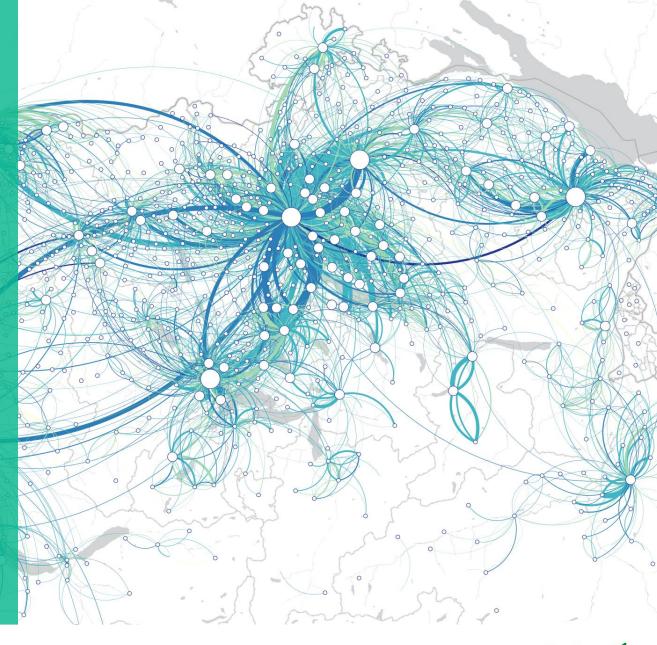
Using R to extract and structure portfolio data

R Meetup Luzern

Thomas Spycher 31.03.2021

M novalytica

















Background

- Studies in Economics with focus on empirical analysis
- First experiences in econ/finance & data





- PhD with focus on household financial decisions & applied econometrics
- Entrepreneurship: Founded DataCareer (datacareer.de) career platform for data science
- Left academia in 2018; co-founder of Novalytica AG





Our team combines passion and expertise in data science with a strong understanding for economics and finance

- Data science startup in the area of data collection, data visualization and data modelling
- Team of 8 people + Freelancers
- Clients in the area of real estate, finance, marketing/campaign planning and the public sector – often work with georeferenced data
- Full range of services from data collection through analysis and modelling to visualization and BI



ALPHAPROP

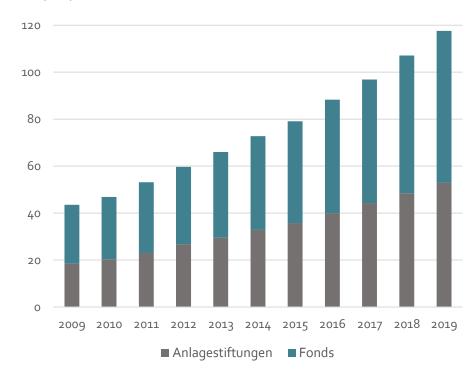
Indirect real estate investments made transparent

The market for indirect (Swiss) real estate investments

- Approx. CHF 150bn in Assets in real estate stocks, funds and investment foundations
- As comparison: US REITs market is approx. 1.3tr
- Swiss Pension funds held in 2018 20.3% of their total assets of CHF 876bn in real estate
- Swiss Pension funds hold about half of RE holdings in indirect assets → approx. CHF 87 bn.

Indirect Swiss Real Estate Investment

Property value in bn CHF



The market for indirect (Swiss) real estate investments

- Approx. CHF 150bn in Assets in real estate stocks, funds and investment foundations
- As comparison: US REITs market is approx. 1.3tr
- Swiss Pension funds held in 2018 20.3% of their total assets of CHF 876bn in real estate
- Swiss Pension funds hold about half of RE holdings in indirect assets → approx. CHF 87 bn.

