PROTECTING COMMERCIAL REAL ESTATE AND CROWDED PLACES FROM TERRORISM

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Abstract

Increasingly, commercial real estate and crowded places have become common targets for terrorist actions. Despite this, little empirical research exists explaining how such locations could be made more resilient, particularly in the context of new developments. The research presented in this article contributes to the literature by identifying what may potentially incentivize real estate developments to include counterterrorism protective security measures in future commercial real estate and crowded places schemes. The research is based on 142 interviews conducted in the United Kingdom, United States, and Australia, with the findings highlighting that incentivization is both complex and varied.

Keywords

commercial real estate; terrorism; real estate development

In recent times, significant terrorist attacks have occurred in major cities globally with a shift in focus away from disruptive attacks on critical infrastructure, towards high impact-low sophistication attacks in commercial real estate assets and crowded places. These incidents have resulted in significant loss of life, as well as considerable property damage, reputational damage, and socioeconomic loss and have impacted both emerging markets (examples include: Bombings in Bali, Indonesia in 2005; multiple attacks in Mumbai, India in 2008; JW Marriott and Ritz-Carlton Hotels bombings, Jakarta, Indonesia in 2009; Westgate Shopping Mall, Nairobi, Kenya in 2013; terrorist attack in Sousse, Tunisia in 2015) and in developed countries (examples include: truck attack in Nice, France in 2016; multiple attacks in Paris, France in November 2015; attacks in multiple locations in Brussels, Belgium in 2016; bombing at Ariana Grande Concert in Manchester, UK 2017).

In parallel, they have posed complex questions for policy makers on how best to enhance the resilience of commercial real estate and crowded places from the threat that emanates from terrorism, while ensuring that these locations function as they were originally intended. In responding to these questions, western governments have published extensive guidance such as the Crowded Places Guidance 2017 by the National Counter Terrorism Security Office in the United Kingdom and Australia's Strategy for Protecting Crowded Places from Terrorism, which was introduced in 2017 as a consequence of the continuing threat trajectory. These documents serve to provide both a strategic and operational framework for the owners, managers, and operators of these locations for introducing counterterrorism protective security measures both proportionally and for enhancing their maturity to the threat.

Building on the threat landscape and these guidance documents, McIlhatton et al. (2018) explored how the real estate development process could potentially be used as a framework for maximizing the resiliency of commercial real estate and crowded places from terrorism. They focus on understanding how the different sectors (architects, investors, developers, planners, engineers, project managers, construction management, and urban designers) involved in real estate development consider the threat from terrorism and identify prominent barriers that need to be overcome for counterterrorism measures to become a key consideration. However, there is little empirical evidence in the literature on how the consideration and implementation of counterterrorism security measures could be enhanced more rapidly, particularly through the real estate development process.

We examine what would incentivize commercial real estate and crowded places developers to include counterterrorism as a core consideration within their decision-making process and provide an evidence base for those developing resilience policies, as well as those developing sites. In order to achieve this, the article is structured as follows. We provide an analysis of the literature relating to real estate and counterterrorism.
We next detail our methodology. We then present the results and our recommendations. The paper closed with concluding remarks.

Literature Review

Terrorist actions in urban areas are not new and have been a frequently occurring phenomena resulting in significant challenges, particularly for the reputation of cities as safe places to live, work, visit, learn, socialize, and invest. Indeed, the epicenter for these actions has primarily been within areas of commercial real estate, and in recent times, crowded places, with trends indicating that the frequency and intensity of these attacks have been on an upward trajectory (Christensen, McIlhatton, Bonney, and Blair, 2017) with many motivating factors. Despite this, there is limited scholarly attention paid to understanding how best to enhance the resilience of such locations, with the majority of the focus on terrorism disciplines directed towards preventing people from engaging in terrorism. From a real estate perspective, even less exists, with the majority of the researchers analyzing markets post-attack (DeLisle, 2001; Dermisi, 2007; Abadie and Dermisi, 2008).

