

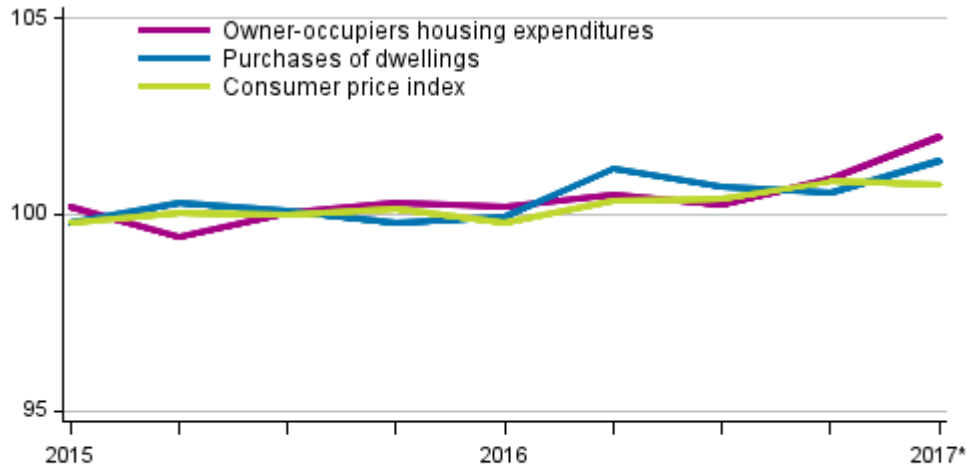
# Indices of owner-occupied housing prices

2017, 1st quarter

## Housing costs of owner-occupied dwellings rose by 1.7 per cent

According to Statistics Finland, the housing costs of owner-occupied dwellings increased by 1.7 per cent in the first quarter of 2017 from the respective quarter of 2016. According to preliminary data, the price of buying a dwelling went up by 1.4 per cent from the corresponding period. Compared with the previous quarter, the housing costs of owner-occupied dwellings rose by 1.1 per cent and purchasing of dwellings became 0.8 per cent more expensive.

### Indices of owner-occupied housing prices 2015=100



\*The latest data concerning 2017 on purchasing dwellings are preliminary

Statistics Finland's indices of owner-occupied housing prices consist of two index series. The first, housing costs of owner-occupied dwellings series describes the development of the costs of owner-occupied dwellings. The housing costs of owner-occupied dwellings consist of the prices of new dwellings purchased by households and other costs of owner-occupied dwellings, like renovations. The second, housing prices series describes the price development of all dwellings. The index is based on the data in the statistics on prices of units in housing companies and real estate prices. The calculation of the statistics is based on Commission Regulation (EC) 93/2013.

## Statistics on indices of owner occupied housing renewed

The base year for the indices of owner-occupied housing prices has been changed to 2015=100. The renewed price index of old detached houses has been used in the calculation of price indices, for which reason the data of the index series describing purchases of dwellings differ from those published earlier as regards 2015 and 2016. The base year is changed due to Eurostat's requirement to switch the base years for the indices of owner-occupied housing prices into 2015.

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**Appendix table 1. Owner-occupiers housing expenditures 2015=100**

