



International Federation of Surveyors
Fédération Internationale des Géomètres
Internationale Vereinigung der Vermessungsingenieure



The FIG- Concept of Transparency in Real Estate Markets

- A new approach for a rapidly changing world -

Who is FIG ?

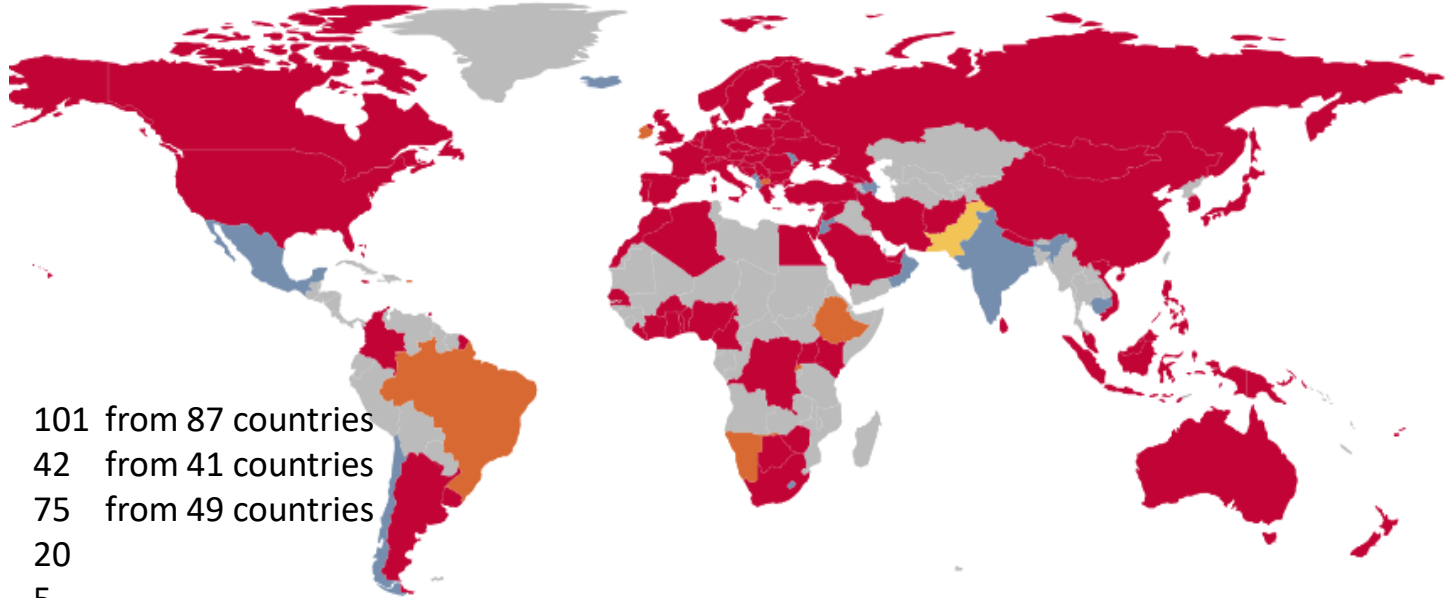
A global umbrella
for our business

- **Established in 1878 in Paris by 7 national member associations (Belgium, France, Germany, Italy, Spain, Switzerland and UK).**
- **Federation of national associations and organisation and the only international body representing all surveying disciplines.**
- **UN-recognised Non-Governmental organisation (NGO) and non-profit organisation.**



Who are the members ?

Over 120 countries represented in 2022 – more than 300,000 individuals



Membership categories:

- Member associations 101 from 87 countries
- Affiliate members 42 from 41 countries
- Academic members 75 from 49 countries
- Corporate members 20
- Correspondents 5
- Honorary presidents 8
- Honorary members 31
- Honorary ambassadors 2

International partners

International bodies



**THE
WORLD
BANK**



UNITED NATIONS



FAO
FIAT PANIS



UN-GGIM
UNITED NATIONS INITIATIVE ON
GLOBAL GEOSPATIAL
INFORMATION MANAGEMENT

UN HABITAT
FOR A BETTER URBAN FUTURE



GLTN
GLOBAL LAND TOOL NETWORK

Sister Organisations



Other International Organisations

STAND FOR HER LAND
HER RIGHTS. HER LAND. A BETTER FUTURE FOR ALL.

**SOLID
GROUND**



**Habitat
for Humanity**

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- A new approach for a rapidly changing world -

Transparency on the Real Estate Market

- Nice, but a challenge if you
take it seriously -



Foto von okeykat auf Unsplash



Markets misbehave!

Markets are like people....

People are not economists....

People are human....