TERRORISM AND REAL ESTATE

The relation between real estate and terrorism has historically received limited attention in the scholarly discourse, although the events of 9/11 refocused research agendas and led to questions that were not considered in any great detail previously within academic and practitioner communities. one such area was that of the impact of terrorism on real estate markets, with Dermisi (2007) highlighting the significance of the 9/11 attacks on Class A office space in New York City, with a total of 30 million square feet (11% of Manhattan class A space) damaged or destroyed (The City of New York, 2001). This generated a step-wise change in thinking of real estate market analysts who were becoming much more alert to the threat of terrorism within global cities and the potential impacts that such events could have (Abadie and Dermisi, 2008). In parallel, this also signaled a shift in the mentality of potential investors and lessees who were now acknowledging terrorism in their decision making. Johnson and Kasarda (2003) demonstrated that the site selection process for office space changed in response to the threat with evidence suggesting that the demand for iconic buildings was challenged by perceptions of safety, as was demand for tall buildings (over 30 stories), properties in proximity to these types of buildings, and also those that were situated in the vicinity of critical infrastructure assets and mass gathering locations, such as stadia and retail complexes. In a similar vein, Mills (2002) evaluated the effects of terrorist attacks on office activities and argued that there was potentiality for a shift away from tall buildings in CBDs towards demand for smaller suburban buildings and in smaller metropolitan areas. in other research, Dermisi (2006) examined the effect of terrorism threat on "trophy buildings" and their surrounding areas in Chicago and found that commercial office owners and their management teams reacted to the 9/11 events by deploying new security measures.

In the context of real losses, terrorism has had a substantial impact in many cities. In the United Kingdom, examples include the Provisional Irish Republican Army (PIRA) detonating a large truck bomb in the Baltic Exchange, London in 1992, which resulted in damages totaling $1 billion (CAIN, 2017). Another attack in Bishopsgate, London in 1993 by the same perpetrators generated damages between $1.3 billion and $2.5 billion (Cole, Watters, and Lynch, 2011). In Oklahoma City, an audit carried out on behalf of the State of Oklahoma estimated that the 1995 Alfred P. Murrah Federal Building bombing resulted in property damages of approximately $652 million (KPMG et al., 1995; McIlhatton et al., 2018). The events of 9/11 resulted in property and casualty claims of approximately $40 billion, with nearly 18,000 small businesses dislocated, disrupted or destroyed (Makinen, 2002).

More specific examples of impact of terrorism on real estate emerge from the hotel sector. STR (2016) analyzed the impact of terrorism on Europe's hotel industry. According to their data and analysis, hotel markets experienced stabilized performance results within approximately three months following a terrorist attack. STR analyzed four instances in which a major European market was attacked by terrorists, beginning with the Madrid train bombings, as well as markets in London, Paris, and Belgium. They found that attacks in those markets had a greater impact on occupancy levels than on the average daily rate (ADR). For example, following the July 7 attacks in London, hotels experienced an average year-over-year rate growth of 3.2% in the three months following the event. However, occupancy dropped 15.1%, 5.2%, and 1.9% in the subsequent months before seeing a rise of 1.0% in November.

In the wake of the Madrid train bombings in March 2004, STR (2016) found that occupancy fell 12.7% in April; in July of the same year, occupancy was still down 5.5%. However, the markets’ ADR decreased 7.4% in April, decreasing by an average 13.5% over the following three months. STR (2016) noted this three month recovery pattern for occupancy was repeated in Paris following the November 15 attacks. After the Brussels attack on March 22, 2016, occupancy levels declined sharply from 19.6% to 57.7% for the entire month. However, the ADR remained positive (+1.1% to $121.65) and in line with historic levels.

Accor, Europe's largest hotel operator, saw a 3.5% like-for-like increase in operating profit despite the terror attacks in Paris in 2016 (Thomson, 2016). Accor owns both high-end and budget brands such as Ibis. In a statement, the chief executive described Accor's performance as "outstanding." Nevertheless, Accor's
RevPAR in the Paris region was down 3.4% over the year, a result of the November 13 terrorist attacks that killed 130 people (Thomson, 2016). The attack on a hotel in Tunisia in the Port El Kantaoui region in 2015 cost the industry an estimated $32 million (Suder, 2016).