			Index 2015=100	Quarterly change, %	Yearly change, %	
Index	Year	Quarter				
O.1. Owner-occupiers housing expenditures	2015	1st quarter	100.2	.	.	
		2nd quarter	99.4	-0.8	.	
		3rd quarter	100.0	0.6	.	
		4th quarter	100.3	0.3	.	
		Whole year	100.0	.	.	
	2016	1st quarter	100.2	-0.1	0.0	
		2nd quarter	100.5	0.3	1.1	
		3rd quarter	100.3	-0.3	0.2	
		4th quarter	100.9	0.6	0.6	
		Whole year	100.5	.	0,5	
	2017	1st quarter	102.0	1.1	1.7	
	O.1.1. Acquisitions of dwellings	2015	1st quarter	100.3	.	.
			2nd quarter	99.4	-0.9	.
			3rd quarter	100.0	0.7	.
			4th quarter	100.4	0.3	.
Whole year			100.0	.	.	
2016		1st quarter	100.3	-0.1	0.0	
		2nd quarter	100.9	0.6	1.5	
		3rd quarter	100.3	-0.6	0.2	
		4th quarter	101.5	1.2	1.1	
		Whole year	100.7	.	0.7	
2017		1st quarter	103.8	2.3	3.5	
O.1.1.1. New dwellings		2015	1st quarter	100.2	.	.
			2nd quarter	99.5	-0.7	.
			3rd quarter	99.8	0.3	.
			4th quarter	100.4	0.6	.
	Whole year		100.0	.	.	
	2016	1st quarter	100.4	-0.0	0.2	
		2nd quarter	100.8	0.4	1.3	
		3rd quarter	100.0	-0.7	0.2	
		4th quarter	101.3	1.2	0.8	
		Whole year	100.6	.	0.6	
	2017	1st quarter	103.9	2.6	3.5	
	O.1.1.3. Other costs related to the acquisitions of dwellings	2015	1st quarter	100.3	.	.
			2nd quarter	97.3	-3.0	.
			3rd quarter	103.0	5.9	.
			4th quarter	99.4	-3.6	.
Whole year			100.0	.	.	
2016		1st quarter	97.8	-1.6	-2.5	
		2nd quarter	102.2	4.5	5.0	
		3rd quarter	103.6	1.3	0.5	
		4th quarter	104.6	1.0	5.3	
		Whole year	102.0	.	2.0	
2017		1st quarter	102.4	-2.1	4.7	

			Index 2015=100	Quarterly change, %	Yearly change, %	
O.1.2. Ownership of dwellings	2015	1st quarter	99.8	.	.	
		2nd quarter	100.1	0.2	.	
		3rd quarter	100.0	-0.0	.	
		4th quarter	100.1	0.0	.	
		Whole year	100.0	.	.	
	2016	1st quarter	100.0	-0.1	0.1	
		2nd quarter	100.0	-0.0	-0.1	
		3rd quarter	100.0	0.1	-0.0	
		4th quarter	100.1	0.1	0.0	
		Whole year	100.0	.	0.0	
	2017	1st quarter	99.8	-0.3	-0.1	
	O.1.2.1. Major repairs and maintenance	2015	1st quarter	99.8	.	.
			2nd quarter	100.1	0.3	.
			3rd quarter	100.0	-0.1	.
			4th quarter	100.1	0.0	.
Whole year			100.0	.	.	
2016		1st quarter	99.9	-0.1	0.2	
		2nd quarter	99.9	-0.0	-0.2	
		3rd quarter	100.0	0.1	-0.1	
		4th quarter	100.1	0.1	-0.0	
		Whole year	100.0	.	-0.0	
2017		1st quarter	99.8	-0.3	-0.1	
O.1.2.2. Insurance connected with the dwelling		2015	1st quarter	100.1	.	.
			2nd quarter	99.8	-0.3	.
			3rd quarter	100.0	0.2	.
			4th quarter	100.1	0.1	.
	Whole year		100.0	.	.	
	2016	1st quarter	101.7	1.6	1.6	
		2nd quarter	101.9	0.2	2.2	
		3rd quarter	101.9	0.0	1.9	
		4th quarter	101.9	0.0	1.8	
		Whole year	101.9	.	1.9	
	2017	1st quarter	101.8	-0.1	0.1	

**Appendix table 2. Purchases of dwellings 2015=100**

Index	Year	Quarter	Index 2015=100	Quarterly change, %	Yearly change, %	
H.1. Purchases of dwellings <sup>1)</sup>	2015	1st quarter	99.8	.	.	
		2nd quarter	100.3	0.5	.	
		3rd quarter	100.1	-0.2	.	
		4th quarter	99.8	-0.3	.	
		Whole year	100.0	.	.	
	2016	1st quarter	99.9	0.2	0.1	
		2nd quarter	101.2	1.2	0.9	
		3rd quarter	100.7	-0.5	0.6	
		4th quarter	100.6	-0.1	0.8	
		Whole year	100.6	.	0.6	
	2017	1st quarter	101.4	0.8	1.4	
	H.1.1. Purchases of new dwellings	2015	1st quarter	100.2	.	.
			2nd quarter	99.5	-0.7	.
			3rd quarter	99.8	0.3	.
4th quarter			100.4	0.6	.	
Whole year			100.0	.	.	
2016		1st quarter	100.4	-0.0	0.2	
		2nd quarter	100.8	0.4	1.3	
		3rd quarter	100.0	-0.7	0.2	
		4th quarter	101.3	1.2	0.8	
		Whole year	100.6	.	0.6	
2017		1st quarter	103.9	2.6	3.5	
H.1.2. Purchases of existing dwellings		2015	1st quarter	99.6	.	.
			2nd quarter	100.7	1.1	.
			3rd quarter	100.2	-0.4	.
	4th quarter		99.5	-0.7	.	
	Whole year		100.0	.	.	
	2016	1st quarter	99.7	0.2	0.1	
		2nd quarter	101.4	1.7	0.8	
		3rd quarter	101.1	-0.3	0.9	
		4th quarter	100.3	-0.8	0.8	
		Whole year	100.6	.	0.6	
	2017	1st quarter	100.1	-0.1	0.4	

