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**THE IMPORTANCE OF RELIABLE STATISTICAL DATA IN  
FACILITATING A WELL-FUNCTIONING REAL ESTATE  
MARKET.**

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# Introduction

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40 yottabytes is a lotta bytes. It's about 5.2 gigabytes of data for the estimated number of people to be on Earth by 2020 (Wang and Ranjan 2015), and it's also how much data we will have available to us by then.

And that's just digital data: lots and lots of little bits. But what about all that's between those bits, including how they interact with one another? And what about analogue data, including all those people on Earth in 2020, and all that will be going on between them, the rest of the living world and the environment, and all of those with the digital world, including those lotsa bytes.

We know from chaos theory in general and the butterfly effect in particular, any of the above may influence any other part of the above, including the reliability of statistical data in facilitating a well-functioning real estate market.

Oh my God. What to do?

We are drowning in information, while starving for wisdom. The world henceforth will be run by synthesizers, people able to put together the right information at the right time, think critically about it, and make important choices wisely (Wilson 1999, p. 294).

*“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion” (IVSC, 2014).*

You need data to acquire information

You need information to acquire  
knowledge

You need knowledge to attain  
understanding

You need understanding to attain wisdom

You need wisdom in action to achieve well-  
functioning real estate markets.





## From Statistical Data to Information:

“statistics” is “a branch of mathematics dealing with the collection, analysis, interpretation, and presentation of masses of numerical data” and “data” as “facts or information used usually to calculate, analyze, or plan something”. However, in DIKW it is meant as “observable differences in physical states” (Boisot and Canals 2004).

“Data” means “*observable differences*”

“Information” means “*meaningful, useful data*” (Bierly, Kessler et al 2000) – an observable difference that is valued as making a difference in the relevant context. So to us information is “*data that we value*”

The right hemisphere needs not to know what the left hemisphere knows, for that would destroy its ability to understand the whole; at the same time, the left hemisphere cannot know what the right hemisphere knows" (McGilchrist 2009, p. 208).

## From Information to Knowledge

Schumaker (2014) defines knowledge as follows:

Knowledge is the aggregation of related Information (Barlas, Ginart et al. 2005), that forms a set of expectations or rules (Boisot and Canals 2004) which provides a clearer understanding of Information (Bierly, Kessler et al. 2000).

## From Knowledge to Understanding

Here, understanding means “the power of comprehending; especially the capacity to apprehend general relations of particulars; the power to make experience intelligible by applying concepts and categories” .

“Dead matter, matter that is both lifeless and deathless” [such as reliable statistical data] ... Rising stages of evolution produce more meaningful organisms, capable of even more complex acts of understanding” (Polanyi 1966, p. 91).

Metaphor “underlies all forms of understanding whatsoever” (McGilchrist 2009, p. 71; italics in original) ...

“the ideal scientist thinks like a poet and only later works like a bookkeeper” (Wilson 2013, p. 74).

National Research Council of the U.S.A. (p. 32):

1. Experts notice features and meaningful patterns of information that are not noticed by novices.
2. Experts have acquired a great deal of content knowledge that is organized in ways that reflect a deep understanding of their subject matter.



## From Understanding to Wisdom:

“Wisdom” means “The ability to make sense of complexity, context specificity, and to integrate moral perspectives, balancing part and bigger systems”  
(Mulgan 2014 at 29min 57secs).

# From Wisdom in Action towards Sustainable Real Estate Markets:

We need broad and deep vision and balanced judgement:

“Depth, as opposed to distance from a surface, never implies detachment. Depth brings us into a relationship, whatever the distance involved, with the other, and allows us to ‘feel across’ the intervening space. It situates us in the same world as the other” (McGilchrist 2009, p. 183).

We need what Michael Polanyi termed “a society of explorers”:

In a society of explorers, man ... the explorer is placed in the midst of potential discoveries, which offer him the possibility of numberless problems ... A society of explorers is controlled throughout by ... *mutually imposed authority* (My emphasis: Polanyi 1966, pp. 83-84).

Yet the poets in many areas of science are being suffocated by the bookkeepers, making depth a luxury we are assured by the bean counters that we cannot afford. The prevailing attitude was well expressed by Stanisław Jerzy Lec:

“we know we are on the wrong track, but we are compensating for this shortcoming by accelerating” (Sedlacek 2011, p. 233).

For societies of explorers, we need *heterarchies*, systems of organisation replete with overlap, multiplicity, mixed ascendancy, and/or divergent-but-coexistent patterns of relation ... enfolding “lateral accountability and organizational heterogeneity”, responses to the increasing complexities of strategy horizons or fitness landscapes (Starkn 2000 p. 6). They are “complex adaptive systems ... of competing and comparing value systems” (ibid, p.8).

Within and beyond but accessible to such heterarchic societies of explorers, we need lotsa wisdom - yottas of wisdom - and lotsa reliable statistical data to help provide their reliable foundations.

To direct such data towards the emergence of wisdom, Global Property Advisory have relevant software already functioning. Called the universal Property Data Attribute Warehouse (Property DAW), it can aggregate of open source data to a single coded system, thereby creating significant transparency between markets, regions and asset classes. In turn, that will provide greater confidence to people in what is one of the world's most significant asset classes, real estate.

Thank You.

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