

Informations *Rapides*

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■ Commercial Rent Index – Fourth quarter of 2016

**In Q4 2016, the Commercial Rent Index
increased by 0.5% over a year**

In Q4 2016, the commercial rent index stood at 108.91. Over a year, it accelerated (+0.5% after +0.2% 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	108.40	+0.02
2016 Q3	108.56	+0.17
2016 Q4	108.91	+0.46

Note: series are available on 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).

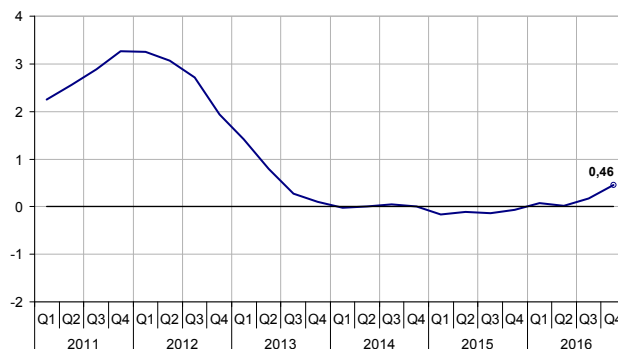
Decree No. 2008-1139 of 4 November 2008 set out the industries concerned and the procedures for calculating and publishing the index.

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 in the end of the third month following the quarter under review.

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

The representative index of price changes is the [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 in 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 of the first quarter of 2008. Since the first quarter of 2016, INSEE has improved the method of computation of the turnover retail trade index, using exhaustive information. In order to continue the computation of the CRI without any break due to this change in the method, in conformity with the application decree, a linking coefficient is applied to the new monthly series of turnover retail trade index. The connection point 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 three components used in the calculation of the quarterly commercial rents index are weighted with the following formula:

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

The quarterly Commercial Rent Index is not revised.

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: <https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=51>
- Historical data are available on the BDM : [G949](#)
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Next issue: 20 June 2017 at 12:00 pm.