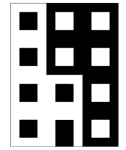




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**BRIAN EMMOTT**

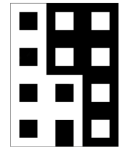
***MEMBER OF UNECE  
REAL ESTATE MARKET ADVISORY GROUP  
(REM)***



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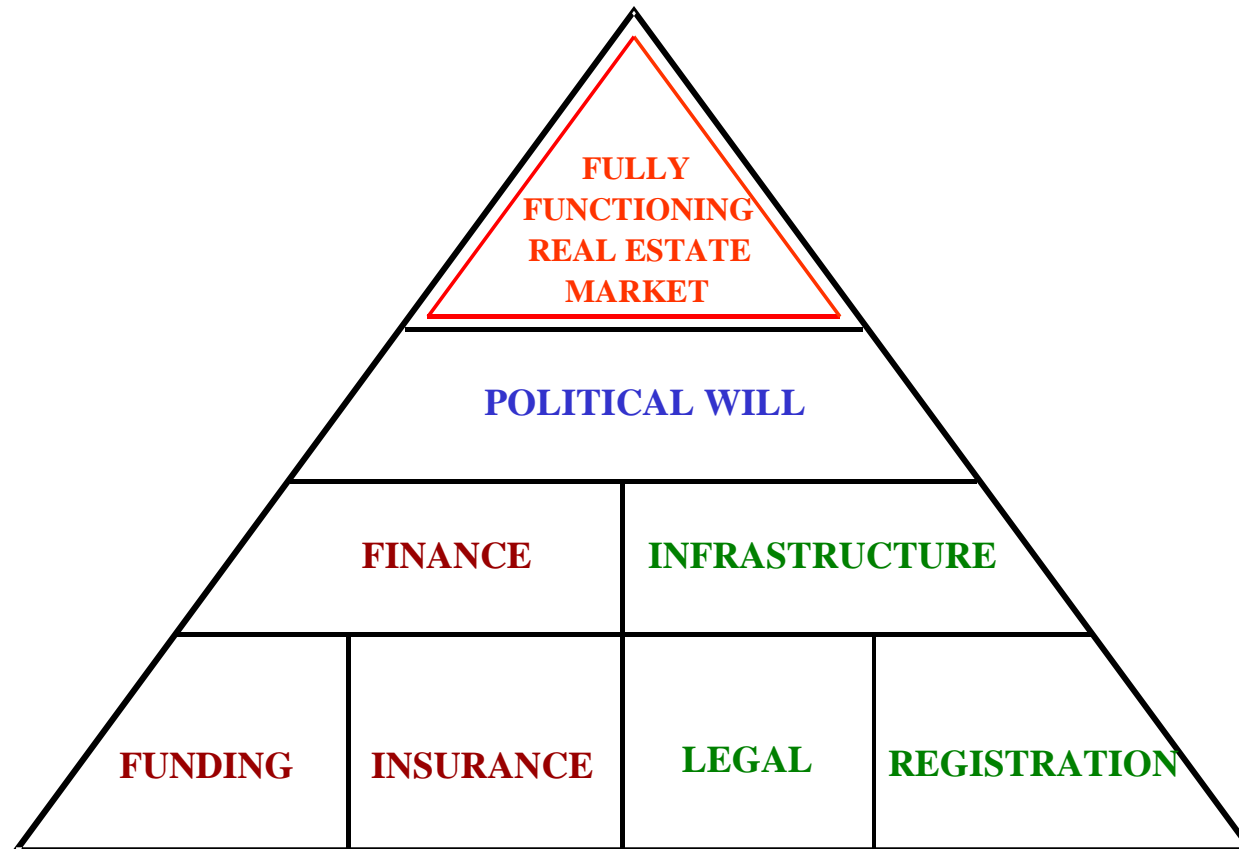
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## REAL ESTATE MARKETS CRITICAL REQUIREMENTS

