

Summary of the Meeting of the Practice Group Real Estate of GGI in Sintra

1. Marketing

The information letter of the practice group shall be continued, however, for reasons of costs, limited to two editions per year.

The Handbook Real Estate shall be expanded and amended.

Further it shall be clarified if the practice group shall organize a GGI reception for clients and potential clients either at the MIPIM in Cannes or at the EXPO Real in Munich. Therefore, a survey of all GGI members shall take place.

2. Objective Topic

Reinhard Nacke reported about research results of two Swiss scientists. According to that high common debts of municipalities or states lead to a decrease of the property prices. The cause is that the municipalities or states have to reduce their debts by higher taxes and other expenses and lower investments in the infrastructure. This deters potential acquirers of property. They are just willing to buy, if the higher future costs and/or the bad infrastructure find their compensation in lower property acquisition costs.

Based on their practical experiences the members of the practice group confirmed the results of the Swiss scientists. Beyond this they unanimously outlined the tendency that more and more people in their countries move from the rural areas to the – attractive - cities, because several cities in recent years substantially got more attractive by doing much more for traffic calming and reduction of dirt and for the optical impression. The respective impact on prices can be traced.

gez. Dr. Reinhard Nacke