

# Well-functioning Real Estate Markets - Criteria and Examples

Winrich Voss (Germany)

**Key words:** Access to land; Affordable housing; Land distribution; Land management; Property taxes; Real estate development; Valuation

## SUMMARY

The FIG-Task Force on “Real Estate Market Study” aims to analyse real estate markets in countries in transition, e. g. in south-east Europe or former Sowjet countries in Eurasia. The analyses will be based on the principles given by the “UNECE-Policy framework for sustainable real estate markets” or on the strategy of the Scorecard Methodology (International Property Markets Scorecard guidebook). Nevertheless it is necessary to evaluate if a market sector functions well and provides results (outcome) which are fair, sustainable and acceptable for a majority of the people.

This paper will have a look at the difficult question how to determine if a market is well-functioning or if the market is in a functional disorder (malfunctioning). An answer to this question requests to understand the interaction of a markets’ legal framework and its use of the legal rules by the stakeholders respectively. This paper tries to discuss examples of different market problems and different countries. Examples are the ability of a market system to produce enough affordable housing units or to respond to a relevant change in the demand.