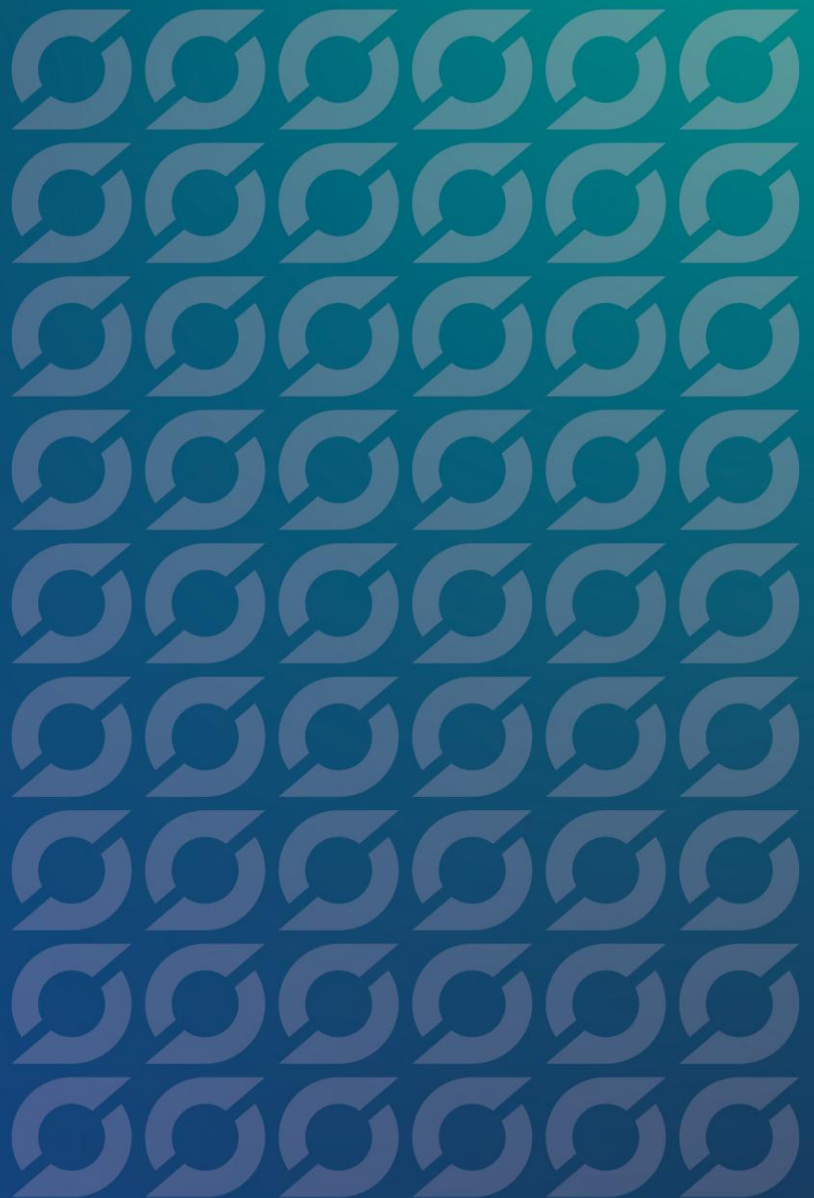


Money Laundering and the Real Estate Sector

Thematic Note



This Thematic Note provides a technical overview of selected academic literature and policy reports on money laundering risks in the real estate sector. It is intended to inform discussion and does not constitute a policy position of AMLA or its governing bodies.

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Executive Summary

This Thematic Note discusses the impacts of money laundering (ML) on the real estate sector by drawing on relevant academic literature and policy reports. Due to the economic and social importance of real estate, money laundering in this sector may also affect market functioning, prices, and housing accessibility. The main findings of this report are as follows:

Finding 1: The real estate sector is vulnerable to money laundering.

- The real estate market exhibits favourable market characteristics for ML, including its substantial size, stability, economic returns, frequent opportunities to conceal beneficial ownership, lack of transparency in asset valuation, and decentralised transaction processing through professional intermediaries (real estate agents and notaries).

Finding 2: Economic models predominantly predict higher housing prices due to money laundering.

- In economic models, ML increases demand and reduces supply, leading to rising prices.
- ML may also lead to a misallocation of capital because assets are chosen more for their scope for obfuscation instead of their profitability.

