

Report **October 2011**

RICS RESEARCH

The Housing Sector
– Household Consumption
From a European Perspective



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– Household Consumption
From a European Perspective



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“Property can cause huge problems, but the sector traditionally leads economies out of recession”

The Economist; “Bricks and slaughter, a special report on property”; 5 March 2011

With the financial and economic crisis still ongoing, purchasing power for consumers is under increased pressure. It is therefore important to look at what makes up the largest proportion of consumer spending. As this paper shows, this is, without a doubt, housing.

Housing is a national matter and not an EU competency. However, European legislation, communication and research affecting many housing related topics are affecting national housing policies.

In its 2010 lecture series the European Housing Forum, co-chaired by RICS, made five recommendations concerning the EU dimension of housing policies. The first of these stated that *“The EU should take the leading role in providing sufficient and qualitative data and statistics, and support mutual learning by allowing for knowledge and information exchange.”*



The discussions during the lecture series showed there is a clear lack, and need, of statistics, data and research that is easily accessible to everyone. With this in mind, RICS is publishing this report, providing a detailed Member State (macro) level overview of consumer spending, with a specific focus on housing related items.

Taking the latest in comparable data, from 2009, housing consumption is the largest share of consumer spending in 21 of the 27 EU Member States. In 2000 this was the case in 17 of the current Member States. This upward trend shows that not only is housing related consumer spending the largest share, it has grown during the last decade.

This report looks into more detail at the main components that make up housing consumption: owner-occupied expenses, rents, energy consumption and maintenance.

What also becomes clear is that, whilst there are huge varieties between countries, certain aspects are common in most Member States.

First of all, the part of housing consumption that relates to owner-occupied is much larger than other parts. This shows that, in most countries, buying a house or an apartment is the preferred option of many. National policies have strengthened this. In a time of decreasing budgets, both for countries as well as for households, the question whether such an approach is sustainable will need to be addressed.

Second, looking at the last decade, energy expenditure has eaten a bigger part of consumer's budget. Whilst this can have many reasons besides energy usage, it is clear that energy efficiency and renewable energy measures need to remain an important focus of decision makers, energy suppliers and consumers. This counts especially for the existing building stock.

We hope that this study will be a useful tool for all stakeholders in the housing market.

Finally, I would like to take the opportunity to thank my RICS colleagues who played a vital role in making this new RICS paper happen: James Rowlands and Clare Eriksson of RICS Research, and Gael Bassetto, Kate Symons and Laura Lindberg of RICS Europe.

Most of all, I would like to thank the author of the report, Peter Parlasca FRICS, whose knowledge of both the issue and of statistical data analysis have led to the creation of this report.

Sander Scheurwater

RICS Head of EU Policy & Public Affairs &
Co-chair European Housing Forum

Housing related expenditure is the biggest component of consumer spending at an aggregated European level. In 2009 the equivalent of €1500bn were spent on housing in the 27 EU Member States 2009 making up 22.9 % of total household consumption expenditure, up from 20.4 % in 2000. Other important components of consumer spending were transport related expenditure (13.2 %) and food and non-alcoholic beverages (13.1 %) [Figure 1]. There were large variations between countries.

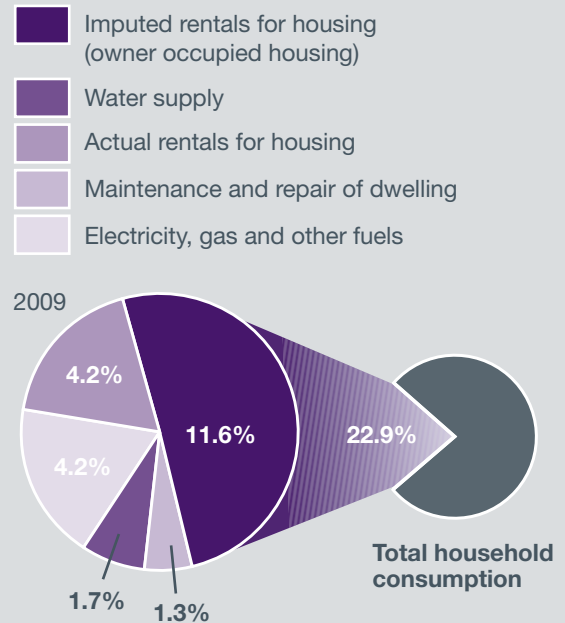
The most important component of housing related consumption is imputed rentals for housing which are designed to capture the segment of owner occupied housing (11.6 %), followed by water, gas, electricity (5.9 %) as well as maintenance and repair of the dwelling (1.3 %). At EU level, actual rentals for housing make up 4.2 % in EU27 (2009).

