

Welcome to the second of our three issues for Volume 22 of the *Journal of Financial Management of Property and Construction* (JFMPC). You may have noticed that the last two issues (and those henceforth) comprise a minimum of six papers – an increase from five previously – and reflects the growing number of submissions that JFMPC is receiving. We thank our authors and our reviewers for continuing to help increase the journal's presence in this way.

This issue goes to press at a time following recent sad events of 'Grenfell Tower' in London England on June 14, 2017, where fire raged through a multistory residential building, destroying 151 homes and tragically, left 79 people dead or missing, presumed dead (BBC, 2017). *At the time of compiling this Editorial much debate and uncertainty ensues surrounding this incident, so any information included here must be regarded as 'provisional'.*

Nonetheless, said debate has included significant reference to possible 'cost saving' measures during construction, which may in some way have contributed to the severity of the fire. In particular, regarding fire integrity of external cladding that was used during the building's recent refurbishment, this aspect emphasizes the importance and potential ramifications of construction cost analyses per-se and cost saving *vis-à-vis* technical specifications/materials quality/technical compliance/technical supervision more specifically.

In addition, the 'secondary' financial cost issues have equally been significant thus far and are analogous to the non-financial human costs of health and safety accidents at approximately twice their direct cost counterparts (HSE, 2017). Indirect costs of major disasters in the event of construction failure might not always be anticipated. This aspect offers scope for academic debate into construction cost analyses and their possible relationship to the financial analyses of technical construction design decisions more widely. It is also linked to post-disaster management and its financial planning. Indeed, Theresa May, the Prime Minister of the UK, has announced the intention to "[. . .] develop a new strategy for resilience in major disasters – which could include a new Civil Disaster Response Taskforce that can help at times of emergency" (Gov UK, 2017). But of course, the largest cost is that of human life and its broader social effects, not least on family, loved ones and friends – *our thoughts are with them at this sad time.*

JFMPC would encourage future submissions on any of the above aspects to help advance publication of research and knowledge in the field and maybe, therefore, help contribute to avoidance of such tragedy in the future.

We present a mix of papers in this issue covering several property and construction themes. The first contribution is by *Rabie* and *El-Sayegh* who propose a new tri-parameter bidding model that synchronizes with the competitive bidding system while controlling risk resulting from float loss. They conclude that choosing a contractor based on lowest price and time reduces the available float and increases schedule risks. Basing selection on price, time and risk combined in this way, signposts an alternative to the evaluation of cost and 'numerous other independent criteria' that much research in this field has previously described.

Next is a paper by *Obi*, *Arif* and *Kulonda* who offer a success factor model to facilitate improved cost management in low-cost housing (LcH) delivery in Nigeria. The



study uses several techniques (brainstorming, survey, factor analysis) to identify drivers of a cost management system (CMS) that is ultimately refined using structural modelling. Findings align with ‘traditional’ management theory, uniquely contextualized in the LcH context. Three essential CMS implementation success factors are effective team qualities; information and management actions; and a stable operational environment.

Alencar, Rocha Lima and Monetti provide paper three. They describe the economic scenario in which investment decisions for developing office buildings in the Brazilian market are made and simulate both the necessary time period for investments in the São Paulo office market to recover attractiveness and the time to increased occupation rate to absorb current vacant spaces. Their paper explains an alternative approach for estimating office-building scenarios, particularly, where market data is scarce. The authors suggest that their model is also an evaluation tool for investment strategies in emerging markets.

Chan and Abdul Aziz study financial performance and operating strategies of Malaysian property-development companies during the global financial crisis (GFC) in paper four. Based on analysis of financial statements and annual reports of 35 property development companies listed on the Kuala Lumpur stock exchange, financial performance and the severity of the impact of the GFC are analyzed. The authors show inter-alia how survival strategies of distressed companies included the disposal of assets, refinancing loans, delaying new projects and reducing their overall workforce to offer a unique insight into the wider subject of construction business survival.

Within paper five, *Mahamid* investigates the effect of project physical characteristics on schedule deviations among road construction projects. Using regression techniques on a data set of 101 projects, an average time deviation of 46 per cent is noted among earth works and 30 per cent among asphalt works. Key factors affecting delay are the geographical-specific political situation, payment delay by the owner, lack of coordination between construction parties, frequent change orders and unexpected ground conditions. It seems – based on this paper and others published of late among the literature – that issues of employers’ payment habits and a lack of pre-construction geotechnical investigation are increasingly important themes relating to project overruns.

Finally, for this issue, procurement strategies for enhancing exploration and exploitation in construction projects are investigated by *Eriksson*. Based on review of organizational and construction management literature and interviews with clients and contractors, the findings propose that collaborative procurement strategies, including joint specification through early contractor involvement, cost reimbursement coupled with incentive-based payment, bid evaluation based on multiple criteria and collaborative tools and activities in partnering arrangements, are all key in this regard.

Akintola Akintoye

School of Built Environment and Engineering, Leeds Beckett University, Leeds, UK

Peadar Davis

University of Ulster, Newtonabbey, UK, and

Gary D. Holt

School of Engineering, Saveetha University, Chennai, India

References

- BBC (2017), *Grenfell Tower: Similar Cladding Used in Around 600 High Rises*, British Broadcasting Corporation, available at: www.bbc.co.uk/news/uk-40366646 (accessed 22 June 2017).
- Gov UK (2017), *PM Commons Statement on Grenfell Tower: 22 June 2017*, available at: www.gov.uk/government/speeches/pm-commons-statement-on-grenfell-tower-22-june-2017 (accessed 22 June 2017).
- HSE (2017), *Economics of Health and Safety: Appraisal Values or 'Unit Costs'*, available at: www.hse.gov.uk/economics/eauappraisal.htm (accessed 22 June 2017).