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Measuring Commercial Real Estate Developments

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Commercial real estate (CRE) has been identified as an area for which statistics are underdeveloped. Users, in particular in the financial markets, have been calling for a harmonized framework for monitoring the CRE markets to ensure early identification of vulnerabilities that could lead to future financial crises. Data are demanded in particular for prices, rents and yields of CRE.

The challenges in measuring CRE developments are even larger than for residential real estate. They include the facts that CRE markets are thin and heterogeneous, source data are often kept behind closed doors by market participants and statistical offices lack the knowledge and expertise on CRE markets.

Different approaches exist or are being developed for the measurement of CRE prices, rents and yields. They may be driven by the availability of data sources. The paper will report on the results of a survey among European countries on availability and accessibility of data sources for CRE, and discusses different ways forward to meeting the user demand on the basis of these data sources. Can we expect a conversion of methods? Which are the decisive elements for using a specific method?