

THE CHALLENGES OF PROVIDING PROFESSIONAL SERVICES IN THE ASIA PACIFIC REGION

1. BACKGROUND

INVOLVED IN PROVISION OF REAL ESTATE CONSULTANCY SERVICES AROUND THE REGION

LAND AND ITS OWNERSHIP TENDS TO BE A SENSITIVE ISSUE. IN MANY COUNTRIES OWNERSHIP REMAINS VESTED IN THE STATE AND OPPORTUNITIES FOR FOREIGN INVESTMENT ARE CONSTRAINED.

HOWEVER REFORMS ARE TAKING PLACE, LARGELY DRIVEN BY THE ASIAN CRISIS. (E.G. KOREA)

- **PROVISION OF REAL ESTATE SERVICES**

**SENSITIVITY AND REGULATION ALSO MIRRORED IN THE
ABILITY OF CROSS-BORDER SERVICE PROVIDERS TO
ESTABLISH A PROFESSIONAL PRESENCE IN THESE MARKETS.**

**HOWEVER DEGREE OF RESTRICTION/LOCAL MONOPOLY
VARIES FROM COUNTRY TO COUNTRY AND DIFFICULT AND
DANGEROUS TO GENERALISE.**

E.G. MALAYSIA –

CANNOT OWN EQUITY, ONLY
FRANCHISE.

CHINA –

SIGNIFICANT CAPITAL BARRIER TO
100% OWNED FOREIGN PRACTICE.

KOREA –

BROKERAGE LICENCE RESTRICTED TO
LOCALS.

PHILIPPINES –

FOREIGN PARTY CAN ONLY OWN A
MINORITY SHARE IN A COMPANY

ELSEWHERE –

REQUIREMENT FOR LOCAL LICENCE
AND MINIMUM PERIOD OF EXPERIENCE
– NOT NECESSARILY UNREASONABLE.

BY CONTRAST OPERATION OF MANY REAL ESTATE MARKETS
IS COMPARATIVELY UNDER-REGULATED AND CUSTOM/LOCAL
PRACTICE ARE VERY MUCH THE NORM.

3. MEETING THE CHALLENGE

- TO SOME EXTENT, A QUESTION OF PERCEPTION. INITIALLY SEEN AS THREAT, BUT LOCALS KEEN TO UNDERSTAND BEST PRACTICE AND INTERNATIONAL EXPERIENCE.
- FREQUENTLY J.V./PARTNER WITH LOCAL INDIVIDUAL OR COMPANY. PRAGMATIC AND PRACTICAL APPROACH.
- USE LOCAL UNIVERSITIES, BOTH AS SOURCE OF LABOUR AND RESEARCH, AND TO SPONSOR/ESTABLISH RELEVANT COURSES. ALSO GIVE VISITING LECTURES

- HUBS AND OUTPOSTS. COST EFFECTIVE AND EFFICIENT WAY OF STRUCTURING SERVICE DELIVERY. NO NEED TO BASE FULL RANGE OF SPECIALISTS IN EACH MARKET. ALSO POTENTIALLY LESS CONTENTIOUS.
- EDUCATING THE CLIENT. PAYMENT FOR PREVENTING MISTAKES IS AS, IF NOT MORE, IMPORTANT THAN PAYMENT FOR SUPPORT. ALSO NON-TANGIBLE NATURE OF SERVICES VIZ A VIZ BROKERAGE.

4. SCOPE FOR FURTHER MARKET REFORMS

- ABILITY FOR ALL TO PRACTICE, SUBJECT TO LICENCING AND EXPERIENCE REQUIREMENTS.
- LICENCING TO ENSURE SKILL LEVELS, NOT TO EXCLUDE FOREIGN COMPANIES.
- SENSIBLE/REASONABLE CAPITAL INVESTMENT REQUIREMENTS.
- TEMPORARY “PROFESSIONAL SERVICES VISA” SYSTEM TO COVER VISITING FIREMEN.
- LOCAL INSTITUTIONS TO POLICE AND MONITOR STANDARDS, NOT TO PROTECT THEIR PATCH TO THE EXCLUSION OF OTHERS.