

# Rent Reference Index

## Presentation

Article 9 of Law no. 2008-111 of 8 February 2008 on purchasing power amends the Rent Reference Index created by article 35 of Law no. 2005-841 of 26 July 2005 on the development of personal services and including various measures to promote social cohesion. The new index corresponds to the mean of the consumer price index over the previous twelve months, excluding tobacco and rents.

The **Rent Reference Index** is the reference for **rent review relating to current leases in private housing stock**.

This new index now replaces the Cost of Construction index for reviewing:

- payments on property leasing with purchase option contracts for buildings for housing purposes or professional and residential use, that are either completed or under construction at the date the agreement is signed. It is not applicable to contracts covered by title II and article 22 of Law no. 71-579 of 16 July 1971 relating to miscellaneous construction operations;
- rents on residential buildings within the framework of farm tenancies (article 411-11 of the Rural Code): "This rent and the minima and maxima are reviewed every year, in line with the variation in the Rent Reference Index published every quarter by the National Institute for Statistics and Economic Studies and which corresponds to the mean change over the previous twelve months in consumer prices, excluding tobacco and excluding rents."

The Rent Reference Index is a quarterly index, base 100 in the fourth quarter 1998.

This index will be published every quarter by INSEE:

- The Rent Reference Index for Q1 will be published around 15 April;
- The Rent Reference Index for Q2 will be published around 15 July;
- The Rent Reference Index for Q3 will be published around 15 October;
- The Rent Reference Index for Q4 will be published around 15 January of the following year.

The exact dates will be announced within the framework of the calendar of the main economic indicators concerned, published by INSEE on the 25<sup>th</sup> of every month.

## Method

The Rent Reference Index is a year-on-year chained index. It is obtained by multiplying the index for the same quarter of the previous year by the change in the mean of the Consumer Price Index, excluding tobacco and rents, between these two periods over twelve consecutive months (INSEE – Consumer Price Index), using the reference 100 for Q4 1998 and rounded to two decimal places.

The calculation is performed using the unrounded series of the Consumer Price Index, excluding tobacco and rents.

Year-on-year, the Rent Reference Index is rounded to two decimal places.

The index has been published since the fourth quarter of 2002, the purpose being to enable landlords to exercise their right to review rents within the statutory period.

For more information, go to [How to review housing rent](#) on the INSEE website.