

DISCUSSION ON THE INNOVATIVE DEVELOPMENT STRATEGY OF ESG REAL ESTATE ECONOMIC MANAGEMENT

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Abstract

In the stage of social and economic transformation and development, the low-carbon economy, as a new growth point for national economic development, has had a significant impact on all walks of life. For a long time, the construction and real estate industries have adopted a high-energy consumption economic development model. As the national real estate development market enters a deleveraging cycle, real estate companies have begun to explore low-energy consumption, low-pollution, low-carbon models to achieve

Economic management must adapt to the trend of industrial transformation and upgrading while meeting national policy requirements for building an environmentally friendly society. However, during this transition period, low-carbon models have not only brought positive impacts to the economic management of construction and real estate, but also posed development threats. Therefore, it is necessary to strengthen the exploration of management strategies to promote the sustainable development of the industry.

Keywords: ESG, real estate, innovative development, economy, management model

Introduction: The real estate industry is a key driver of my country's economic growth. However, with ongoing market adjustments, traditional real estate management models and business operations are no longer adapting to market dynamics and the demands of industrial transformation. Therefore, real estate companies need to actively seek transformation paths in a complex and volatile market, developing rational upgrade plans that take into account changes in both internal and external environments. Economic management innovation is an effective means of improving production efficiency and overcoming bottlenecks in business development. It goes beyond product and service updates and encompasses a comprehensive overhaul of existing business rules and management models. To this end, companies should draw on successful experiences from both domestic and international markets, analyze the objectives of real estate economic management under the new development landscape, explore innovative approaches, and accelerate innovation and transformation in real estate economic management to address increasing market competition and industry pressure.

With global climate change and environmental challenges becoming increasingly severe, a low-carbon model has become a crucial tool for promoting sustainable development in the real estate industry. Achieving a low-carbon approach in the real estate industry not only helps reduce greenhouse gas emissions and improve energy efficiency, but also promotes the transformation and upgrading of industrial structures, driving economic and social development towards high-efficiency and sustainable development. Therefore, exploring innovative development strategies for real estate economic management under an ESG model is of great practical significance.

1. The impact of low-carbon models on the construction and real estate economy

1.1 Positive Impact

The construction and real estate industries adopt a low-carbon model to develop the economy, which has a positive impact on promoting the construction of a low-carbon market, increasing asset value and promoting the development of green finance.

First, as pillar industries of the national economy, the construction and real estate industries can shift from extensive management models to a focus on low-carbon economic management. This can help adjust the economic structure, promote market structure upgrades, and lead to overall progress in all industries. In the process of promoting low-carbon models, real estate companies can obtain relevant laws, regulations, and policies to quickly build green brands and develop differentiated market operation strategies. By using low-carbon buildings as a marketing slogan to shape a positive corporate image, they can win good market reputation and customer loyalty, help companies expand their market scale, and accelerate the development and construction of low-carbon markets.

Secondly, under the background of increasingly stringent energy conservation and emission reduction requirements put forward by the state, construction and real estate companies have developed low-carbon models through technological innovation. They use prefabrication, modularization and other technologies to shorten the construction period and pollution emissions, achieve efficient use of funds, create more economic benefits for enterprises, and enhance the ability of enterprises to adapt to new policies. Therefore, building low-carbon buildings is of great value in promoting the sustainable development of enterprises. In terms of building management, enterprises have introduced high-efficiency insulation materials, solar energy integration, intelligent control and other building technologies to significantly reduce the energy consumption and carbon emissions generated by the use of houses. For enterprises, they are high-quality assets with long-term operational value [1].

Thirdly, as the country successively introduces various policies related to green buildings, capital will also flow to companies that promote low-carbon models, enabling real estate companies that develop low-carbon projects to obtain funds by establishing green funds, issuing green bonds, etc., injecting vitality into the development of the industry. With the development of green finance, low-carbon companies will have more options and abundant financing channels, which will bring more possibilities for corporate development while providing strong financial support for the development of the low-carbon economy and continuously improving the low-carbon level of the industry.

Finally, according to the data from the 2023 China Building and Urban Infrastructure Carbon Emissions Research Report, the total carbon emissions from housing construction in China reached 4.07 billion tons in 2021, accounting for 38.2% of the country's energy-related carbon emissions, causing serious resource waste and ecological pollution. The construction and real estate industries promote low-carbon models and implement green and low-carbon concepts in all aspects of production and operation. This can effectively reduce the adverse impact of industry development on the environment, reduce the burden on the country's resources and environment, and show the image of a responsible major country while making significant contributions to promoting high-quality and sustainable social and economic development [2].

