

CLIMATE ADAPTATION TOOLKIT

SECTOR CASE STUDY: REAL ESTATE

There are many hundreds of real estate agents operating in town centres, main street shops and shopping centres throughout the councils participating in the South East Councils Climate Change Alliance (SECCCA). The real estate agent sector is valued at \$7.6 billion annually to the region.

Real estate agencies operate from two types of locations: from their shopfront, and from the locations of a potential or actual sale or rent. This sometimes means an individual staff member might be in more than 10 locations each week.

Property sales, and interest, can be heavily influenced by buyers' (and vendors') emotional responses and perceptions of safety and security. Weather and climate can influence these perceptions.



ADAPTATION PLANNING

Adaptation planning for the real estate sector involves making the shopfront and site visits climate resilient. The small business climate resilience process can guide adaptation (see Figure 1).

Based on interviews with businesses across different sectors in the SECCCA region, the real estate sector's climate adaptation goal is to stay open during peak sales and rental seasons, especially during extreme weather events such as heavy rain or very hot days.

Options for adapting a real estate shopfront are similar to those for any main street shop:

- consider policies and practices that ensure safety, security and access for customers and staff during, or after, an extreme weather event
- move the business off-grid so the site can operate without mains power, or operate the business from a different or off-site location.
- consider insurance options that account for risks in the area.

For locations visited and managed by real estate agents and customers:

- consider using technology to showcase sales or rental locations in case of fire, flood, heatwaves or other disruptions.

For more information, please see the [Small business climate adaptation toolkit](#).



Figure 1: The small business climate resilience process.

RELEVANT CLIMATE VULNERABILITIES

Climate projections for Greater Melbourne show:

- average temperatures will continue to increase
- there will be more frequent and longer heatwaves
- bushfire severity and duration will increase
- air pollution will become worse
- there will be fewer frosts
- rainfall will decline
- sea levels will continue rising, resulting in an increased risk of coastal erosion and flooding
- there will be more extreme weather events, including bushfires, severe storms, storm surges and heavy rainfall.

Some of these impacts (see Figure 2) will occur by 2030 to 2040. The impacts will get stronger over the proceeding decades.

For more information on climate impacts in your area, please visit the [Greater Melbourne Regional Climate Projections](#). Or there are [five other regional climate projections for Victoria](#).



Continuing rising daily temperatures



More frequent and longer heatwaves



Rising sea levels with increased risk of coastal erosion and inundation



Extreme rainfall events expected to become more intense



Rainfall expected to continue to decline in winter and spring



The fire season is longer and number of very high fire danger days in spring is increasing

Figure 2: Summary of climate impacts for Melbourne

THE RELATIVE COSTS

When considering a 3–5 year timeline, business owners say that the cost of inaction for the real estate sector would be higher than the cost of the minor adjustments needed to adapt to climate change.

Generally, businesses considered that the costs of implementing climate adaptation plans were low, except for the high cost of moving the businesses off-grid. The low costs mainly relate to being better prepared for extreme weather events and thinking differently about how to stay open.

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The Greater Melbourne Regional Climate Change Adaptation Strategy is a community-led project supporting Greater Melbourne communities to adapt to a changing climate. It is supported by the Department of Environment, Land, Water and Planning (DELWP) and funded through the Supporting Our Regions to Adapt program.