



**COUNCIL OF
THE EUROPEAN UNION**

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COVER NOTE

from: Secretary-General of the European Commission,
signed by Mr Jens NYMAND-CHRISTENSEN, Director

date of receipt: 12 October 2012

to: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
Union

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Subject: COMMISSION REGULATION (EU) No .../. of XXX laying down detailed
rules for the implementation of Council Regulation (EC) No 2494/95
concerning harmonised indices of consumer prices, as regards establishing
owner-occupied housing price indices

Delegations will find attached Commission document D021054/02.

Encl.: D021054/02



EUROPEAN COMMISSION

Brussels, **XXX**
D021054/02
[...] (2012) **XXX** draft

COMMISSION REGULATION (EU) No .../..

of **XXX**

laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices, as regards establishing owner-occupied housing price indices

(Text with EEA relevance)

COMMISSION REGULATION (EU) No .../..

of XXX

laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices, as regards establishing owner-occupied housing price indices

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices¹, and in particular the third paragraph of Article 4 and Article 5(3) thereof,

Having regard to the opinion of the European Central Bank (²),

Whereas:

- (1) Regulation (EC) No 2494/95 establishes the production of harmonised indices of consumer prices (HICP).
- (2) Establishing price indices for dwellings and in particular for owner-occupied housing should be explored to improve the relevance and comparability of the HICP.
- (3) With a view to compiling owner-occupied housing indices it is necessary to produce house price indices. House price indices are also important indicators in their own right.
- (4) Methodological guidance on compiling owner-occupied housing and house price indices is necessary to ensure reliable and comparable results from all Member States.
- (5) The measures provided for in this Regulation are in accordance with the opinion of the European Statistical System Committee (ESS Committee).

¹ OJ L 257, 27.10.1995, p. 1.

² OJ L XXX, XX.XX.XXXX, p. X.

HAS ADOPTED THIS REGULATION:

Article 1
Subject matter

This Regulation establishes owner-occupied housing price indices with a view to improving the relevance and comparability of harmonised indices of consumer prices ('HICP').

Article 2
Definitions

For the purposes of this Regulation, the following definitions shall apply:

1. 'owner-occupied housing price index' means an index that measures the changes in the transaction prices of dwellings new to the household sector and other goods and services that households acquire in their role as owner-occupiers;
2. 'house price index' means an index that measures the changes in the transaction prices of dwellings purchased by households.

Article 3
Coverage

3. The following expenditure categories shall be covered in the owner-occupied housing price index:
 - O.1. Owner-occupiers' housing expenditures
 - O.1.1. Acquisitions of dwellings
 - O.1.1.1. New dwellings
 - O.1.1.1.1. Purchases of new dwellings
 - O.1.1.1.2. Self-build dwellings and major renovations
 - O.1.1.2. Existing dwellings new to households
 - O.1.1.3. Other services related to the acquisition of dwellings
 - O.1.2. Ownership of dwellings
 - O.1.2.1. Major repairs and maintenance
 - O.1.2.2. Insurance connected with dwellings
 - O.1.2.3. Other services related to ownership of dwellings
4. The following expenditure categories shall be covered in the house price index:
 - H.1. Purchases of dwellings
 - H.1.1. Purchases of new dwellings
 - H.1.2. Purchases of existing dwellings

5. The owner-occupied housing price index shall be based on the ‘Net acquisitions’ approach, which measures changes in actual prices paid by consumers for the acquisition of dwellings that are new to the household sector as well as changes in other costs related to the ownership, and transfer of ownership, of dwellings.
6. Any housing expenditure category as defined in Article 3(1) with a weight of at least one part per hundred of the total housing expenditure O.1 shall be covered. Any housing expenditure category as defined in Article 3(2) with a weight of at least one part per hundred of the total housing expenditure H.1, shall be covered.

Article 4

Methodological manual

7. The Commission (Eurostat), in close cooperation with the Member States, shall establish a manual which provides a methodological framework for owner-occupied housing and house price indices produced pursuant to this Regulation (hereinafter referred to as the ‘OOH-HPI manual’). When duly justified, the Commission (Eurostat) shall update the manual, in accordance with procedural arrangements approved by the ESS Committee.
8. The quality criteria referred to in Article 12(1) of Regulation (EC) No 223/2009 of the European Parliament and of the Council³ shall apply to the compilation of the owner-occupied housing and house price indices.
9. Member States shall provide the Commission (Eurostat), at its request, with the necessary information to assess the compliance of owner-occupied housing and house price indices with the provisions of this Regulation.

Article 5

Data requirements

10. Member States shall compile and provide the Commission (Eurostat) with price indices for the categories laid down in Article 3 in accordance with the OOH-HPI manual.
11. Member States shall provide quarterly price indices. In addition to quarterly indices, Member States may also provide monthly indices.
12. The indices referred to in Article 3(1) shall be provided from the 3rd quarter of 2014 relating to the 2nd quarter of 2014. The indices referred to in Article 3(2) shall be provided from the 3rd quarter of 2012 relating to the 2nd quarter of 2012.
13. Member States shall provide the Commission (Eurostat) with the quarterly indices within a deadline which shall not exceed eighty-five days from the end of the quarter to which the indices relate. Those Member States that choose to provide also monthly indices shall provide them within thirty days from the end of the month to which the indices relate.

³ OJ L 87, 31.3.2009, p. 164.

14. Each year, Member States shall compile and provide the Commission (Eurostat) with one set of expenditure weights for owner-occupied housing price indices and one set of expenditure weights for house price indices, as defined in the OOH-HPI manual and in accordance with the Commission Regulation (EU) No 1114/2010⁴.

The weights for the quarterly indices shall be provided no later than 15 June of the year following the year to which the weights relate.

Member States providing monthly indices shall provide the corresponding weights no later than 20 February of the year following the year to which the weights relate.

15. Member States shall compile and provide the Commission (Eurostat) with estimated back data starting with the index for the 1st quarter of 2010 for the indices referred to in Article 3(1), within the deadlines referred to in Articles 5(3) and (4) at the latest. Member States shall compile and provide the Commission (Eurostat) with estimated back data starting with the index for the 1st quarter of 2008 for the indices referred to in Article 3(2), within the deadlines referred to in Articles 5(3) and (4) at the latest.
16. Member States shall provide the data required by this Regulation and the associated metadata in accordance with an exchange standard specified by the Commission (Eurostat). Data and metadata shall be provided to the Commission (Eurostat) via the Single Entry Point services or in such a way that the Commission can retrieve them via the Single Entry Point services.

Article 6

Transitional measures

17. One year and three years respectively after the date of entry into force of this Regulation, Member States shall provide the Commission (Eurostat) with reports on the quality of the data, on the basis of the standards defined within the European Statistical System and in the OOH-HPI manual.
18. The Commission (Eurostat) shall, within five years of the date of entry into force of this Regulation, prepare a report on the indices established pursuant to this Regulation and in particular on their degree of compliance with Commission Regulation (EC) No 1749/96⁵ and Commission Regulation (EU) No 1114/2010⁶. The report shall also address the suitability of the owner-occupied housing indices for integration into HICP coverage.

Article 7

Entry into force

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 September 2012. This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

⁴ OJ L 316, 2.12.2010, p. 4.

⁵ OJ L 229, 10.9.1996, p. 3.

⁶ OJ L 316, 2.12.2010, p. 4.

Done at Brussels,

*For the Commission
The President*