

The effect of share deals on Commercial Property Price Indicators (CPPIs)

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Farley Ishaak (author/presenter)

Ron van Schie, Jan de Haan (co-authors)



Introduction

Introduction

Background

Data & methods

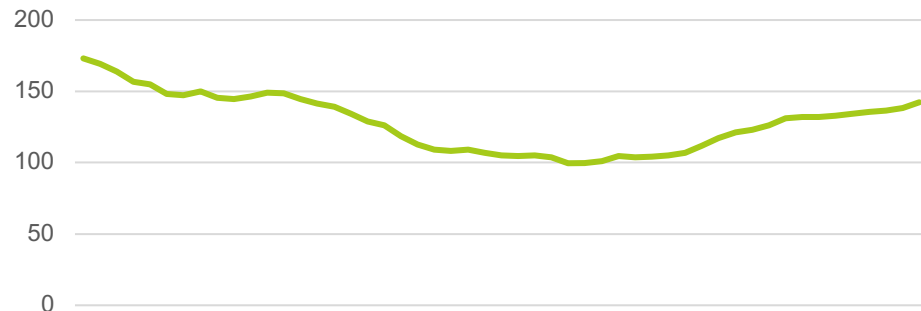
Results

Conclusion

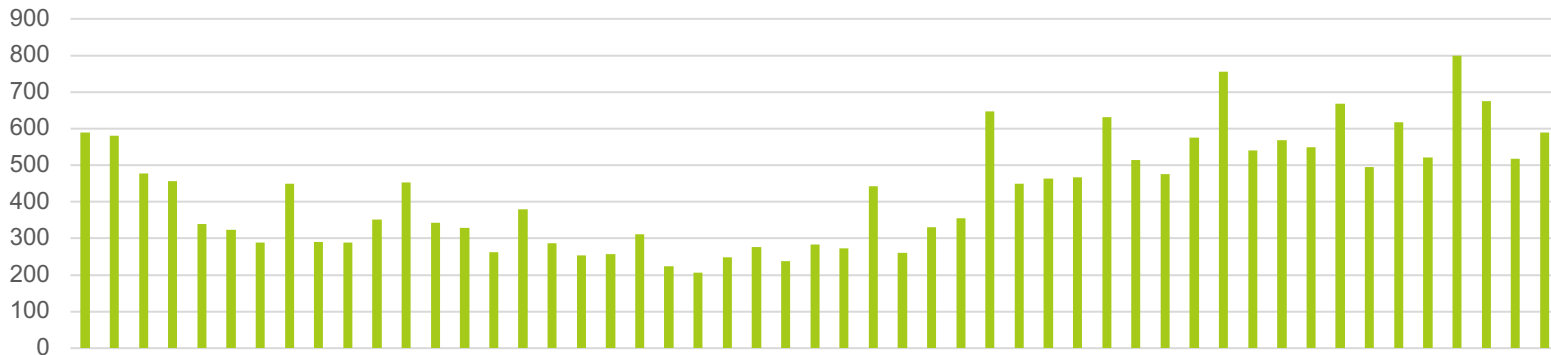