Finding 3: Emerging empirical evidence suggests an association between money laundering and rising housing prices.

- The empirical literature is hindered by the extreme difficulty of measuring money laundering and the added challenge of statistically attributing its causal effect on housing prices.
- Recent studies estimate money laundering to vary between 1% and 6% of GDP (Ferwerda et al., 2020; Giammatteo, 2025).
- Various studies demonstrate that offshore (tax haven) ownership of real estate increases housing prices. In the UK, offshore ownership accounts for 15% of top-end properties and has been estimated to increase local prices by up to 8% (Johannessen et al., 2024).
- A small number of studies document a positive correlation between proxies for money laundering (e.g. criminal activity, volumes of suspicious transaction reports) and local house price indices (Novaro et al, 2022; Neuenkirch et al., 2025).
- A policy report estimates that 5% of all real estate transactions in Canada are carried out with a money laundering motive and that this increases house prices by 3.7% to 7.5% (Maloney et al., 2019). However, this study is based on numerous assumptions which cannot easily be extrapolated across countries and settings.

Going forward, the report identifies several promising **policy approaches**:

- Risk-based supervision of key professional gatekeepers (real estate agents, notaries, etc.).
- A risk assessment methodology identifying high-risk entities, business models and transactions, and risk-relevant activities.
- Ongoing monitoring linking related transactions and flagging risks as soon as they emerge.
- Strengthening the accountability and public oversight of self-regulatory bodies (SRBs).
- Enhancing cross-border information exchange and harmonisation of AML policies.
- Improving the accuracy and usability of beneficial ownership registries.

1 Introduction

Policymakers consider real estate as one of the sectors most exposed to money laundering (ML), reflected in recent FATF guidelines (FATF, 2022). Its size, relative stability, capacity to absorb large volumes of capital, and the frequent use of complex ownership structures and financial arrangements make it particularly vulnerable to the placement, layering and integration of illicit funds. Moreover, the economic and social relevance of real estate implies that the effects of money laundering in this sector may extend well beyond financial crime itself, potentially affecting market functioning, price dynamics and housing accessibility. However, empirically assessing the effects of money laundering on real estate market outcomes is challenging due to a lack of data and the difficulty of statistically attributing causal effects.

The objective of this report is to summarise the current state of knowledge regarding the effects of money laundering on real estate. Specifically, the report addresses the following questions:

- Why is the real estate sector vulnerable to money laundering?
- Which economic mechanisms drive the effects of money laundering on real estate?
- What do we know about the quantitative effects of money laundering on real estate?

To answer these questions, the report draws on the empirical academic literature, relevant policy reports, and general economic considerations. Due to the scarcity of reliable empirical estimates, the report also assesses the validity and applicability of the sources and draws on studies examining comparable issues. While the studies available allow the establishment of a limited set of findings and conclusions, more research and policy work is necessary to quantify the strength of the effects and corroborate their existence across countries and sectors.

National and international anti-money laundering (AML) policies are increasingly focusing on the real estate market due to its high vulnerability to ML. The Financial Action Task Force (FATF) has long recognised real estate as a relevant sector within its framework and has included key gatekeepers, including real estate agents and notaries, among their Designated Non-Financial Businesses and Professions (DNFBPs). Moreover, many jurisdictions include real estate agents and notaries among their obliged entities for AML procedures.

While many of these policy initiatives are a step in the right direction, most analysts agree that further action is still needed to curb ML in the real estate sector. The new EU AML package, adopted in 2024, marks a significant shift in the AML approach for the whole non-financial sector, including real estate, by moving towards a more harmonised single rulebook, stronger risk-based supervision and clearer expectations for obliged entities. In particular, the establishment of the Anti-Money Laundering Authority (AMLA) promises to strengthen the EU's ability to prevent, detect and analyse real estate-related money laundering by improving supervisory convergence through effective oversight tools, facilitating joint analyses using ML-related data, and coordinating policy measures to harmonise AML policies. This is especially relevant in real estate, where AML responsibilities are spread across different gatekeepers and where risk may arise not only from payment flows, but also from the structure, parties, funding, and commercial rationale of a transaction.