For asset managers, that is a tiny market



2 trillion in Market Cap

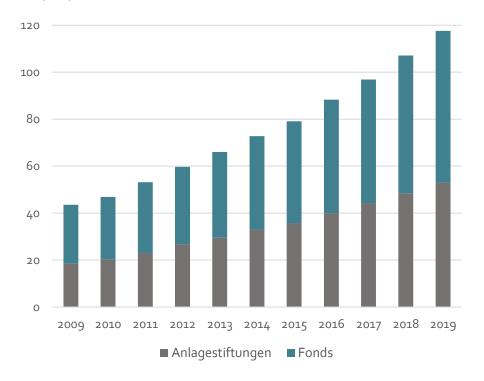


Swiss Exchan

SMI > 1 trillion in Market Cap

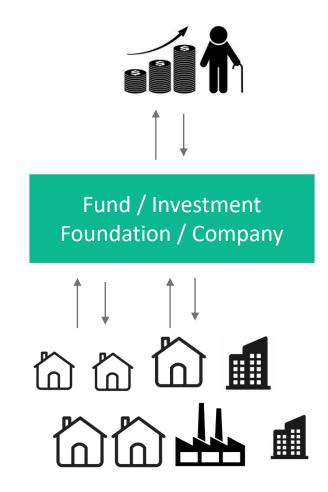
Indirect Swiss Real Estate Investment

Property value in bn CHF

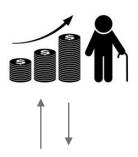




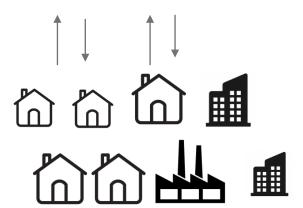
A very simplified image of indirect real estate investments



A very simplified image of indirect real estate investments



Fund / Investment Foundation / Company





So far, the analysis was focused on the layer in between.

What kind of information is available?

- Prices and performance
- Annual/Other reports



Lack of data: Aside from price and performance data, there is no structured data source available.

Missing overview: It is extremely hard and cumbersome for investors to obtain a relaiable big picture and compare to benchmarks

Missing Optimization: No reliable data bases for rule-based asset management or quantitative models.

Data driven decisions for investments in indirect real estate



Data collection & cleaning

Moving from unstructured to structured and clean information



Move to Smart Data

Visualisations, Benchmarking and Reports give new insights.



Connect data and modelling

Connecting location information and information on economic activity.