Sharpest house price increase in almost two decades

Office price index

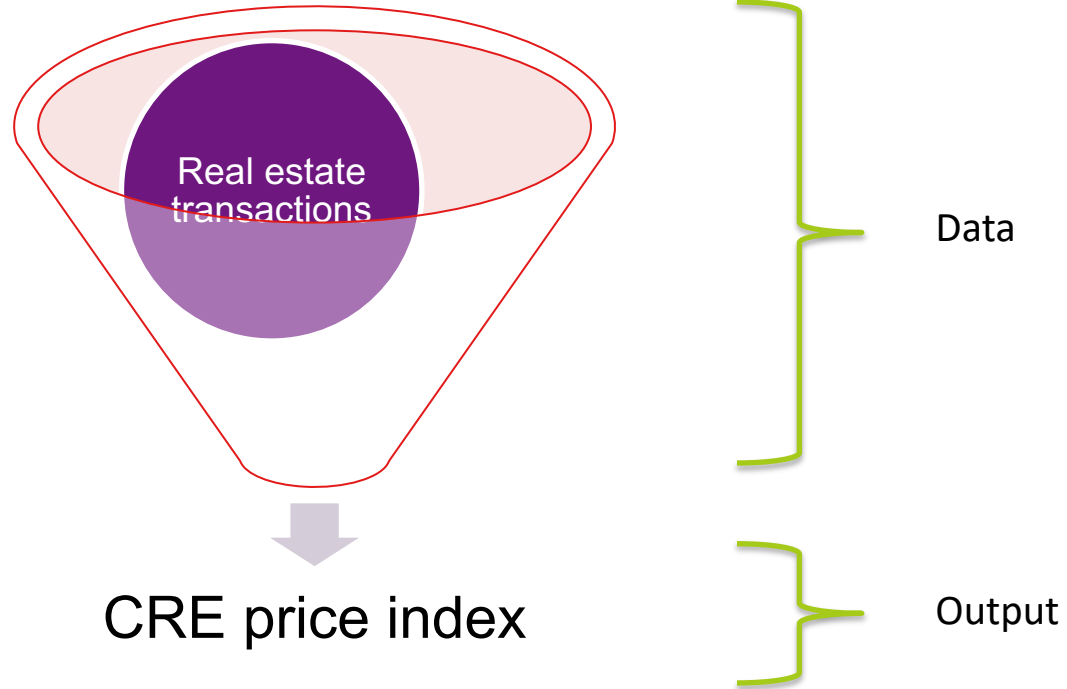


Retail transactions (numbers)



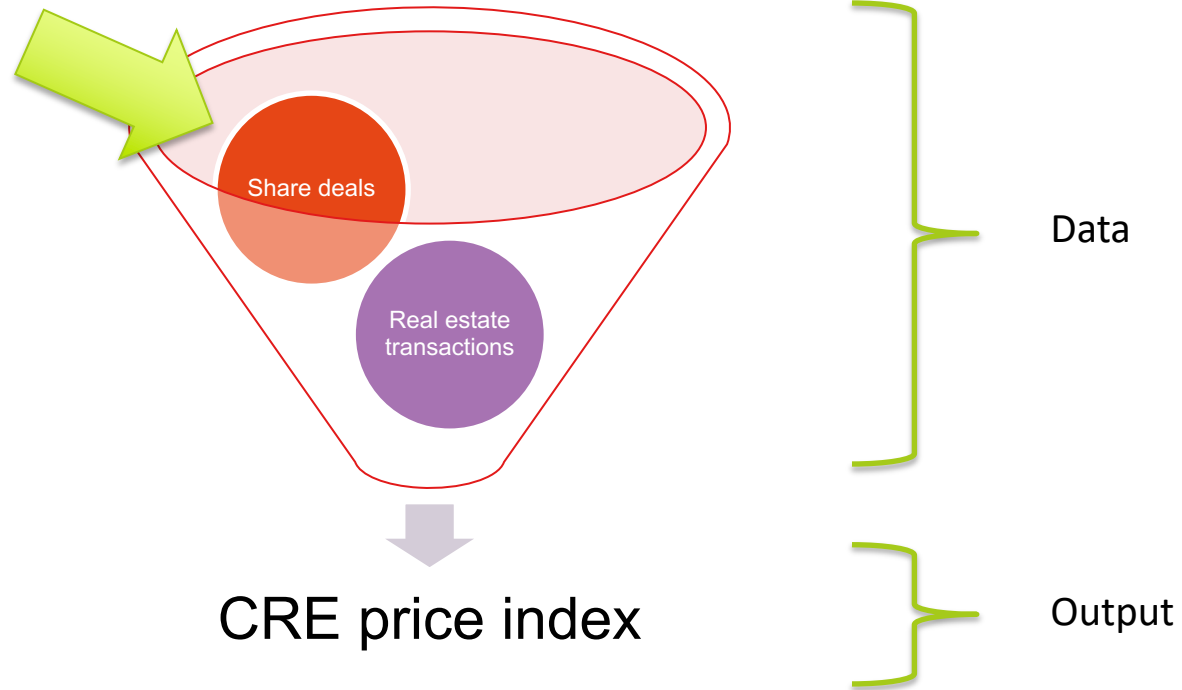
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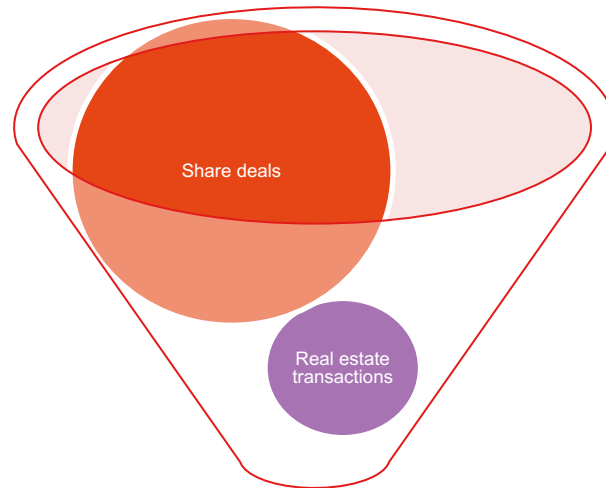
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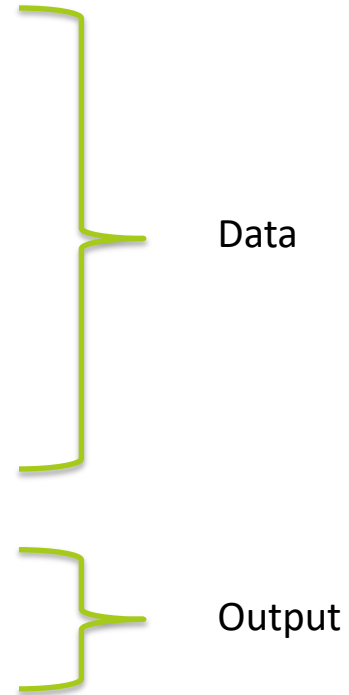


