

City Biodiversity index and its linkage to Real estate pricing

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SUMMARY

In 2002, Conference of the Parties (COP) developed a Strategic Plan to achieve by 2010 a significant reduction of the current rate of biodiversity loss at the global, regional, and national level'. Since 1992, ten meetings of the COP to the Convention of Biological Diversity (CBD) have been held. COP-11 provided a unique platform to display, promote, interact, learn and network from each other's experiences and knowledge relating to biodiversity. It has emphasized the importance of Biodiversity indices to quantify the changing biodiversity maps. The drivers of Biodiversity degradation are many-fold. Human activities are the main driver behind the decline in biodiversity and result from a number of different threats. Habitat loss and degradation includes reductions in the quality or quantity of habitat available to species and is considered the single greatest threat to endangered species and overall biodiversity. Biodiversity has globally come under increasing pressure on account of factors such as habitat fragmentation, development imperatives, unsustainable consumption pattern and, more recently, global warming. Biodiversity degradation can cause unstable and lesser resilience to ecosystem providing products and services. This leads to food scarcity, fresh water degradation, and increasing temperature in cities all leading to unhealthy ecosystem. Ecosystem health is one of the direct concerns to real estate businesses because many depend on related services, either directly or indirectly and the degradation of ecosystems can present risks in services like marketing and sales in real estate. Real estate indices are one of the measures to quantify the liquidity and exposure of transaction data during sale of properties. Out of the many factors apart from the demand and supply of the property's the transactional volumes of sales in real estate. influence of the ecosystem health on real estate transaction data depends on several factors. In this paper an effort is made to understand direct impacts of biodiversity degradation on commercial real estate. A quantification method by linking biodiversity indices to real estate market indices is worked to analyze prices in global real estate market