Markets are human



FIG - Viewpoint on Transparency in Real Estate Markets

In the context of rapid change and urgent challenges, a new definition is required

Authors: Peter Ache, Grazyna Wiejak-Roy, James Kavanagh, Eva Katharina Korinke, Bastiaan Reydon

General Note

One of the principal objectives of FIG Commission 9 – Valuation and the Management of Real Estate during the 2022 to 2026 period is to enhance the understanding of transparency in real estate markets. This initial step necessitates the definition of the term "transparency" in the context of various real estate markets. This topic has been discussed at length during numerous FIG conversations, as well as through academic and professional literature and at various events. This has led FIG Commission 9 to formulate a new approach to transparency that is based on multiple perspectives, which when put together are expected to help practitioners, researchers, regulators, and the wider public to grasp the complexity of the transparency issue in the real estate sector.

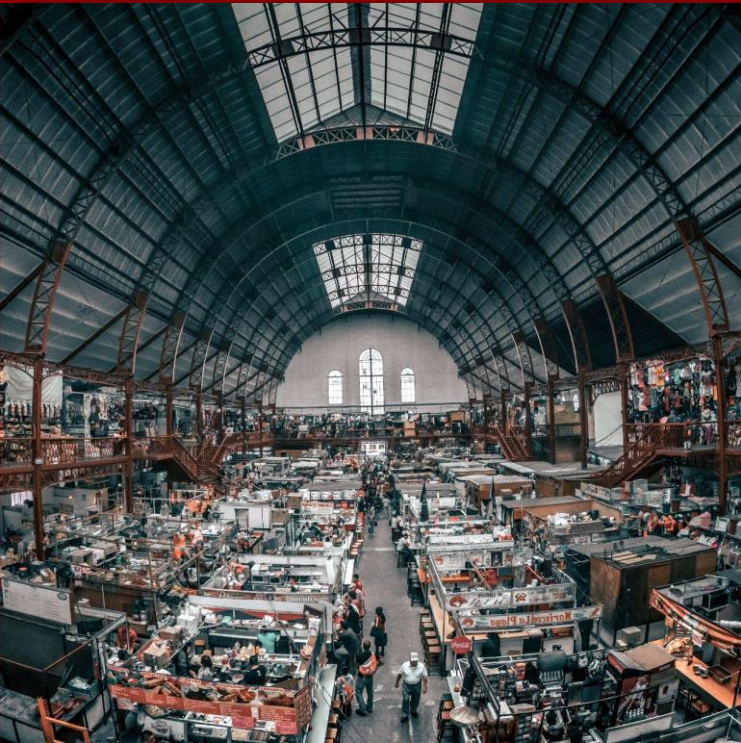
This paper represents the preliminary position of FIG Commission 9, as part of a project entitled "Increasing Transparency in Real Estate Markets". This position paper is intended to stimulate debate and discussion at

The Importance of Real Estate Transparency



- 1. Global real estate values amounted to USD 379.7 trillion at the end of 2022. (Savills, 2022)**
- 2. The real estate market is a key component of the economy and has far-reaching impacts on people's financial well-being and the stability of other markets**

1. Global real estate values amounted to USD 379.7 trillion at the end of 2022)
2. The real estate market is a key component of the economy and has far-reaching impacts on people's financial well-being and the stability of other markets
3. **A lack of transparency can lead to irrational behaviour, undesirable developments, and instability**
4. **Transparency is essential for informed investment decisions and regulatory actions.**



- Everyone who wants to buy a property calculates the price according to what they *want to do* with the property, what **information** they have about the property and what they *know about the prices* of similar properties.
- Any **knowledge deficit** is included in the price.
- **So, the less I know, the lower the price - the lower the transparency, the lower the value for the owner.**
- **Conclusion: Low transparency "burns" money.**

Markets

- A not easy Job -

- **There is no universally accepted definition of transparency in relation to the real estate market.**
- **The term is often used arbitrarily, without considering the context.**
- **FIG Commission 9 proposes a new approach based on multiple perspectives.**

What is Real Estate Market Transparency ?

- **Transparency = Free flow of information**
- **All market participants, including the state, must have access to relevant information**

- 1. Access to information**
- 2. Availability of information**
- 3. Quality of information**

Four Components of Real Estate Market Information?

1. Individual data for each property (e.g., purchase price, location, size)
2. Categorised statistical information about properties in regional and functional sub-markets
3. Appraisals, valuations, and other expert opinions
4. Other sources, e.g., data based on professional judgement

Quality of Real Estate Market Information

1. Timeliness: Information must be up-to-date and relevant.
2. Granularity: Detailed data for various sub-markets
3. Reliability: Information must come from trusted sources
4. Consistency: Data should be collected and presented uniformly

Is 100%- Transparency good or

- 1. Transparency must be measurable and operationalised.**
- 2. Data protection must be taken into account.**
- 3. The ethical use of data is essential.**
- 4. How much Transparency is good or not good depends by cultural, social and political environments**



Have your say!

Survey

Transparency
in the real estate market
A global comparative study

FIG UWE Bristol RICS TEGOVA The European Group of Valuers' Associations IVSC INTERNATIONAL VALUATION STANDARDS COUNCIL

Tell us...What is it- Transparency ?

1. We must clearly Define the term „Transparency“
2. Transparency must be made Measurable before a judgement of „good“ or „bad“ transparency
3. Interdisciplinary Collaboration between Gedodesists and Valuers is essential to address the challenges

