



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-Unrestricted

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The key role played by AnaCredit in closing Real Estate data gaps

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Overview

- 1 Background – ESRB Recommendation
- 2 Real Estate Task Force
- 3 Stock-taking exercises by RETF
- 4 AnaCredit, a multipurpose shared database
- 5 Availability of the ESRB indicators based on AnaCredit
- 6 Data collection at national level
- 7 Conclusions and proposed way forward

ESRB Recommendation on closing real estate gaps - 31 October 2016

- Objective:
 - *monitoring* risks arising from the *real estate sector*
 - establishing an *harmonised* framework

- Broad set of indicators concerning for *both RRE and CRE* the
 - *financial* lending/investments, stocks and flows
 - physical market, i.e. volumes & prices

- Addressees:
 - *National Macro-prudential Authorities*
 - The ESAs: EIOPA, EBA, ESMA

Objective/Mandate

- Established by the ESCB Statistics Committee *in December 2016*
- As a follow-up on the *ESRB Recommendation (ESRB/2016/14)*
- Objective is to:
 - Explore the possible sourcing of a range of *RE indicators on the funding*
 - Advise on the need for *specification of relevant definitions and concepts*
- The RETF conducted two stock-taking exercises focused on:
 - Definitions of CRE and RRE used in each country
 - Availability of data

The two stock-taking exercises by the STC RETF

- Addressees:
 - ✓ All EU Member States
 - ✓ ESAs (EBA, EIOPA, ESMA)

- *Main takeaways:*
 - ✓ Comparable indicators on the *financing to CRE* provided by AnaCredit **already from autumn 2019 onwards**
 - ✓ *AnaCredit definition* will apply for CRE – only in part for RRE
 - ✓ Numerous data sources, often varying definitions and level of details
 - ✓ Availability of flow data is limited both for lending and investments
 - ✓ Lending by *non-banks significant only in few EU countries*
 - ✓ Lending by non-banks *mainly for lending to RRE*

WHAT



- AnaCredit = Analytical Credit Datasets
- Granular and timely data on loan-by-loan harmonised information concerning *credit* and *credit exposures*
- Information on debtors and their credits *88 different attributes*

SCOPE OF THE

COLLECTION



- **First reporting *in Nov. 2018*** ref. *Sept. 2018*
- On a monthly basis, quarterly in some cases - e.g. proportionality
- Only credits extended to legal entities, in particular NFCs
- Credit institutions in euro-area countries

AnaCredit forms a good basis for making available funding data:

- Thanks to the high granularity of the data, gaps can be overcome
 - Scope gaps among the two frameworks

| In AnaCredit (Stage 1) | Not in AnaCredit (Stage 1) |
|---|--|
| ✓ Euro-area + some other Member States | ✗ Some non-euro-area Member States |
| ✓ Credit institutions | ✗ Loans by financing providers other than credit institutions |
| Loans granted to legal entities, of which | ✗ Loans granted to natural persons on the basis of real estate |
| ✓ loans granted to legal entities on the basis of real estate | ✗ Investments in RE |

- Definitions of CRE used across the two frameworks differ
- Many relevant indicators and breakdowns available on the basis of AnaCredit:
 - Availability on the basis of specific data items attributes/values e.g. 'outstanding nominal amount'
 - Some may be proxied by existing data items, e.g. 'identif. of buy-to-let housing'
 - Availability of both stocks and flows of lending

Data collection at national level

- Indicators not covered by AnaCredit - e.g. investments and physical market have to be sourced at **national level**:
 - ✓ Recommendation requests National Macro-prudential Authorities to compile comparable indicators across countries *by end-2020*
 - ✓ Without explanatory notes on cross-country comparable indicators based on national sources would remain non-comparable
- **Explanatory notes**:
 - Supportive tool compiled by the RETF to give advices to the reporting agents, banks and statistical compilers
 - Exceptions and deviations are envisaged - for local needs

In the (relatively) short term

- National indicators to become available by end-2020
- Preceding work on operationalising/harmonising the definitions cooperation across national authorities to start in the short term
- Key role played by AnaCredit in addressing the data gaps in RE funding

In the longer term

- Indicators at EU to be primarily sourced by broadening AnaCredit scope and data attributes:
 - ✓ Possibly all lenders/investors
significant funding by non-banks *time horizon of 2023 or beyond*
 - ✓ Credits to natural persons for housing purposes RRE
time horizon of 2024 or beyond
- Remaining gaps to be sourced from national data

*Thank you
for your attention!!*

Questions?