2 Real estate: Is money laundering an issue?

2.1 Why is the real estate market so attractive?

The real estate market is an attractive destination for illicit funds in general and money laundering in particular. One reason is the sheer size of the market and its ability to securely absorb large amounts of funds while offering economic returns. More broadly, real estate can be used not only as a repository of illicit wealth, but also as a vehicle for layering (concealing the origin or the beneficial owner) and integration (reintroduction into the legitimate economy). This allows criminal proceeds to be embedded in transactions and transformed into assets, rental income, or capital gains that appear legitimate.

A further reason lies in the widespread legal possibilities to hide true ownership through nominees or opaque structures based on companies, trusts, or similar. An additional vulnerability arises from the possible disconnect between legal ownership and beneficial ownership. In real estate transactions, the person or entity formally recorded as the owner of a property may differ from the natural person who ultimately owns, controls, or benefits from it, particularly where corporate vehicles, trusts, nominees, or layered ownership structures are used. These issues may be exacerbated with third-party financing or cross-border arrangements within or outside of the EU, particularly given the degree of fragmentation in real estate procedures and the difficulties of maintaining beneficial ownership registries for real estate across jurisdictions. Moreover, objectively valuing real estate assets is often difficult and costly, creating a lack of transparency in asset valuation and offering possibilities for over- or under-valuation. Lastly, both one-off property purchases and financing structures based on recurring payments may be used in ML schemes.

Besides these general market and asset characteristics, the decentralised handling of transactions through professional intermediaries exacerbates issues of opacity and hampers the effectiveness of AML measures. In principle, real estate agents are in a privileged position to detect anomalies in the buyer profile, the source of funds, the use of nominees, unusual pricing patterns, or other suspicious features of a transaction. At the same time, their role as commercial intermediaries means their incentives are primarily linked to completing the sale. This can reduce the effectiveness of AML controls when compliance awareness, supervision, or enforcement are weak. This is often reflected in comparatively low levels of suspicious transaction reporting by real estate professionals.

Additionally, most EU countries have dedicated administrative processes in place to formalise property transactions, including identity checks, verification of ownership structures, and in some cases the fiduciary handling of funds. These activities are often handled by notaries or similar publicly appointed legal professionals, but the specific professionals involved vary by country. Some Member States also rely on standardised real estate brokers, registration authorities, or private solicitors. The result is a large disparity in the intensity of the checks and safeguards in the property transfer process, from very robust transfer mechanisms to nearly peer-to-peer transfers.

In the best case, real estate agents, notaries, and further professionals involved enforce robust AML safeguards. However, the degree of risk awareness, effectiveness of reporting channels and

availability of AML resources are very heterogeneous across these professions. Moreover, ML perpetrators frequently exploit the fragmented and heterogeneous landscape and in the worst case collude with selected professionals. Lastly, the heterogeneous legal and administrative landscape points to the importance of viewing AML policies in conjunction with the underlying design of the market. Besides the necessity of tailoring AML safeguards to the prevalent institutional rules, the rules of the market also impact the effectiveness of the AML regime. This highlights the importance of designing the market in a way that allows AML policies to be effective.

These general issues of opacity and lack of transparency have been addressed frequently by numerous organisations and stakeholders. The non-governmental organisation Transparency International recently published an “Opacity in Real Estate Ownership (OREO) Index” quantifying the extent of opacity across jurisdictions and highlighting the negative consequences for the fight against illicit financial flows (Transparency International & Anti-Corruption Data Collective, 2025). The Financial Action Task Force (FATF) routinely underscores the risks posed by the real estate sector for international money laundering, for example in their most recent update on risk-based guidance to the real estate sector (FATF, 2022). In their guidance, the FATF strongly promotes increased transparency of beneficial ownership, the application of effective customer due diligence procedures, and the necessary attention to professionals serving as gatekeepers for real estate transactions (notaries and real estate agents, depending on the institutional setting). Within the EU, the new competencies of AMLA and the new AML packages promise a strong improvement in the effectiveness of AML in the real estate sector, for example through improved and harmonised supervision, a harmonised risk analysis framework, and effective data sharing facilitating joint analyses. However, the underlying structural vulnerabilities will remain and call for continued vigilance in the real estate sector.

2.2 Which markets are particularly attractive?

Not all assets in the real estate market are equally attractive for potential money launderers. Anecdotal evidence speaks to money launderers preferring stable markets with effective property rights, good rule of law, and a strong financial sector coupled with a solid domestic housing demand. Moreover, large cities with international residents are more suited due to the higher chances of maintaining anonymity. In a recent paper, Bomare & Herry (2025) show how the tightening of regulations to report beneficial ownership of bank accounts in tax havens has led to a substantial inflow of capital into the UK housing market. According to their estimates, 94% of foreign companies holding UK real estate are incorporated in tax havens, with unclear beneficial ownership. While many of the owners may “just” be evading taxes on their capital previously obscured in offshore accounts, some of them may also be engaging in money laundering in the classical sense.

