

Course Syllabus – Understanding Global Real Estate Markets

Course Description:

This course presents an overview of the cultural, economic, and market knowledge necessary to establish a global real estate practice. International buyer, owner, user & investor motivations are covered. Topics include the basics of real estate law, valuation, finance, and market analysis as related to international property markets. The main focus of the course is the International Property Markets Scorecard Methodology www.propertymarketscorecard.com, a tool that anyone can use to better understand how property markets function in another country.

Course Methodology

Teaching methods for this course include interactive lecture and an overview of how to conduct internet research and the examination of current issues in the field and up-to-date information on the work of the US State Department, World Bank, World Economic Forum and the United Nations.

Course Topics and Learning Objectives

International Clients

<p>Learning Objective: An exploration of potential clients including corporate users, individual and institutional investors.</p>
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Understanding and differentiating between the wants and needs of a various potential clients is crucial to establishing a successful international practice. Practitioners need to know the level of information and work required to facilitate the sale or purchase of property for occupancy, to assist a corporate user in finding and leasing facilities, or to provide advice to investors who are only looking for cash flows.

General Market Overview

Learning Objective: The first step to advising clients on cross-border investment is understanding a country's culture and examining its macroeconomic situation, political risks, as well as current real property issues and trends.

Each country has its own unique cultural norms and a successful global practitioner must be aware of and observe these norms. The overall movement and accessibility of goods and services and the availability of market information are crucial factors to economic progress. In addition practitioners must understand the current state of property markets.

Property Rights

Learning Objective: An examination of legal issues in real estate including property rights and clear title, real estate contracts, legislation and government regulation.

Property rights and law vary greatly from country to county. To protect your clients you, must have knowledge of what rights can be legally conveyed between buyers and sellers, the conveyance process, the legal status of fellow practitioners, contract law, regulations governing the industry, and any potential legislative changes that could affect your client.

Access to Credit

Learning Objective: An understanding of the availability of credit and the efficiency and transparency of the financial sector to provide a broad range of citizens with access to multiple forms of competitive credit so that they can start businesses, build wealth, and purchase property.

Without the ability to use property as collateral for loans, the titles in owners' hands still represent "dead capital" – assets that cannot be collateralized or sold. Access to credit needs to be available on a scale that corresponds to the development of the market.

Effective Governance

Learning Objective: An exploration of popularly elected governments in emerging markets that work to develop markets that are free of corruption and functioning efficiently and transparently enough to guarantee economic freedom to individuals and support equitable property markets for investors

Effective governance requires the trust of the people. Good governance procedures ensure that the opinions of all rather than just the opinions of the elite and powerful are represented in the governing of a country, a company or an organization.

Market Analysis

Learning Objective: Explore overall demand relative to supply for a specific property type or a particular geographic area and understand client needs for market studies to assist with buying, selling and investment decisions.

Understanding market settings, recognizing buyer profiles, and identifying and filling gaps in the market are consulting skills demanded by any market. Learning to formulate an expert opinion backed up by data and research will allow you to advise local users, developers, investors and users on market participation as well as local governments on appropriate regulation. This session includes quality of life assessments, the implication of regulations, assessments and taxes on property, and the effect of potential infrastructure development.

Case Study

Learning Objective: Application of the knowledge and skill gained in the course.

The Case Study will examine a cross-border transaction.

1. Determine the transaction type and the countries involved.
2. Macroeconomics – Identify key macroeconomic difference between the countries involved in the transaction.
3. General Market Overview
 - a. Research any potential cultural difficulties.
 - b. Research current real estate issues and trends in both countries.
4. International Code of Ethics – Recognize any laws, regulations and organizational norms that must be followed between professionals including the FIABCI Code.
5. Identify the client’s needs including risk profile, return expected and time horizon.
6. Real Estate Law
 - a. Research property rights & title transfer for both countries.
 - b. Determine contracts, involvement of notaries and other officials.
7. Financial Analysis
 - a. Determine the currency to be used, method of exchange and currency risk.
 - b. Develop a scope of work for a valuation.

8. Market Analysis – Develop a market analysis for the property.
9. The FIABCI Referral Process – Find FIABCI members to assist with the transaction, sign and report referral agreement.
10. Determine the Exit Strategy.