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Another new Act concerns the foundation of asset houses, dealing with credits and information about debts and securities, especially in the area of data processing. Another Act changes the rights of mortgagors to realise their securities and fix the legal circumstances in case of insolvency. In the Russian Civil Code the confidentiality in banking and the management of information is consequently adapted according to the new regulations of mortgages and her practical arrangements. A very actual Act creates a new legal person: the cooperative which saves and invests in housing and real estates. The consequences of new regulation in civil and real estate law are accomplished in changing fundamentally tax law by eight Acts. The costs for insinuation a mortgage are fixed between 200 at least to 3,000 Rubel at highest. The contract for sale of land will be no longer submitted the sales tax. Sales Profits will be taxed within a period restraint to December 31st 2006 with 9 %, later augmented on 15 %, in contrast of up to now 24 %. Many new regulations concern the taxation of natural persons to encourage them to spend money in the housing market. So income taxes will be fixed on 13% on profit. Another Act on property tax regulates two different taxes. One tax concerns the time of construction, the other when the construction is completed. A first evaluation of new Russian legislation to housing market shows a big legal step to more transparency in this field. It is an estimated step towards a continental European legal system concerning real estate law. There are quite few similarities between the Russian and the German state law. But on the other side Russia goes its own way. It depends on the cabinet of advisors, which legal design will win after the realisation passed the stony way of big transformation in a changing market. The strongly regulated market of socialism changed quickly to an open and liberal housing market. Because the Russian State gave up totally his Ownership, the inhabitants, received the socialist tower blocks free of charge, but they were without skills of management. This is a big opportunity for know-how-transfer. With a detailed comparison between Russian and the European real estate law we have the possibility to offer advice in all fields of housing law, its business management and financing. The new Russian Codes of Housing, Town Planning and Cooperatives are a huge step forward, but a second one must follow. Our legal and economical experiences are ready to be used. If there is a need, we can bring in our competence of our specialised universities in both Business Law and Real Estate Economics.

**Understanding Residential Housing Markets - Expanding the Contribution of Social Area Analysis**

Richard Reed, University of Melbourne  
Session F5

A complete understanding of residential housing markets, particularly in relation to variations in house prices both within and between suburbs, continues to present challenges to property researchers and forecasters. Factors affecting changes in housing demand are not yet completely understood, and accordingly market changes cannot always be confidently predicted. Most urban cities contain precincts that have high or low house values at the same time, regardless of characteristics such as distance to the city centre, location of transport or topography. Exactly why these variations in suburb values occur is often unclear, although local residents are able to easily identify differences between the status of each suburb, especially when one area is clearly perceived as superior to another. Consequently, houses in premium suburbs are sold for substantially more than houses in other areas, primarily due to this perceived higher demand. An understanding of reasons behind varying levels of buyer demand has always been difficult to fully encapsulate in housing studies, even though clear links have been observed between housing affordability and the type of inhabitant that would live in a particular area. This study confirms that traditional economic indicators can not always observe the degree of purchaser and vendor willingness in the residential property market, as per the International Valuation Standards Committee definition of market value, and substantial consideration must also be given to characteristics of individual buyers and sellers within the marketplace. No longer can the focus be
narrowly focussed just on endogenous factors such as interest rates and inflation levels. Accordingly, this research draws the disciplines of demography and housing research closer together and looks to social indicators for an insight into the level of house prices. To establish this link, a two-stage process is adopted where social area analysis initially identifies the characteristics of suburbs within an urban area. This information is then used to examine variations in suburb values, resulting in a clearer understanding of the relationship between demographic variables and house prices. This research analysed changes in the value of established residential house prices in Melbourne, Australia as well as the relationship with social structure. The added dimension of time highlighted change, with data drawn from 1996 and 2001. The results confirmed the existence of strong linkages between social constructs and established house prices. Whilst acknowledging that the overall level of house values is influenced by external economic and political factors, differences between suburb values can be explained by demographic variables. The results confirm that increased emphasis must be placed upon demography when seeking to understand variations in residential property values between urban areas.

**Windfarms, Powerlines and Phone Towers: The Changing Face of Stigma**

Richard Reed, University of Melbourne and Sally Sims, Oxford Brookes University
Session D7

Previous research has identified varying degrees of stigma attached to high voltage overhead transmission lines (HVOTLs) depending upon characteristics such as visibility, size, location and the potential impact on house value. In addition to HVOTLs there are other common types of infrastructure, namely mobile phone towers and windfarms, that are also large highly visible structures and can exhibit similar characteristics. These similarities include varying levels of visibility from properties in the immediate vicinity, a high general profile in society and varying perceptions from surrounding residents about possible side effects. This research broadens the framework originally developed to study HVOTLs to encompass mobile phone towers and windfarms. It undertakes a literature review of research in this area and proposes a research methodology for identifying and quantifying the varying levels of stigma attached to these three forms of infrastructure. The final results will enable the resulting effect on property values to be better understood, and assist developers to fully understand their effect on devaluing land prices.

**Exploring Office Investment Decision-Making in France, Germany and the UK**

Claire Roberts, University of Sheffield and John Henneberry, University of Sheffield
Session D6

Studies on UK and US property investment markets have historically been portrayed the decision-making process as an exercise in rational analysis. This notion is fundamentally flawed because the concepts of a perfect market and of perfect information used in modelling decision making in the rational literature are theoretical and are not applicable to a real world context. The process of investment decision-making is not a clinical, methodical exercise but a process undertaken by imperfect players in imperfect markets, using imperfect information. This paper explores the decision making processes of investors working in different contexts and the heuristics that they adopt to deal with their complex operational environments. Heuristics are used by many different actors to help them make a wide range of decisions (Eiser and White, 2004). In property, research on heuristics has previously been limited to the field of valuation (Diaz, 1990; Diaz, 2002, Gallimore et al., 2000; Diaz et al, 2004). The paper extends this work into the investment sector. The findings of in-depth case studies of investment decision-making relating to office property across three European countries, France, Germany and the UK, are presented. They indicate that the decision-making processes of institutional investors deviate significantly from the normative models suggested in the literature (Eilon, 1969; Tyebjee and