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CRE price index



Background

ASSET deal



Ownership

Company A

Transfer

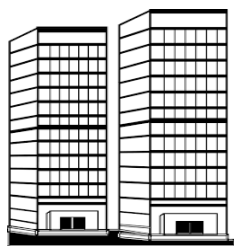
Registered as
property transfer

Company B



Background

SHARE deal



Ownership

Company X

Ownership

Company A



Registered as company transfer



Single Purpose Entity

Company B



Background

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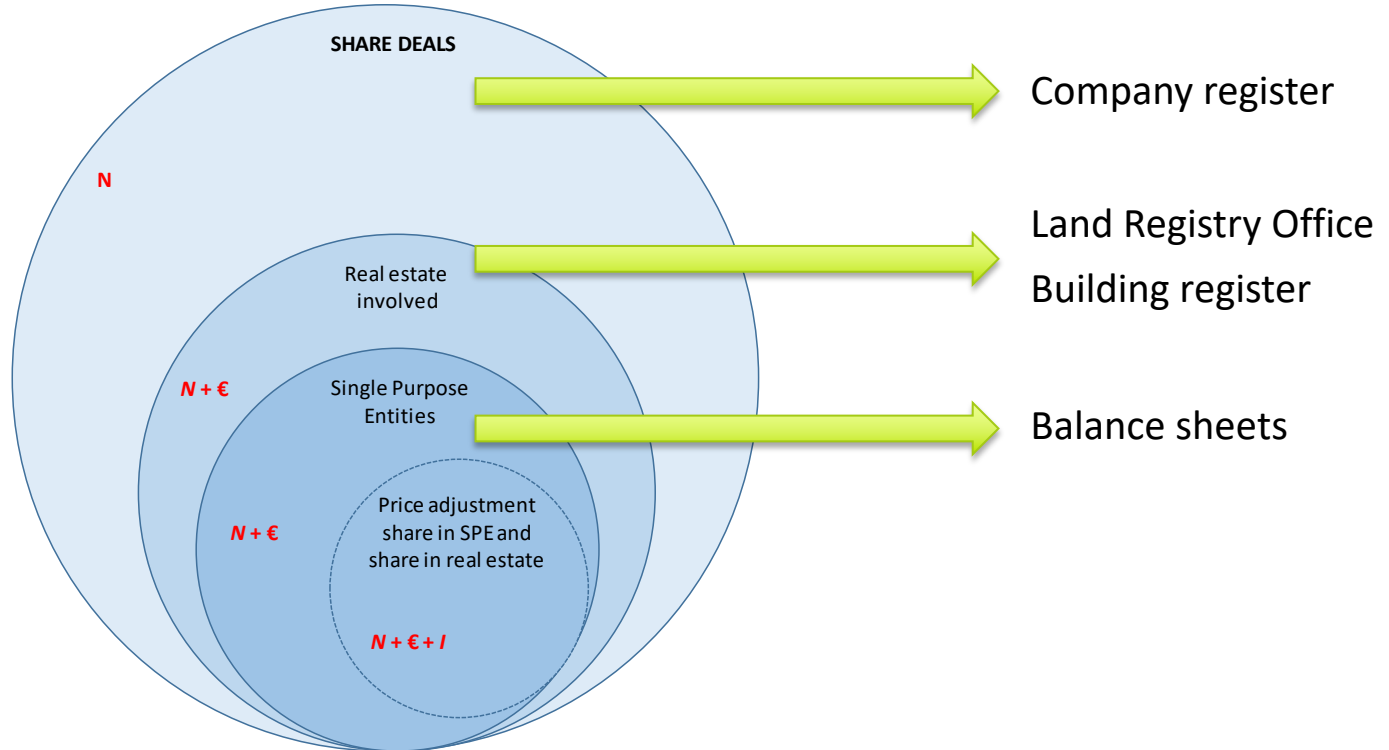
Conclusion



- SPE constructions exist
(Tanenbaum, 1963; Kurtz & Kopp, 1969; Bertane, 1974; Stogel & Jones, 1976; Seligman & Stein, 2004; Sewell, 2006; Bridson & Flammier, 2013)
- Share deals in SPEs exist
(Tanenbaum, 1963; Ter Braak & Bol, 2007; Alickovic and Brauweiler, 2020)
- Studies on the size of SPE share deals and its role in CPPIs do not exist
...
(Ishaak, Van Schie & De Haan, 2021)