1) The latest data for the year 2017 is preliminary

## Revisions in these statistics

The data of the statistics have become revised according to the tables below. For more information about data revisions, see Section 3 of the quality description.

### Revisions to data on quarterly changes in Indices of owner-occupied housing prices

Index and reference time		Quarterly change, %		Revision, percentage point
		Latest release 30.6.2017	1st release	
Purchases of dwellings	4/2016	-0.1	-0.1	0.0
Purchases of existing dwellings	4/2016	-0.8	-0.8	0.0

### Revisions to data on yearly changes in Indices of owner-occupied housing prices

Index and reference time		Annual change, %		Revision, percentage point
		Latest release 30.6.2017	1st release	
Purchases of dwellings	4/2016	0.8	1.0	-0.2
Purchases of existing dwellings	4/2016	0.8	1.0	-0.2

# Quality Description: Indices of owner-occupied housing prices

## 1. Relevance

### 1.1 Information content and purpose of use

Indices of owner-occupied housing prices describe the costs of purchasing and owning owner-occupied dwellings, as well as the development of purchase prices of dwellings.

The owner-occupied housing expenditures describes the development of transaction prices of dwellings new to the households and of other costs and services related to owner-occupied dwellings.

The purchases of dwellings describes the price development of dwellings bought by households. The purchases of dwellings consists of the price indices of new and old dwellings in housing companies, and the statistics on real estate prices, which consists of the price indices of new and old detached houses.

### 1.2. Concepts, classifications and data

#### **The data**

Purchasing of dwellings is based on price data on new dwellings, which are based on the information about transactions in new dwellings made by the largest real estate agents and building contractors. Statistics Finland receives the information via a private price monitoring service.

The data on ownership of dwellings are based on data collect for the calculation of the consumer price index, which Statistics Finland's interviewers collect. Price data are also received directly from data suppliers or by collecting them from the Internet.

The data of the indices of housing prices are based on the data of Statistics Finland's indices on prices of dwellings in housing companies and real estate prices.

#### **Concepts:**

*Dwelling:* A dwelling refers to a room or suite of rooms that is equipped with a kitchen, kitchenette or cooking area and is intended for year-round habitation.

*Old/new dwelling:* An old dwelling refers to a dwelling that has not been completed in the examined year or the year before it. Respectively, a new dwelling refers to a dwelling completed in the statistical reference year or the year before it that is sold for the first time.

*(Nominal) price index:* Indicates the change in prices compared with the index base time period (2015=100).

*Index formula:* Index formula is a mathematical function by means of which an individual key figure describing change is calculated from observation values (e.g. Fischer's, Laspeyres' and Paasche's index formulas).

*Total index:* Total index is the index calculated as a weighted average from all the sub-series belonging to the description area of the index. Total index can be calculated as a weighted index of detailed price index series describing different commodity groups.

*Quarterly change:* Quarterly change is the relative change in the index from a time period one quarter earlier. The change is usually expressed in percentages.

*Change on one year:* Year-on-year change is the relative change of the index from the corresponding time period twelve months earlier (e.g. year-on-year change of the total index of consumer prices, i.e. inflation).

*Point figure:* Point figure is a change quantity used in price indices, which expresses the price, average price or index of the comparison period relative to the price, average price or index of the base period. The point figure of the base period is usually denoted by the number hundred. For example, if the point figure of a commodity at a certain point in time is 105.3, the price of the commodity has risen by 5.3 per cent compared to the base time period.