The share of the entire housing sector varies significantly within the European Union (between 13.2 % and 29.0 %), thus reflecting varying consumption patterns and the different structures of the housing sector in Europe.

More specifically, at the level of the EU Member States, variation of the relative importance of rentals and owner occupied housing also vary significantly. Rental expenditure at country level accounts for between 0.2 % and 7.2 % of consumer spending and owner occupied expenditure varies between 6.2 % and 16.9 % of household consumption.

Looking at the development of actual rentals over the last decade (2001-2010), the price increase in rentals differed widely across Europe, with an average annual increase of 2.1 % in EU27. Rents have not in all instances developed positively when looking at the entire housing stock in various countries. There were a remarkable number of countries with decreasing rents even on the basis of a year to year comparison and in some cases this downward trend lasted for more than two years. This contrasts with the increase in consumer prices measured by the Harmonized Index of Consumer Prices (HICP), where the all item indices were less volatile and where periods of decreasing prices were limited to exceptional cases. In the countries most hit by the financial crisis there was not only an impact on recently agreed rentals, but also on the rental sector as a whole.

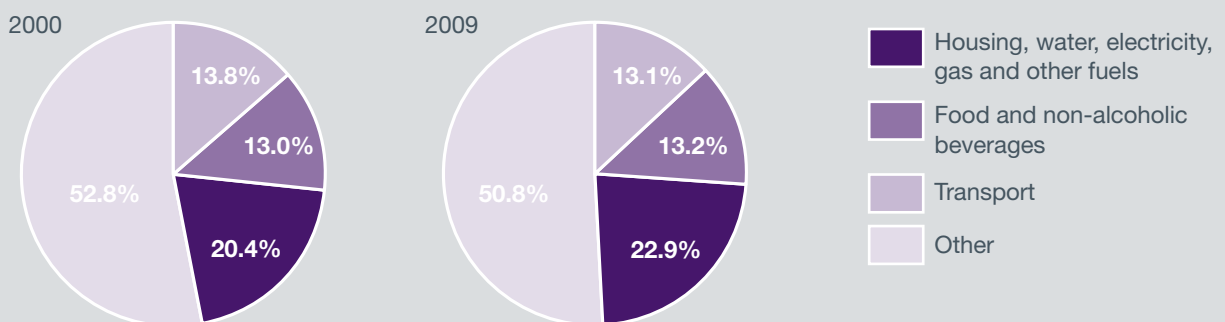
Figure 2 Household consumption, % of total household consumption



This analysis leads to two conclusions:

- 1) During the last decade **the importance of housing** in consumer spending **increased in Europe**. As a consequence of growing incomes, housing related expenditure evolved into the most relevant item in an increasing number of EU Member States. In addition, there was a tendency that Member States with a higher level of income per capita indicated a higher proportion of housing related consumption expenditure.
- 2) The second conclusion relates to the components that make up housing consumption. **The increase over time was mainly due to** increasing imputed rentals for housing, which reflects **the increasing importance of owner occupied housing**. In contrast, the share of expenditure devoted to actual rentals remained fairly stable at EU level. The huge discrepancies between EU Member States are not linked to the level of income, but reflect different structures of housing markets in Europe.