REAL ESTATE AND PROTECTIVE SECURITY

More recently, the targeting of commercial real estate and crowded places by those inspired by international related terrorism has become a frequent occurrence and has re-energized thinking on how best to protect and prepare such locations from terrorism (McIlhatton et al., 2018). Examples include the terrorist attacks in Paris in 2015, which saw entertainment venues, restaurants and bars, and a football stadium targeted by marauding gunmen and suicide bombers, the attacks at Brussels airport and metro station in March 2016, the Berlin Christmas market attack also in 2016, and the suicide bombing that occurred at the Manchester Evening Arena in May 2017. In response to these events, and those discussed previously, western governments have revised and produced numerous guidance documents for commercial real estate and crowded places. In 2017, Australia’s Strategy for Protecting Crowded Places from Terrorism was launched, as was the UK Crowded Places Guidance 2017 by the UK National Counter Terrorism Security Office (NaCTSO). These strategies were designed to act as a basis for operators and owners to enhance the resilience of such sites.

Methodology

Our methodological approach utilizes a qualitative framework that was conducted in three international jurisdictions: the U.K., U.S., and Australia. The study was conducted between February and November of 2017 and focused on two fundamental research questions: (1) What would incentivize the consideration of counterterrorism measures within commercial real estate and crowded places developments? and (2) What recommendations would those involved in the development process present as possible options for raising awareness of the threat from terrorism within real estate? The research is based on a sample of 142 interviews that were conducted in Belfast and London in the U.K.; New York City, Oklahoma City, and Atlanta in the U.S.; and Sydney and Canberra in Australia.

RESEARCH DATA

The research data were obtained from in-depth, semi-structured interviews with professionals working in the architecture, urban design, engineering (structural, civil, electrical, and mechanical), planning, project management, local government representatives, real estate development, and investment sectors in the locations identified previously. We adopted a snowball sampling method with the first cohort of interviewees identified through the research teams existing networks. Participants were identified through recommendations received from the first cohort with the research team ensuring that the recommendations were appropriate, and were currently or had been previously actively involved in the development of commercial real estate and crowded places.

The rationale for using an interview based approach was to gain both breadth of information and a depth of understanding of the potential methods for incentivizing the consideration of counterterrorism security measures in developments. The U.K., U.S., and Australia (and the cities where the interviews were conducted) were selected as the research study areas due to three underpinning determinants identified in McIlhatton et al. (2018). Each city has either (1) had a recent international-related terrorist attack; (2) has developed strategies for protecting commercial real estate and crowded places; or (3) is an international city attracting significant numbers of visitors each year to their diverse network of crowded places.

The interviews took place at the offices of the participants and were conducted within each study area until saturation of information was reached within each professional sector. This required 56 interviews to be conducted in the U.S., 54 interviews in the U.K., and 32 interviews in Australia, resulting in a total sample of 142 interviews. The saturation point in Australia was lower as a possible consequence of it having a smaller property market with fewer organizations involved in the development of crowded places. In contrast, the U.S. and U.K. have a larger sample of organizations working on crowded places development, with many of these having multiple offices located in cities across the country, resulting in a larger sample in these countries before saturation was reached.

SEMI-STRUCTURED INTERVIEW QUESTIONS

The questions used in the interview process were developed to empirically test our two research questions using a structured interview format. These questions were tested and refined through a piloting process that included 10 semi-structured interviews with professionals in the U.K. representing both practitioners involved in commercial real estate and crowded places development and in counterterrorism protective security. Thus, we were able to ensure logical sequencing and coherency of questions, ensuring they were appropriate for those participating in the empirical stages of this research. The pilot testing process also facilitated an understanding of the likely time it would take for each interview to be conducted, as well as guiding the...
research in addressing the critical gaps identified in the literature. In response to the outcomes of the pilot testing, the interview questions were refined and all interviews that were conducted utilized the same questions and structure, thus allowing comparability of results.

