

Friday, September 16, 2011

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Across Borders School of Real Estate

**“Globalization...
How has it changed the
real estate industry?
What changes are still coming?”**



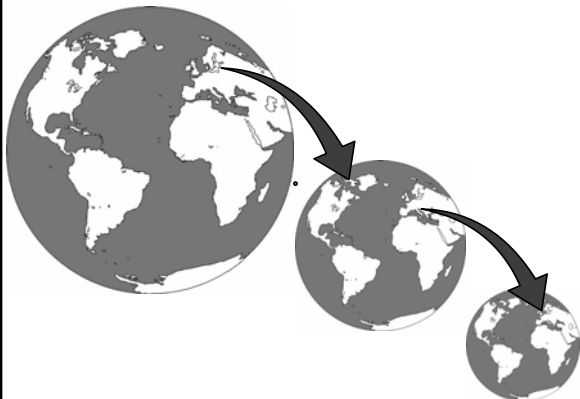
GLOBALIZATION

How has it changed the real estate industry?

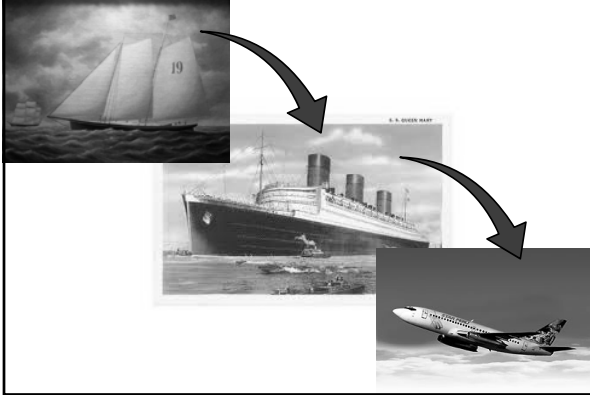
What changes are still coming?



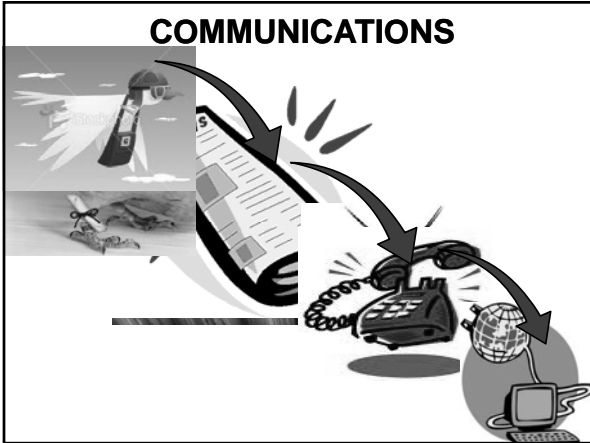
GLOBALIZATION



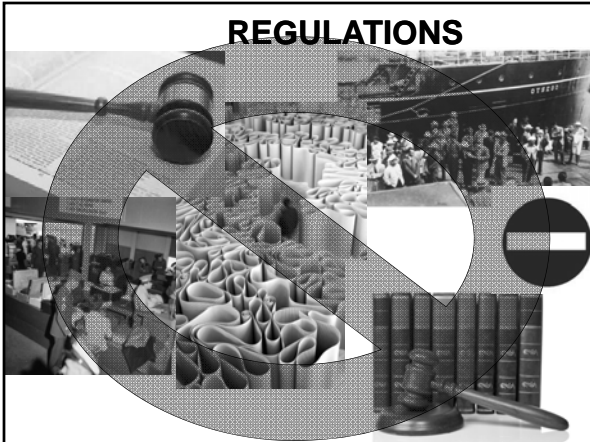
TRANSPORTATION



COMMUNICATIONS



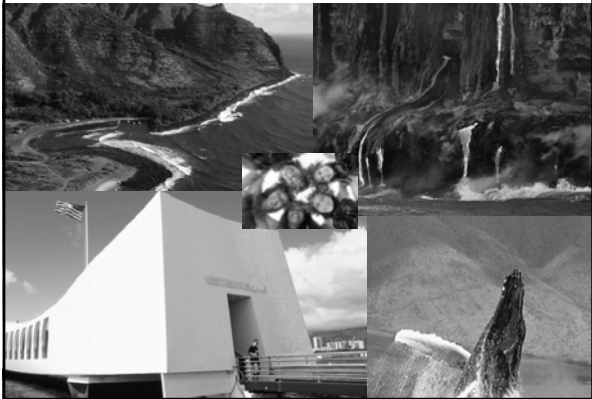
REGULATIONS



VACATIONS



TOURISM



EDUCATION



RETIREMENT



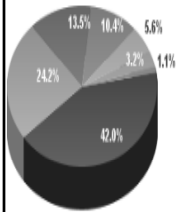
INVESTORS



MORE CHOICES



INTERNET USERS



RESIDENTIAL PROPERTIES



COMMERCIAL



REAL ESTATE INDUSTRY

- Multiple Listing Books Computerized = MLS
- Buyers Use the Internet to Find Properties
- Brokers & Agents Create Web Sites
- MLS's Consolidated, Moved to Internet
- International Buyers/Investors Use Internet