Figure 1 Household Consumption (EU27)



1.0 Consumption for housing related purposes in Europe

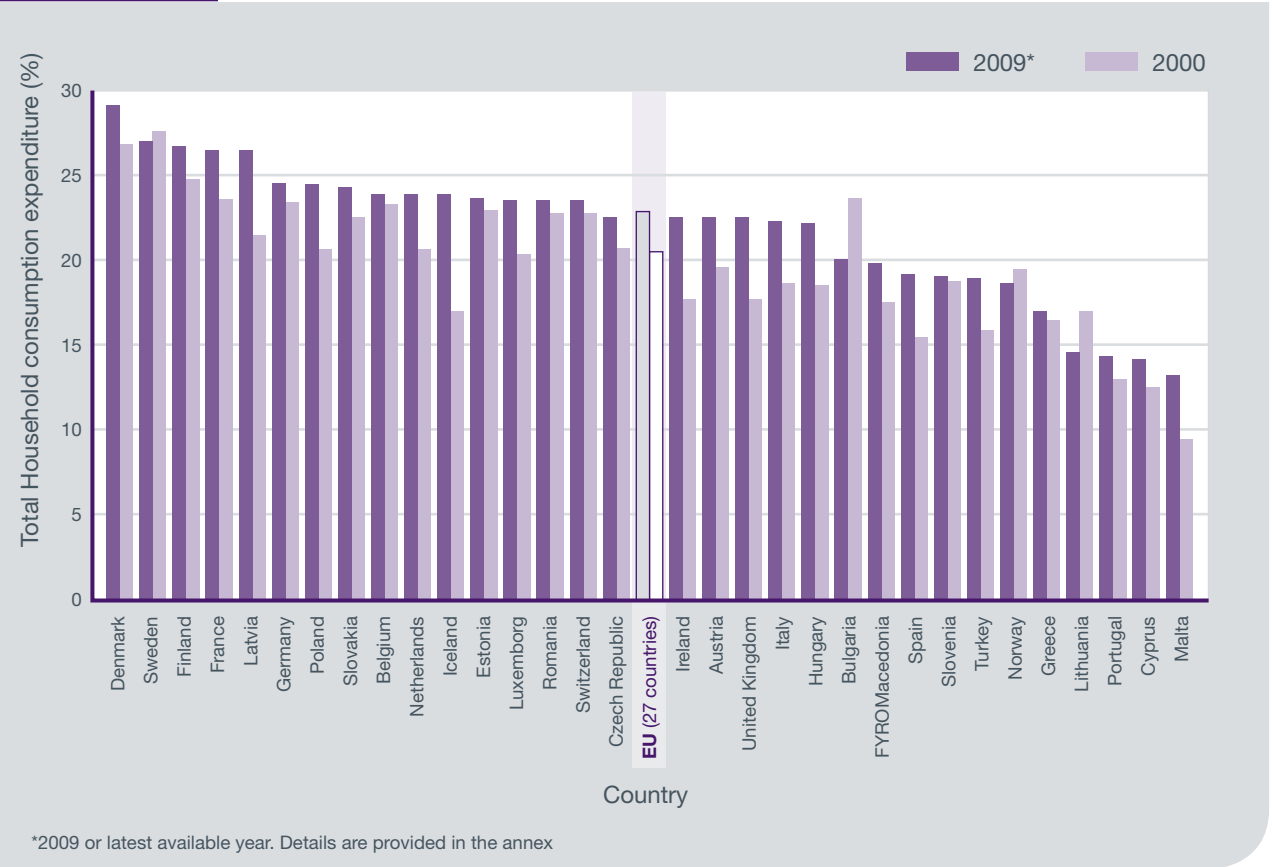
1.1 Introduction

Housing related expenditure is the biggest component of consumer spending at an aggregated European level. In 2009 the equivalent of €1500bn were spent on housing in 27 EU Member States making up 22.9 % of total household consumption expenditure. Other important components were transport related expenditures (13.2 %) and food and non-alcoholic beverages (13.1 %).

As can be seen in Figure 3, large variations exist between countries.

This paper presents and analyzes information on households' consumption of housing services with a particular focus on comparing the size and evolution of rentals and owner occupied housing in Europe. Covering the period of 2001-2010, it uses harmonized datasets according to Eurostat methodologies. All data were provided by official national sources (i.e. National Statistical Institutes), and published by Eurostat; figures reflect latest available data (usually 2009). If recent data were not yet available, a reference to other years is indicated.