Furthermore, high-value properties are disproportionately more likely to be used for money laundering. This is due to a higher subjectivity of the true value, the ability to efficiently involve large sums in a limited number of transactions, and the possibilities of using the property for personal purposes.

2.3 How does money laundering in the real estate sector work?

The real estate sector offers multiple opportunities for prospective money launderers. The classical approach consists of buying real estate in cash or liquid funds of illicit origin and then re-selling or renting the apartment to generate legitimate income. However, as Schneider (2004) lays out in one of the first systematic papers on ML in the real estate sector, there are a multitude of additional approaches, and the classical one is not even the most frequently observed. In fact, often ML perpetrators refrain from paying the full purchase price in cash or other liquid funds to avoid suspicion. Moreover, various regulations including limits to cash payments or outright bans of cash in real estate transactions make this classical approach very rare. The new cash payment limits that are being rolled out across the Union will further restrict any remaining possibilities to purchase real estate in cash.

In many cases, money laundering is conducted while using traditional mortgages, with illegal proceeds financing deposits or down payments. The recurring mortgage payments can be used to funnel future illicit profits into the official financial system. Both over- and under-valuation can amplify these schemes, for example by facilitating hidden side payments or extending the potential for funnelling funds into mortgage repayments. In cross-border cases, a foreign bank may provide a “loan” that draws on funds belonging to the prospective buyer. In some cases, perpetrators additionally engage in flipping properties after carrying out renovation works that may have been partially paid for in cash. Moreover, real estate agents themselves offer additional opportunities to obfuscate funds, for example by claiming a refund after withdrawing from a purchase via a cancellation clause or channelling funds through agents’ accounts. Many of the methods described above are frequently combined with the use of nominees or corporations as straw owners to obfuscate the true beneficial owner.

Numerous studies and reports detail many of the methods and approaches described above in different settings and countries. Such schemes have been documented for Miami (McPherson, 2017), China (Naheem, 2017), German-speaking countries (Teichman, 2018), the UK (Zavoli & King, 2020), the US (Bieler, 2022), South Africa (Boles, 2017), and Canada (Maloney, Somerville, & Unger, 2019).

3 How does money laundering affect the real estate market?

Money laundering represents an inflow of capital into the real estate sector and thereby affects market outcomes. This section details the theoretical mechanisms behind the expected effects on the market equilibrium.

The purchase of properties for the purpose of money laundering can affect both the supply and demand in the housing market. The increased demand through (prospective) buyers increases price, all else equal. Moreover, if purchased properties are not used to their full potential because a part of them may be left empty, money laundering additionally decreases the supply of housing,

potentially causing a further increase in prices. Therefore, money laundering can lead to economic distortions in the form of upward pressure on prices.

Importantly, money launderers choose their assets based on the potential for obfuscation, not economic returns. Therefore, the regular forces governing the flow of legitimate capital (e.g. returns to investment, re-sale possibilities, etc.) only partially determine the destination of ML-driven funds. This can result in further market distortions, as otherwise unprofitable businesses or assets may receive undue amounts of funds, leading to a misallocation of capital. For example, money launderers may be willing to pay an above-market price for a property, leading to a further increase in average prices.

However, there are also mechanisms operating in the opposite direction to the ones described above. Money laundering may be associated with criminal activities that worsen the amenities of a neighbourhood, leading to a decrease in property values. This appears to be especially true for the case of violent crimes, and such a negative effect has been documented in the literature (e.g. Novaro et al. 2022; Kallberg & Shimizu, 2026). However, this decrease in property values assumes a clear geographic correlation between the criminal activity generating the illicit funds and the location of the real estate purchased for money laundering purposes. The extent of this geographic correspondence is still an open question.

A related issue is associated with criminals purchasing or renting properties as a direct input into their criminal activity, for example a house used as a meth lab (Schneider, 2004). Where a property is acquired or rented by criminals for the purpose of carrying out criminal activity, it is reasonable to assume that the transactions may involve illicit funds and may therefore be closely linked to money laundering, even if the property also serves a direct operational criminal purpose.