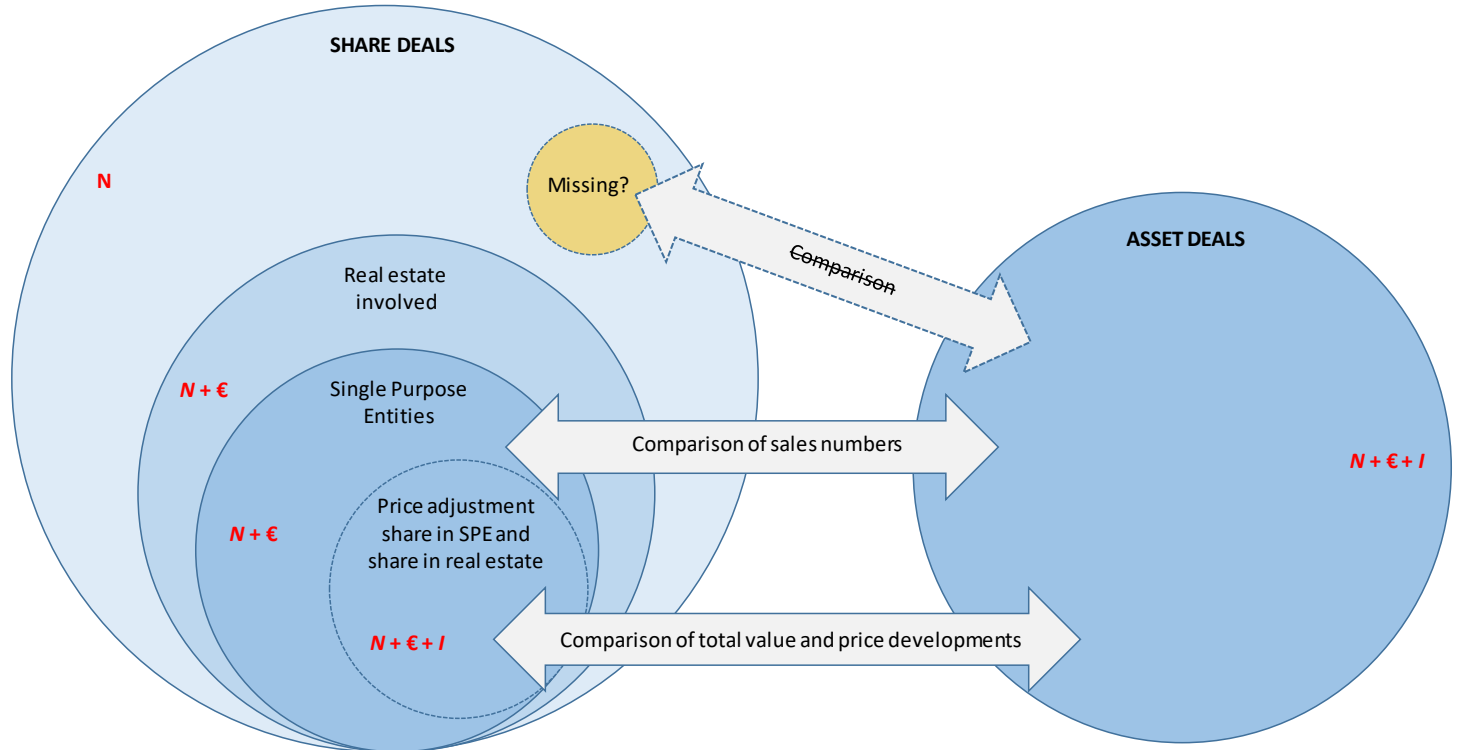
Data and methodology

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