

## Second-hand housing price indices

The calculation of the second-hand price housing index was the object of an update in 2018. This methodological note presents the updated method.

### Index base 100 in average of 2015

The Notaires-INSEE second-hand housing price indices are constant quality indices. Any change is therefore independent of the type and quality of the dwellings that change hands from one quarter to another. This means that they take into account any variation in price in a reference housing stock fixed for two years.

The methodology has been validated by the Scientific Board of the Notaires-INSEE Indices (Conseil Scientifique des Indices Notaires-Insee - CSIN). It is based on models that break down housing prices according to the contributions of their different characteristics. To do this, the territory is divided into elementary zones (about 350) for each type of dwelling (apartment and house), within which changes in housing prices are homogeneous. Within each of these zones, coefficients measuring the impact of each physical characteristic are estimated using econometric models. Based on the transactions observed, these models are then used to estimate the prices of dwellings in a reference stock whose characteristics are fixed over time. Changes in the prices of these reference dwellings are then used to calculate elementary price indices. Aggregated indices are calculated based on changes in the elementary price indices, taking into account the weight of each elementary index in the reference stock. The reference stock is updated every two years. Thus the reference stock considered for calculating the 2018 and 2019 indices corresponds to transactions that took place during the period 2015 to 2016.

The Notaires-INSEE second-hand housing price indices are completely updated every five years, approximately. The purpose of this update is to bring the coefficients used to calculate the indices up to date, and at the same time it provides an opportunity to introduce improvements in the methodology. The last update was in 2018 (for the publication of the revised first quarter 2018, that is occurred in September 2018).

### The volume of transactions

The volume of transactions is estimated by the Conseil général de l'environnement et du développement durable. The method consists in crossing data from the public finances (DGFIP) on the tax base, which are exhaustive but are not distinguish by type of dwellings (residential buildings, business buildings, grounds...) and information from the notarial databases, which distinguish the diverse types of dwellings but are not exhaustive.

The geographical scope is France (excluding Mayotte).

### Scope

Since the last update, the geographical scope is France (excluding Mayotte).

The indices cover second-hand dwellings in the fiscal sense, i.e. more than 5 years old or having undergone a transfer. To avoid including atypical transactions, non-standard housing such as rooms, lofts, workshops or chateaux and acquisitions carried out by property professionals are not included in the calculations. The dwelling must be sold by a mutual agreement sale, unoccupied at the time of sale (period of occupation by a third party or by the seller six-month-old subordinate), intended for residential use and acquired in freehold by a private individual or a real estate company.

## Sources

Second-hand housing price indices for Île-de-France are calculated by the company Paris Notaires Services (PNS) and INSEE from property transaction data in the Notarial Economic Database (Base d'Informations Économiques Notariales - BIEN) which belongs to and are provided by notaries in France.

Second-hand housing price indices for provincial France and overseas departments (excluding Mayotte) are calculated by the company Min.not and INSEE from property transaction data in the PERVAL database, which belongs to and are provided by notaries in France.

Second-hand price indices for the whole of France (excluding Mayotte) are calculated by Min.not and INSEE from property transaction data in the databases BIEN and Perval.

Two agreements have been signed, one between INSEE and PNS, and one between INSEE, the Higher Notary Council (Conseil Supérieur du Notariat) and Min.not, to define the methodology for calculating indices using notarial data and the methods for publishing the indices.

## Définition

The Notaires-INSEE second-hand housing price indices provide a means of measuring changes in the prices of second-hand dwellings at constant quality. The price used is the net selling price, excluding property transfer duties, notary fees and agency commission.

## Publication

The provisional indices for quarter Q and the definitive indices for quarter Q-1 are published the following quarter in the collection Informations rapides. The index series are also available under the heading "Indices and time series" on the INSEE website.

When Informations rapides is published, series relating to infra-provincial geographical levels are not yet available. Mid-quarter, between two publications, the Indices and time series and the long series available on the Economic indicators page of the website are updated to include this information and to bring the series that have already been published up to date.

## Detailed documentation

- **Price index for second-hand dwellings stock : description and methodology**  
<http://www.insee.fr/en/methodes/default.asp?page=sources/sou-ind-prix-logements-anciens.htm>