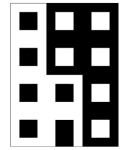




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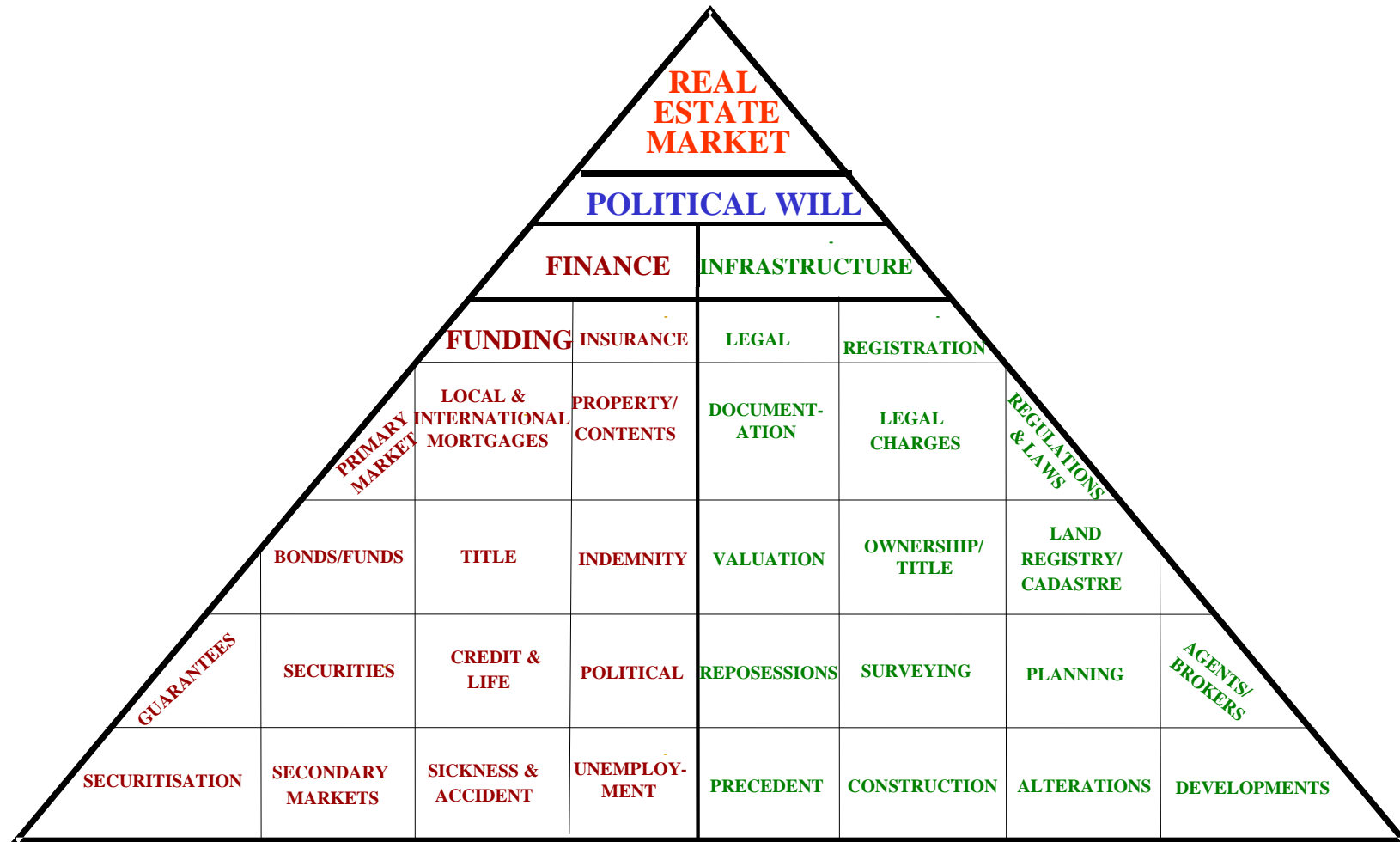
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## REAL ESTATE MARKETS BUILDING BLOCKS