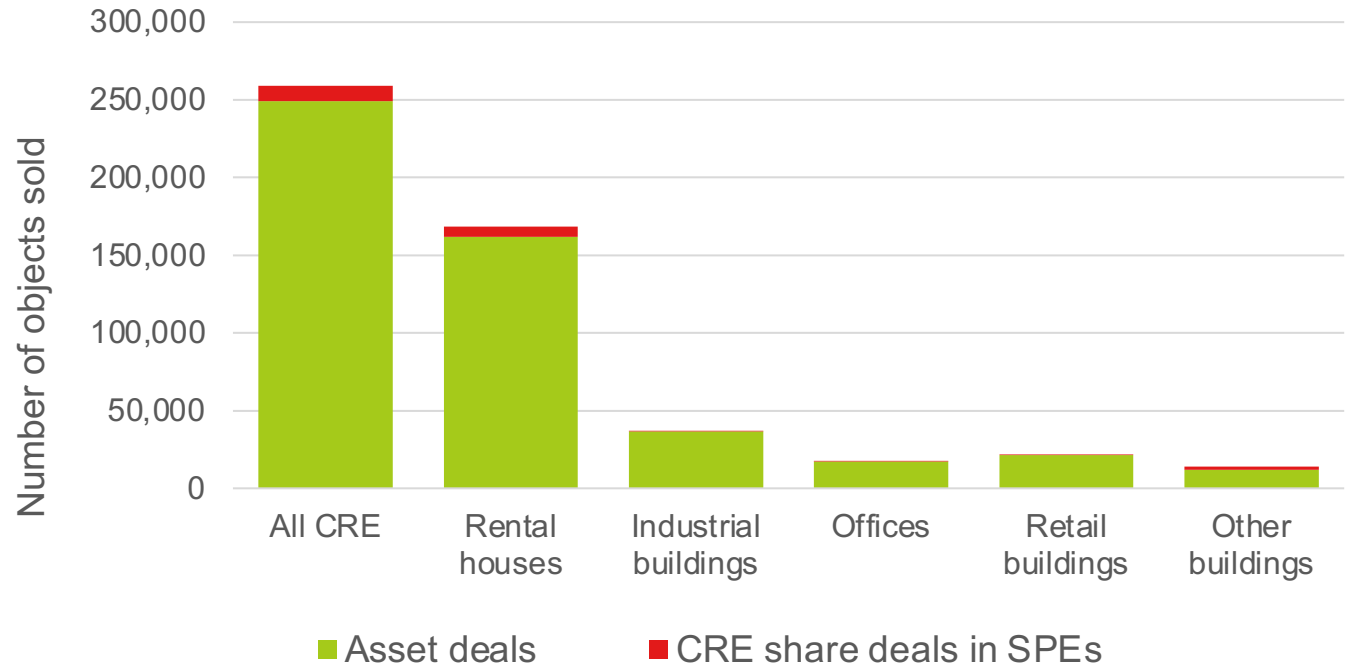
Data and methodology

