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FIG Working Week 2011
Bridging the Gap between Cultures

REAL ESTATE TRANSACTION IN THE DIGITAL AGE

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TS 09F – Land Rights Infrastructure Marrakech, May 21st 2011

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Background (1)

“today digitalization is everywhere”

Digital Information
Created, Captured, Replicated Worldwide

180 EXABYTES (2006) → **1,800 EXABYTES** (2011)

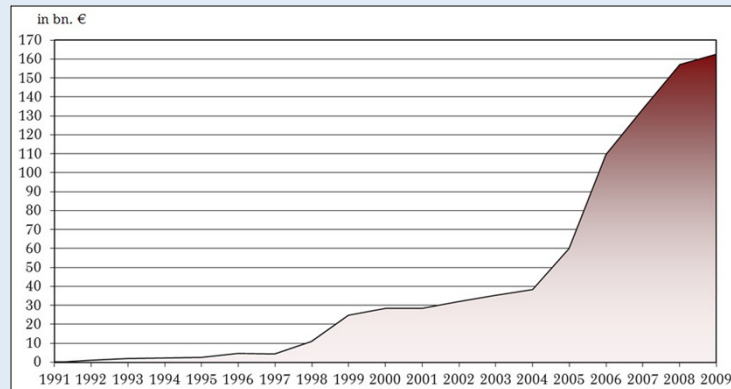
10x Growth in 5 Years!

- Sensors
- Digital TV
- RFID, Toys
- MP3 players, VoIP
- GPS, Digital cameras
- Camera phones, Email
- Data center applications, Laptops
- Medical imaging, Games
- Satellite images, ATMs, Scanners
- Peer-to-peer, Instant messaging, Video conferencing
- CAD/CAM, Industrial machinery, Security systems, Appliances

Source: IDC White Paper, "The Diverse and Exploding Digital Universe"

Real Estate Transaction in the Digital Age Sebastian Kropp

- volume of global cross border real estate investment reached more than € 160 Billion in 2010
- housing bubble and credit crisis → real estate market is not as solid as many people thought



Source: Association of German Pfandbrief Banks (vdp)

Motivation:

- digitalization already plays a key role in real estate transactions
- still there is tremendous potential

Outline:

- I. Basic key principles for a functional and effective real estate transaction system
- II. Germany as an example
- III. Conclusion

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You want to buy a house?!?

Go My eBay Sell Community Customer Support

Welcome! Sign in or register.

CATEGORIES FASHION MOTORS DEALS CLASSIFIEDS eBay Buyer Protection Learn more

Back to Search Results | Listed in category: Toys & Hobbies > Pretend Play, Preschool > Fisher-Price > 1963-Nov > Dollhouses

This is a private listing. Sign in to view your status or learn more about private listings.

Fisher Price Loving Family Dollhouse Camping Cabin CUTE
25% Off 1500+BIN Dollhouse Items. Best Selection on Ebay

Item condition: Used
Time left: 5h 16m 42s (Apr 11 11:55:30 PDT)
Bid history: 0 bids
Starting bid: **US \$19.99**
Your max bid: US \$ (Enter US \$19.99 or more) **Place bid**
Add to Watch list

Shipping: Calculate | See all details
Delivery: Varies
Returns: 7 day money back, buyer pays return shipping | Read details

eBay Buyer Protection
Covers your purchase price plus original shipping. Learn more

Top-rated seller
nini10361 (3925) 99.9% Positive feedback
Consistently receives highest buyers' ratings
Ships items quickly
Has earned a track record of excellent service

Save this seller
See other items
Visit store: Dollhouse Trinkets and Treasures

Other item info
Item number: 290566149633
Item location: Toledo, OH, United States
Ships to: Worldwide See exclusions
Payments: PayPal See details

Print | Report item

Share: Facebook Twitter

Description Shipping and payments

Seller assumes all responsibility for this listing.

