

Establishment and Management of a Commercial Real Estate Information

System:

Case Studies in Singapore and the United States

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Summary

1. Although commercial real estate accounts for a large portion of the national asset market, statistics on nonresidential real estate are weak compared with statistics on residential real estate, and the system needs to be improved.

- Currently, demand for commercial real estate by investors and startups is increasing. But market data is not adequate for the purposes of policy makers or businesses, necessitating the development of a reliable commercial real estate data system.

- It is necessary to refer to commercial real estate data systems overseas to ensure that the new system reflects changes in the commercial real estate market and to encourage market development to proceed with transparency and competitiveness at the level of advanced countries.

2. Case study on commercial real estate data systems led by the public sector: REALIS, the real estate information system of the Urban Redevelopment Authority of Singapore

- Singapore was able to collect reliable information by acquiring the necessary data from public and private organizations and to provide that information quickly by linking data from various organizations in real time.

- Market transparency and access to information were improved, as basic information on market trends was

provided for free.

3. Case study on commercial real estate data systems led by the private sector: the National Council of Real Estate Investment Fiduciaries (NCREIF) in the United States

- Information is collected efficiently at a low cost as information providers (owners or managers of real estate) voluntarily provide their information in order to receive information they need.

- Distortion of information is prevented as data from comprehensive calculations is provided only when three or more managers input consistent information. Reliability of data is enhanced through cross-checking of information after the collection and production of data.

Policy Implications

- ① Regarding the establishment and management of a commercial real estate data system in Korea, reliable public organizations should establish and manage the system (including collection, production, and use of information) in the short term. But in the long term, it is recommended that the private sector play a leading role in managing the system.
- ② The data system should divide its services into: a membership service for affiliated organizations or other information providers, on the condition that personal information is protected; and a general service for the public.
- ③ A system to monitor the commercial real estate data system should be established, and it is necessary to expand the data system in a phased manner by increasing the types of information provided in accordance with user demand.