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Item 7 (b) of the provisional agenda

UN/ECE REAL ESTATE ADVISORY GROUP

Activities 1999-2001

Note by the secretariat

The purpose of this document is to review the objectives of the Real Estate Advisory Group (REAG), and the obstacles it has encountered in its operation, as well as its past, ongoing and planned future activities for the period 1999-2001. The rationale is to create a basis for defining the strategic development of REAG activities.

I. OBJECTIVES

1. Recognizing that freely traded and privately owned real estate is a vital ingredient in a market economy, a group of real estate professionals from the public and private sectors, REAG, was established in 1997 to promote the more efficient use of real estate in the countries of central and eastern Europe and the Commonwealth of Independent States.
2. The goal of REAG is to work closely with Governments and local authorities through missions, seminars and information dissemination to promote the establishment of the necessary legal and administrative infrastructure. This would encourage the development of residential and commercial property markets and the use of interests in land as security for loans which would, in turn, increase new private investment in the region. REAG's work is to focus on removing impediments to property rights in institutional, legal and financial frameworks as well as on assistance and the initiation of training and support for local officials responsible for real estate issues.

3. The Group was established under the auspices of the United Nations Economic Commission for Europe (UN/ECE), and is a joint activity of the Working Party on International Legal and Commercial Practice and the (now) Working Party on Land Administration.
4. At its inaugural meeting in April 1997, the Group discussed its strategy and reached agreement on its basic activities:
 - To provide international expertise to participating countries in transition in order to help remove key blockages to functioning real estate markets and thus to encourage economic development through investment in real estate.
 - To assist the transition economies in this task by providing advice on the legal, institutional, financial requirements for real estate development.
5. In spite of a severe lack of funds, which has been the major obstacle in carrying out its mandate, REAG has undertaken the activities listed below.

II. PAST ACTIVITIES

6. As a mission-oriented advisory group and with limited resources, REAG has undertaken the following activities over the past two years:
 - At the invitation of The European Group of Valuers' Association (TEGOVA) REAG attended its conference in Athens in May 1999 to endorse the importance of applying common valuation standards across the region.
 - REAG participated in the "European Property Italian Conference," Rome, 30 September–1 October 1999 where REAG activities were promoted.
 - REAG organized a Round Table on "Promoting Dynamic Real Estate Markets Through Public/Private Partnerships," in Prague, 4 November 1999. This was in cooperation with the Central European Initiative (CEI) and was held during the CEI Economic Forum.
 - REAG co-organised with the Foundation for the Economy and Sustainable Development of the Regions of Europe (FEDRE), a seminar on "Trade and Investment Promotion from a Local and Regional Perspective" in Geneva (2-3 March 2000). The Seminar predominately dealt with real estate issues.
 - REAG put together a questionnaire and carried out an extensive survey (March – May 2000) on the activities of major international organizations and NGOs in the development of real estate markets in transition countries. The result was a Survey-Report on the issue.
 - REAG organized a meeting on 26 May 2000 in Geneva of major international organizations and NGOs in the development of real estate markets in transition countries. The primary conclusion of the meeting (to encourage the development of cooperation between such bodies and thereby minimize duplication of work) was agreed upon by the attendees.

- The above-mentioned Survey-Report which was presented to the meeting served as a basis for the discussion. As a part of the process of cooperation, REAG agreed in principle to establish a resource/information centre for real estate matters in transition economies. The major players in this field offered full support to such a development. All the main international institutions participated including the European Bank for Reconstruction and Development, the European Group of Valuers Association, the TERRE Initiative, Mortgage Bankers Association of America, IGN France International, Central European Real Estate Associations Network, HABITAT and the International Real Estate Federation. Express support for the objectives of the meeting was also received from the World Bank, the OECD and the European Union.
- REAG presented the same Survey-Report at the Euro Registers Forum 2000 (1-3 September 2000) in Krokkeiva (Oslo).
- The REAG Chairman, Mr. Robert Hall, was invited as a distinguished speaker to the “European Property Italian Conference,” Rome, 28 and 29 September 2000. REAG activities were again promoted at this forum and many new contacts were established. This, subsequently, increased the visibility and expanded REAG activities, especially giving the Group greater credibility with institutions such as the European Society of Chartered Surveyors, the World Trade Centres Association, Investment Property Databank and many real estate operators and banks including the Deutsche Bank.

III. FUTURE ACTIVITIES

7. With its current human resources REAG intends to work on the following projects:

- REAG is currently developing an Internet-based resource centre which includes information on the activities of all the major international players who are working to develop real estate markets in the transition countries, access to the major publications of these organizations, links to other valuable Internet sites, as well as links to policy research papers and other reports. This database will be available before the end of 2000 on the UN/ECE web site at <http://www.unece.org/trade/>
- As a direct result of the meeting on 26 May 2000, REAG is coordinating the development of an important paper under the auspices of the UN/ECE by the Royal Institute of Chartered Surveyors (RICS) of the United Kingdom, the European Bank for Reconstruction and Development (EBRD) and the World Bank, which will demonstrate the crucial importance for a successful market economy of a viable market in real estate.
- REAG is negotiating with Reed Midem/MIPIM (Paris) the co-organization of a major conference in 2001 or 2002 on the development of real estate markets in transition countries. Reed Midem/MIPIM is the world’s best-known and most successful conference organizer in the area of real estate.¹ It is hoped that this conference will assist in fundraising for future activities of REAG.

¹ Its annual spring conference on real estate in Cannes attracts around 12,000 participants from all over the world.

- Participants in REAG will attend conferences concerning issues in real estate organised by CEREAN (Prague, October 2000), TEGOVA (Brussels, November 2000) and Reed Midem/MIPIM (Cannes, March 2001 with RICS).

IV. STRATEGIC GOALS

8. In view of this successful track record, REAG's strategic goals for the future are to:
 - Contribute to and foster the development of cooperation between international organizations and NGOs engaged in promoting the development of real estate-markets in transition economies.
 - Develop the REAG website for information and reports regarding real estate policy and practical issues.
 - Engage the attention of Governments at the highest level with respect to the necessity of promoting the importance of fully functioning commercial real estate markets for the transition economies.
 - Continue country-based activities and develop missions in conjunction with appropriate international organisations, as well as search for funds that would enable the expansions of such field activities in the future.
 9. The Chairman of REAG and the secretariat believe that these are activities with great potential. Therefore, they request that, in light of its past activities and future potential, WP.5 recommend to the Committee for Trade, Industry and Enterprise Development at its June 2001 session the renewal of the mandate of REAG for the period of another two years.
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