GLOBALIZATION CHANGES

- Industries with major changes
 - **Travel Agents**
 - **Catalog Sales**
 - **Banking**
 - **Post Office**
 - **Telephone Information Operators**

GLOBALIZATION PUNDITS

- The Future is Inevitable
- World economy will be the dominant force on country economies
- Fate of the world's workers depends on globalization – adapt or suffer
- Businesses must adapt or stagnate
- Financial markets will depend on globalization

REAL ESTATE PREDICTIONS

- **Real Estate Industry Will Follow the Travel Industry**
 - Consumers will use the internet to bypass agents
- **William Chee (NAR President 1993)**
 - “Don’t worry about it”

WHAT CHANGES ARE STILL COMING?

Real Estate & Globalization

GLOBALIZATION REALITY

- Local Shops are not closing
 - Opening with foreign names
 - Imported foods or made by foreigners
- Global Cities and Universities
 - US students reciprocal (small number)
 - Foreign students at advanced (PhD) level
- Immigration is not at an all time high
 - Today – 34% of population is foreign born
 - 1900 was 36%
 - 1910 was 41%
- Foreign Banks Follow US Banking Regulations

REAL ESTATE INDUSTRY TRENDS

- All Real Estate is local
- Real Estate is among the least “tradable” of all products
- Real Estate is immobile
 - French “**Les Immobiliers**” are agents
 - Spanish “**inmuebles**”

REAL ESTATE EMERGING MARKETS

- Opening of formerly closed economies creating new opportunities
- Liberalization of business licensing, taxation and property ownership regulations allow participation by US real estate
- US investors adding foreign real estate properties & securities to their portfolio
- Major US real estate firms have followed multinational companies abroad,
- Residential brokerage firms have followed a growing mobile expatriate population

REAL ESTATE INDUSTRY PREDICTIONS

- Real estate will to be primarily influenced by
- local factors.
- Local knowledge, local economies, local factors and local firms will continue to dominate
- Global firms, economic influences and the internet based consumer will play increasing roles

REAL ESTATE INDUSTRY PREDICTIONS

- US and foreign agents will experience increasing opportunities and challenges
- Despite some reforms, there are still significant differences among markets
- Differences in demographics and cultural preference will present new opportunities for US builders, investors and their Realtors but require new competence and approaches

INTERNATIONAL REAL ESTATE COMPETENCE



NAR DEVELOPED CURRICULUM



CERTIFIED INTERNATIONAL PROPERTY SPECIALIST



- **INCREASE AGENTS INTERNATIONAL COMPETENCE**
- **RECOGNIZED CREDENTIALS FOR INTERNATIONAL CONSUMERS**
- **CREATE AN INTERNATIONAL NETWORK**

GLOBAL REAL ESTATE CHALLENGES

- Referral to real estate professional in another country:
 1. Might not treat your client professionally
 2. Might not pay your referral

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19 countries signed up in 2001
Today: 45 Countries
52 Associations

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**The International Consortium of
Real Estate Associations**

**Transnational Referral
Certification**

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ADVOCATE/LOBBY INTERESTS

Represent the global real estate industry in world wide affairs:

- FATF (Financial Action Task Force)
 - Anti Money Laundering
 - Counter Terrorist Financing
- Individual compelling cases
 - Venezuela > defense of property rights
- Data ownership (crawling internet data)

CERTIFIED INTERNATIONAL PROPERTY SPECIALIST



- CIPS NETWORK being revamped
 - STAGE 1 – FALL 2011
 - »MEMBER PHOTOS
 - »MORE DATA
 - »REPLACE “WHO’S WHO”
- REALTOR.COM is going global
-



Addressing the Global Audience

- + Global exposure for U.S. Realtors and listings
- + Global (especially U.S.) exposure for non-U.S. listings
- + Allow consumers to search their way, in their language

REALTOR.COM ALREADY IS GLOBAL

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