Global inquiry into transparency in the Real Estate Markets

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Background

FIG Commission 9
Valuation and the Management of Real Estate
Main goals for 2023-2026

- Definition of **"Transparency in Real Estate Markets"**

- Transparency best practices

- Data on Real Estate Markets for improving Digitalisation, machine learning models and using AI for Valuation

Collaboration

- University of the West of England, Bristol, UK (UWE Bristol)

- International Federation of Surveyors (FIG)

- Royal Institution of Chartered Surveyors (RICS)

- International Valuation Standards Council (IVSC)

- The European Group of Valuers' Associations (TEGOVA)

Aims

Provide an understanding of the term 'transparency in the real estate market':

- Gather and analyse expert views on the status quo of market transparency in a variety of countries worldwide

  - Definition

  - Perception

  - Measurement

- … improve the transparency of the real estate markets with regard to the SDGs

- … provide recommendations for policymakers and market participants to enhance transparency

Methodology

Stage 1: Review of academic literature on 'transparency'

Stage 2: Survey - purposive expert sampling (FIG, RICS, IVSC, CASLE and TEGOVA)

Stage 3: Data analysis, best practices and recommendations

Impacts of Real Estate Market Transparency

- Enable informed **decision making**

- Reduce information asymmetry and the associated potential for **unfair advantages**

- Thereby promoting **trust & confidence** in the markets

- Reduce **transaction costs**, increase liquidity & investments

- Enhance the **pricing accuracy**, based on available & comparable data

- Reduce associated **risks** and securing the **value** of real estate assets

Impacts of Real Estate Market Transparency

Integrity and high quality of data, clear regulations, a regulated and open transaction process, strong governance of listed items and a culture or willingness to disclose information (Newell, 2016)

- Market information:
  - Nature of access
  - Availability
  - Quality of information
    - Timeliness
    - Granularity
    - Uniformity of the standards

- Real estate market information:
  - Properties
  - Rights
  - Parties
  - The trade and its circumstances

Perspectives

- Institutions

- Liquidity

- Information availability and quality

- Market maturity

- Culture

- Formal and informal markets

- Sustainability

Indicators

- Hierarchy of evidence
  - IFRS (2011)
  - RICS (2019)
  - TEGOVA (2020)
  - IVSC (2024)
- Indicators
  - GRETI (JLL, 2022)
  - Ease of Doing Business (WB, 2020)
  - *SOLIndex (Bayer and Meggiolaro, 2024)*

Survey

Personal profile

Defining 'transparency'

