

**Economic Commission for Europe**

Committee on Housing and Land Management

**Seventy-third session**

**Geneva, 24 – 25 September 2012**

**Item 7(c) of the provisional agenda**

**Review of the programme of work 2012-2013**

**(c) Land registration and land markets**

**Review of the work of the Real Estate Market Advisory Group, and  
proposed revised draft terms of reference**

**Note by the Real Estate Market Advisory Group**

*Summary*

This document reviews the recent work of the Real Estate Market Advisory Group.

It also presents, as an annex, the draft revised Terms of Reference for the Advisory Group. The purpose of this revision is to more clearly define procedures for the inclusion of new members, the designation of affiliated experts, and the operation of the Advisory Group.

The Committee is invited to take note of this information and to endorse the revised Terms of Reference for presentation to the ECE Executive Committee.

**I. Promotion of the *Policy Framework* at international  
real estate events**

**Introduction**

1. The *Policy Framework for Sustainable Real Estate Markets* provides guidance to member States to assist them to develop their real estate sectors. The UNECE and the Real Estate Market Advisory Group (REM) have presented this document at real estate related events throughout the UNECE region and the world.

**Roundtable discussions**

2. Five roundtable discussions were held at the national level to discuss the *Policy Framework* for individual countries. These discussions were held in:

(a) Kiev, Ukraine, 18 June 2010, with the International Real Estate Federation (FIABCI), Ukraine chapter;

(b) Lisbon, Portugal, 27 January 2011, with FIABCI-Portugal and the Portuguese Real Estate Agents and Professionals Association;

(c) Rome, Italy, 13 May 2011, with Tecnoborsa, Confedilizia, FIABCI, FederImmobiliare, and the Italian Federation of Real Estate Professionals (FIAIP);

(d) Moscow, Russian Federation, 23 January 2012, with the World Bank and the Ministry of Economy of the Russian Federation;

(e) Rio de Janeiro, Brazil, 21 June 2012, with FIABCI-Brazil.

3. These roundtable discussions are presented in more detail in document ECE/HBP/2012/7.

#### **Le Marché des Professionnels de l'Immobilier**

4. Members of the Advisory Group presented the Policy Framework at the annual Marché des Professionnels de l'Immobilier (MIPIM)—one of the largest real estate trade shows in the world in March 2011 in Cannes, France.

5. The UNECE secretariat was represented by two speakers at the 63rd annual World Congress of the International Real Estate Federation (FIABCI), held from 13 to 16 May 2012 in St. Petersburg, Russian Federation. One of the two speakers presented the *Policy Framework* and the work of UNECE and the Advisory Group to promote the principles contained therein. The event had over 500 attendees, including real estate stakeholders from both the public and the private sphere from around the world.

#### **Annual Symposium of the Croatian Geodetic Society**

6. During the Annual Symposium of the Croatian Geodetic Society, held on 29 May 2012 in Slavonski Brod, Croatia, the UNECE secretariat, the Working Party on Land Administration and the Advisory Group discussed the work they were doing to improve livelihoods in the UNECE region. The Chair of the Advisory Group presented the Group's various projects, and especially the *Policy Framework* and work to promote this document.

#### **Recovery, Sustainability and Evolution**

7. UNECE and the Advisory Group organized the forum "Recovery, Sustainability and Evolution: Perspectives on the Real Estate Economy" on 26 June 2012 in Geneva. Speakers from governments, the public sector, the private sector, non-governmental organizations and academia discussed how real estate markets could be improved and how real estate markets could be developed to contribute to a prosperous economy.

8. The forum included four sessions: land administration and land management, training and building human capital, housing and real estate financing, and real estate markets and economic growth. Speakers discussed the work of the Advisory Group and the *Policy Framework*.

#### **World Urban Forum**

9. At the time of the sixth session of the World Urban Forum, the Advisory Group organized a session to discuss the *Policy Framework* on 4 September 2012 in Naples, Italy. This session was hosted by the Chamber of Commerce of Naples in cooperation with the Italian Ministry of Economic Development, the National Council of Architects, the National Council of Engineers and Tecnoborsa.