Product selection

Portfolio analysis

Portfolio-Simulation

Alphapop Analysis-Tool



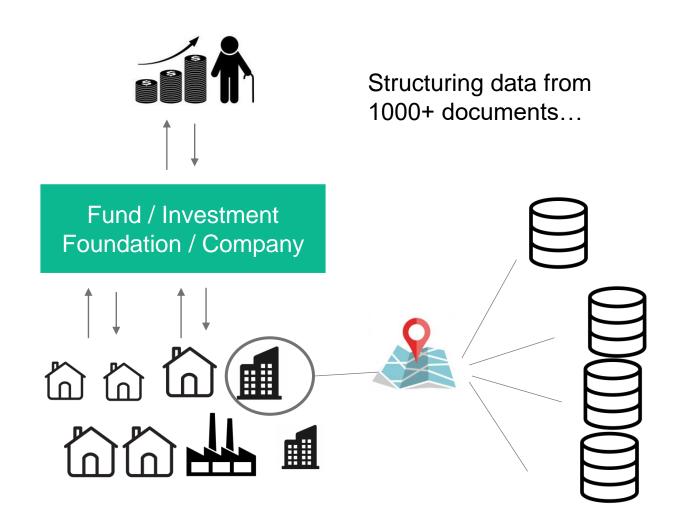
Qlik Sense







A very simplified image of indirect real estate investments



INVESTMENT PROPERTIES AS AT 31 DECEMBER 2020

Acquired in current year	Place	Address		Market value (CHFm)	Annualised full occupancy property		Net annualised property	rent (CHFm)		Contraction	rate		Sitearea	(sqm) Ownership	type 1)		
Residentio	Il properties																
GE	Geneva	Rue du Môle 5		15.7	0.6	j	0	.6		100.0)96		2	77	S		
GE	Geneva	Rue de la Servette 23		16.2	0.7	,	0	7		100.0	096		4	21	S		
GE	Geneva	Rue Charles Cusin 10		13.9	0.5			.4		87.9				79	S		
GE	Geneva	Rue de Bâle 28/30		19.8	0.7			.5		80.5			1,2		S		
GE	Geneva	Rue des Asters 8		7.0	0.3	3	0.	.3		100.0)96		3	02	S		
GE	Geneva	R R			che in m²	negun	uebun	5	negun	unugen			en in m²		wert		2
					Grundstückfläch	1- und 1½- Zimmer-Wohnu	2- und 2%- Zimmer-Wohnu 3- und 3%-		Zimmer-Woh 5- und mehr	Zimmer-Wohn	Parking	Diverse	Kommerzielle Nuzungsflächen in m²	Buchwert	Versicherungs CHF	Marktwert CHF	Mietentrag netto CHF
		Basel Basel	Altkircherstrasse 15 Hechtliacker 44		366 BR	3	32 32			1 8	39		176	4'182'400 24'787'000	2'703'000 19'628'000	5'161'000 29'610'000	174'554 1'391'774
		Basel	Herrengrabenweg 14		384		3 8		10	_	1		35	4'092'400	2'534'000	5'152'000	173'602
		Basel	Pilgerstrasse 8–16		2'239	7	12 18				34		40	13'317'900	11'614'000	17'160'000	595'148
		Bern	von-Gunten-Strasse 7		BR		5 5				1			6'077'100	3'430'000	6'430'000	251'294
		Biel	Hans-Hugi-Strasse 5, 7, Silbergasse 2, 4		1'293	29	15 9		14		12		1'198	21'858'600	20'900'000	24'850'000	1'076'818
		Chiasso Dübendorf	Via B. Fontana 6, 8, 10 Am Wasser 6, 15		1'146 3'191	8	12 18		16 :		33		370 826	6'616'300 28'484'800	8'519'000 17'846'000	6'930'000 38'510'000	353'442 1'198'790
		Ecublens	Arri Wasser 6, 15 Avenue du Tir Fédéral 38, 40		5'448	2			16		35	4	020	16'923'400	14'227'417	22'070'000	931'895
		Kerzers	Widacker 1.3		1'983		8 (6		29			4'032'200	5'878'100	4'690'000	208'613
		La Tour-de-Peilz	Chemin des Pléiades 8		2'135		6 (6			17		214	4'688'400	4'462'344	6'359'000	264'327
		Lyss	Knospenweg 2, 4, 4a, 6, 6a, 8		3'731		3 23				33		10	9'743'300	9'936'400	12'560'000	527'088
		Nidau	Lyss-Strasse 65, 67, 69, 71		4'448		16 27		22		57			14'705'500	16'110'707	15'850'000	720'494
		Onex	Route de Chancy 130–134, Chernin de l'Auberge 2- Route de Loëx 3C–E, 5, 5bis, 5ter	4,	5'366		6 (5	19 1	12 2	22		774	25'834'900	11'987'700	23'010'000	229'672
		Riehen	Wasserstelzenweg 60		1'287		4 4		4		8	1		4'942'900	3'386'000	6'080'000	190'754
		Schlieren	Badenerstrasse 96, 98, 106, 108		2'454	7	2 2				3		235	36'500'000	29'017'000	41'870'000	223'034
		Winterthur	Dättnauerstrasse 131–163		11'558	9	6 45				30	2	1070	39'350'600	24'209'935	51'750'000	1'776'816
		Total fertige Bauten			47'029	65	162 269	1	89 4	42 61	4	14 3	3'878	266'137'700	206'389'643	318'042'000	10'288'115



Tabulizer to extract tables

- Starting from tabula
- https://github.com/tabulapdf/tabula

Tabulizer offering (semi)-automation in R

library("tabulizer")

```
library("tabulizer")
  f <- system.file("examples", "data.pdf", package = "tabulizer")
# extract table from first page of example PDF
tab <- extract_tables(f, pages = 1) head(tab[[1]])</pre>
```

Tabula



Tabula is a tool for liberating data tables locked inside PDF files.

View the Project on GitHub



Property level: Property level data (1/2) – data extraction

Semi-automated data extraction

Indirect real estate investments (especially funds and investment foundations) offer property level data of their respective real estate portfolio. We extract these data points with a R-script and followup with proper data pre-processing to provide readily accessible and cleaned data tables for our clients.

