

# Informations *Rapides*

20 septembre 2016 - n° 244



## ■ Commercial Rent Index – Second quarter of 2016

### In Q2 2016, the Commercial Rent Index was stable over a year

In Q2 2016, the commercial rent index stood at 108.40. Over a year, it was stable after a slight increase (+0.1%) in the previous quarter.

#### Commercial Rent Index

Reference 100 in Q1 2008

	Index	Percentage change over a one year period (Q/Q-4)
2012 Q1	107.01	+3.25
2012 Q2	107.65	+3.07
2012 Q3	108.17	+2.72
2012 Q4	108.34	+1.94
2013 Q1	108.53	+1.42
2013 Q2	108.50	+0.79
2013 Q3	108.47	+0.28
2013 Q4	108.46	+0.11
2014 Q1	108.50	-0.03
2014 Q2	108.50	0.00
2014 Q3	108.52	+0.05
2014 Q4	108.47	+0.01
2015 Q1	108.32	-0.17
2015 Q2	108.38	-0.11
2015 Q3	108.38	-0.13
2015 Q4	108.41	-0.06
2016 Q1	108.40	+0.07
2016 Q2	<b>108.40</b>	<b>+0.02</b>
2016 Q3		
2016 Q4		

Note: series are available on [www.insee.fr](http://www.insee.fr).

Source: INSEE

#### Warning:

Article 47 of the Law on the modernization of the economy (2008-776) of 4 August 2008 established the commercial rent index (CRI).

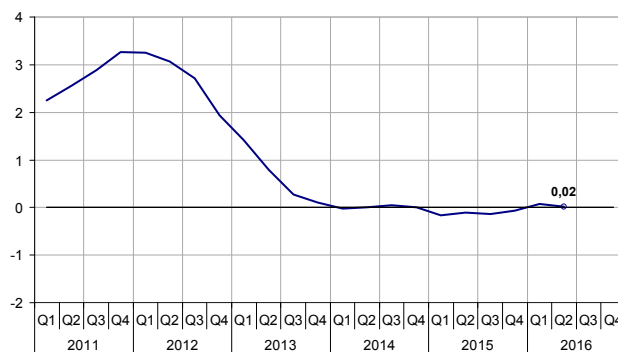
Decree No. 2008-1139 of 4 November 2008 set out the industries concerned and the procedures for calculating and publishing the index.

According to Law 2014-626 of 18 June 2014 (Article 9), which amends section L145-34 of the Commercial Code, two indices can be used for the escalation of commercial rent contracts leases:

- the commercial rent index for commercial and craft activities;
- the tertiary activities rent index for activities other than commercial and craft activities.

#### Commercial Rent Index

Percentage change over a one year period (Q/Q-4)



Source: INSEE

### **For more information:**

The Law on modernization of the economy No. 2008-776, of 4 August 2008 created a quarterly Commercial Rent Index (CRI). Decree No. 2008-1139 of 4 November 2008 defined the procedures for calculating and publishing the index, and the industries involved. ILC is published around the 20<sup>th</sup> of March, June, September and December.

The quarterly Commercial Rent Index (CRI) consists of a weighted sum of indices representing the evolution of [consumer prices](#), the [prices of new construction](#) and the [turnover of retail trade](#).

The representative index of price changes in [consumer price index for consumption excluding tobacco and rents](#) (IPCL) for all households and on the mainland and overseas departments published by INSEE. The calculation of the quarterly commercial rents index uses the average of this index over twelve consecutive months, the last month corresponding to the last month of the quarter for which the quarterly Commercial Rent Index is calculated. This average (mIPCL) is expressed by retaining the reference 100 to the average for the first quarter of 2008.

The index representing the price change of new construction is the "[Cost of Construction Index](#)" (CCI) published by INSEE. The calculation of the quarterly Commercial Rent Index uses the average of this index over four consecutive quarters, the last quarter being the one for which the quarterly Commercial Rent Index is calculated. This average (mICC) is expressed by retaining the reference 100 to the average for the first quarter of 2008.

The index representing the change of the [turnover of retail trade is the index of turnover in retail trade, by value, adjusted for seasonal and working days](#) (ICAVaCD) published by the INSEE. The calculation of the quarterly Commercial Rent Index uses the average of this index over twelve consecutive months, the last month corresponding to the last month of the quarter for which the quarterly commercial rents index is calculated. This average (mICAVaCD) is expressed by selecting, for each calculation, the reference 100 for the average affected to the first quarter of 2008. Since the first quarter of 2016, INSEE improved the method of computation of turnover retail trade index, using exhaustive information. In order to continue the computation of CRI without any gap linked to the change in method, in conformity with the application decree, a link coefficient is applied to the new monthly series of turnover retail trade index. The point of link is December 2015, the coefficient value is 0.945 (value of December 2015 of the old series/ value of December 2015 of the new series on 2 June 2016).

The calculation of the quarterly Commercial Rent Index is based on the values of its three components contained in the latest publication available at the time of calculating the quarterly Commercial Rent Index. If one component is changed after the publication of an index in a given quarter, these changes will not be taken into account to correct the previously published index. The indices for the previous quarters in the second quarter 2008 are computed from all the past values of the different components known at 10 November 2008.


The three components used in the calculation of the quarterly commercial rents index are weighted in the following formula:

$$\text{Quarterly Commercial Rent Index} = 50\% \text{ mIPCL} + 25\% \text{ mICC} + 25\% \text{ mICAVaCD}$$

### **Uses**

In accordance with Law no. 2011-525 of 17 May 2011 on simplification and improvement in the quality of rights (article 63), law [2014-626 of 18 June 2014](#) (article 9), which amends section L145-34 of the Commercial Code, two indices can be used for the [escalation of commercial rent contracts leases](#):

- The Commercial rent index for commercial and craft activities;
- The Tertiary activities rent index for commercial activities other than commercial.

- Complementary information (historical data, methodology, weblinks, etc.) is available on the web page of this index: <http://www.insee.fr/en/themes/info-rapide.asp?id=104>
- Historical data are available on the BDM : [G949](#)
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Next issue: 20 December 2016 at 12:00 pm.