



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1102

Series of 2020

Subject : **Quarterly Report on Appraised Commercial Properties for the Generation of a Commercial Property Price Index**

The Monetary Board, in its Resolution No. 1249 dated 1 October 2020, approved the amendment of Section 173 and Appendix 7 of the Manual of Regulations for Banks (MORB) to include the submission of quarterly report on appraised commercial properties by Universal/Commercial Banks (U/KBs) and Thrift Banks (TBs) for the generation of the Commercial Property Price Index.

Section 1. Sec. 173 of the MORB is hereby amended to read, as follows:

"173 REPORTS

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Submission of Bank Quarterly Report on Residential Real Estate Loans for the Generation of the Residential Real Estate Price Index. To generate the Residential Real Estate Price Index (RREPI) xxx

Submission of Quarterly Report on Appraised Commercial Properties (QRACP) for the Generation of the Commercial Property Price Index. To generate a Commercial Property Price Index (CPPI), a complementary indicator to the RREPI, all U/KBs and TBs on solo basis (head office and branches/other offices) shall submit a quarterly report on appraised commercial properties to the Bangko Sentral. The QRACP is necessary to generate a CPPI on a quarterly basis and address the need for a more comprehensive measure of real property prices in the Philippines. The collected information will serve as valuable inputs in the formulation of Bangko Sentral policies.

This report covers all appraised commercial properties, which include property accepted as collateral in lending transactions and acquired asset in the settlement of loans.

The QRACP shall be submitted to the Department of Economic Statistics (DES) of the Bangko Sentral, using the DES-CPPI Form 1, and shall cover the following pertinent data on all appraised properties, where appraisals are conducted by both in-house and independent appraisers, as provided in this Manual:

	<u>Data Item</u>	<u>Unit of Expression</u>
I.	Appraisal Month	Number
II.	Location of Property	Alphanumeric
III.	Highest and Best Use (HABU) Classification on Property	Number
IV.	Actual Use of Property	Number
V.	Other Actual Use of Property	Alpha
VI.	Type of Property	Number
VII.	Type of Commercial Condominium Space	Number
VIII.	Appraised Value of Commercial Condominium Space	Peso Amount
IX.	Total Floor Area of Commercial Condominium Space	Number
X.	Appraised Value of Land	Peso Amount
XI.	Total Area of Land	Number
XII.	Total Appraised Value of Commercial Condominium Space/Land	Peso Amount

The QRACP should be considered a Category A-3 report and shall be submitted within the deadlines indicated in Appendix 7.

Erroneous/Delayed/Erroneous and Delayed/Unsubmitted reports shall be subject to penalties prescribed for Category A-3 reports under Sec. 171 (Non-compliance with the Bangko Sentral reporting standards).

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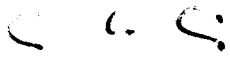
Section 2. Appendix 7 of the MORB is hereby amended by adding the Quarterly Report on Appraised Commercial Properties with the following information:

DES Report	UBs/KBs & TBs
Category	A-3
Form No.	DES-CPPI Form 1
MOR Ref.	Section 173
Report Title	Quarterly Report on Appraised Commercial Properties
Frequency	Quarterly
Submission Deadline	30 banking days after end of the reference quarter, on or before 5 p.m., Manila Time
Submission Procedure	DES e-mail to esligdes@bsp.gov.ph

The DES-CPPI Form 1 and Reporting Guide are in Annexes A and B, respectively, of this Circular. The softcopy of the report, together with a certification signed by accountable officials, shall be e-mailed to esligdes@bsp.gov.ph.

Section 3. Effectivity. This Circular shall take effect fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


BENJAMIN E. DIOKNO
Governor

19 October 2020

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QUARTERLY REPORT ON APPRAISED COMMERCIAL PROPERTIES FOR COMMERCIAL PROPERTY PRICE INDEX (CPPI)

Reporting Guide

Report in the appropriate column the following requested information:

Column (1) Line No. – The line number refers to the assigned consecutive counting number for each individual appraised property during the reference period, starting at 1 for the first property in the reporting form.

Column (2) Appraisal Month – Report the month when the commercial property was appraised.

Columns (3) – (6) Location of Property – Report the location of the property by indicating the region, province and city/municipality in Column 3, barangay in Column 4, street name in Column 5, and subdivision name, condominium name or project name in Column 6 where the property is located.