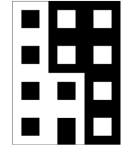




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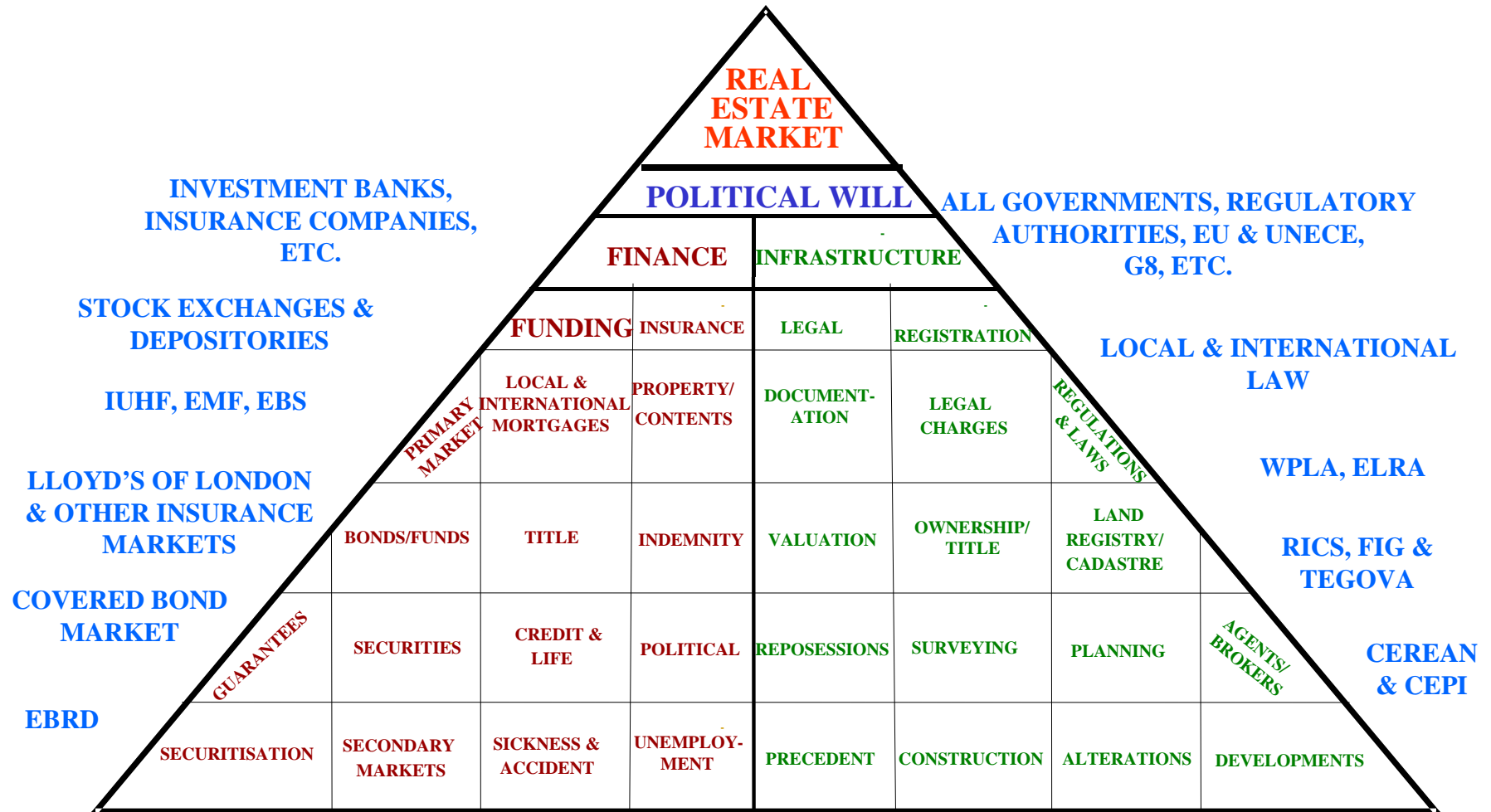
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## REAL ESTATE MARKETS OUTSIDE INFLUENCES

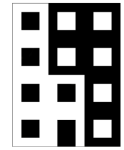




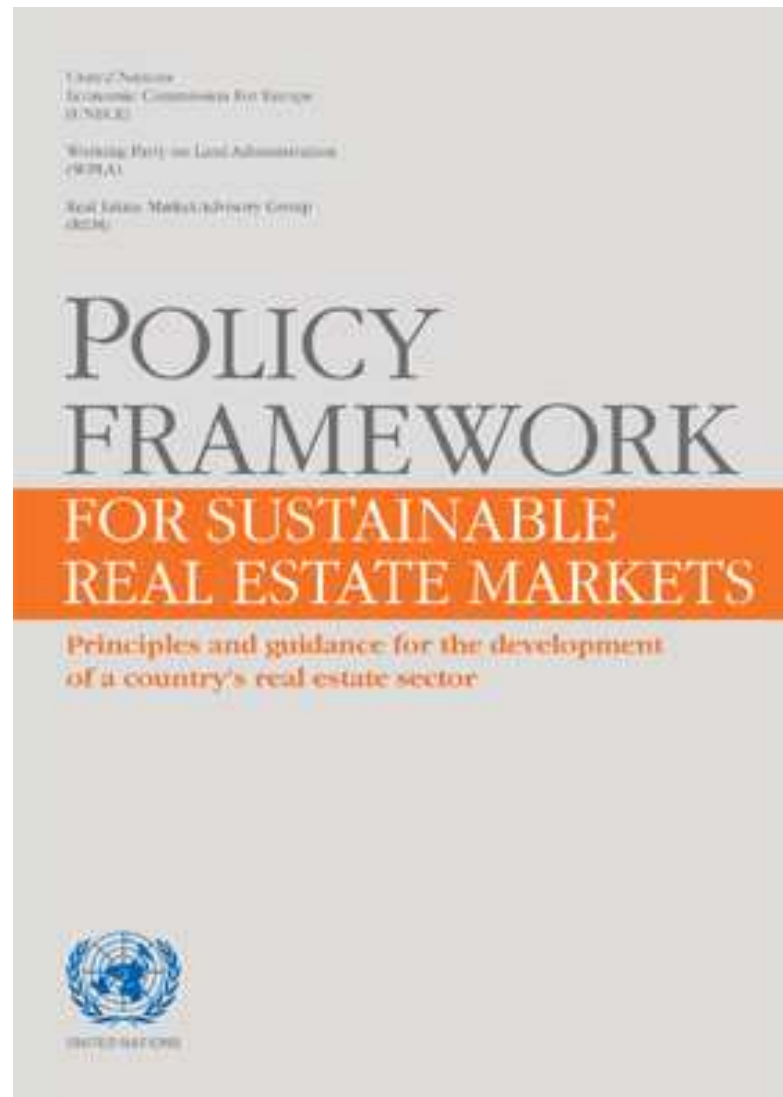
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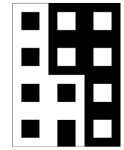
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## THE PRINCIPLES