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Results

Asset deals vs. CRE share deals in SPEs, period 2015-2020



Results

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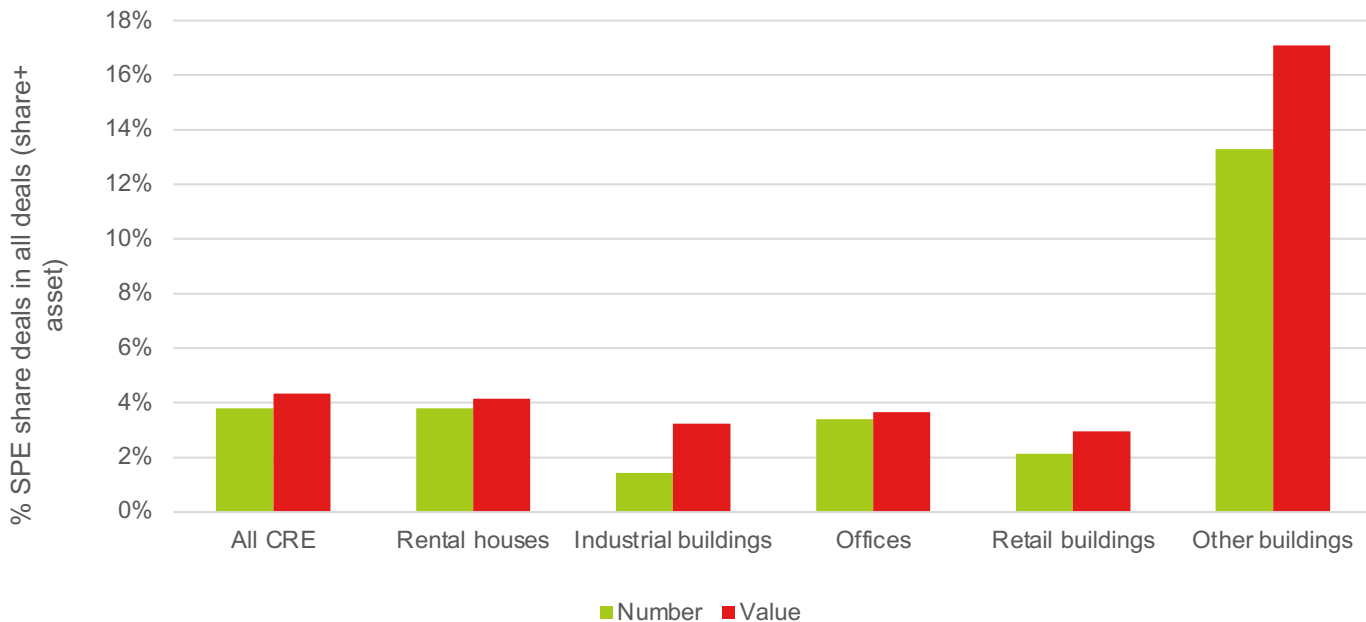
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Percentage of share deals in number and value, period 2015-2020



