Transparency in the real estate market - Preliminary results of a global comparative study

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SUMMARY

This is a collaborative research about Transparency in Real Estate Markets and its definition. The research is initiated by the International Federation of Surveyors (FIG), run and supported by the University of the West of England, Bristol, UK (UWE Bristol), the Royal Institution of Chartered Surveyors (RICS), the International Valuation Standards Council (IVSC) and The European Group of Valuers' Associations (TEGOVA). The research uses a global comparative study to examine the nature of transparency in real estate markets and identifies key differences between national markets due to the regulatory, economic, political, social, and cultural environment in which sellers and buyers operate. Market transparency reflects informational market efficiency and information asymmetry. The research is concerned with the perception, definition, and measurement of transparency in real estate markets and explores transparency deficits that negatively affect the economy and society. To obtain comparable evidence, data was collected using an international online survey and utilising the ‘purposive sampling’ technique, whereby professionals working in the field of land administration and management and in property surveying across the private and public sectors as well as in the higher education sector have been invited to contribute their insights. These included FIG, RICS, IVSC, CASLE and TEGOVA members. Understanding market transparency, beyond the current measures available for selected countries and selected real estate sectors only, should help improve policies aimed at enhancing market efficiency. From a global perspective, the results of this research inform policymakers and support the more vulnerable members of society who are often deprived of their real estate rights due to market opacity. Furthermore, the applied scientific approaches and the preliminary findings offer a framework for additional global research.