

Application of Transaction Data in Real Estate Market Analysis in Germany

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In 2004, the Association of German Pfandbrief Banks (vdp) started an ambitious project to collect real estate transaction data from their member banks in order to enhance the transparency of real estate markets. The database today consists of about 2 million datasets from 265 banks. With this amount of data at hand, there are many possible uses in the credit process – ranging from the measurement of price changes in different submarkets to the application in the valuation of mortgage collateral.

The presentation focuses on the vdp family of transaction based price indices for different real estate market segments. It shows the process of data collection and preparation as well as the methodological approach used to compute the indices. Finally, the indices are used to describe the current trends on the German real estate markets.