Ort, Adresse		Gestehungs- Ve kosten			Mari	ktwerl	Mietzins- einnahmen		
	CHF	%	CHF	%	CHF	%	CHF	%	
Kommerziell genutzte Liegenschaften								—	
Aarau, Rohrerstrasse 100/102	31 757 557	10.06	29 987 000	9.39	34 120 000	11.12	1 505 834	9.29	
Aclens, Chemin du Coteau 23	11 339 796	3.59	7 053 400	2.21	11 510 000	3.75	586 931	3.62	
Allschwil, Gewerbestrasse 25	10 270 593	3.25	10 100 000	3.16	8 940 000	2.91	596 913	3.68	
Bubendorf, Grüngenstrasse 17/17a	8 456 843	2.68	8 488 000	2.66	8 260 000	2.69	408 131	2.52	
Buchs, Amsleracherweg 8	30 250 627	9.58	41 456 000	12.98	26 940 000	8.78	2 186 863	13.49	
Castione, Via alle Cave 20	6 310 893	2.00	4 000 000	1.25	5 830 000	1.90	335 116	2.07	
Castione, Via San Gottardo 18a/18d	24 604 773	7.80	18 000 000	5.64	24 440 000	7.97	968 090	5.97	
Dietikon, Lerzenstrasse 10	40 853 083	12.94	53 796 000	16.85	34 260 000	11.17	872 485	5.38	
Grancia Collina d'Oro, Via al Molino 49	31 776 430	10.07	26 650 000	8.35	33 740 000	11.00	2 085 625	12.87	
Lamone TI, Via Industria 16	15 775 227	5.00	8 226 000	2.58	15 600 000	5.08	881 258	5.44	
Langenthal, Gaswerkstrasse 33/35	21 238 882	6.73	32 282 600	10.11	19 030 000	6.20	1 300 967	8.03	
Lyss, Industriering 17	18 396 118	5.83	18 150 000	5.68	19 620 000	6.39	1 200 000	7.40	
Meisterschwanden, Industriestrasse 6	6 338 634	2.01	5 780 000	1.81	6 580 000	2.14	259 191	1.60	
Möhlin, Industriestrasse 3/5	11 079 517	3.51	8 534 000	2.67	10 390 000	3.39	598 717	3.69	
Spreitenbach, Limmatstrasse 8-12	22 309 223	7.07	20 851 000	6.53	26 120 000	8.51	1 458 010	8.99	
Staad, Hauptstrasse 104	16 462 006	5.22	16 086 000	5.04	14 430 000	4.70	389 026	2.40	
Weinfelden, Weststrasse 15	8 388 436	2.66	9 907 000	3.10	7 010 000	2.28	469 895	2.90	
Total kommerziell genutzte Liegen- schaften	315 608 637		319 347 000		306 820 000		16 103 051		

INVESTMENT PROPERTIES AS AT 31 DECEMBER 2020

Acquired in current year Canton	Place	Address	Market value (CHFm)	Annualised full occupancy property rent (CHFm)	Net annualised property rent (CHFm)	Occupancy rate	Site area (sqm)	Ownership type 1)
Residentia	ıl properties							
GE	Geneva	Rue du Môle 5	15.7	0.6	0.6	100.0%	277	S
GE	Geneva	Rue de la Servette 23	16.2	0.7	0.7	100.0%	421	S
GE	Geneva	Rue Charles Cusin 10	13.9	0.5	0.4	87.9%	279	S
GE	Geneva	Rue de Bâle 28/30	19.8	0.7	0.5	80.5%	1,230	S
GE	Geneva	Rue des Asters 8	7.0	0.3	0.3	100.0%	302	S
GE	Geneva	Rue Antoine-Carteret 5 Rue du Colombier 11/13	25.7	0.9	0.9	99.7%	1,242	S