Results

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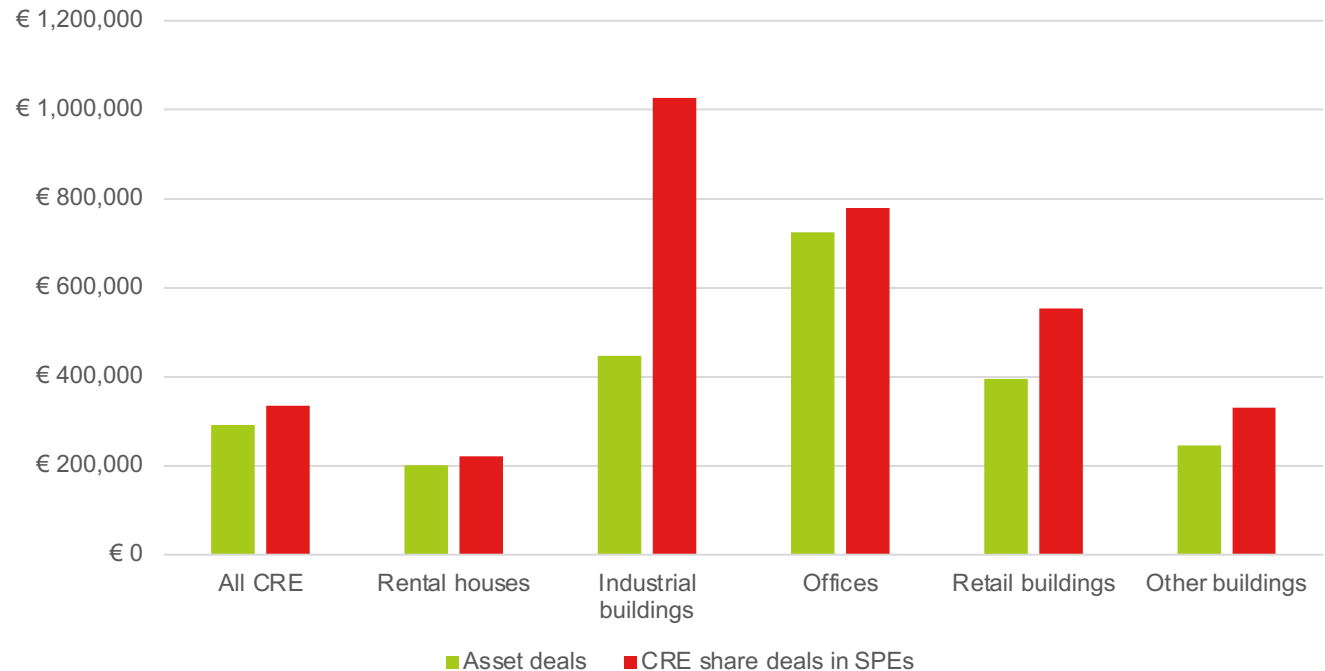
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Average value share deal objects vs. asset deal objects, period 2015-2020



Conclusion

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- Asset deals outnumber simple share deals
- Complex share deals require demarcation
- Share deals often involve more valuable RE
 - Indication of sample selection bias in CPPIs
- Inclusion of share deals in price indices is complicated

Limitation / future research / final paper

- Complex share deals



Questions?

Also conducting research on RE share deals?

Please don't hesitate to contact me.

Farley Ishaak

PhD candidate @ TU Delft

Production manager RE prices @ Statistics Netherlands

f.f.Ishaak@tudelft.nl

