

Interview with Christopher Dillon

Misawa Homes' *Home Shimbun*

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Home Shimbun recently interviewed real estate writer Christopher Dillon, the author of the Landed series of books including *The Guide to Buying Property in Japan*, at Misawa Homes' head office in Shinjuku, Tokyo. Mr. Dillon contacted Misawa Homes when he was researching his book on Japan. Since then he has provided Misawa Homes with advice on public and investor relations. *Home Shimbun* interviewed him on his books, real estate in Japan, and more.

Home Shimbun: How did you become interested in real estate in Japan?

Christopher Dillon: I write on real estate matters, run a communications firm in Hong Kong, and invest in real estate. I bought property in Hong Kong and, based on my experience, wrote my first book, because there were no English language guides explaining how to buy property in Hong Kong. The first book sold more than I expected, and was the start of a series.

I lived in Japan from 1989 to 1992, but I did not get involved in real estate at all. So, when I decided to do a book on buying property in Japan, I did a lot of research. I read academic papers, met people in the housing and real estate businesses, interviewed those who purchased property here, and so forth.

When I wrote the book, people outside Japan seemed to have a negative image about real estate in Japan, due to the poor economy and the bursting of the bubble. But I thought real estate in Japan represented good value, based on Japan's solid technology and resilience. Based on this belief, I recently invested in property in Japan.

HS: So, your book introduced you to Misawa Homes, in a sense?

CD: I contacted several housing companies, but not all of them responded positively. Misawa Homes was an exception. They were very helpful. Mr. Takenaka generously wrote a cover blurb for the book and allow me to use photos of Misawa's homes. I also visited Misawa Park Tokyo and took a ride on the earthquake simulator. Misawa has some exciting housing technology [laughter].

HS: How do you see houses in Japan, from a global perspective?

CD: Japanese companies are developing some interesting green housing technologies. That's important because homes account for a considerable portion of global energy consumption. Technology plays a very important role in environmental issues but, ultimately, homes must be comfortable for people to live in.

Environmental rules are getting tougher in developed countries, such as Japan and the U.S., and in developing countries like China. One of the best solutions in this regard is prefabricating housing components in factories. It's more energy efficient, results in higher quality components and reduces work at the construction site. Double-glazed windows and LED-based lighting may cost more to buy, but reduce a home's total life-cycle cost. Green remodeling of existing houses can also make a big difference.

HS: In Japan, the value of a new home falls to nearly zero in about 20 years. As a result, the government is planning to support the existing home sale market by implementing "sumikae" [A policy that makes it easier for people to move into a home that better fits their stage of life and family structure]. What do you think of this policy?

CD: The lifespan of Japanese houses is getting longer, which should enhance their value. From an environmental viewpoint, it's clearly desirable to have homes that can support multiple generations. That means houses that are easy to remodel and renovate, and that can accommodate new technologies. Universal design, which makes a home accessible to everyone, is also a big plus.

Houses are many people's largest asset. The older you become, the more you will have to spend on medical and nursing care. But, older people often hesitate to sell the big home that was appropriate when they had larger family and move to a rented home or a smaller dwelling. Government support could help to solve this problem. But the situation needs to be carefully considered. Houses alone cannot meet all of society's challenges.

If a home is too large, it can be difficult and sometimes dangerous for an elderly person to maintain. If people could easily shift up and down to different sizes and styles of accommodation according to their life stage, it would revitalize the economy by freeing up money trapped in old homes, stimulate the housing industry and help the environment.

HS: We understand that your new book on China is due soon. How do you see the market in China and which markets you will focus on afterward?

CD: Since the liberalization policy was introduced some 20 years ago, people in China have been able to own their homes, but not the land beneath them. Today, the real estate market accounts for 12% – 25% of China's GDP, depending on what you include in the calculation. China is an exciting market. The rules are constantly changing and famous architects from around the world are vying for contracts there. The exodus from the countryside to big cities is driving the housing market and creating a lot of social changes.

After China, I'm planning to write about Brazil, and then Cuba. Cuba is beginning to open up, and people in the U.S. are extremely interested in Cuban real estate. I'm planning to write more Landed books before I retire, maybe to Tokyo or Okinawa.

HS: Why Okinawa?

CD: People there live longer [laughter].