

## *How to attract real estate investments in Europe*

The effects of the Global Financial Crisis on the Central and Eastern European Union Countries are really clear and evident. More in particular, the Eurozone crisis is an ongoing financial crisis that has made difficult or impossible for some countries in the euro area to repay or re-finance their government debts.

Of course this had also a big influence on the real estate market and as well on the sales and purchase agreements of residential and commercial properties. This crisis has also affected the real estate industry and now unemployment rate in Europe has reached its peak.

Given that we cannot forget that investments in the real estate sector are probably still the safest ones. Indeed the stocks exchange is a unstable market which means that the investor never knows what can happen day by day while for real estate investments you usually have more safety in the meaning that once you buy an apartment you probably have a real value in your hands.

Actually this is what we were thinking until a few years ago, then as you know something happened and I'm talking now about the subprime mortgages coming out from the USA. Indeed just let me remind you why the whole Europe is suffering at this stage a big economic crisis. The reason is for the large amount of mortgages given to many people in USA without any guarantee to have back the money.

Well I really love United States of America and I believe they will be still the leading country of the world for many and many years, I have many professional relationships with the Us Embassy in Italy and my Law Firm assists several Us companies but I must remind you that the big crisis unfortunately comes from the wrong dealing that the Americans had with real estate issues in the past.

Anyway all the economic experts believe that shortly all the planet will have a very important phase of economic improvement and I'm personally pretty sure that the "recovery" can start also in Europe.

Given that, when I was studying in USA, the owner of my law firm used to tell me every day that the purchase and sale of a real property involves more than legal knowledge since practicing real estate is much more than knowing about law. In this view, I want to give you some Tips to Attract and Work With Overseas Real Estate Clients.

I mean surely we European business lawyers need to take care of our clients investments from a legal point of view and so we should assist them for example with the due diligence, the purchase proposal, the power of attorney, the reservation form, the preliminary agreement, the deed of sale, the opening of a banking account and the taxation details. Generally speaking we need to protect the investments and provide legal assistance on the behalf and on the side of our clients.

But first and foremost we must remind we European business lawyers have the big responsibility to attract real estate investments in our countries. In this view we need to make very clear to our clients and to our potential clients that the European

real estate market is a safe and proficient sector where you can invest your money. In a few words we European business lawyers have an essential role.

In this view please forget what the butcher Enrico V said in the comedy Shakespeare's. Well, he said "First thing we do, let's kill all the lawyers!". Well this is wrong because our work is essential for all the real estate transactions. A client wants to entrust a "Lawyer" to protect his investment especially in the common law countries where the legal process is not ruled by any civil code. I mean, the reality is that people want to invest on people they like and trust and it takes a lot of time and effort to build meaningful relationships with every potential investor. Indeed there are three essential elements in a real estate contract: Parties, property, price. But the real essential one is the Parties.

Now take in consideration for a while the so called emerging countries and for example the acronyms BRICS and MIST. Well between all this countries there are only two European ones: Russia and Turkey. This is not acceptable! Law tradition has its origin right in Europe and more exactly in Italy and this is why I strongly believe that using our law tradition we Europeans should become again the leading countries in the world.

At this stage, we are witnessing a pessimistic prevision but probably the European future is not so bad. We all must strongly believe and hope in a quick recovery from the crisis for all the European economic context and in particular for the real estate market.

House prices in the European Union fell by 0.1% in the fourth quarter of 2013 compared with the same quarter of the previous

year, according to the latest index from Eurostat. This means that from one side we Europeans do not enough probably have enough purchase power but from the other side the value of the real estate property are still the same and that's why the market is stopped.

What we should solve out is surely the problem concerning the time to have justice in some European countries like Italy. Maybe we should make more powerful the alternative dispute resolution systems. In any case it is very difficult to explain to our clients why they often have to wait around 1000 days to have the first judgment for a litigation concerning a real estate transaction by the court in some European countries. So much time to wait makes the private buyer really disappointed and do not attracted at all to invest in real estate.

Anyway, let's hope in a better future. From my point of view and according to what mentioned above, there are still many good reasons to invest in European properties and we business lawyers must assure our clients about that.