

**UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE**  
**63<sup>rd</sup> SESSION: GENEVA, MARCH 30<sup>TH</sup>-APRIL 1<sup>ST</sup>, 2009**

**Session I – March 30<sup>th</sup>, 2009**

*PROMOTING COMPETITIVE KNOWLEDGE BASED INNOVATIVE ECONOMIES: - A discussion of how the economies in the wider European region are doing in terms of creating globally competitive, knowledge-based innovative communities. What are the obstacles that are impeding faster economic growth and how can ECE activities be altered to help the region's economies better achieve these objectives?*

**Summary of Steve Williams' Presentation**

**"Reforming Real Estate Markets for Financial Stability" (See attached Power Point slides)**

Steve Williams' UNECE presentation (March 30<sup>th</sup>) is based on his book, "Facing the Global Challenge". In it, he uses his 'FUNDAMENTAL MARKET PYRAMID' (FMP) to illustrate the underlying elements of a level economic field; administrative components essential for attracting inward capital investment. The pyramid (see below) represents a particularly relevant set of administrative guidelines for emerging nations.

The presentation first outlines the three important real estate market segments for any country – housing, infrastructure, and investment. While cross-flow and overlap occurs between them, the world's opportunistic capital markets focus on the investment segment. Inward capital investment creates jobs and stimulates the national economy.

The FMP embodies, in Williams' opinion, all the ingredients necessary for an efficiently functioning, transparent, non-corrupt, and fair-dealing economic system. It is a catalyst for sustained economic growth bringing, in turn, financial stability and an openness to trade competitively in global markets.

**THE PYRAMID**



Williams' 4-layered pyramid gives nations a steer in prioritizing the steps needed to create a level real estate playing field as part of a strong (and globally resilient) economy.

The pyramid's base forms a stable platform for the rule of law, fair regulation, guaranteed land titles, and enforceable contracts. The base can be reinforced with optional elements – e.g. REIT legislation, environmental consciousness, etc.

Above the base is a layer of essential transparency. Transparency brings openness and trust. The third level is a layer of professional competence and ethics. Educated professionals (attorneys, architects, brokers, credit raters, lenders, appraisers and investment advisors) are the oil in the economic engine.

At the peak of the pyramid is enlightened oversight. While this varies with political systems, legislative regulation must be flexible, fair and visionary.