All these effects influence the supply of housing and the equilibrium prices in the housing market. Economic theory predicts the outcomes to depend on the relative elasticities of demand and supply. In other words, both the responsiveness of consumers (demand) and property developers (supply) determine the equilibrium market outcome. In general, housing supply is considered to be rather inelastic and fixed, since it takes time to build more buildings and geography or regulations may provide additional barriers. In markets with a fixed supply, economic theory predicts changes in demand to translate into particularly strong changes in prices. Such effects have been documented for real estate, where the elasticity of housing supply (i.e. the degree by which the stock of housing responds to price changes) is strongly correlated (0.65) with average price levels (Saiz, 2010). In other words, cities that cannot grow due to geography or regulation exhibit higher average house prices.

Lastly, it must be noted that money launderers do not purchase the typical property. Anecdotal evidence points to high-value properties and large and international cities being more relevant for money launderers, even though the extent of this concentration is uncertain. The related question is therefore to what extent potential price increases in these high-end markets spill over to the average or typical property. In economic terms, the extent of these spillovers depends on the degree of segmentation of the market and the strength of the cross-price elasticities.

4 Empirical evidence for effects of money laundering on market outcomes

The economic mechanisms of how money laundering affects the real estate market are clear and predominantly point towards an expected increase in prices. However, the magnitude and relevance of the effects are an empirical question that is extremely difficult to assess. Money laundering itself is already highly difficult to measure, with recent estimates ranging from 1% to 6% of GDP, depending on the country (Ferwerda et al., 2020; Giammatteo, 2025). However, if the prevalence of money laundering itself is hard to measure, then its impact on a specific market, in this case real estate, is even more challenging to assess. This section summarises key empirical studies in this area.

4.1 Offshore ownership has real economic effects on the local housing market

The real estate market has been subject to extensive scrutiny in the economic literature due to its importance for numerous economic outcomes, including for example financial stability and its role in guaranteeing a basic human necessity. Recently, several studies have examined the role that offshore (tax haven) demand for housing has on the domestic non-tax haven housing markets. While there may be legitimate reasons for setting up ownership structures registered in tax havens, a certain parallel to illicit financial flows and money laundering is evident.

Johannesen, Miethe & Weishaar (2024) show that in the UK, 1.5% of all residential housing and 15% of top-end properties belong to owners or ownership structures based in offshore tax havens. When the Brexit referendum caused an unexpected decrease in demand for UK properties by offshore (tax haven) investors, property prices and vacancy rates in highly exposed areas of London were strongly affected. Local areas with the strongest exposure to offshore demand experienced a price drop of up to 8.2% relative to their projected level without the change in demand. By employing a battery of statistical methods, the authors quantify the causal structural parameter governing the relationship between offshore demand and local house prices. They estimate that a 1% drop in demand from offshore corporations leads to a 1.3% reduction in local house prices. Similarly, Badarinza and Ramadorai (2018) provide evidence that increases in foreign demand for housing in London inflate local prices. While the authors estimate foreign demand to account for 7.9% of the total variation of London house prices, specific instances of localised demand increases were documented to increase local prices by up to 1.4%. These studies document real economic effects of offshore ownership on the local housing market in the form of inflated prices and lower utilisation (i.e. more vacancies) of the housing stock.

Moreover, recent studies show that the issue of offshore ownership of real estate is becoming more prevalent globally. As global transparency initiatives such as the Automatic Exchange of Information (AEOI) have made it more difficult to conceal wealth in traditional offshore financial assets, some investors appear to have shifted parts of their portfolios away from offshore financial centres and

towards real estate. Given its opacity and wide scope for concealment, the global real estate market may provide an attractive alternative. Recent evidence from the UK (Bomare & Herry, 2025) and Dubai (Alstadsaeter et al., 2025) point to the rising importance of this shift in concealment strategies.

4.2 Effect of money laundering in particular

The previously discussed papers study any tax-haven domiciled ownership structure and its effect on the real estate market. Some of these structures may be in place for legitimate reasons, while others may be used to obscure ownership, control or the origin of funds, including for illicit purposes. The underlying reasons for obfuscation are numerous and include motives such as tax evasion, sanctions evasion, hiding funds from autocratic regimes, and classical money laundering. However, it is very difficult to assess the number and value of these real estate transactions originating from money laundering schemes and attribute their relative contribution to the documented price increases. Moreover, money laundering in the real estate sector may also take place without drawing on offshore ownership structures.

