The investor’s appetite for global investment has accelerated since the mid 1990s. International or cross-border property investment has boomed, and indirect property investment (investing both through listed securities, such as REITs, and through unlisted funds) has become commonplace. International real estate investment through unlisted funds became the approach of choice pre-2008, including ‘core’ strategies, through which capital has been allocated largely to developed markets, and ‘opportunity funds’, which have also allocated capital to developing and emerging markets.

It is possible to relate the number of unlisted real estate funds investing in developing economies to simple economic and demographic variables. Using all markets outside north America and Europe as an imperfect proxy for the developing world, the popularity of markets is explained largely by population and GDP per capita, but there are interesting outlier observations - countries receiving much more, or much less, investment than the model predicted.

Academic literature suggests that distortions in international capital flows may be explained by a combination of formal and informal barriers. Certain countries receive more, or less, investment than their fair share. Sometimes the sources of capital may be highly concentrated.

The implications of this for economies, in particular for governments wishing to attract more cross-border capital, are interesting.

• Should real estate markets be dominated by domestic investors?

• What are the advantages brought by foreign investors? What are the challenges? What have we learned in the UK and Europe?

• How do South American countries perform in this context? Do they receive their fair share, and who invests?

• What factors encourage or inhibit foreign real estate investment in these countries? What could be done to improve the inflow of capital?