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BIS role in the global dissemination of Commercial Property Prices

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1. Historical perspective and the G20 Data Gaps Initiative
2. Collecting both Residential and Commercial Property Price Indicators (CPPIs); main challenges
3. BIS's role in the global dissemination of CPPIs
4. Looking ahead



1. Historical perspective

- BIS analytical framework developed in recent decades: relationship between credit, financial services and properties
- 1990s: BIS Economic Papers, no 40 on *Asset price fluctuations across countries*
Measurement of property prices, determinants and monetary policy implications
- **DGI 1** (2011-15):
 - Lessons of the Great Financial Crisis
 - Start of methodological work for compilation
- **DGI 2** (2016-21):
 - Methodology guide
 - BIS dissemination
 - Policy use of the indicators
- **IFC Report No 8 “Mind the data gap: commercial property prices for policy”**,
March 2019

1. G20 DGI Phase II. was only the starting point

Recommendation II.17: Residential Property Prices

The G-20 economies to publish residential property price indices consistent with the Handbook on Residential Property Price Indices (RPPI) and supply these data to the relevant international organizations, including the BIS, Eurostat, and OECD. The IAG in collaboration with the Inter-Secretariat Working Group on Price Statistics (IWGPS) to work on a set of common headline residential property price indices; encouraging the production of long time series; developing a list of other housing-related indicators; and disseminating the headline residential property price data via the PGI website.

Recommendation II.18: Commercial Property Prices

The IAG in collaboration with the Inter-Secretariat Working Group on Price Statistics to enhance the methodological guidance on the compilation of Commercial Property Price Indices (CPPI) and encourage dissemination of data on commercial property prices via the BIS website.

Aim: to cover as many countries as possible...

... with **annual global monitoring maintained** after the closing of DGI II in 2022

2. Collecting both house and commercial property prices?

- Significant efforts required for compiling CPPIs in addition to Residential Property Price Indicators (RPPIs)...
- ... noting that important challenges remain in collecting RPPIs
- Worth only if the information content is
 - **Specific** (ie different from RPPIs)
 - **Reliable** (ie not too uncertain)
 - **Useful** (for policy)

2. CPPIs can provide specific, useful information...

Different economic purpose  Consequences

Commercial property:

- Underlying activity is to generate income streams (eg rented properties, properties used in production process eg retail premises, factories, offices)
- Business investment nature
- Highly cyclical
- Short maturity, leveraged financing
- Rapid obsolescence of non-occupied assets in bad times
- Faster bankruptcy procedures

Residential property:

- Household primary need for shelter
- Owner occupation dominant in many jurisdictions
- Long maturity, lower leverage (LTV)
- More scope for loan renegotiation
- Slower obsolescence

2. ...especially since Covid-19

RPPIs: My home is my castle

- Fiscal and monetary stimulus
- Historically low mortgage interest rates combined with high saving rates
- Perceived "Value" of home on the rise with more time spent there
- In some places prices in suburban areas rose more than in city centers
- Limited supply of new homes
- See more: [Housing market risks in the wake of the pandemic; BIS Bulletin No 50](#)

CPPIs: Containment measures kept owners/tenants away from commercial properties

- Decreased demand for office place
- Empty restaurants, vacant hotel rooms
- Financial difficulties of the hospitality and retails sectors
- Longer lasting effects with new home office arrangements and hybrid work

2. Main challenges in compilation

- Lack of financial **resources** for compilation, especially in the non-EU countries
- Lack of **external drivers** such as policy recommendations, regulations - with the exception of the EU and G20 countries.
- Limited or no **transaction records** and access to valuation reports
- Publication of a comprehensive **compilation guide** still in progress
- Potential compilers may lack the methodological & technical **knowledge**
- The **access to commercial data providers** often expensive & some vendors do not even authorise the republication of aggregated data

3. BIS activities with CPPIs

- **Monitoring** national developments in the compilation and publication of CPPIs (last survey of shareholder central banks in 2022)
- **Collecting** data and metadata from all sources in cooperation with central banks
- **Publishing** data based on a common metadata template
- Leading efforts towards a global **Data Structure Definition** for property prices
- Conducting **research** using CPPIs

3. Compilation of CPPIs is lagging behind RPPIs.

BIS CPPIs data: **23 countries of which 10 G20 economies** (versus 61 RPPIs and all G20)