Based on the general evidence of offshore real estate ownership, it is reasonable to assume that ML-induced ownership of real estate has similar effects, contributing to price increases and reducing the availability of housing. However, it is difficult to determine the exact amount by which money laundering increases house prices and the strength of its effect on housing availability.

Several studies have attempted to estimate the effect of money laundering on the real estate market using a diverse set of methodologies. Even though one of the first studies on this issue posited that the effect should be negligible due to the “tiny fraction” of all transactions related to ML (Schneider, 2004), subsequent studies have been able to document real economic effects. However, due to the difficulty in measuring ML-related issues, the statistical approaches are sometimes not very robust and cannot be easily extrapolated to other settings. The rest of this section presents and discusses the available studies quantifying the effects of ML on real estate market outcomes.

Novaro et al. (2022) study the effect of money laundering on house prices in Italy. The authors combine data on residential house prices with regional estimates on profits of illegal activities. The paper differentiates between profits from “entrepreneurial” crimes (e.g. drug dealing, receiving stolen goods, prostitution) and those from “violent” crimes (e.g. extortions). Local proceeds from entrepreneurial crimes are shown to increase house prices, arguably because criminals purchase residential properties to launder their profits. On the contrary, the proceeds from violent crime depress house prices due to negative spillovers on the attractiveness of a location. While the magnitudes of the effects are difficult to interpret, they become stronger in areas with richer illicit markets, further corroborating the mechanism of money laundering.

A further report assessing the effects of money laundering on the real estate market draws on data coupled with informed estimates for Canada, in particular the province of British Columbia (Maloney et al., 2019). The authors start with a prevailing estimate of the overall extent of money laundering in Canada (estimated at about 2% of GDP via a gravity estimation model). They proceed by applying estimates on the share of laundered money being “invested” or “saved”, and further

applying average values of Canadian portfolio allocation to approximate how much of this is invested in real estate. As a result, the authors estimate that about 5% of all real estate transactions are carried out with an ML objective. To assess the impact on prices, the authors compare these presumed ML-driven real estate purchases to the amount of money invested into new construction, since this is a proxy for additional capital flowing into the housing market. By applying generally accepted price elasticities, the paper estimates that money laundering increases house prices by 3.7 to 7.5% for the province of British Columbia. This relatively strong estimate needs to be viewed in light of the multiple assumptions of the study, each of which is difficult to assess and verify.

A different approach to estimating the effect of ML on house prices draws on suspicious transaction reports (STRs) submitted to Financial Intelligence Units (FIUs). The number and the financial volumes of STRs submitted by real estate agents and notaries represent proxies for the prevalence of potential ML activities. Neuenkirch et al. (2025) use data on the STRs submitted to the German FIU to assess their correlation with house prices. In particular, the authors employ panel data methods on house price indices in the largest German cities to assess how changes in the quantity and volume of STRs are related to changes in regional house prices. Their results indicate that more STRs are associated with stronger increases in real estate prices. Specifically, the authors estimate that an increase in the volume of STRs by one million euro is associated with an increase in the local house price index by 0.063%, while controlling for numerous observable and unobservable factors. This finding provides indirect evidence that money laundering increases house prices.

A final strand of the literature assesses how measures designed to combat money laundering may affect market outcomes. A recent research project relates changes in aggregate house price indices across OECD countries to differences in the stringency of anti-money laundering (AML) measures (Fereidouni, 2025). The authors find that countries with stronger AML regulations (measured via the Basel AML Index) experienced a slower rise in housing prices. They interpret this as indirect evidence that AML regulations are effective in deterring money laundering in the real estate sector.

Taken together, the empirical evidence points to a relationship between money laundering-related indicators and real estate market outcomes, in particular house prices. The available studies suggest that money laundering may contribute to higher housing prices and may exacerbate issues of housing availability. However, the extent of this issue and the size of the effects are extremely uncertain, as the literature has not established a set of highly convincing or generalisable estimates.

