

MEMBER UPDATE

South America Focuses on FATF

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The real estate industry has come into the spotlight in South America with regard to anti-money laundering/counter terrorist financing activities. *Gafi-Sud*, the South American arm of the intergovernmental FATF, recently met in Lima with representatives from the region's governments, financial authorities and the property industry to discuss implementation of the FATF recommendations and Guidance. ICREA, which represents the property sector with FATF on a global scale, was present to share the work and successes of the ICREA FATF workgroup. With ICREA's assistance, a questionnaire will be developed to define the starting point in the various South American countries. ICREA will work with both current and potential Member Associations within the region to provide the necessary input to this process.



ICREA at SIMA

ICREA will again be represented at the SIMA International Real Estate Exhibition, May 27-29, in Madrid. This year's theme, "Global Crisis Analysis and Strategy Check for International Real Estate Professionals," is quite timely and reflects the new, broader focus of SIMA which has evolved well beyond its original second home market focus.



ICREA will have a booth in the exhibit hall and will be represented on the "Marketing and Sales of Real Estate during Recession" panel; focusing on strategies for online business. AEGI, ICREA's Spanish member association, is hosting a TRC course as part of the professional program.

ICREA Executive Committee to Gather in Ottawa

The [Canadian Real Estate Association](#) will host the ICREA Executive Committee next month when they gather in Ottawa for their annual strategic planning session. This is the only time the group meets face-to-face outside the Plenary meetings.



This annual meeting is key with regard to a review and assessment of the organization's strategic priorities. Among the issues to be discussed are changes to the MLA, ICREA's dues structure, a new member strategy, ICREA's advocacy role, and recommendations regarding a full redesign of the World-Properties.com website.

ICREA Member Associations are encouraged to [contact ICREA](#) regarding any strategic matters you'd like to see brought before the Executive Committee.

Market Spotlight: South Africa

The [Institute of Estate Agents of South Africa](#) (IEASA) reports that the property market in South Africa is still in decline, with house prices continuing to fall. Nevertheless, the global economic crisis has not hit South Africa as hard as it has many other countries.



The latest figures released by ABSA Bank show that nominal house prices in the middle segment of the market have dropped by 2.7% compared with this time last year. FNB Bank records a drop of 3% over the same period.

According to ABSA, from March to April 2009, prices of large houses fell by 4.4%, those of medium-sized houses by 3.2%, and those of small houses by 1%. ABSA forecasts low levels of activity and downward pressure on prices continuing until late 2009, with nominal house prices projected to decline 3%-4%. FNB attributes declining prices to an oversupply of residential property resulting from current economic conditions.

A series of interest rate reductions have made financing more accessible, but this is counteracted to some extent by general economic conditions. Further rate cuts are expected later this year.

Another indicator of the current market situation, according to IEASA, is shrinkage in the estate agency profession. At the beginning of 2008 there were 72,000 registered estate agents in South Africa; now there are only around 38,000.

Market Spotlight is a new feature of the ICREA Member Update. [Contact ICREA](#) to plan for featuring a short overview of your market.