

1.2.2018

FIG Task Force on Real Estate Market Study Progress Report

1. SETTING UP THE TASK FORCE

The Task Force on Real Estate Market Study was established at the GA of the FIG WW2015 in Sofia. The Task Force (TF) was to carry out a study on the real property markets concerning mainly countries in an economic transition process in its different phases. It was also proposed that the TF would focus on the ECE region where there are several countries struggling to improve their property markets and overcome crisis.

The Task Force is chaired by Pekka Halme, Director of Strategic Development, from the National Land Survey of Finland.

The other contributing members of the task force are:

- Orhan Ercan, Turkey
- Sonila Jazaj, Albania
- Dennis Lindén, Sweden
- Vasily Nilipovskiy, Russia
- Steven Nystrom, USA
- Chryssy Potsiou, Greece
- Ionut Savoiu, Romania
- Winrich Voss, Germany

Also experts from the target countries in the region have been interviewed to assist the task force in its work.

2. THE TASK FORCE ACTIVITIES

The TF held its first meeting in Cape Sounio, Greece, on September 1, 2015. Six members had the opportunity to attend.

The second meeting was held on September 17, 2016 also in Cape Sounio, with seven members attending. The discussion at the meeting benefitted a lot from the input of several observing attendees: Rudolf Staiger, Anthony Boanada-Fuchs, Kauko Viitanen, Matt Myers, Bob Foster, Manohar Velpuri and Richard Grover.

A country visit and meeting of the TF was held in Bucharest, Romania on January 17-18, 2017. Several representatives of the Romanian real estate players were interviewed. See below.

- National Agency for Cadastre and Land Registration
 - Radu Stefanescu, General Director,
 - Victor Grigorescu, Director of Systematic Registration,

1.2.2018

- Ileana Spiroiu, Deputy General Director,
- National Union of Public Notary from Romania
 - Catalin Badin, Deputy Director,
- Romanian Association of Private Surveyors
 - Valeriu Manolache, President,
- Coldwell-Banker
 - Madalina Dinca, Senior Associated Broker,

The TF also had a session at the FIG WW in Christchurch 2016 with four papers and in Helsinki 2017 with three papers.

2.1. FOCUS/THEMES

The original list of relevant topics that was presented in the General Assembly in Sofia was discussed and developed in the first TF meeting.

- Government guarantees to register information; Security of ownership/tenure
- Property taxation, appropriate valuation
- Land-Use restrictions, Permitting procedures
- Legislation, relevant recent legislative and administrative reforms and involved governmental agencies for regulation
- Existing registers/databases, information services
- e-gov, m-gov, transparency
- Processes, efficiency of services, customer friendliness of procedures
- Players/actors, investigation of the investors' needs
- Time, fees and costs required
- Sustainable financing mechanisms, access to credit and mortgages
- Prerequisites for Sustainable Growth; conversion of unused or underused resources into productive capital to increase employment and reduce poverty; energy efficiency measures and investment in their implementation on new constructions and existing buildings' refurbishment
- Affordable housing
- Education, training, professional capacity development.

The TF saw that it cannot cover the whole spectrum of the factors mentioned above but rather wanted to prioritize and choose to focus on some aspects before the others.

The TF agreed to take a look at how the system functions in the countries in the region and try to find out if there is a gap between theory and reality and identify the major challenges in the countries under study.

2.2. WORK PLAN

The work will be carried out during the years 2015-2018 and the final report will be published at the FIG Conference in Istanbul in 2018.

1.2.2018

The work will comprise initially:

- task force meetings (at the FIG WWs and separately)
- decision on methodology or framework,
- desk study (existing data and reports),
- decision on target countries,
- decision on the topics,
- collection of additional information from target countries,
- potential field visits,
- potential coordination with the WB for a joint study,
- elaborating the results,
- drafting the report

The different steps of the project are:

1. TF meetings and other means of keeping contact

Most reporting within the TF is done by email and other electronic channels. The TF has had one or two meetings each year.

The TF organized a session at the FIG WW in Christchurch in 2016 and in Helsinki 2017.