**Results and Findings**

The results are concerned with addressing our two key questions: What would incentivize commercial real estate and crowded places developments to consider and introduce counterterrorism protective security measures? and How could counterterrorism measures be enhanced in the future?

**Methods for incentivizing the implementation of counterterrorism protective security measures**

Past research (McIlhatton et al., 2018) identified that many factors potentially inhibit the introduction of counterterrorism protective security measures. In this regard, it is important to identify the vehicles that would help overcome these barriers and consequentially enable and incentivize these measures to be introduced at the earliest possible stage. Indeed it is also important to address fundamental issues, such as who should pay and what kind of financial delivery methods could be utilized to encourage uptake in the development of these locations.

**INCENTIVIZING THE INTRODUCTION OF COUNTERTERRORISM SECURITY measures at the earliest stage of development process**

A plethora of options for incentivizing the consideration and adoption of counterterrorism protective security measures were discussed by the participants, and while it was acknowledged that many options were available, there was significant complexity in achieving buy-in across the development industry as a whole. Most of this consternation centered on key challenges such as "Is there a benefit in doing this?," "Do we have to do this?," and "Are we actually at risk?" with some participants suggesting that until these questions are answered, the ambivalence will continue. Nevertheless, key understandings were achieved on what would attract those engaged in the development process to be mindful of counterterrorism with key themes emerging. While some of these incentives are obvious, such as government grants and regulations, other responses open up potential avenues of opportunity for law enforcement, government, and professional bodies, to encourage the considerations of terrorism as a core development threat within commercial real estate and crowded places. The incentives identified are presented in Exhibit 1. This list is not exhaustive but aggregates the responses into common themes with descriptive narrative provided detailing the rationale behind why these themes are considered incentives.

**GOVERNANCE AND REGULATION**

Concerning the critical issue of governance, the evidence that emerged from the interviews suggested that the stakeholder community placed importance on the need for a regulatory environment if counterterrorism is to be considered as a core component of a new development. Without such governance, it was felt that it would be difficult to gain momentum given the complexity of the number of players involved in the development process. Governance in this context was not considered purely from a government perspective, but instead included stakeholders such as investors, designers, and the professional bodies, all of which have a fundamental influence on the implementation of effective security considerations within real estate developments. From an investment perspective, respondents discussed the importance of the investor in establishing the criteria for financing such developments. It was believed that if greater importance was placed on aspects such as safety and resilience from challenges such as terrorism, then the development community would respond more positively towards the consideration and inclusion of counterterrorism protective security. Similar anecdotes were realized for sectors, such as planning (development control and master planning), where participants believed that regulation would shape the approach taken by those planning and developing crowded places.

Participants also suggested, albeit cautiously, that if the development of commercial real estate and crowded places is to proactively consider terrorism in the medium to long term (5-10 years), then this must be done from a framework that does not detract from high-quality design, functionality of space, and user experience. Evidence suggested that the only way to do this was to mandate this from the earliest possible stage and to build this framework in partnership with all industries involved. Some evidence drew on the approach in the U.K., which is delivered by the Counter Terrorism Security Advisor network through the National Counter Terrorism Security Office (NaCTSO), a specialist police unit that supports the "Protect" and "Prepare" strands of the U.K. counterterrorism strategy. This was identified as a potential delivery model for such a framework but it was stressed that any developed framework must extend from the site selection phase through to the hand-over and continued operations of that crowded place.

The sentiment across the participants highlighted ambivalence towards the notion of a government mandate on such measures with many suggesting that such an approach was not proportional to the threat and that a "blanket scheme" in the short term would not be favored, although an environment whereby it could be
formally considered, and not mandated, would be a welcome first step in the process of becoming a mainstream activity. This was furthered by some responses suggesting that a tiered radial system, in the first instance, could be utilized to mandate sites of substantial size and importance and then operate a "risk radius" of crowded places from that site.