## **Classifications:**

Classifications of the index of owner-occupied housing prices:

O.1. Owner-occupiers' housing expenditures

O.1.1. Acquisitions of dwellings

O.1.1.1. New dwellings

O.1.1.1.1. Purchases of new dwellings

O.1.1.1.2. Self-build dwellings and major renovations

O.1.1.2. Existing dwellings new to households

O.1.1.3. Other services related to the acquisition of dwellings

O.1.2. Ownership of dwellings

O.1.2.1. Major repairs and maintenance

O.1.2.2. Insurance connected with dwellings

O.1.2.3. Other services related to ownership of dwellings

Classifications of the index of housing prices:

H.1. Purchases of dwellings

H.1.1. Purchases of new dwellings

H.1.2. Purchases of old dwellings

## **2. Methodological description**

Costs related to purchasing of dwellings include the purchase price of new dwellings and property commissions. New dwellings in housing companies in the statistics on the prices of dwellings in housing companies and new detached houses in the statistics on real estate prices describe the purchase of new dwellings.

Costs related to owning a dwelling, which include renovation costs and premium for fire insurance on detached houses are derived from the consumer price index and they are part of the commodity basket of the consumer price index. The structure of private households' consumption is estimated when forming the commodity basket, i.e. how much consumers spend per year on purchasing different goods and services. The principle source is data on private consumption in national accounts that are based on data from Statistics Finland's Household Budget Survey. In addition, for instance, data from central retail corporations and trade associations are used.

Purchases of new and old dwellings depicting purchases of dwellings, contain data from the statistics on prices of dwellings in housing companies and on real estate prices.

The point figures describing the price indices of dwellings and owner-occupied dwellings are derived by weighting together the lower level indices with consumption expenditure weights.

## **3. Correctness and accuracy of the data**

### **3.1. Reliability of the statistics**

In the price index of owner-occupied dwellings the purchase price of new dwellings is based on the statistics on the prices of new dwellings, which is published as part of the statistics on prices of dwellings in housing companies. Dwellings built for oneself, describes the price development of dwellings that have been built or contracted by the household for personal use and the data are based on information collected from building companies and prefabricated house manufacturers. In terms of renovations, the data are based on the data of the consumer price index and the building cost index.

The data on other services related to acquiring a dwelling, large renovations, insurance premiums and other services related to housing are based on data collected by the consumer price index.

In the house price index, the data are based on the data in the statistics on real estate prices and prices of dwellings in housing companies. The weights are based on the structure of the dwelling stock and its estimated current prices.

### 3.2. Accuracy of the statistics

The data on purchasing old dwellings are preliminary for the first release. The preliminary data on purchasing of old dwellings includes approximately two-thirds of all housing transactions and all transactions of old real estate. The data on detached houses built by the owner and on general housing costs are final. The data content is determined based on the Commission Regulation (93/2013) that entered into force at the beginning of 2013.

## 4. Timeliness and promptness of published data

Data are released approximately 95 days from the end of the reference period. The release dates are determined by Eurostat's release schedule. The data of the first release are preliminary and final in the second release.

## 5. Accessibility and transparency of the data

The basic statistical publication and database tables of the index of owner-occupied housing prices are accessible on Statistics Finland's website.

Data on the indices of housing prices from other EU countries are available on Eurostat's website, eurostat (<http://ec.europa.eu/eurostat>).

## 6. Comparability of the statistics

### 6.1. Comparability with other data

In 2017, the base year for the indices of owner-occupied housing was changed into 2015=100. The renewed price index of old detached houses has been used in the calculation of price indices, for which reason the data of the index series describing purchases of dwellings differ from those published earlier as regards 2015 and 2016. Data between 2010 and 2015 are available on the PX-Web table Indices of owner-occupied housing prices 2010=100, 2010-2016.

### 6.2. Comparability over time

Aggregate level data on indices of owner-occupied housing prices are available starting from 2010.

## 7. Coherence and consistency

In addition to indices of owner-occupied housing prices, Statistics Finland publishes data on the consumer price index and on the prices of dwellings in housing companies and real estate. The indices of owner-occupied housing prices cover the share of owner-occupied dwelling in the commodity basket of the consumer price index. The indices of housing prices depict the development of housing prices of the whole country in total.

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