

■ Quarterly business survey in real-estate development – July 2017

In July 2017, developers' opinion on demand for new dwellings continues to improve

In July 2017, once again, more developers than three months ago estimate that demand for new dwellings is high. The corresponding balance has increased for the second consecutive quarter to reach in July its highest level in ten years, clearly above its long-term average.

Expected housing starts improve again

In July 2017, the outlook for housing starts for the next three months has improved again. The corresponding balance has risen by three points and stands significantly above its long-term average. In detail, the balance on housing starts for sale, well above its long-term average for a year, has recovered slightly in July, whilst the one for rent has increased again markedly and has exceeded its long-term average even more. At the same time, almost as many developers as in April have indicated a decrease in unsold dwelling stocks. After following a downward trend for a year, the balance has stabilized in July but remains below its long-term average.

More developers indicate an increase in the average housing price

Once again, more developers than in the previous survey have indicated a rise in the average price of new dwellings for sale; the corresponding balance of opinion has kept increasing since early 2015 and has exceeded its long-term average since early 2017. About funding, fewer developers than in April consider that downpayment to acquire a new dwelling has increased during the last few months; the balance remains well above its long-term average, though. In

contrast, more developers think that the financing capacity to purchase new housing will increase over the next quarter; the balance has bounced back and remains steadily above its long-term average.

Real-estate development economic outlook

Balances of opinion, in %, SA

	Mean*	Oct. 16	Jan. 17	April 17	July 17
New dwelling demand	-9	-7	-7	-1	2
Expected housing starts	-7	-2	-1	2	5
- for sale	-15	-2	1	-4	-1
- for rent	0	0	-4	10	19
Unsold dwelling stock tendency	-26	-23	-26	-30	-29
Housing average price for sale	4	0	6	10	12
Downpayment	-20	-12	-6	-8	-11
Financing capacity	-22	2	-6	-9	-2

* Mean since July 1991.

Source: French business survey on real-estate development - INSEE

New dwelling demand tendency

Balances of opinion, in %, SA



For further information:

The balance of opinion is calculated as the difference between the percentage of responses "increase" and the percentage of responses "decrease".

- Additional information (long series, methodology, links, etc.) is available on the web page of this indicator: <https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=11>
- Historical data is available on the BDM: <https://www.insee.fr/en/statistiques/series/102874954>
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