CLIENT REQUIREMENT

Evidence suggested that the importance of client requirements in the production of a development brief is necessary in addressing the significant challenges of counterterrorism in the design, development, and management of commercial real estate. The majority of participants highlighted that if counterterrorism protective security was to become mainstream, or at the very least a core consideration in developments, then this must be evident in the development brief and therefore part of the thinking prior to the writing of the project requirements. If measures related to counterterrorism protective security are included, then this would facilitate inclusion from the earliest stages of the development process and eradicate any retrospective challenges, such as cost and design. Indeed, tenant requirements were also identified as essential and participants argued that if tenants stipulated a requirement for such security features then these would almost certainly be included. In line with this, it was felt that educating clients would be a core part of the incentivization process, as without government regulations, it would be down to the goodwill of the client to ensure that such measures were incorporated.

STAFF KNOWLEDGE

A further incentive identified was that of the knowledge of staff in organizations responsible for developing commercial real estate and crowded places. Achieving high-quality design, enhanced user experience, and ensuring sites function as originally planned are dependent on the quality and knowledge of the people involved across the entire development process, including their respective skillsets. However, there was an opinion that outside of the large multinational contractors, there was a distinct knowledge gap within the respective professions (engineering, real estate development, architecture, urban design, planning, and the other associated disciplines) on the understanding of terrorist threats and good practice mitigation measures. Consequentially, feedback suggests that this has resulted in a lack of consideration within the professions responding to the project requirements, as well as reflected in the design.

In order to remove this barrier and fill the knowledge gap that may potentially exist, results highlighted that this could be achieved through a number of key pathways based on education, innovative and integrated thinking, and professional body emphasis. From an educational perspective, it was identified that many design, engineering, planning, and real estate programs in tertiary education do not include challenges, case studies, or considerations of terrorism or counterterrorism in their curricula and as a consequence, the graduate pipeline and supply chain, are not mindful of terrorist threats. In challenging this, some respondents believed that if "terrorism as a concept" was included as an element within degree programs, then this would incentivize considerations and approaches of graduates when they enter employment.

REPUTATIONAL DAMAGE

Feedback from the interviews highlighted that the concept of reputational damage arising from a terrorist attack either directly, or in proximity, to their brand and assets, would almost certainly act as an incentive for considering counterterrorism protective security measures. This highlighted a need for the development community to be more aware of the reputational issues that can arise if a terrorist attack was to occur at their site, or in close proximity. Indeed, one anecdote from a law enforcement background highlighted the significance that understanding the impact on a company's reputation can have.

"...at the outset [of initial engagement], there was total reluctance to engage. Then I had the good fortune of bumping in to the then chief executive [...] of the development. Having secured a presentation to him and his top team, I didn't really feel I was making headway during the presentation—yes they were respectful and were earnestly listening to the design-in CT pitch. But it wasn't until I indicated the 'what if the site is lost to a terrorist attack' impact on the company's and country's reputation that the lights really switched on and the weight of responsibility of not accounting for CT made its mark. After that, heaven and earth couldn't stop CT being designed in, albeit, at later stages of the project. It went as far as government funding being secured for the hostile vehicle mitigation system."

Similar experiences were discussed across the stakeholder grouping with many indicating the influence that the media has on decision making, particularly when their brand and development are broadcast globally as a consequence of an attack. Examples such as the Paris hotel market, and Paris as a tourist destination, as well the sousse event, were discussed by some participants who were very much of the view that one attack could have major effects for local economies.
"The impact of some attacks are frightening. They destroyed local economies such as that in Tunisia and put people off visiting Paris after their attacks. The tourism statistics are obvious. There has never been a greater need to create and promote safe places if we want to keep people coming and maintain our reputation".

Indeed, responses also drew inference to the terrorist attack at the Manchester Arena where a major global artist was performing. They suggested that organizers become incentivized when they find it hard to sell tickets and when big artists and events will not come due to safety concerns. This then drives a process of change, in the context of security, and evolves from a business challenge to a political issue, which on many occasions acts as a catalyst for such challenges to be addressed.