## **FIABCI-USA United Nations Symposium and Prix d'Excellence Gala**

10. At this event, hosted jointly by the United States chapter of FIABCI and the United Nations from 18 to 20 October 2012 in New York City, members of the Advisory Group are to present the work of the Advisory Group and the *Policy Framework*.

## **II. Study on property valuation**

11. The Advisory Group contributed several questions on the valuation of properties to the Survey on the Benchmarking of Land Administration Systems administered by the Working Party on Land Administration. This survey is further discussed in Informal Notice 4.

## **III. Real estate property and market risk evaluation for real estate backed financial products**

12. In cooperation with other real estate experts, the Advisory Group has developed a draft study on the risk evaluation of real estate backed financial products. This document is further discussed in Informal Notice 6.

## **IV. Development of a policy framework for greening the real estate market**

13. In cooperation with other real estate experts, the Advisory Group is developing a policy framework for greening the real estate market. This document will present strategies for countries to develop real estate markets that are more environmentally sustainable. The document will complement the existing *Policy Framework*.

14. The possibility of cooperation with the UNECE Forestry and Timber Section on examining carbon neutrality and life cycle analyses of building materials will also be explored.

15. A task force will be created to lead the project. It will include members of the Advisory Group, FIABCI, and possibly some partner real estate organizations. Members of the Bureau of the Working Party on Land Administration and the Bureau of the Committee will also be invited to join this task force.

16. The task force will design a questionnaire to be sent to real estate stakeholders to learn points of view on what is necessary to green the real estate market. Based on this questionnaire and their own expertise, the task force will develop, in cooperation with the secretariat and the Advisory Group, approximately ten principles for greening the real estate market and guidelines for each of these principles.

17. It is tentatively planned to have a completed draft of this document ready for presenting to the Committee by September 2013.

## Annex

### Real Estate Market Advisory Group draft revised terms of reference

#### 1. Mandate

1. The Real Estate Market Advisory Group (REM) is an advisory body to the Committee on Housing and Land Management. It also provides advice to the Working Party on Land Administration.
2. The objective of the Advisory Group is to support improved planning and implementation by member States in the real estate areas outlined below, based upon policy tools and recommendations issued by the Committee and the Working Party and supported by the Advisory Group:
  - Prerequisites for development of sound real estate markets
  - Good governance
  - Sustainable financing
  - Transparency and advanced financial products
  - Property valuation
  - Social housing
  - Efficiency of services
  - Training and capacity-building.
3. The Advisory Group creates no additional financial implications for the United Nations.

#### 2. Activities

4. The Advisory Group will, according to the needs expressed by member States and the decisions taken by the Committee:
  - (a) Provide practical advice on the challenges addressed by the Committee and the Working Party to improve the environment for real estate investments, real estate markets and housing development;
  - (b) Promote policy frameworks and best practices that support sustainable real estate markets, including best practices in promoting investment in national real estate sectors in individual countries;
  - (c) Undertake studies and advisory missions, organize seminars and training workshops, draft policy models and guidelines, collect data, and provide information and develop training materials;
  - (d) Develop and carry out specific projects, as agreed by the Committee Bureau and subject to available funding;
  - (e) Assist countries in training and capacity-building within the real estate and land administration sectors. When appropriate, participate as experts in advisory missions and in workshops, and provide expertise for preparing documentation and studies;
  - (f) Promote public-private partnerships in land administration;
  - (g) Expand the network of experts available to support relevant activities through networking with global and regional financial institutions,

lender and donor organizations, non-governmental organizations and the business community;

- (h) Collect examples of good practice in land administration reform in the UNECE region.

5. The activities of the Advisory Group contribute to the programme of work of the Committee and the Working Party. The Advisory Group may put forward proposals for activities within this framework according to its terms of reference. The final decision on activities to be carried out by the Advisory Group remains with the Committee. The Committee is expected to benefit from the additional expertise on real estate markets that will be provided.

### **3. Affiliated experts**

6. Advisory Group members may work with any organization and/or expert necessary to assist them in their work. The Group shall give prior notice to the Bureau and to the UNECE secretariat.

7. Examples of such organizations and experts who may assist in carrying out projects include:

- Government organizations
- NGOs, real estate professional organizations and international bodies
- Financial organizations
- “Mixed” organizations, constituted by public and private partnerships (PPP)
- International experts with specific and direct knowledge of the individual problems and needs of recipient countries.