2. The importance of innovation in construction and real estate economic management under the ESG model

2.1 Stimulate the vitality of the construction and real estate markets

Through innovative economic management, construction and real estate companies can actively explore and apply low-carbon technologies and environmentally friendly materials, effectively reducing building energy consumption and carbon emissions. This not only helps improve the environmental performance of construction and real estate projects and significantly enhance companies' market competitiveness, but also meets consumer demand for a green and healthy environment. Furthermore, innovative economic management can promote the diversified development of the construction and real estate markets. Under a low-carbon model, construction and real estate companies can expand into new business areas, such as green building development, thereby opening up new profit growth points. Furthermore, innovative economic management can stimulate the vitality of market players, encourage more companies to invest in the development and operation of green buildings, stimulate vitality in the construction and real estate markets, and ultimately promote the sustainable development of the entire industry.

2.2 Promoting the transformation and upgrading of industrial structure

As an effective way to cope with climate change and resource shortages, the low-carbon model has become an important development direction for the construction and real estate industry. Under the low-carbon

model, innovation in the economic management of construction and real estate is not only an inevitable requirement for environmental protection, but also an important means to promote the transformation and upgrading of industrial structure. With the increasing attention paid to the low-carbon economy by all sectors of society, innovation in the economic management of construction and real estate enterprises is particularly critical. By introducing low-carbon concepts and advanced technologies, construction and real estate enterprises can optimize resource allocation, improve energy efficiency, reduce the impact of project construction and operation on the environment, and achieve energy conservation and emission reduction goals. This can not only promote the green development of the construction and real estate industry, but also drive the transformation and upgrading of upstream and downstream industrial chains. For example, the research and development and application of environmentally friendly materials and the promotion of green building technologies have brought new economic growth points to the construction and real estate industry. It can be seen that under the low-carbon model, innovation in the economic management of construction and real estate enterprises can promote the transformation and upgrading of industrial structure and provide strong support for the sustainable development of the economy and society [3].

2.3 Enhance environmental awareness in the construction and real estate industries

Under a low-carbon model, innovations in construction and real estate economic management can significantly enhance environmental awareness within the industry, laying a solid foundation for building a resource-efficient and environmentally friendly society. By incorporating low-carbon concepts, construction and real estate companies can optimize design, construction, and operations, reducing energy consumption in both construction and operation. Specifically, during the design phase, designers focus on the layout of green spaces and the maintenance of ecological balance, actively adopting energy-saving materials and technologies to reduce building energy consumption. During the construction phase, builders employ green construction methods to minimize the environmental impact. During the operational phase, operators improve energy efficiency through intelligent management. Furthermore, government policy support and economic incentives for green buildings are crucial factors in enhancing environmental awareness within the construction and real estate industries. Policy support sets a baseline for environmental protection for construction and real estate companies, while economic incentives encourage them to actively adopt green building technologies, thereby increasing the industry's overall focus on environmental protection.

3. Current status of real estate economic management

The real estate economy is currently in a critical period of development and challenges. Within this context, how to promote low-carbon development in the real estate industry has become a core issue within and beyond the industry.

3.1 The real estate industry is actively exploring the path of low-carbon development

With the popularization of environmental protection concepts and the global emphasis on sustainable development, the real estate industry is undergoing a transformation and upgrading from the traditional high-energy consumption and high-emission development model to a low-carbon and sustainable development model. For example, in the planning stage of engineering projects, more and more developers have begun to incorporate energy conservation and environmental protection factors into their decision-making considerations, focusing on the rational use of land resources and the protection of the ecological environment; in the design stage of engineering projects, the concept of low-carbon building has gradually become mainstream, and designers have actively adopted new green building materials and construction technologies such as solar panels and high-efficiency insulation materials to reduce energy consumption and carbon emissions; in the construction stage of engineering projects, many construction units focus on practicing energy conservation and environmental protection concepts and adopt more environmentally friendly construction methods to reduce resource waste and environmental pollution; in the operation stage of engineering projects, operation managers have begun to introduce intelligent management systems to further improve energy utilization efficiency and reduce operating costs, thereby achieving low-carbon development [4].