INSURANCE PREMIUM REDUCTION

The significance of the role of the insurance industry in incentivizing counterterrorism protective security was evident through many responses in all jurisdictions. A general view was that the premiums associated with insurance can influence the requirements of prospective buyers, tenants, and end users of crowded places, and as such, have the potential to enhance developer consideration of measures for counterterrorism. That said, evidence suggested that this could only happen if first, the insurance industry was much more proactive in developing and marketing innovative products. second, if developers were able to utilize a tool to demonstrate how much of a reduction in insurance premium would be available for prospective tenants and purchasers in advance of a sale, lease, and development. This could then be used when marketing the assets as a selling feature. Third, some believed that the government should stipulate that it is a requirement of the insurance industry to ensure that counterterrorism products were mandatory and not optional, at least on a tiered risk level. Fourth, the products that would be developed would need to recognize that not all sites are the same, and as such, products need to be reflective of this, with an approach that allows crowded places sectors to build up their resilience over time, if they are starting with nothing or very little. While it was acknowledged by some that this was already being done to an extent through re-insurance products, particularly in the U.K. such as that of Pool-RE, it was felt that this needed to become a mainstream offering if uptake was to be significantly enhanced.

The importance of the insurance industry was further exemplified through its role in mitigating the impact of other fundamental challenges such as climate change and it was felt that a similar approach could be adopted by the insurance industry for mitigating terrorism.

"... the Insurance Council of Australia has led much of the best climate change research and produced some very mature climate modelling. They have worked out that they have an incentive in reducing peoples' risk, particularly with all the natural disasters over the past few years and now insurance companies are replying by sharing the models to help reduce the risk profiles of clients."

UNDERSTANDING OF THREAT AND KNOWLEDGE OF RESOURCES

The responses also highlighted that further incentives for including counterterrorism security measures in the development of crowded places and public spaces centered on enhancing the knowledge of the threat landscape among those engaged in the development process. In addition, narrative suggested that a greater marketing of the resources that may be available from a counterterrorism perspective was also vital for gaining greater consideration and consequentially, uptake.

Many participants, particularly those representing small- and medium-sized organizations, and who did not have in-house security advisors, indicated that they were not aware of the terrorist threat, other than what they saw on television and other media sources, and how that threat related to them. Many had never had any consultation or communication with law enforcement, unless it was on a government development or critical infrastructure/critical national infrastructure project, and did not know where to go if they sought such information. As a consequence, the threat of terrorism, on many occasions, was not explored fully, or at all, by those organizations, especially if not specifically asked to consider them by the client. When explored further, many smaller organizations were unaware of protective security advisors, their roles, or the resources they provide, with many believing that greater interaction with this community would incentivize them to think about it more fully.

"Knowledge of what resources are available is the starting point for incentivization. People don't know who to go to or what services are available and this is a barrier that we need to overcome. If we can turn this in to an incentive, where the owners and developers see it as an opportunity, which is free, then this might encourage greater awareness. If people are better informed and aware, then they are usually more mindful and you have a greater chance of success of getting buy-in."

FINANCIAL INCENTIVES FOR ADOPTION

Many potential examples of financial incentivization were discussed, including that of insurance premium reductions. Most of these related to government-sponsored programs for off-setting the cost of
counterterrorism protective security measures, such as hostile vehicle mitigation. The financial incentives discussed include:

* Government Grants: Responses indicated that the primary incentive for including counterterrorism measures would be to offset the cost of these features for developers. This could be achieved through the provision of grants for enhancing counterterrorism measures from the earliest possible stage. These grants would need to encourage thinking right back to concept design and influence the approved development from both a physical and personnel based posture. It was felt though that these needed to be decided by independent design professionals (and other professionals across all disciplines involved in the design and build phases) and not purely by people assessing from a security background. This was to ensure the maintenance of high-quality design, functionality, and user experience.

