

## World Knowledge Forum 2012

### Scott Panzer: Global Property Market Outlook 2013

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"The beauty of real estate is that if you hold it long enough...you'll make money," said Mr. Scott Panzer, Vice Chairman of Jones Lang LaSalle. "Real estate will continue to outperform inflation. It is more stable than equity or bonds."

In his session on the final day of the 13<sup>th</sup> World Knowledge Forum 2012, Mr. Panzer spoke about the future of the real estate market and how investors might identify prospective markets. "Real estate will be a safe investment class in both developed and developing markets," he said.

Mr. Panzer emphasized transparency as a key advantage in real estate investment. "Values are going to be tied to transparency in a global environment. More transparency means more quality data. It is better for investors to look at those markets," he said.

Urbanization and globalization are also spotlights in future real estate development. "Developing countries will have the greatest growth going forward because of education and urbanization," said Mr. Panzer. "By 2025, the largest cities will be in developing countries."

Panzer also noted that "free trade, more transparency, and the ability to take returns out of the economy" are major factors in determining which emerging market cities will be considered winners on the global market.

While emerging economies will be the primary force in the future progress of real estate, developed economies will also retain significant value. Investors "take money out of markets they think aren't safe, which is why London and New York are still safe havens," he said, pointing to the record-high pricing in the New York market as evidence of this fact.

However, on the question of real estate's potential impact on the current economic crisis, Mr. Panzer cautioned that real estate does not stimulate economic recovery, but rather is an indicator of it. "Real estate is not a driver of economic conditions. Everything we do in real estate is driven by the economy, we are the tail," he said.

Mr. Panzer concluded his talk by issuing some predictions about the future leading markets of the real estate industry. "They will continue to be Asia-Pacific and South America, which will see some of the greatest growth. North America and some parts of Europe will remain flat, but will continue to be healthy business environments," he said.