Item specifics	
Condition:	Used. An item that has been used previously. See the seller's listing for full details and description of any imperfections. See all condition definitions
Fisher Price:	Loving Family Dollhouse
Ages:	3+
Type:	Loving Family Dollhouse
Material:	Plastic

Basic key principles Sebastian Kropp

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Basic key principles

- accuracy
- accountability
- efficiency
- sustainability
- security
- transparency

➔ must be guaranteed

TRANSPARENCY

SECURITY

EFFICIENCY

Basic key principles Sebastian Kropp

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Basic key principles – Transparency

WORLDWIDE + Login Register

JONES LANG LASALLE
Real value in a changing world

Global Real Estate Transparency Index 2010

2010 Rank	Market	2010 Score
1	Australia	1.22
2	Canada	1.23
3	United Kingdom	1.24
4	New Zealand	1.25
4	Sweden	1.25
6	United States	1.25
7	Ireland	1.27
8	France	1.28
9	Netherlands	1.38
10	Germany	1.38
11	Belgium	1.46
12	Denmark	1.50
13	Finland	1.53
14	Spain	1.58
15	Austria	1.71
16	Singapore	1.73
17	Norway	1.75
18	Hong Kong	1.76
19	Portugal	1.82
20	Switzerland	1.87
21	Italy	1.89
22	Poland	1.99
23	South Africa	2.09
24	Czech Republic	2.15
25	Malaysia	2.30

Source: JONES LANG LASALLE

- sustainable valuation
- gain more trust and increase the chances of completing a deal

Basic key principles Sebastian Kropp

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Basic key principles - Efficiency

“increase in efficiency → saving time = saving money”

through:

- harmonization legislation and juridical practice
- standardization of system components and data
- installation of automated working processes
- WEB services for clients

- must be guaranteed and continually be improved
- without high efficiency a real estate transaction system will fail in practice → user will not accept it

Basic key principles Sebastian Kropp

“misuse of power can be seen very often when it comes to land”

What effective safeguards are required?

- accessibility restrictions
- procedural checks
- technological security measures
- training of counter fraud staff
- national and international cooperation's et al.