Inventory of the commercial property price indicators published by the BIS

Countries	Number of series	Geographical coverage			Source of price information			Property type		Starting year; ¹ frequency
		All	Cities	Capital	Transaction	Appraisal	Offer/Survey	Only land	Building/unit ²	
Argentina	2			✓			✓			2017; quarterly
Brazil	1		✓			✓	✓		✓	2012; monthly
Denmark	3	✓			✓	✓			✓	1992; quarterly
Euro area	1	✓			✓	✓			✓	2000; quarterly
France	2	✓	✓		✓				✓	2010; quarterly
Germany	5	✓	✓		✓	✓			✓	1995; annual 2008; quarterly
Greece	4	✓		✓		✓			✓	2006; half-yearly
Hong Kong SAR	2	✓			✓				✓	1993; monthly
Ireland	2	✓			✓				✓	1995; quarterly
Indonesia	2		✓	✓	✓				✓	2017; quarterly
Japan	6	✓	✓	✓		✓	✓	✓	✓	1955; half-yearly, 2008; quarterly
Korea	1	✓				✓		✓		1987; monthly
Morocco	2	✓		✓	✓				✓	2006; quarterly
Netherlands	4	✓			✓				✓	2008; quarterly
Philippines	1			✓	✓			✓		2008; quarterly
Poland	3		✓	✓	✓				✓	2000; annual
Portugal	1	✓			✓				✓	2009; annual
Saudi Arabia	2	✓		✓	✓				✓	2014; quarterly
Singapore	3	✓			✓				✓	1998; quarterly
Slovenia	3			✓			✓			2008; quarterly
Spain	5	✓			✓				✓	2010; quarterly
Switzerland	1	✓			✓				✓	2005; quarterly
United States	1	✓			✓	✓			✓	1945; quarterly

¹ Earliest, in case of more than one series. ² For example: industrial, office, retail or rented flats.

Sources: BIS property prices statistics, based on national data



3. Publication on the BIS website:

<https://www.bis.org/statistics/pp.htm>

About our data sets

RPP detailed series

RPP selected series

Commercial

This data set contains nominal **commercial property prices** for 23 countries at various frequencies and is updated monthly. The data differ significantly from country to country in terms of type of property, area covered, compilation method etc.

Commercial properties include properties rented out at market prices, built for future sale, or used for the production of market goods and services. Commercial property price indicators (CPIs) have long been seen as a useful tool for monitoring financial stability and macroeconomic developments. Yet their availability and international comparability were limited before the Great Financial Crisis. The Data Gaps Initiative (DGI) endorsed by the G20 asked the members of the Inter-Agency Group on Economic and Financial Statistics to improve the dissemination of CPIs and to start methodological work for their compilation. The second phase of the DGI, initiated in 2015, builds on this preparatory work and recommends that international organisations enhance methodological guidance on the compilation of CPIs and encourages dissemination of data on commercial property prices via the BIS website.

https://www.bis.org/statistics/pp_commercial.htm

Commercial property prices

Updated 25 May 2023

Our data

[Monthly, quarterly, half-yearly and yearly data](#) (XLSX, 91 kb), including data documentation

Contact

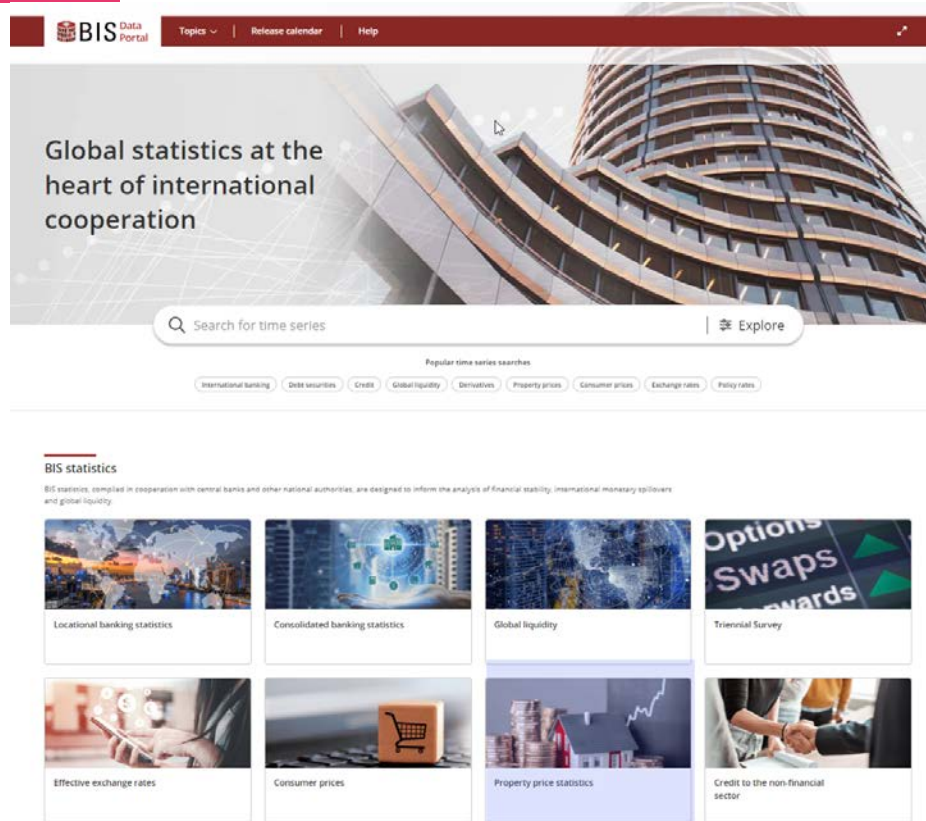
For queries regarding property price statistics, please write to property.prices@bis.org.