Figure 3 Housing Consumption (2000 and 2009)

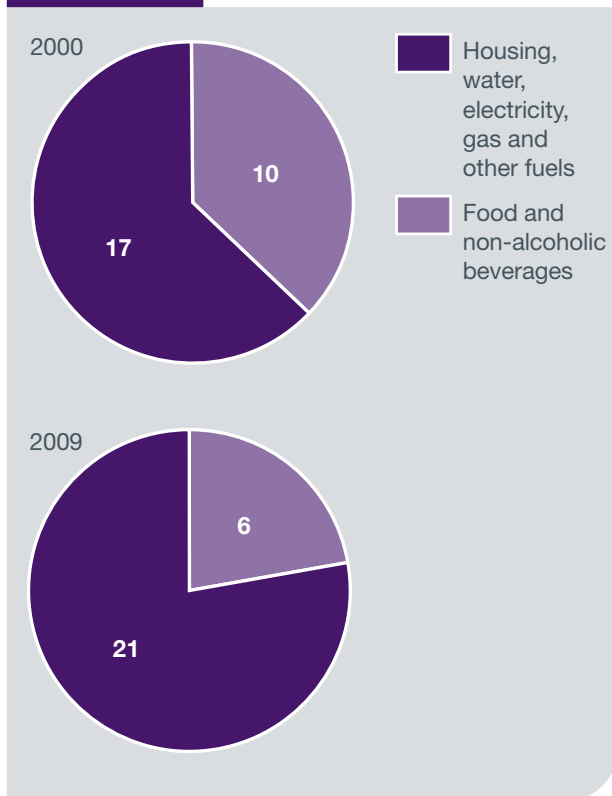


*2009 or latest available year. Details are provided in the annex



Figure 4

Countries with housing or food as most important consumption component (EU27)



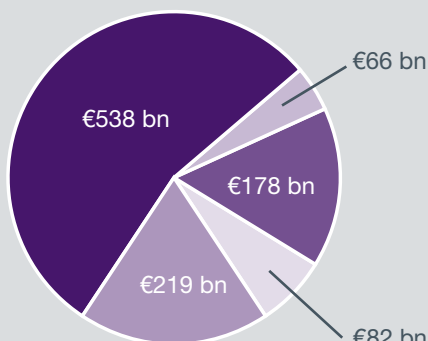
The Harmonized Index of Consumer Prices (HICP) with the huge number of subcomponents is a valuable data source reflecting developments of actual rentals for housing over time not only on an annual but also on a monthly basis. Data available covers the 27 Member States of the European Union, Switzerland, Norway and the countries that have asked for accession to the EU, i.e. Croatia, Turkey and Iceland. For supporting the analysis additional data are provided indicating the development of consumer prices (all items HICP).

In 2009, which is the year with the latest available data offering a European picture, housing was the most important component of household consumption in 21 EU Member States. However, in Bulgaria, Romania, Cyprus, Malta, Lithuania and Portugal food was still the biggest item followed by housing. The number of countries where food was the most important item decreased in the last decade. In 2000, this group had further encompassed Latvia, Hungary, Poland and Slovakia, i.e. in total 10 countries out of the present EU Member States (Annex 1). Among the 12 EU Member States joining the EU in 2004 and 2007, Estonia, Czech Republic and Slovenia were the countries where already back in 2000 the housing sector was more important for consumers than expenditure for food. In the group of the other 15 EU Member States, only Portugal still reported food as the most relevant item in household consumption expenditure.

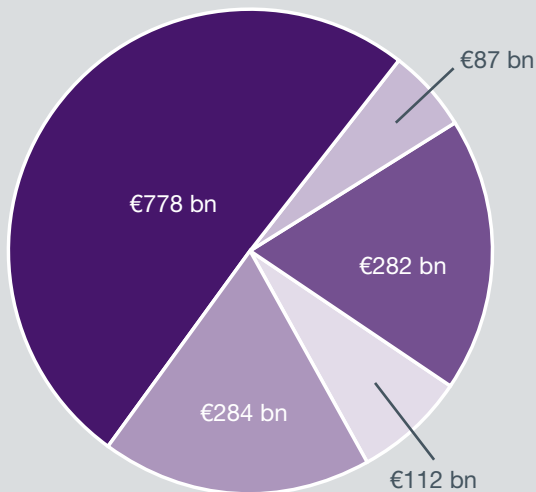
Figure 5 Components of housing consumption (EU27)