5 Conclusion and policy implications

This report has discussed the attractiveness of the real estate sector for money laundering, pointing to its size, its opacity, and the multiple possibilities to hide beneficial owners. Money launderers exploit these vulnerabilities to channel illicit funds into the real estate sector. This in turn affects market outcomes by increasing demand and decreasing supply of housing. The theoretical economic mechanisms predominantly point towards ML increasing prices in the market equilibrium. However, the extent of this effect is empirically uncertain. Numerous well-identified studies have documented the rising importance of offshore financial structures and their implications for world housing markets. Several studies have also identified a link between ML and

housing markets, pointing towards a potential increase in prices due to ML activities. However, further research is needed to quantify this effect and corroborate its existence across countries and regions.

The findings of this report point towards an increased urgency for international organisations, governments and the private sector to strengthen their efforts to combat money laundering in the real estate sector. First, money laundering itself has extremely negative direct consequences for economies and societies because it enables or supports organised crime. Second, this report has highlighted the potential indirect effects that money laundering has in terms of distorting market outcomes in affected economies. Distortions in the real estate sector in the form of increased prices are particularly harmful for our economies and societies. For societies, because housing is a necessity good and the social consequences of inadequate access can be devastating. For economies, since imbalances in the housing market can limit economic mobility and hamper the free flow of workers across sectors and regions.

Policymakers, governments and international institutions have responded to these risks by developing an increasingly robust AML policy framework for the real estate sector. Before the new EU AML package in 2024, the European framework already treated real estate as a high-risk sector under the anti-money laundering directives, with real estate agents and, in certain circumstances, notaries and other independent legal professionals falling within the scope of AML/CFT obligations under national transposition laws. However, this framework was still directive-based and therefore left significant room for fragmentation in implementation and supervision across Member States.

With the adoption of the new AML package, the EU moves towards a more harmonised model. In particular, Regulation (EU) 2024/1624 (the AML Regulation, AMLR) transfers core private-sector AML/CFT obligations to a directly applicable single rulebook, thereby reducing national divergences, while Directive (EU) 2024/1640 (AMLD6) strengthens the institutional organisation of national AML/CFT systems and improves access to relevant information for competent authorities. In the real estate area, the new framework continues to cover estate agents and other real estate professionals acting as intermediaries in property transactions, including certain high-value rental transactions, while notaries and other independent legal professionals remain within scope when they participate in specified financial or real estate-related transactions.

In parallel, AMLA is expected to support a more consistent EU-wide AML framework. For the real estate sector, this matters because the main vulnerabilities are structural and cross-border in nature: opaque ownership, complex legal arrangements, uneven compliance by gatekeepers, and inconsistent supervisory practices across jurisdictions. This is particularly important because AML/CFT responsibilities in real estate are spread across different actors, including estate agents, intermediaries, notaries and legal professionals, whose roles, access to information, and compliance maturity can vary significantly both across Member States and within the sector itself.

The following upcoming AMLA policy initiatives within the new AML package are expected to improve compliance in the real estate sector: the establishment of a harmonised risk assessment methodology for the non-financial sector, the strengthening and convergence of the supervisory structure across the Union including effective oversight tools (peer reviews, supervisory colleges,

procedures in case of breaches), the maintenance of a common EU framework for obliged entities, and the facilitation of joint analyses and data sharing. AMLA's added value is that it can help connect internal controls, risk assessment, and ongoing monitoring into a more coherent approach. For real estate, this means looking beyond onboarding checks and assessing how a transaction is structured, who is involved, who ultimately benefits, where the funds come from, and whether the commercial rationale remains credible as the deal progresses.

AMLA's emphasis on both transaction and activity monitoring is especially relevant. In real estate, suspicious activity may appear in payment flows, but it may also emerge through changes in ownership, funding arrangements, intermediaries, timing, urgency, pricing, or the wider structure of the deal. This better reflects the reality of property transactions, where money laundering may not only impact the movement of funds, but also the way the transaction is organised.

The same vulnerabilities are also relevant to the non-implementation or evasion of targeted financial sanctions. The new AML framework makes the management of these risks an important part of the AML/CFT framework. In real estate, this matters because money laundering and sanctions evasion can exploit similar weaknesses, including opaque ownership structures, intermediaries and limited visibility of the true beneficiary of an asset. This reinforces the importance of beneficial ownership transparency, transaction and activity monitoring, and effective data sharing.

On a more general note, AMLA's added value lies not only in coordinating, but in helping to build a genuinely common supervisory and analytical culture across the Union. If this architecture is implemented effectively, it could materially strengthen the EU's ability to prevent, detect, and analyse money laundering in the real estate sector and beyond.

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