

The Importance of Reliable Statistical Data in Facilitating a Well-Functioning Real Estate Market

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SUMMARY

It is said that:

“An ounce of information is worth a pound of data.

An ounce of knowledge is worth a pound of information.

An ounce of understanding is worth a pound of knowledge.”

The writer of that observation, Russell Ackoff, was wise enough NOT to continue on to say “an ounce of wisdom is worth a pound of knowledge”, and explained why. It is because wisdom involves values and qualities that are not reducible to monetary values or merely machinist thinking. Wisdom in a field requires deep understanding of it, and requires integrated perceptions able to detect patterns that the less wise cannot. It also requires an ability to understand what information is useful and what data are needed to acquire it, and what actions should be employed to skilfully apply that information towards the better functioning of a real estate market.

Therefore:

“You need data to acquire information

You need information to acquire knowledge

You need knowledge to attain understanding

You need understanding to attain wisdom

You need wisdom in action to achieve sustainable real estate markets.”

Each step along that ladder is more significant and less fundamental than the step before it. Just as to compete in the Olympic Games it is fundamental to have a body, but having a body does not mean you will win a medal, so having data is fundamental to wisdom in action, but having data does not mean you will attain wisdom in action. But it does mean that without data, your chances of acting wisely are about the same as me winning an Olympic Gold Medal.

This paper addresses how to step up that ladder. It begins with addressing which data are the best candidates in which contexts, and traces how that data may be optimally organised for relevant knowledge to be able to emerge from it, thereby allowing the better understanding of the challenge being addressed, and ultimately being able to act as wisely as is practicable in the circumstances.