3.2 Main issues facing current real estate economic management

3.2.1 Low energy efficiency

Traditional building design and construction methods fail to fully consider the efficient use of energy, resulting in significant energy waste. This is primarily due to the following three reasons: First, during the architectural design phase, some designers overly focus on the aesthetics and functionality of the building, neglecting its energy efficiency. For example, in terms of building layout, window design, and material selection, designers fail to fully utilize natural lighting and ventilation to reduce the need for energy use such as artificial lighting and mechanical ventilation. Second, improper construction management or a lack of effective energy-saving measures leads to inefficient energy utilization, which not only increases project costs but also exacerbates environmental pollution. Third, during the operational phase, some buildings' lighting, air conditioning, elevators, and other equipment operate inefficiently, resulting in irrational energy use and causing significant energy loss.

3.2.2 Insufficient application of low-carbon building materials and technologies

With the continuous improvement of public environmental awareness, more and more engineering projects have begun to try to introduce low-carbon building materials and technologies. However, in reality, the application of low-carbon materials and technologies is still relatively low. On the one hand, compared with low-carbon building materials and technologies, traditional building materials have more advantages in terms of price. For cost control considerations, some

developers still tend to choose traditional building materials and processes. On the other hand, the market penetration of low-carbon building materials and technologies is not high, and some consumers and developers still have doubts about their performance, quality and reliability, which greatly reduces their confidence in choosing low-carbon building materials and technologies[5].

4. Innovative approaches to real estate economic management under the ESG development landscape

4.1 Promote centralized financial accounting management

Real estate companies operate on a large scale, encompassing multiple business units and projects. Given this situation, building a comprehensive financial accounting system and centralizing financial data management is crucial. Companies should deploy financial accounting applications across all business units and establish a unified platform to manage these applications, ensuring traceability and consistency of financial data. If different units or departments use different financial applications, they should first unify accounting standards and processes, then gradually transition to a new financial application to avoid management confusion.

Secondly, real estate companies should strengthen their financial report consolidation capabilities. Real estate companies are characterized by large group sizes, multiple companies, multiple projects, and multiple dimensions. To address this, companies should optimize automatic financial report consolidation capabilities, integrating and automatically consolidating financial statements across all levels, projects, and subsidiaries to provide a real-time reflection of the company's financial status.

Furthermore, as the correlation between the operation and development of real estate enterprises and changes in national policies becomes increasingly stronger, enterprises should pay close attention to policy changes, strengthen financial supervision according to the requirements of the State-owned Assets Supervision and Administration Commission, and enhance the monitoring of financial health. On the one hand, capital control should be regarded as the core of financial management, and the flow of funds should be tracked in real time to strengthen the compliance and transparency of capital use[6]. On the other hand, internal control management mechanisms should be embedded in the information system, and financial supervision should be improved according to the indicators of the State-owned Assets Supervision and Administration Commission, internal control management should be strengthened, and the standardization of financial management should be promoted.

Finally, real estate companies must fully transition from traditional offline transactions to online processes to address issues such as poor information transfer and cumbersome distribution. Companies should leverage online collaborative management platforms to achieve seamless transfer and real-time updates of financial data. These platforms should unify invoice verification,

internal control, expenditure control, and payment processes, achieving centralized management and strengthening centralized financial control.

4.2 Further promote digital and intelligent construction

Real estate companies should start from the following four dimensions to promote the intelligent upgrade of corporate economic management.

First, digital financial management. This involves building a centralized financial accounting platform to automatically generate reports, collect capital data, and manage and analyze financial data in real time. Digital financial management emphasizes data analysis, such as using financial data to forecast cash flow, analyze profit sources, optimize capital allocation, and reduce financial risk.

Second, intelligent management of supply chains and trade operations. Enterprises need to use digital intelligence to achieve seamless integration across departments and business units, and improve the responsiveness of the supply chain. For example, they can build a supply chain management platform to track supplier order status, inventory status, payment progress, etc. in real time, or use intelligent systems to optimize trade business processes, adopt AI algorithms to predict market demand fluctuations, and achieve intelligent business resource allocation[7].

Third, intelligent risk management systems. Real estate companies face a wide variety of risks, requiring the use of digital technology to build risk management systems that monitor market conditions, policies and regulations, and operational data in real time, identify potential risks, and promptly initiate countermeasures to enhance corporate risk management capabilities.

