Sustainability and investment appraisal for housing regeneration projects

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Abstract

Purpose
The purpose of this paper is to assess the selection and use, in practice, of appraisal frameworks regarding sustainability evaluation in UK social housing sector projects, which have been advocated by academics as a means of ensuring that business decisions related to potential built environment projects are driven by best value rather than lowest cost. It also seeks to identify the key features of sustainability as assessed at the project feasibility stage. The research context is housing regeneration projects undertaken by UK social housing providers.

Design/methodology/approach
Using a quantitative approach, a survey was conducted of 481 built environment professionals working within the UK social housing sector, which generated an overall response rate of 24 per cent.

Findings
The survey results revealed that few toolkits and models developed by academe to facilitate the development and evaluation of sustainability-led building projects have so far been adopted. The impact of organisational factors such as size, denomination, and maturity on the frameworks was analysed and, in general, no statistically significant relationship was found between organisational features and the models in use. The principal features of sustainability were found to be related to energy efficiency and asset life expectancy. These findings have implications for the UK construction industry's commitment to enhancing the built environment's sustainability and thereby stakeholder prosperity.

Research limitations/implications
The methodological approach adopted failed to uncover fully the reasons why practitioners selected particular types of sustainability appraisal toolkits.

Practical implications
This paper focuses on the current use of sustainability-led project appraisal models and the key features of sustainability whilst also providing directions for further research. It explores the adoption of sustainability-focused project evaluation practices in the UK social housing sector and outlines potential areas for further research, focused on developing a usable, holistic framework for evaluating sustainability during the early stages of project development to help to create a more sustainable built environment.

Originality/value
The paper contributes to the body of knowledge available on the adoption of sustainability-focused project evaluation practice in the UK social housing sector, outlining potential areas for further research, focused on developing a usable, holistic framework for evaluating sustainability during the early stages of project development to help to create a more sustainable built environment.

Keywords
Sustainability  UK  Social housing

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Investments towards sustainable development are vital for the future and they must be carefully planned to deliver immediate and long-term benefits. Hence, the ability to communicate the forms of impact of sustainable investments to local societies, people, investors and other stakeholders can provide a competitive advantage. Sustainability and investment appraisal for housing regeneration projects. Article. May 2016. Project and Investment Appraisal for Sustainable Value Creation. IFAC's mission is to serve the public interest by: contributing to the development of high-quality standards and guidance; facilitating the adoption and implementation of high-quality standards and guidance; contributing to the development of strong professional accountancy organizations and accounting firms and to high-quality practices by professional accountants, and promoting the value of professional accountants worldwide; and speaking out on. International good practice guidance. Project and investment appraisal for sustainable value creation. Contents. 1. Introduction. 2. Key Principles of Project and Investment Investment appraisal techniques are used for evaluation of the investment. There are different techniques used for evaluation of the project / asset. They are primarily meant to appraise the performance of a new project. The first question that comes to our mind before beginning any new project is “Whether it is viable or profitable? These techniques answer this question very well. Each technique evaluates the project from a different angle and provides a different insight. Let us understand these techniques in brief. Payback Period. One of the simplest investment appraisal techniques is the payback period. Payback technique states how long does it take for the project to generate sufficient cash-flow to cover the initial cost of the project...