Legislation and centralisation

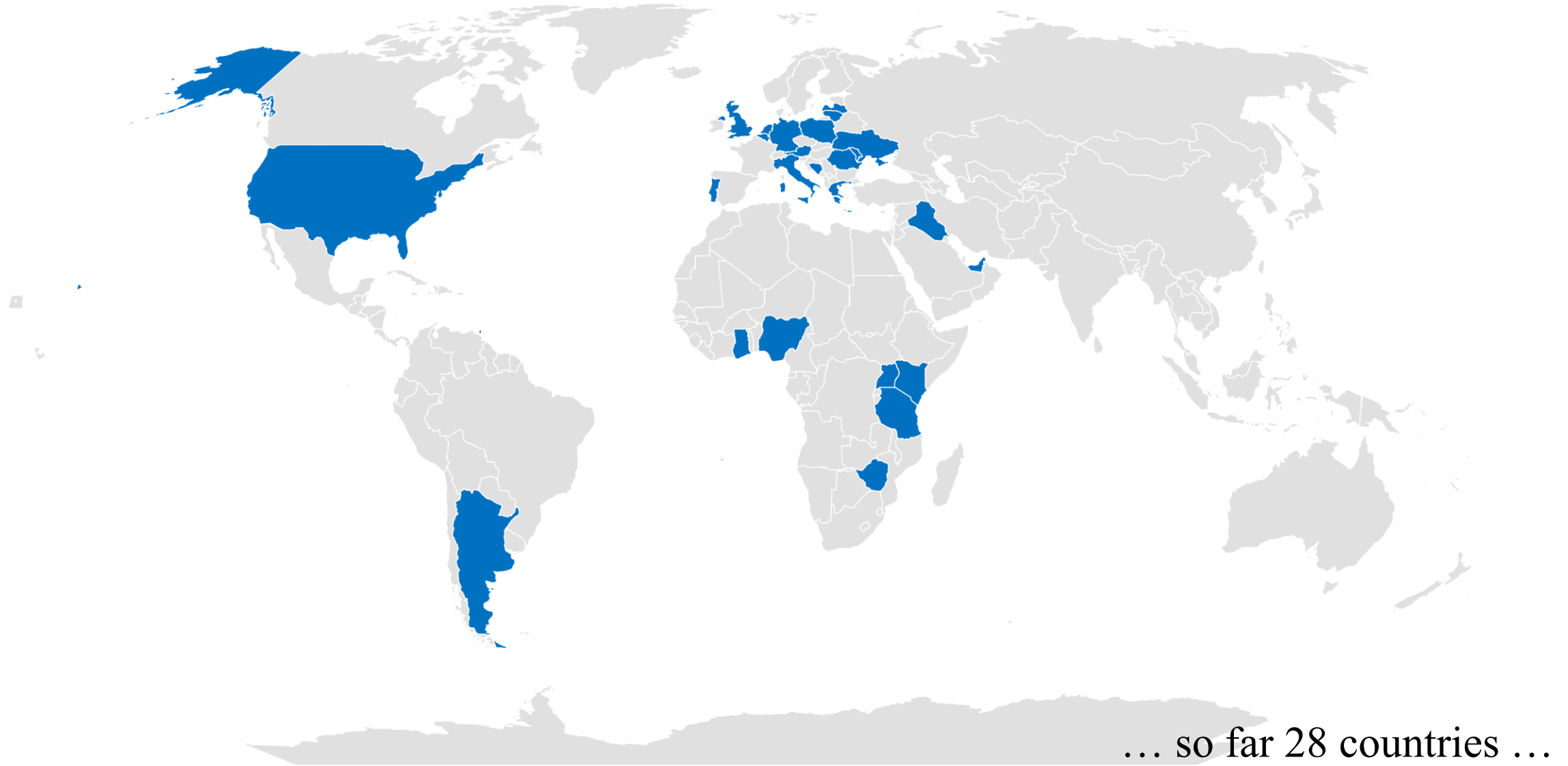Government transaction recording

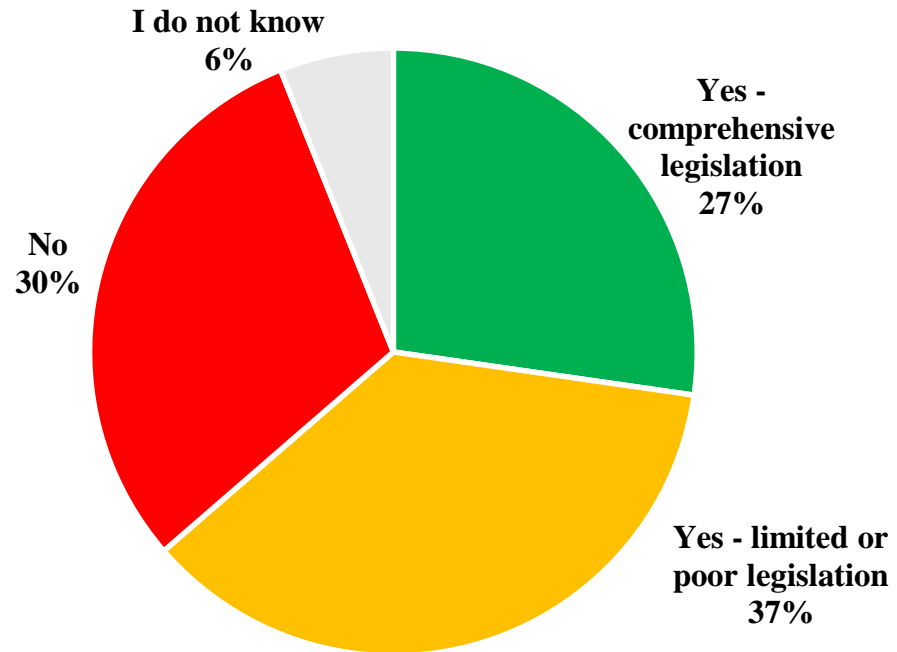Non-government transaction recording
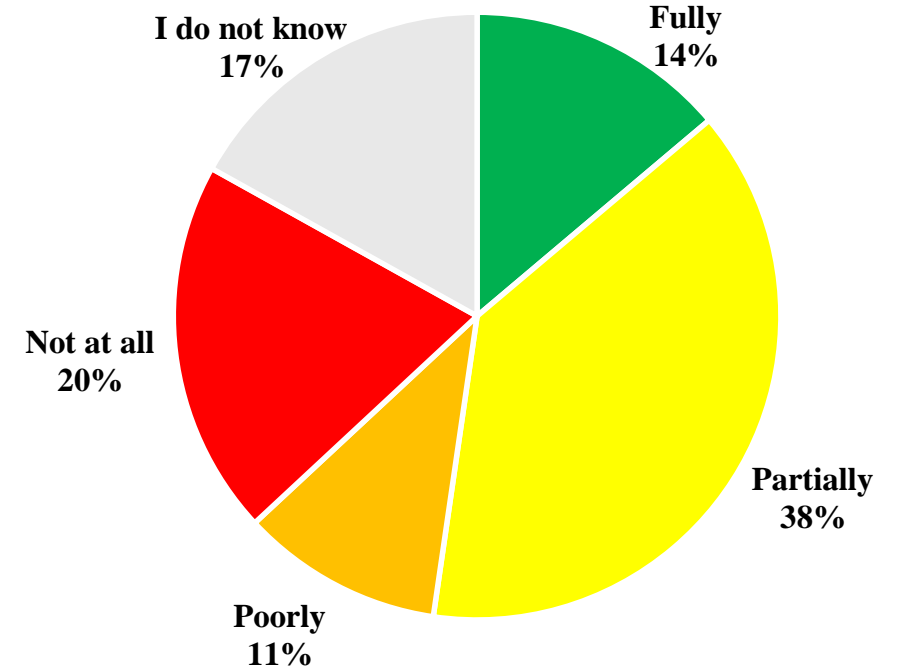
Change orientation

Perspectives

Experts' own views

Experts' views on people

… so far 66 participants …

Perspectives

… so far 28 countries …

Next steps

Scan and respond to our survey!

- Collecting survey data

- Analysis

- Validation with FIG experts

Stay in touch: peter.ache.fig@achemail.de and
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