Column (7) Highest and Best Use (HABU) Classification of Property – Report the classification of the property according to HABU, as follows:

HABU Classification of Property		Definition
1	Commercial Property	A property that is mainly devoted to the object of profit such as retail store, office, and restaurant, among others.
2	Industrial Property	A property that is mainly devoted to an industrial activity as capital investment and is not classified as agricultural, commercial, timber, mineral, or residential. Examples include plant, factory and warehouse.
3	Special Use (or Special Purpose) Property	A property that is rarely, if ever, sold in the market, except by way of sale of business or entity of which it is part, due to uniqueness arising from its specialized nature and design, its configuration, size, location, or otherwise. Examples include school, resort and hospital/clinic, among others.

Column (8) Actual Use of Property – Report the classification of the property based on its actual use, as follows:

Actual Use of Property		Definition
1	Vacant Lot	Vacant Lot refers to a parcel of land that has no buildings in it.
2	Shopping Mall/Center	Shopping mall or center refers to retail store or a group of retail stores and service establishments usually with ample parking facilities and usually designed to serve a community or neighborhood.
3	Restaurant	Restaurant refers to a business establishment where meals or refreshments may be purchased.
4	Other Retail Properties	Other Retail Properties refers to other properties used for businesses selling goods and services (e.g., furniture, clothing stores, drugstores, car repairs, beauty salons, showroom, etc.)
5	Offices/Banks	Office refers to a place where a particular kind of business is transacted or a service is supplied: such as a place in which the functions of a public officer are performed ; the directing headquarters of an enterprise or organization, and the place in which a professional person conducts business. Bank refers to an establishment for the custody, loan, exchange, or issue of money, for the extension of credit, and for facilitating the transmission of funds.
6	Mixed-Use Properties	Mixed-Use refers to a property with some combination of retail, office, residential, hotel, recreation, or other functions.
7	Plant/Factory	Plant refers to the land, buildings, machinery, apparatus, and fixtures employed in carrying on a trade or an industrial business. Factory refers to a building or set of buildings with facilities for manufacturing.
8	Warehouse	Warehouse refers to a structure or room for the storage of merchandise or commodities.
9	Hotel/Motel	Hotel or motel refers to an establishment that provides lodging and usually meals, entertainment, and various personal services for the public.
10	Resort/Beach	Resort refers to a place designed to provide recreation, entertainment, and accommodation especially to vacationers.

11	Hospital/Clinic	Hospital or clinic refers to an institution where the sick or injured are given medical or surgical care. This also refers to a facility that offers professional medical services or consultation.
12	Schools	School refers to an establishment offering instruction or an institution for educating children.

Column (9) Other Actual Use of Property (Specified) – Report the other actual use(s) of the property not defined in Column (8) Actual Use of Property.

Column (10) Type of Property – Report the classification of the property depending on its usage, such as (a) condominium space, (b) land only, or (c) land with improvement.

Column (11) Type of Commercial Condominium Space – Report the type of commercial condominium space, as follows:

Type of Commercial Condominium Space		Definition
1	New	Newly built or never-been-occupied commercial condominium, excluding foreclosed property.
2	Pre-owned	Previously owned and occupied commercial condominium, excluding foreclosed property.
3	Foreclosed	Commercial condominium unit that is repossessed by a bank due to the owner's default payments on the property loan.

Column (12) Appraised Value of Commercial Condominium Space (₱/sqm) – Report the real estate appraiser's estimate or opinion of the current worth of commercial condominium space in peso per square meter based on factors such as area, location, improvements, and amenities at a given point in time. Generally, this value is arrived at by using one or any of the combination of the three methods, namely: (1) Cost approach, (2) Income approach, and (3) Market comparison approach.

A real estate appraiser is a person who conducts appraisals; specifically, the one who possesses the necessary qualifications, ability and experience to execute or direct the appraisal of a real property.

Column (13) Total Floor Area of Commercial Condominium Space (sqm) – Report the total floor area of enclosed and open floor areas of the commercial condominium space.

Column (14) Appraised Value of Land (₱/sqm) – Report the real estate appraiser's estimate or opinion of the current worth of lot/land in peso per square meter based on factors such as area, location, improvements, and amenities at a given point in time. Generally, this value is arrived at by using one or a combination of the three methods, namely: (1) Cost approach, (2) Income approach, and (3) Market comparison approach.

A real estate appraiser is a person who conducts appraisals; specifically, the one who possesses the necessary qualifications, ability and experience to execute or direct the appraisal of a real property.

Column (15) Total Land Area (sqm) – Report the total area of a tract or parcel of land where the building is built, including walkway and driveway.

Column (16) Total Appraised Value of Commercial Condominium Space/Land Only (₱) – Report the total appraised value of the commercial condominium space/land in peso.