Fourth, intelligent settlement and payment systems. Real estate companies should use technologies such as direct bank-enterprise connections and integrated USB-Shields to automate settlement and payment processes, optimize capital flows, and improve the real-time and security of capital allocation.

4.3 Comprehensive Budget Management

In order to cope with the ever-changing market environment and policy requirements, the comprehensive budget management of real estate companies must undergo comprehensive management innovation and become the core driving force for companies to achieve strategic goals and improve business performance.

First, real estate companies should standardize their budgets based on the management requirements of the State-owned Assets Supervision and Administration Commission (SASAC) and the companies themselves, unifying budget indicators and operating rules across all business units. First, comprehensive budget management should be broken down to the smallest unit of responsibility, ensuring that budget responsibilities are distributed to every department and even every employee. This will clearly define the goals and responsibilities of each responsible entity and enhance budget controllability. Second, budget indicators should be unified. Based on unified budget targets, budget indicators should be broken down and refined within the company to accurately monitor the execution of each busi-

ness unit, assess budget performance, adjust budget deviations, and promote the achievement of strategic goals.

Secondly, when implementing budget management, enterprises should combine capital budget supervision with cost control. Real estate enterprises can use a unified management platform to achieve the integration of business budget, settlement and accounting, and seamlessly connect cash flow control and budget. First, enterprises should clarify the goals, definitions, target groups, focus and specific methods of business promotion. Usually different departments have different needs, and the content should be focused on different aspects[8]. For example, business promotion for the finance department should focus more on the financial centralized accounting operation process and compliance requirements, while business promotion for each project department should focus on business standard processes and information sharing strategies. At the same time, enterprises should also determine specific promotion channels or communication platforms, such as corporate intranet, office platform, WeChat group, etc. Enterprises can accurately convey the content of economic management innovation through online presentations, video training, face-to-face communication, etc., to ensure that the promotion work is comprehensive and fully covered.

Secondly, real estate companies need to design specific business communications. For example, the business communications for digital real estate economic management projects should include system functions and operational procedures, explanations of the differences between the old and new systems, business process improvements, the impact of business changes on corporate strategy, risk management, and compliance requirements.

Finally, real estate companies should clarify the business communication process to ensure that business communication and business planning are coordinated. The specific process is as follows: pre-project communication, which mainly emphasizes the project goals and importance, clarifies the project promotion time nodes and the impact on employee work; communication during project testing, the main purpose of which is to promptly identify specific problems in the project, propose solutions, and communicate to relevant units and departments through communication how to correct the problems to ensure the smooth progress of the project; continuous communication after the project is launched, which means regularly organizing communication activities, collecting employee feedback, solving specific problems during use, and helping employees gradually become familiar with the new processes, new systems, and new management models to ensure the comprehensive implementation of economic management innovation strategies.

4.4 Actively introduce new technologies

Economic management innovation not only requires construction and real estate companies to reduce energy consumption and carbon emissions during project construction, but also requires companies to actively apply new technologies during the operation

phase to achieve a win-win situation in terms of economic and environmental benefits. On the one hand, construction and real estate companies can apply renewable energy technologies to reduce the dependence of buildings on traditional energy and effectively control carbon emissions during the building operation phase [9]. For example, construction and real estate companies can install solar photovoltaic systems on the roofs of buildings to provide power for daily operations. On the other hand, construction and real estate companies can introduce intelligent building management systems to improve energy management levels. Intelligent building management systems can monitor and optimize the energy use of buildings in real time, collect data such as indoor and outdoor temperature and humidity through sensors, and automatically adjust the operating parameters of lighting, air conditioning and other equipment to ensure that the building always maintains an efficient and low-carbon operating state and avoid energy waste.

in conclusion

Under a low-carbon model, innovation in construction and real estate economic management is not only an inevitable choice for the industry's sustainable development but also a key component in promoting the green transformation of the economy and society. As public awareness of environmental protection continues to grow, green buildings and low-carbon models will lead the construction and real estate industries toward a more efficient and environmentally friendly development path. Therefore, construction and real estate companies should continue to deepen economic management innovation, optimize resource allocation, promote the research and development and application of green building technologies and environmentally

friendly building materials, and promote the green transformation of the construction and real estate industries.

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