



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI invites Comments on Report of the Expert Group on Asset Price Monitoring System

The Reserve Bank of India has, today placed on its website, the [Report of the Expert Group on Asset Price Monitoring System](#).

The main recommendations of the Expert Group are:

- For monitoring purpose, Reserve Bank of India needs to track both sale/resale price index as well as the rent index of real estate prices on a regular basis.
- Real estate property price data can be collected in the form of sale/resale price directly from scheduled banks (including both commercial and urban cooperative banks) and selected housing finance companies. Presumably, transaction level data are available in electronic form with these organizations.
- House price data can be collected from top 13 centres: Greater Mumbai, Chennai, NCR Delhi, Bangalore, Hyderabad, Kolkata, Pune, Jaipur, Greater Chandigarh, Ahmedabad, Lucknow, Bhopal and Bhubaneswar.
- Considering the practical difficulty of collection of house rent data, the Group recommends using official data on house rent index of Consumer Price Index (Urban), being compiled by Central Statistical Organisation.
- The Group recommends compiling real estate price index on quarterly intervals.
- As the data are being sourced from the banks and select housing finance companies, survey schedule is basically a return prescribed for the said purpose. The proposed return includes variables like type of property (including both real estate and commercial), address, type of transaction, valuation price of the property, purchase price of property and loan amount taken from the bank other than the information on certain characteristics of the borrower viz., gender, employment, monthly income, etc.
- Price index may be compiled based on Laspeyre's index method with financial year 2009-10 as the base.
- The Group felt necessary to supplement the bank data through a survey conducted annually so as to ensure robustness of the data available with the banking system.

Comments on the Report may please be [emailed](#) by April 30, 2010 to the Principal Adviser, Department of Statistics and Information Management, Reserve Bank of India, Bandra-Kurla Complex, Bandra (E), Mumbai-400051.

It may be recalled that the Reserve Bank of India had set up an Expert Group on Asset Price Monitoring System in December 2008 with the objective of developing an information system on asset prices. Accordingly, a group of experts from Indian Statistical Institute, Central Statistical Organisation, National Housing Bank, Indira Gandhi Institute for Development Research, State Bank of India, ICICI Bank and HDFC Bank was engaged in working out a framework for quickly deliverable dimensions of real estate prices in quantitative terms, preferably in a frequent manner that could be useful for monetary policy and financial stability purposes.