The TF planned to arrange two focused seminars of which the first one was held in Athens, Greece on September 19-20, 2016. The seminar concentrated on getting additional information from the target area and discussions on the ideas and findings so far. The Task Force invited speakers to bring the additional knowledge they can offer.

The second seminar was not held due partly to scheduling difficulties and partly because a seminar was regarded as a non-optimal way to get relevant information.

2. Methodology or framework and target countries

A desk study was carried out concentrating on existing reports and materials.

- The International Property Market Scorecard was used as one of the corner stones for the work and provide the Task Force members with analysis early in 2016. The target countries were preliminarily Russia, Turkey, Greece, Ukraine, Armenia, Romania, and Bulgaria. At the end Greece, Turkey, and Romania, and Albania were chosen. A basic general study on the target countries has been carried out and will be elaborated further by target country representatives.
- Other promising materials that could be used are:
 - i. WB doing Business, UN country Data & CIA World Fact Book information
 - ii. the World Citizen Consulting (CIPE) Scorecard analysis
 - iii. <http://data.un.org/CountryProfile.aspx?crName=GREECE>
 - iv. <https://www.cia.gov/library/publications/the-world-factbook/geos/gr.html>

1.2.2018

- v. <http://www.doingbusiness.org/data/exploreeconomies/greece>
- vi. <http://www.realtor.org/sites/default/files/reports/2016/embargoes/forecast-11-2016-us-economic-outlook-11-04-2016.pdf>
- The basic desk study was finalized in late autumn 2016.

3. Collecting additional information from target countries

Data collection was planned to be done either in the seminars, through national experts, or through field studies. The field studies however were considered time consuming and heavy.

It was also discussed whether any information from developed systems in the non-transitional countries like the U.S., Germany, or the Nordic Countries would be good for comparison. The TF decided to not do this part.

4. Elaboration of the results

The findings have been elaborated by the Task Force. Beside the conclusions concerning the situation in the target countries, the work aims at a more general or global level of thinking to assist government and professionals in all parts of the world to deal with the real property market issues.

5. Drafting the report

Drafting of the report itself is delayed from the planned deadline, which was set to the end of the year 2017. There is a risk that the report will not be finalized in time and will not be ready to be published in Istanbul.

The draft table of contents is shown below:

1. Foreword
2. Introduction
3. Summary Section
 - a. Country level data (The countries have to be decided: Greece, Turkey, Russia, Romania...)
 - b. Scorecard data
 - c. Summarized conclusions
4. Detailed Section (country by country)
 - a. Country level data
 - b. Scorecard data
 - c. Real estate sector data
 - i. Small residential
 - ii. Large residential / Multi-family projects
 - iii. Industrial
 - iv. Office
 - v. Retail
 - vi. Vacant and agricultural
 - d. Detailed conclusions

1.2.2018

3. FUNDING

There is no formal budget for the Task Force. The funding can basically be provided from three sources i.e. the TF members' own organizations, the FIG, and other actors.

Carrying out the task generates costs for travels, accommodation, and meeting facilities of the TF meetings themselves. Additional costs are caused by the meeting facilities and catering for the seminars as well as through participation of the TF members. The amount of these costs/expenses can be estimated as follows:

Item	2016	2017	2018
	Outcome		
TF meeting room	300 ¹	300	300
TF accommodation (6)	900 ²	900	900
TF flights (6)	1500 ²	1500	1500
Seminar meeting room	1000 ¹	1000	
Seminar catering	1000 ¹	1000	
TF attendance in seminars			
- accommodation	900 ²	900	
- flights	1500 ²	1500	
Total	7100	7100	2700

¹ Covered by GLTN, National Bank of Greece and Eurobank

² Covered by TF members

4. OUTCOME

A report on the situation in the target countries or the ECE Region overall has a value in itself for the countries in question. However, the target has to be set higher or the report should also give a non-region-specific view on the problems and challenges, and provide tools to deal with them for the governments and professionals on a more global scale.

The Final Report will contain a description of the current situation in the real property market in the target region, its challenges, and main lines of development as well as recommendations and views on potential ways of dealing with the real property market imperfections.