Real Estate plays an integral role in the economy of countries

- Real estate construction is a significant component of a country's GDP
- Labor intensive - Creates spaces of job and is a great source of revenue for millions
- A drop in real estate construction has a big contribution to the recession's high unemployment rates
- Construction is the only part measured by GDP, but a decline in real estate sales leads to a decline of real estate prices and this eventually lowers the value of all homes (whether for sale or not). This affects mortgage finance and leads to a cut back in consumer spending
- A reduction in consumer spending contributes to a downward spiral in the economy
Poorly-regulated, “frontier”, “informal” real estate markets lack reliable information & “relationships” matter more than rules!

Part of what we, the Land Surveyors, are doing, is trying to:

- Make rules more important
- Provide the appropriate geospatial information for sound decision-making
  - Reliably, affordably and timely (FFP)

Real estate as a pillar for poverty reduction: FIG: security of tenure & property registration

- The empowerment of private property rights
- Implementation of these rights
- Registration of property rights
  - Provide secure ownership to land and real property, and
  - Support the operations of the property market (integrated, fast, reliable, low-cost, automated, open)
Security of Tenure, property registration: the role of Surveyors

- Value of cadastre for a national economy
- Most developing countries have less than 30% cadastral coverage
- Innovative, fit-for-purpose universal parcel recordation

Efficiency of Land Register & Cadastre

- Compilation of cadastre
- Transactions costs, time?
- Transparency
- Open access to data?
WB and FAO activity

- The WB has financed land tenure projects for more than half a century
- FAO gave strategic priority to the security of tenure
- The VG on The Responsible Governance of Tenure
- FIG/WB Agreement for additional cooperation on “real estate markets” to ensure that property markets work for everyone! Investors, the middle class and the poor!

Unclear Regulatory Frameworks in RE sector are among the main causes of the economic crisis

What is a F-F-P Policy Framework for sustainable real estate markets?

- The role of:
  - State from **provider to enabler** of growth
  - Private sector / Professionals / People

- Geospatial information registration about:
  - Ownership, Value, Use

- F-F-P Geospatial Infrastructures to serve the market
  - Data collection
  - Structuring/modelling/standardization/Visualization
  - Retrieval and dissemination of information/products

- F-F-P procedures for Formalization / Regularization:
  - Transactions / mortgages
  - Planning / Development permitting
  - Formalization & improvement of informal real estate
  - Affordable Housing provision, social housing
  - Harmonization of Property Valuation / Taxation
UNECE Principles for Sustainable Real Estate Markets

- **Security of Tenure**: Efficient Land Register/cadaster

- Integrated Legal Framework (land use planning, judicial system & alternative dispute resolution, credit/mortgage rights security, construction permitting, clear information about the protected real estate)

- Efficiency of services, *standards*, ethics, best practices

- Conversion of “dead”, unused or underused real estate into productive capital (best use of land)

- Good governance (costs /access to market data), Transparency

- Sustainable financing (access to credit / microfinance)

- Property Valuation (standards) & Taxation Stability / Fairness

- Planning for Affordable / social Housing

- **Training** & Professional Capacity Development
Formalizing the Informal

- Many in the UNECE region live in informal settlements
- Housing is not only a shelter but a tool to create wealth
- Unclear property rights & use regulations cause “uncertainty”, “economic exclusion” and “social unrest”

Why is it important to formalize?

- Provides ownership titles, allows property registration security of tenure
- Allows access to credit, stimulates the mortgage market
- Transforms the “dead” capital into productive, enables stability & green improvements, creates job spaces
- Stimulates real estate market, enables transactions, creates revenue
- Increases municipal tax revenue, that maybe re-invested in the area

What is a F-F-P formalization?

- Provide priority to property titles (inclusively) and F-F-P registration
- Use modern technology for that (affordably, reliably, timely!)
- Allow for transactions and mortgages
- Allow flexible procedures for improvements of informal real estate, provide incentives!
- Adopt flexible planning and permitting system to avoid the phenomenon in future
- Plan for affordable housing
**Why is investment in RE in Greece unprofitable?**

Since 2008 Greek economy is in economic decline

Residential & commercial RE prices are in free fall, but transactions decline dramatically;

No buyer interest; Consumption ability of Greeks is reduced (~30% below poverty), ownership is a burden, 33% NPLs (2015), No significant foreign investment in RE

---

**Legal Reforms during the Crisis**

During 2012-2014: **283 new laws**, of them **16 are most relevant**

Introducing a “New way” for:

1. Spatial planning for public (2011) and private land (2013) for *Strategic investments*

---

**More Legal Reforms**

5. Improving the National *Cadastre* in terms of administrative responsibilities & operation (2013)
7. The scheme for organized & *complex tourism developments* (2013);
8. Uniform *annual Real Property Tax* (ENFIA) & an additional property tax (2014), changing every year!
9. The code of *immigration & social inclusion* (2014); provision of residence permits to non EU residents by purchase of RE for a min of 250,000 Euros (China, Russia, Egypt, 67M Euro invested)
10. Land-use & urban planning reform (2014) regulating *19 land-use types & introducing the 2020 digital strategy*; the boundary lines of all legislative restrictions to be in a geospatial database
11. New *master plan of Athens* (2014) foresees development until 2021
12. Private planning & environmental upgrade (2014) for areas > 5ha; regulations of forest law for the establishment of a Land Bank to enable land exchange incentives for abandoned village regeneration
13. Improvement of the urbanization law (2014)
Weaknesses of formalization:
Insecure: unproven as to its Constitutionality
Temporary: formalization max for 30 years
Expensive to the owners: fees are ~1/3 of the construction costs
Not inclusive: some large categories of residential real estate are still not included & not affordable to all
Result: 3B Euros annual GDP loss

Planning reforms are still conservative, not “pro-growth”
Further improvements are needed
Since 2011 only 2 strategic investments on public land and 2 strategic investments on private land have been ratified

Our Vision

- We think ahead, predict future changes, foresee the requirements of the next generation of the public and structure the way ahead
- working at local level with an understanding of global issues, capable of contributing to an ambitious 2030 Global Sustainable Development Agenda