



**Conseil européen
des Professions
immobilières** aisbl

European Council
of Real Estate
Professions

To
His Excellency Mr. Donald Tusk
Prime Minister

and
His Excellency Mr. Jaroslaw Gowin
Minister of Justice

April 10, 2012

Ref: CEPI/352412XO

Dear Prime Minister,
Dear Minister of Justice,

Re: Licensing of Real Estate Agents and Property Managers

The Conseil européen des Professions immobilières (European Council of Real Estate Professions - CEPI) is a European branch organization based in Brussels. It has 35 national member organizations in 24 European countries, representing both real estate brokers and property managers. It represents over 250,000 professionals.

We have been informed by the Polish Real Estate Federation / Polska Federacja Rynku Nieruchomości and the Polska Federacja Stowarzyszen Zarządców Nieruchomości of proposed changes in the Polish legislation to remove licensing of Real Estate Agents and Property Managers. We would like to express our profound concern about this news.

Already in 2010, CEPI submitted support to the Polish professionals and their professional representations to request that the regulatory system to access the fast growing Polish real estate market remains untouched, with a view to create reference points and protect consumers and professionals in a fast growing and still fragile market. We understand that the discussion about deregulation is now being taken up again as a consequence of the current financial and economic crisis and at the occasion of the review of the European Directive on recognition of Professional Qualifications.

We understand that the potential benefits of regulation or deregulation of the Polish RE market must be measured against their contribution to a more efficient and effective national and European Market. In this context, CEPI asks attention to following facts and arguments:

1. We welcome clarity about professional regulation and recognise the need for it, but feel strongly that there must be a balance struck between the need to safeguard standards and ensure quality of professional services, and the need for greater mobility of professionals. Therefore we regret the lack of mention of the importance of maintaining the quality of services.

Competence is key for the service providers in real estate in order to ensure quality service to their clients. In a fast moving market which faces an increasing number of legal and technical challenges and constraints, qualification is priority matter for the professionals and access to accredited and certified professionals will be a must for consumers. Buying or renting a dwelling remains a most important decision in time for households, and it is an increasingly complex one which must be well accompanied. It is our perception and conviction that an average real estate professional must be able to properly accompany and safeguard the success of a transaction and that clear rules of the game therefore must prevail both to enter as well as to exercise in the national markets.

2. Professional regulation remains a matter of Member State competence and the principles of subsidiarity must be respected. We must also recognise very different traditions throughout Europe. Few countries such as the United Kingdom opted since long for full deregulation and gave support to self regulation measures to service real estate professionals. Other countries, such as the Netherlands, opted to deregulate some years ago and count on existing professional associations to remain a strong reference point for professionals and consumers in the market. Belgium set up a controlling body called IPI to safeguard proper implementation of the national regulation. With exception of Poland, Central European countries remain largely unequipped both in terms of professional associations and regulation.

We recognise that the need to boost the market or to identify measures which hinder foreign nationals from being able to access and work in the different national markets call for a better functioning of procedures to recognise professional qualifications and offer services throughout the European Union. This reflects the principle of proportionality.

Nevertheless, it cannot be that the European agenda, because of current crisis, is used to impose deregulation, which represents an ideological option. Further on, it cannot be that deregulation is imposed on Member States without any proposal to set up rules of the game at European level, which would represent a reasonable alternative and allow for a common language cross border. Such represents a threat to the market and evidently endangers quality service to the consumers.

3. The Services Directive contains provisions about the quality of services. Whilst this is a different, although related, directive it is important to acknowledge in the modernization of the Professional Qualifications Directive that consumers are entitled to expect quality professional services. There has to be a timely reminder that there are important elements of consumer protection which must be taken into account wherever those services are offered, whether within national markets or cross-border. The differences between professional sectors should be taken into account and those sectors should be looked at on a case by case basis.

Reference is made to article 26 of the European Services Directive regarding the necessary quality of services. CEPI fears that current developments threaten the spirit of this article, and that its goal will not be attained. We therefore also insist that discussions about deregulation integrate the outcome of current evaluation process of the Services Directive.



We would ask you to please consider that the original aim of both Directives mentioned above was simplification of the system for service delivery and for the recognition of professional qualifications in the Internal Market, not deregulation.

It is in the interest of all stakeholders that access to the real estate markets at national level are not deregulated without agreement to ensure some harmonization of the rules of the game at European level. And it is in the interest of the Internal Market to find the right harmonization of existing systems within the EU to sufficiently support both mature and upcoming national markets. Without parallel discussions to ensure best possible harmonization of rules of the game at European level, we request and insist that the useful regulatory system to access the Polish real estate market remain untouched.

I thank you very sincerely for the attention given to this request and remain at your disposal in case you would like to discuss this issue in more detail. Let me remind that CEPI will have its General Meeting in Warsaw on May 25, which will be linked to a Real Estate Forum on May 24. It would be a honor to meet a representative of the Polish Government at this event.

Yours faithfully,

Claudine Speltz
President