		Grundstückfläche in m²	1- und 1½- Zimmer-Wohnungen	2- und 2%- Zimmer-Wohnungen	3- und 3%- Zimmer-Wohnungen	4- und 4½- Zimmer-Wohnungen	5- und mehr Zimmer-Wohnungen	Parking	Diverse	Kommerzielle Nutzungsflächen in m²	Buctwert CHF	Verscherungswert CHF	Marktwert CHF	Metentrag netto CHF
Basel	Altkircherstrasse 15	366	3		7	1	1				4'182'400	2'703'000	5'161'000	174'554
Basel	Hechtliacker 44	BR		32	32	16	1	89		176	24'787'000	19'628'000	29'610'000	1'391'774
Basel	Herrengrabenweg 14	384		3	8			1		35	4'092'400	2'534'000	5'152'000	173'602
Basel	Pilgerstrasse 8–16	2'239	7	12	18			34		40	13'317'900	11'614'000	17'160'000	595'148
Bern	von-Gunten-Strasse 7	BR		5	5	2	1	11			6'077'100	3'430'000	6'430'000	251'294
Biel	Hans-Hugi-Strasse 5, 7, Silbergasse 2, 4	1'293	29	15	9	14		42		1'198	21'858'600	20'900'000	24'850'000	1'076'818
Chiasso	Via B. Fontana 6, 8, 10	1'146		12	18		6	33	3	370	6'616'300	8'519'000	6'930'000	353'442
Dübendorf	Am Wasser 6, 15	3'191	8		8	16	10	20	4	826	28'484'800	17'846'000	38'510'000	1'198'790
Ecublens	Avenue du Tir Fédéral 38, 40	5'448	2	32	30	16		85			16'923'400	14'227'417	22'070'000	931'895
Kerzers	Widacker 1, 3	1'983		8	6	6		29			4'032'200	5'878'100	4'690'000	208'613
La Tour-de-Peilz	Chemin des Pléiades 8	2'135		6	6		3	17		214	4'688'400	4'462'344	6'359'000	264'327
Lyss	Knospenweg 2, 4, 4a, 6, 6a, 8	3'731		3	23	14	1	33		10	9'743'300	9'936'400	12'560'000	527'088
Nidau	Lyss-Strasse 65, 67, 69, 71	4'448		16	22	22	_	57			14'705'500	16'110'707	15'850'000	720'494
Onex	Route de Chancy 130–134, Chemin de l'Auberge 2–4, Route de Loëx 3C–E, 5, 5bis, 5ter	5'366		6	6	19	12	22		774	25'834'900	11'987'700	23'010'000	229'672
Riehen	Wasserstelzenweg 60	1'287		4	4	4		8	1		4'942'900	3'386'000	6'080'000	190'754
Schlieren	Badenerstrasse 96, 98, 106, 108	2'454	7	2	22	28	0	53	4	235	36'500'000	29'017'000	41'870'000	223'034
Winterthur	Dättnauerstrasse 131–163	11'558	9	6	41	31	7	80	2		39'350'600	24'209'935	51'750'000	1'776'816
Total fertige Bauten		47'029	65	162	265	189	42	614	14	3'878	266'137'700	206'389'643	318'042'000	10'288'115

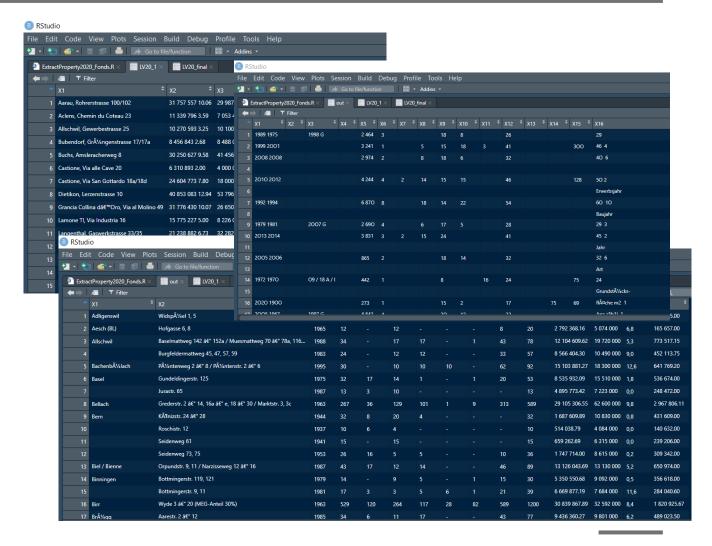


Property level: Property level data (1/2) – data extraction

Issues

We are mainly working with the tabulizer package which works well to extract the data but due to inproper formatting of the report, manual adjustments still often have to be made within the code, e.g. for issues like:

- Two addresses on the same or different lines for the same property.
- Addresses with spelling mistakes
- Figures which are not in the original unit
- Multiple columns extracted as one without separation
- Encoding issues e.g. with unconvenient fonts