Related information

- [Property price statistics - research](#)
- [Eurostat \(2017\): "Commercial property price indicators: sources, methods and issues publication"](#)
- [IFC Report "Mind the data gap: commercial property prices for policy". March 2019](#)

3. ...and on the new SDMX-based BIS Data Portal

<https://data.bis.org/>



The screenshot shows the BIS Data Portal homepage. At the top, there is a dark red navigation bar with the BIS Data Portal logo and links for Topics, Release calendar, and Help. Below the navigation bar is a large banner image of a modern building with a curved facade. The text on the banner reads "Global statistics at the heart of international cooperation". Below the banner is a search bar with the text "Search for time series" and an "Explore" button. Underneath the search bar, there is a section for "Popular time series searches" with buttons for International banking, Debt securities, Credit, Global liquidity, Derivatives, Property prices, Consumer prices, Exchange rates, and Policy rates. Below this is a section titled "BIS statistics" with a brief description: "BIS statistics, compiled in cooperation with central banks and other national authorities, are designed to inform the analysis of financial stability, international monetary spillovers and global liquidity." This section contains eight tiles, each with a representative image and a title: Local banking statistics, Consolidated banking statistics, Global liquidity, Triennial Survey, Effective exchange rates, Consumer prices, Property price statistics, and Credit to the non-financial sector.

BIS Data Portal Topics Release calendar Help

Global statistics at the heart of international cooperation

Search for time series | Explore

Popular time series searches

International banking Debt securities Credit Global liquidity Derivatives Property prices Consumer prices Exchange rates Policy rates

BIS statistics

BIS statistics, compiled in cooperation with central banks and other national authorities, are designed to inform the analysis of financial stability, international monetary spillovers and global liquidity.

Local banking statistics Consolidated banking statistics Global liquidity Triennial Survey

Effective exchange rates Consumer prices Property price statistics Credit to the non-financial sector

3. Initiative to design a global data structure definition

- **Members:** BIS, Eurostat, IMF, OECD; Chair: Robert Szemere (BIS)
- **Target:** a combined SDMX compliant DSD for RPPIs and CCPIs to be used as widely as possible in compilation and dissemination
- Expected **benefits:**
 - Internationally agreed classification
 - Reduced reporting burden through data sharing
 - Enhanced dissemination: Data Portals, API support
- Current state of play and **next steps**
 - Draft DSD is ready
 - An external review will be followed by pilot transmissions
 - Promotion in the SDMX global registry: <https://registry.sdmx.org/overview.html#>

4. Looking ahead: targeted indicators

1. Aggregate CPPI for the **whole country**:
Why: to capture the entire market
2. Aggregate CPPI for **capital city/financial centre or major cities**:
Why: to “catch” regional bubbles
3. CPPI **excluding (household) rented flats** for the whole country and for major cities:
Why: by excluding the overlap between residential and commercial segments, a more complementary picture can be taken

4. How to support BIS efforts to collect and publish CPPIs?

As a **Statistical Office, researcher or as a private source**:

- By cooperating with national authorities to compile and publish CPPIs
- By informing the national central bank of ongoing projects

As a **central bank**:

- To inform BIS of any developments: new publications, improved methodology, breakdown
- To transmit data to the BIS



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THANK YOU.