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Germany as an example

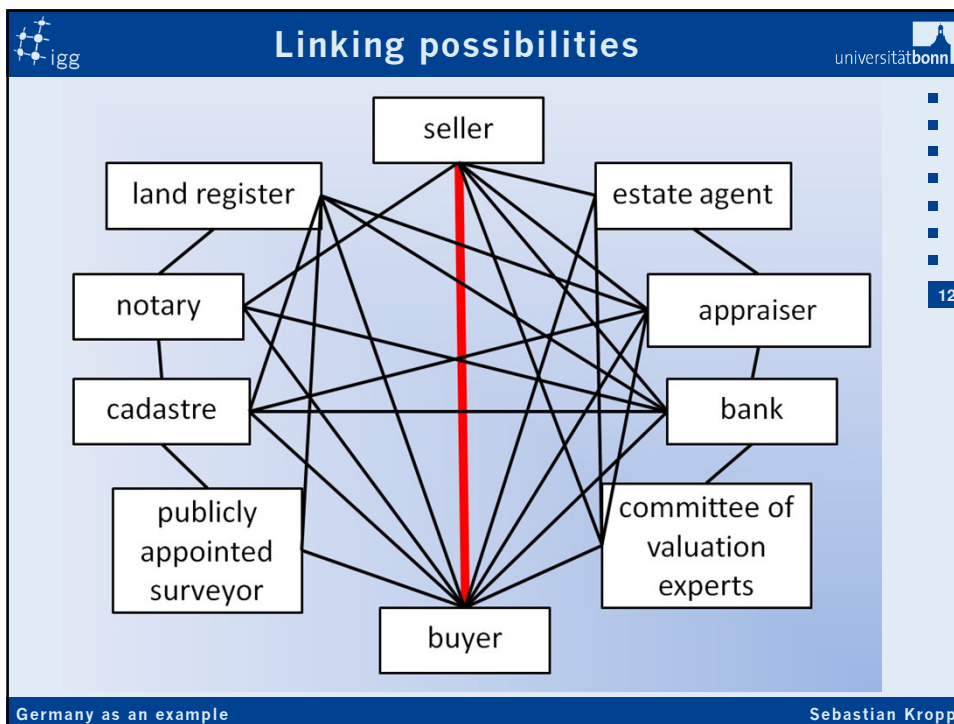
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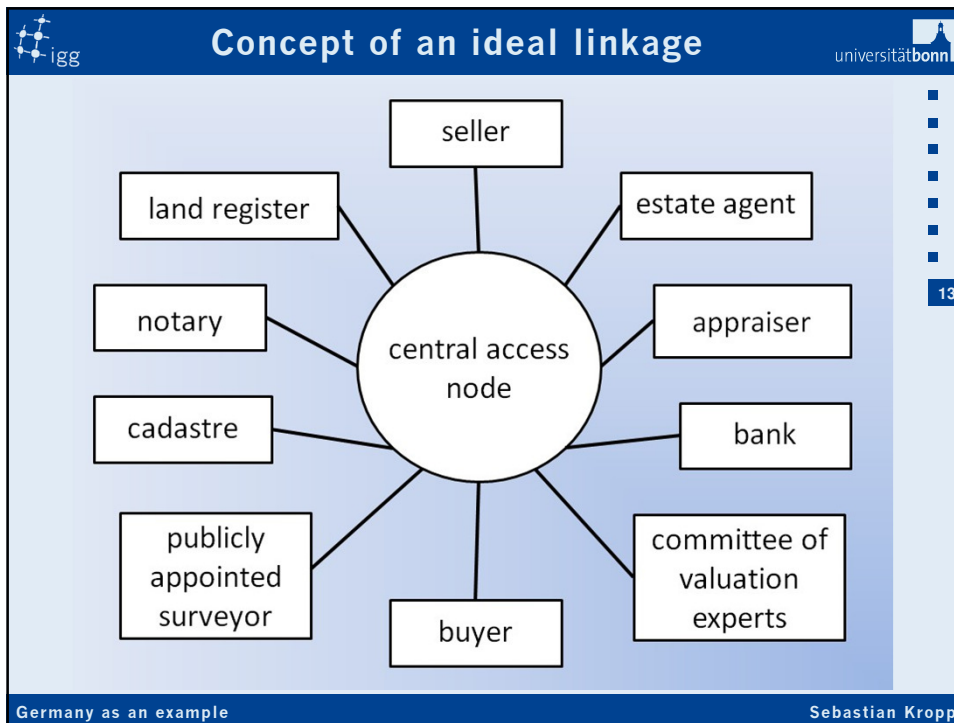
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Real estate transaction process

ELEMENTS	PARTICIPANTS	MEDIUM
market research	buyer - seller	digital / local (analog) media / in person on site
valuation of the object	real estate appraiser	digital and on site
clarification the finance	buyer - bank	in person digital
price negotiation	buyer - seller	in person
notary	seller - notary - buyer	in person
payment and execution	buyer - notary - seller / notary - land register	digital
transfer of ownership	land register - buyer	digital / analog

Germany as an example Sebastian Kropp





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Challenges

- many participants with different intentions
- distribution of competences → political will
- “crimes” – types change through digitalization

others:

- privacy matters
- actuality of data
- fast technical developments and complexity of the requirements

Real Estate Transaction in the Digital Age Sebastian Kropp

“there is a great potential in digitalization...”

- real estate cross border transactions will become more and more important in the future
- transparency, efficiency and security are the basic key principles
- digital services speed up the real estate transaction process → more cost-efficient

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However:

a political will is a fundamental precondition → that includes the existence of legal regulations

REAL ESTATE TRANSACTION IN THE DIGITAL AGE

“there is a great potential in digitalization...”

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