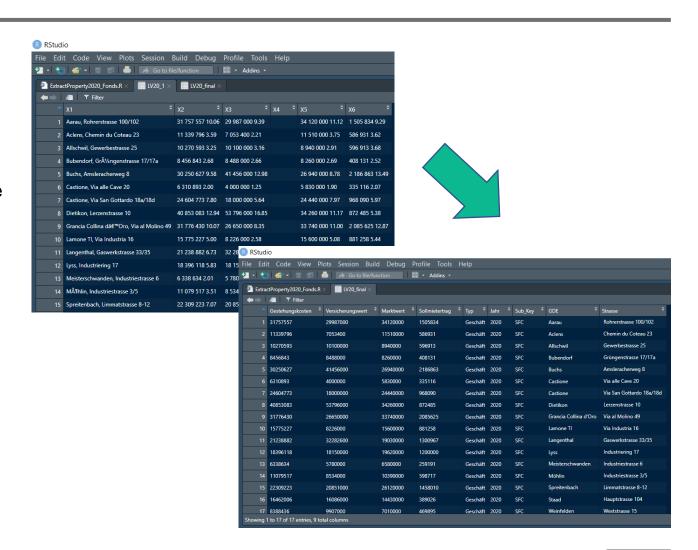
Cleaning: Property level data (2/3) – data cleaning

Cleaning Process

Pre-defined cleaning functions do most of the work – but some issue remain...

- besides the data extraction, the data needs to be formatted so it matches the existing database
- Data quality checks



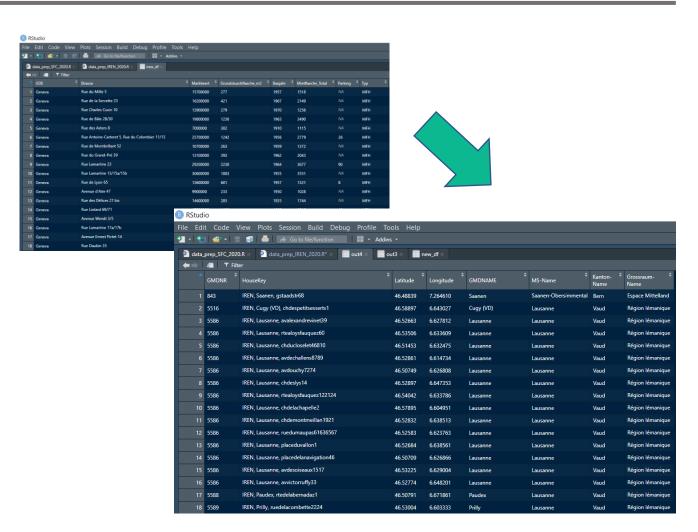


Geocoding: Property level data (3/3) – geocoding

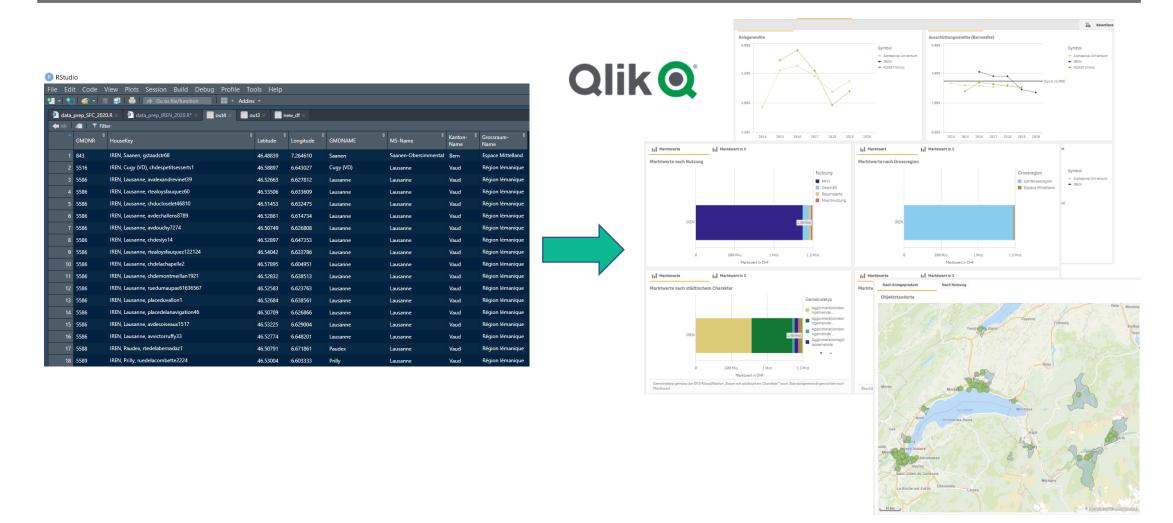
Geocoding

Address data often contain errors such as the assignment of the wrong municipality.

Several automated checks required till we can merge properties with additional information based on the plot



Feeding data into the application...



If you have any questions or suggestions – please reach out!

thomas.spycher@novalytica.com

