

## **Economic Commission for Europe**

### **Committee on Housing and Land Management**

#### **Seventy-second session**

Geneva, 3 - 4 October 2011

#### **Item 4 (c) of the provisional agenda**

#### **Review of the Programme of Work**

#### **Land Registration and Land Markets**

## **Proposed Elements for a Programme of Work of the Real Estate Market Advisory Group for the period 2012-2013**

### **Introduction**

The present note contains the draft of proposed elements for the programme of work of the Real Estate Market (REM) Advisory Group. It incorporates amendments and comments submitted by the members of the Advisory Group as well as the proposals on future activities based on the outcomes of the self-evaluation of the activities of the Advisory Group (ECE/HBP/WP.7/2011/5).

At its seventh session, the Working Party on Land Administration (WPLA) reviewed the draft programme of work and suggested amendments to ensure complementarity with the programme of work of WPLA. The current draft programme of work submitted for approval to the Committee on Housing and Land Management at its seventy-second session.

### **Mandate**

1. The Real Estate Market Advisory Group is an advisory body to the Committee on Housing and Land Management. It also provides advice to the Working Party on Land Administration on issues related to the real estate market sector.
2. The programme of work will be focused on promoting the goals and principles contained in the Policy Framework for Sustainable Real Estate Markets<sup>1</sup>.
3. The objective of the REM Advisory Group is to support improved planning and implementation by member States in the areas of work presented below:
  - Integrated legal framework for the real estate sector
  - Efficiency of services
  - Prerequisites for development of sound real estate markets
  - Good governance
  - Sustainable financing

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<sup>1</sup> Policy Framework for Sustainable Real Estate Markets: Principles and guidance for the development of a country's real estate sector ([http://live.unece.org/hlm/publications/recent\\_5.html](http://live.unece.org/hlm/publications/recent_5.html))

- Transparency and advanced financial products
- Property valuation
- Social housing
- Training and capacity-building.

4. Implementation of the programme of work is subject to availability of funding. The Advisory Group creates no additional financial implications for the United Nations.

## **Main areas of action for the period of 2012-2013**

### **Area I: Policy Framework for Sustainable Real Estate Markets:**

Description: The Policy Framework for Sustainable Real Estate Markets was developed by the UNECE REM and published in April 2010. The principles set out in the Policy Framework provide countries with guidance for the development of a sound real estate sector. The objective of the Policy Framework is to offer institutional advice, and advocate for a more integrated and holistic approach towards the establishment and management of real estate organizations, especially for economies in transition.

#### Activities to be undertaken:

- (a) When invited and funded, organize roundtable discussions in countries of the region to promote the implementation of the Policy Framework. Currently, interest is being shown by Bulgaria, Romania and Russian Federation.
- (b) Update the Policy Framework based on the results of the roundtable discussions and other recommendations.

#### Outcome:

- (a) Improved understanding by national experts and policy makers of country-specific issues related to the real estate sector; and established network with Governments and other national stakeholders.
- (b) Updated Policy Framework for Sustainable Real Estate Markets.
- (c) Improved national legal frameworks for the real estate sector as a result of the implementation of principles and recommendations contained in the Policy Framework.

### **Area II: Risk Assessment in real estate and real estate rating**

Description: REM Advisory Group is currently undertaking a project on Real Estate Property and Market Risk Evaluation. The objective of the project is to develop guidelines (i.e. principles and methods for measuring risk in the real estate sector) for the application of accurate and transparent rating mechanisms for real estate properties to be used as a collateral for financial products. It will include criteria and methodologies for an appropriate risk assessment of real estate properties that will be comparable across borders. The implementation would help member States to improve their national legislations on real estate property and market risk evaluation.

#### Activities:

- (a) Conduct research and analysis and collect inputs from international experts and organizations.
- (b) Summarize key findings and post them online for additional comments and suggestions.
- (c) Develop the first draft of the guidelines on Real Estate property and market risk evaluation.

- (d) Organize a Risk Assessment and Rating of Real Estate Forum in order to present, review and discuss the first draft; seek for additional inputs from participants.
- (e) Consolidate key recommendations and finalize the draft guidelines.

Outcome: Guidelines on Risk Assessment for the Real Estate Market.

**Area III: Valuation standards and financing of real estate markets**

Description: The REM Advisory Group contributes to the creation of more efficient and developed markets through improving the reliability of property valuation standards and the promotion of sustainable financing of the real estate sector. This will be done through capacity building activities and the development of a study.

Activities:

- (a) At least one capacity building workshop on the subject of valuation standards and financing of real estate markets. The workshop(s) are aimed at strengthening the capacity of national authorities and the private sector in reviewing valuation standards and issues related to financing of real estate markets;
- (b) As a contribution to the work of the WPLA on the benchmarking study on land administration cadastre systems, a complementary study on property valuation for tax purposes will be developed;
- (c) Subject to availability of funding, possible development and publication of Policy Guidelines on Valuation Standards and Financing of Real Estate Markets, in cooperation with other stakeholders in the real estate sector.

Outcome:

- (a) Improved national capacity for undertaking valuation assessments, and improved national valuation standards.
  - (b) The development of a study on property valuation as a contribution to the work of the WPLA.
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