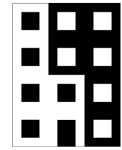
- Principle 1**      Integrated Legal Framework
- Principle 2**      Efficient Land Register and Cadastre
- Principle 3**      Efficiency of Services
- Principle 4**      Prerequisites for Development of Sound Real Estate Markets
- Principle 5**      Good Governance
- Principle 6**      Sustainable Financing
- Principle 7**      Transparency and Advanced Financial Products
- Principle 8**      Property Valuation
- Principle 9**      Social Housing
- Principle 10**    Training and capacity Building



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## PRINCIPLE 8

### PROPERTY VALUATION

Property appraisal criteria based on commonly shared valuation standards should be promoted, as it is essential to purchasing and selling activities, access to loans and the application of equitable taxation.

### RATIONALE

In order to contribute to the creation of more efficient and developed markets, it is necessary on the one hand to improve the reliability of valuation processes for transaction purposes or for landed-property financings based on prudent LTV ratios. On the other hand, developing and fostering the introduction of a real estate rating systems may reduce sector investment risk and encourage loans at lower interest rates. In addition, modern mass-appraisal systems contribute to tax equalization by avoiding very different tax rates being applied to assets with similar economic and technical characteristics.

### KEY INDICATORS

1. Property valuation for tax purposes should be based on transparent asset appraisal criteria according to international standards that are implemented at the local/national level.
2. Property valuation for mortgage or loan-granting purposes should be based on transparent criteria, according to international valuation standards that are comprehensible and reproducible also by third-party appraisers.
3. There should be sufficient transparency in data recording for information regarding comparable sales transactions to be readily available to all appraisers. Also, statistical data on the development of real estate markets should be obtained from the data on transactions and should be published on at least an annual basis.
4. The number and amount of taxes on land and/or transactions in land should not be disproportionate to the value of transactions in land that trigger the tax charge.
5. All market operators should have easy access to all the relevant information required to engage in a property transaction, according to existing national legislation.

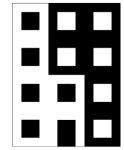
**The application of the *Principles* should be based on widely accepted key concepts:**

1. ***Sustainable development***: as development that “meets the needs of the present without compromising the ability of future generations to meet their own needs”; (UN General Assembly 1987)
2. ***Good governance***: effective decision-making and policy implementation as well as smooth interaction between different sectors of society. Applies to legislative authorities, public administration, judiciary, private sector and civil society in general;
3. ***Transparency***: the possibility of having full access and knowledge of relevant information, of the criteria by which data is being used, and disclosure of the different aspects of decision-making processes;
4. ***Accountability***: the extent to which political actors are responsible to society for their actions;
5. ***Fairness***: the degree to which rules are equally applied to everybody;
6. ***Efficiency***: the extent to which limited human and financial resources are applied without waste, delay or corruption or without compromising the well-being of future generations.



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**Thank you for your attention**

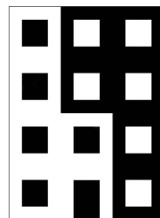
*E-mail:* [brian.emmott@intrean.org](mailto:brian.emmott@intrean.org)

**PDF version of Policy Framework available at:**

[www.unece.org](http://www.unece.org)

~ Housing & Land Management

~ Publications – April 2010



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