Developing Commercial Property Price Indicators

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A new challenging statistical area
- Increasing demand
- Lack of data particularly visible during the crisis that started in 2007
- G-20 Data Gaps Initiative – Real estate prices

Background
- No international standards
- Definition of concepts
- Important methodological and practical developments in the coming years
- Link with other statistical area (national accounts and price statistics)

Efforts of the Crisis
G-20 Data Gaps Initiative
Recommendation 19
The Inter-Secretariat Working Group on Price Statistics (IWGPS) to complete the planned handbook on real estate price indices. The BIS and member central banks to investigate dissemination on the BIS website of publicly available data on real estate prices. The IAG to consider including real estate prices (residential and commercial) in the Principal Global Indicators (PGI) website

- User perspective
- Producer perspective
- Official statistics providers

CPPI Handbook
- Purpose
- Definitions
- Classification
- Links with national accounts and price statistics
- Links with residential property prices
- Outline

"Cocktail" of sources

A methodological and practical challenge
Data (indicators) and metadata on Commercial Property Prices
Classification of properties (at least offices, retail trade, hotels, industrial buildings and land)
Valuation principles for pricing commercial property and quality-mix adjustment for inter-temporal price comparisons

Conclusions
Building blocks towards the compilation of official CPPIs and related indicators
- The CPPI Handbook will represent the methodological and practical reference in this statistical field
- National statistical authorities should take the leadership for CPPIs compilation
- A pure transaction-based approach does not seem feasible

CPPIs qualify for a statistical area where statistical compilers will have to bring together public and private market information
- A step-by-step approach for CPPIs should target a gradual increase of scope
- An appropriate communication strategy should accompany the production and dissemination of CPPIs as well as of associated metadata

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Responsibility for the information and views expressed in this poster lies entirely with the authors.
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1. Introduction
- Background
- Purpose

2. Definitions
- Classifications
- Links with national accounts and price statistics
- Links with residential property prices
- Outline

3. Use of commercial property price indicators
- Classification
- Coverage
- Comparison with RPPI

4. Framework for a conceptual framework
- Classification
- Coverage
- Comparison with CPPI

5. Measuring price changes over time: price indices and other indicators
- Price indices and quality mix problem
- Segmentation
- Other index compilation issues
- Other indicators based on capital market quotations

6. Indicators for the commercial property index
- Description of methods
- Price and rents
- International comparison

7. Additional indicators for commercial property
- Vacancy rates
- Rents

8. Data sources
- Countries’ data
- Meta-data

9. Indicators currently available
- Countries’ indicators
- Meta-data

10. Recommendation and good practice
- Practical instructions
- Cooperation with private producers
- Standardization

11. Glossary, index and annexes

References
- BIS
- ECB
- Eurostat
- IMF
- OECD

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Download the CPPI handbook from the Eurostat website (www.eurostat.europa.eu)

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