designing real estate development.

The circumstantial impact of the decision-making environment, organisational decision level, and the impact of time-pressure and ethical pathways to a decision, will support analysis of corporate measuring of ESG Performance and ESG Disclosure.

Positions on corporate governance and risk management are connected with consideration of ethics, and relevant and quantifiable stakeholder perspectives on ESG accounting (Lehner and Harrer, 2019). Drawing on the sustainability positions of accountants and architects in the development of real estate, this research provides a framework for corporate ESG responsibility and accountability in real estate value-creation.

REFERENCES

Lehner, O.M. and Harrer, T., 2019. Accounting for economic sustainability: environmental, social and governance perspectives. *Journal of applied accounting research*, 20(4), pp.365-371.

Wang, N., Pan, H., Feng, Y. and Du, S., 2023. How do ESG practices create value for businesses? Research review and prospects. *Sustainability Accounting, Management and Policy Journal*.