8. The Advisory Group and the secretariat can choose to formalize the relationship of the Advisory Group with an expert by designating the expert as an Advisory Group Associate (or REM Associate). The designation of an expert as an Advisory Group Associate must be in line with the following principles:

- (a) Advisory Group associates are experts expected to work closely with the Advisory Group in the implementation of all or part of its programme of work;
- (b) An expert may be nominated to become an Advisory Group Associate either by a member of the Advisory Group or by the secretariat;
- (c) A full curriculum vitae of the proposed Associate will be circulated to the secretariat and the Advisory Group at least 14 days before that person’s candidacy is voted upon by the Advisory Group, in a scheduled Advisory Group meeting;
- (d) Advisory Group members will, in a scheduled meeting of the Advisory Group, vote on whether or not to recommend the proposed Associate to the secretariat.

### **4. Membership and composition of the Group**

9. The Advisory Group consists of experts from the private sector, financial institutions, non-governmental organizations, and professional associations dealing with the promotion of the real estate market, financial services and land administration. The Bureau of the Committee invites experts to become members of the Advisory Group in their personal capacity; and the Advisory Group can propose suitable candidates.

10. The composition of the Group will be in line with the following rules and principles:

- (a) The Advisory Group will consist of not more than nine people, who will be invited in their personal capacity;
- (b) Functional and geographical representation should be considered in the selection process;
- (c) A Chair and one or two vice-chairs will be elected;
- (d) The composition should relate to the substantive needs of the Committee, as reflected in its programme of work;
- (e) Experts from non-governmental organizations and the private sector are eligible to become members.

11. The selection of a new Advisory Group member will be in line with the following rules and principles:

- (a) An Associate Advisory Group member may be nominated to become a member of the Advisory Group either by a member of the Advisory Group or by the secretariat;
- (b) A full curriculum vitae of the proposed new member will be circulated to the secretariat and the Advisory Group at least 14 days before that person's candidacy is voted upon by the Advisory Group, in a scheduled Advisory Group meeting;
- (c) Advisory Group members will, in a scheduled meeting of the Advisory Group, vote on whether or not to recommend the proposed member to the secretariat;
- (d) Only individuals who have been Advisory Group Associate members for 90 days or more are eligible for endorsement by the Advisory Group;
- (e) The secretariat will take note of the Advisory Group's decision to endorse or not endorse the candidate Advisory Group member, and present the decision to the Bureau of the Committee at its next meeting;
- (f) The Bureau will take the final decision to accept or not to accept the candidate as a member of the Advisory Group.

## **5. Modalities of operation**

12. The Advisory Group operates in accordance with the guidelines for the establishment and functioning of teams of specialists within UNECE (ECE/EX/2/Rev.1). It has a two-year duration, which can be extended after the Committee has carefully evaluated a report on the activities carried out during the reporting period and the need for future activities.

- (a) The Advisory Group reports to and is supervised by the Committee. It works in close cooperation with the secretariat and the Bureau of the Committee and participates in Bureau meetings as observers. Attendance at such meetings is normally delegated to the Chair and/or vice-chairs of the Advisory Group. Other members will be invited as necessary. The secretariat provides the necessary administrative support to the Advisory Group's activities once these have been agreed by the Committee.
- (b) The Advisory Group identifies resources required for implementing its work plan. For this purpose it may raise funds and/or solicit contributions in kind to support its activities, in compliance with United Nations rules and regulations.
- (c) During the biennial review of the Advisory Group, the existing members of the Advisory Group will be reviewed. Members who have demonstrated active

commitment to the work of the Advisory Group and the Committee will be invited to remain members of the Advisory Group in the following biennium. When deciding whether or not to extend such an invitation, the Committee will consider:

- Attendance and participation in both physical and online meetings of the Advisory Group.
  - Development of and participation in Advisory Group projects.
  - Initiative in developing new projects to support the work of the Committee.
13. Any Advisory Group member who has missed more than six meetings of the Advisory Group (including teleconferences), or who has missed more than two physical meetings, in the biennium under review will not be invited to remain as a member of the Advisory Group in the following biennium.
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