* Tax-based Incentives: Such incentives were highlighted as an important way of absorbing the upfront capital costs of introducing counterterrorism measures and recovering these through tax-based rebates or reductions if certain criteria were met.

"If security measures are absorbed as a capital cost, then can this capital cost be rebated over time through rates relief or corporate tax relief or grant funding? This would definitely be an incentive if off our balance sheet, but most important to us is ensuring user experience and safety at our sites. If it needs to be put in, we will deal with that. But it would be much easier and more efficient to have this sort of help in doing so."

In contrast, consternation existed on whether tax relief would be an effective long-term strategy or solution as they did not believe that they would receive buy-in from the government to do this as there is only so much that can be rebated as similar schemes exist for sustainability/climate change and other features.

PAYING FOR COUNTERTERRORISM PROTECTIVE SECURITY

Many organizations concerned with the development, maintenance, and refurbishment of real estate know relatively little about the true cost of counterterrorism or the potential return on investment. Indeed, it is almost impossible to ascertain whether the measures that you may adopt are "performing well" or are "effective" in countering and mitigating the threat, rise, and harm of terrorism, unless an attack occurs. As a consequence, and due to the difficulties in defining counter terrorism resilience, the key question is: What does counterterrorism resilience look like? It is of little surprise that major differences emerged on who should pay for these measures to be within crowded places and public spaces.

Much of this debate was concerned with the investor/developer versus client and is similar to that which has emerged with other features (such as green features, smart technology, and security at airports). Indeed, responses also detailed a diverse range of methods for how the cost could be covered by both the investor and/or end user. It was however acknowledged by some that the end user will always end up paying. others proffered that if the government required it, then the government should pay for it. If they do not require it, the likelihood of uptake will be reduced unless it is required by the client, which in that case, the cost will be absorbed by the end user.

More generally, commonality existed in the methods proposed by respondents and these have been grouped into three distinct themes:

1. Developer Led: Developer absorbs cost as part of corporate social responsibility and therefore pays up-front costs of protective security in line with their desire to create safe spaces and places. The developer is the occupier/end user, so the cost will be absorbed by developer. Developer led if they are incentivized to include measures such as grants or other financial delivery models.

2. Developer Absorbs Cost and Passes on to Client: The upfront costs should be absorbed by the developer and passed on to the end user. This cost transfer could be facilitated through a security premium added to the sale or lease price of the asset, which then is reflective of the investment made, or which enhances the marketability and lease potential and duration of that asset. Developer makes investment in counterterrorism protective security measures and then recovers costs, either fully or in part, through service charges.

3. Client Led: Client requires measures to be incorporated from start of development process and is willing to account for this in the development budget. Client absorbs cost of development and then passes on to end user through a small security service charge for events such as concerts, sporting events, markets, conventions, and other paid events (by either attendee or exhibitor). A similar approach to airports could work towards covering such measures.

Conclusion

Our key conclusion is that the incentivization of counterterrorism protective security measures in new commercial real estate and crowded places developments is both complex and varied with multiple opportunities available. Our original contribution is highlighting the potential of the real estate development
process for enhancing counterterrorism measures, as well as what fundamental factors would encourage inclusion. By identifying these incentives, we provide a potential evidence base from which policy makers can seek to inform future strategies, particularly those concerned with the development of commercial real estate and crowded places.

Our research contributes to literature on the potential of the real estate development process for counterterrorism measures. We develop a baseline of factors that could incentivize the consideration and inclusion of counterterrorism measures within future developments including financial assistance, education, insurance premium reductions, and others.

The significance of the results extend the research base and provide an opportunity for policy makers and those developing future schemes to understand how counterterrorism measures could become a core consideration of the real estate development process. This significance is not restricted to the geographic extent of this research, but instead has the potential to be an international resource for overcoming potential barriers to inclusion.

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Endnote
1. Crowded places include entertainment complexes, stadia, bars, pubs, nightclubs, hotels, shopping malls, places of worship, iconic sites, urban spaces, and educational institutes.

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