



Challenges of appraisal data in commercial property price indexes

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Commercial property price indexes (CPPI) are key inputs used to assess financial soundness, inflation pressure, detect asset bubbles, and the length and duration of downswings in economic cycles. Compiling CPPIs is highly problematic due to sparse data. The use of appraisal data to compile CPPIs appears to address the issue of sparse data. However, appraisal data suffers from a number of drawbacks that warrant attention. This paper will address and discuss the challenges and problems of relying on appraisal data for the compilation of CPPIs.

Keywords: Commercial property price index; appraisal data.