- Imputed rentals for housing
- Electricity, gas and other fuels
- Actual rentals for housing
- Maintenance and repair of dwelling
- Water supply

2000 **Housing Total = €1 083 bn**



2009 **Housing Total = €1 544 bn**



1.2 Components of housing consumption

At an aggregated European level (EU27) of housing related expenditure in 2009, owner occupied housing (11.6%) covered in the National Accounts concept by the item “imputed rentals for housing” is the biggest housing item in all EU Member States with the exception of Slovakia and Poland (Annex 4). Actual rentals for housing play a relatively minor role with 4.2%. The remaining items are maintenance and repair of the dwelling (1.3 %), water supply and miscellaneous services relating to the dwelling (1.7 %) and electricity, gas and other fuels (4.2%).

The share of the entire housing sector in the EU27 increased over the last decade from 20.4% in 2000 to 22.9 % of consumer spending due to a greater importance of imputed rentals (+ 1.5 % from 10.1 % in 2000); electricity, gas etc. stood at 4.2 % (3.4 % in 2000). An analysis of household consumption expenditure reveals that this increase is mainly triggered by expenditure related to gas and to a smaller extent to increasing expenditure for electricity. The shares of rental housing and maintenance remained stable when comparing 2009 with 2000.

Looking at the development of the share of housing related items over time there was a slight increase in most of the European countries with the exception of Bulgaria, Lithuania and Estonia.



1.3 European picture of housing consumption

Taking into account all the items related to housing the proportion of household consumption for housing at large varied in 2009 between 13.2 % in Malta, 14.2 % in Cyprus and 14.7 % in Lithuania on one hand and 26.7 % in Finland, 26.9 % in Sweden and 29.0 % in Denmark on the other hand (figure 3).

Furthermore, Greece (16.9 %), Slovenia (19.0 %) and Spain (19.1 %) recorded less than 20 %. However, outside the Nordic countries, more than 25 % were recorded only in France (26.4 %) and Latvia (26.3 %).

This picture leads to the conclusion that Member States with income levels well above EU average (e.g. the Nordic countries, the Netherlands and Luxembourg) indicated a high level of housing related expenditure. In contrast, Member States in Southern Europe (with the exception of Italy) noted a smaller proportion of housing related expenditure.

1.4 Electricity, gas and other fuels

Energy played an increasingly important role in the consumption of housing related items. The share increased for EU27 from 3.4 % in 2000 to 4.2 % in 2009. Expenditure for electricity, gas and other fuels are of utmost relevance in Slovakia with 10.5 % (2008), in the Czech Republic with 8.4 % (2009) and in Poland with 8.2 %. The biggest increases were reported in Hungary from 5.2 % in 2000 to 7.2 % in 2009, in the Netherlands from 3.4 % to 5.0 %; Poland and Slovakia reported an increase of 1.6 % over the last decade as well.

The lowest quotas for energy related housing expenditure were reported in the southern European countries Greece (2.1 %), Malta (2.5 %), Spain and Cyprus (each 2.7 %). This could be attributed to a lesser need for heating which is not fully compensated by additional expenditure for cooling. However, Luxembourg noted only 2.5 % for the consumption of electricity, gas and fuels. This could partly be said to reflect the low taxation of energy in Luxembourg.

2.1 Owner occupied housing (OOH)

The OOH encompasses less than half of the housing stock in Germany and around two thirds in the Netherlands and Denmark. In Luxembourg and Finland around three quarter of the housing stock belong to this category, whereas in Lithuania and Romania, more than 90% of the housing stock is owner occupied.

The contribution of imputed rentals to consumer spending in Europe varies between 6.2 % in Poland in 2009, 7.0 % in Lithuania and 7.4 % in Portugal (2007) on one side and 15.7 % in Luxembourg and 16.9 % in Finland on the other (EU27:11.6 %). However, Latvia (14.3 %), Romania (14.4 %), Ireland (14.8 % 2008) and outside the EU Iceland (16.4 %) also indicated a significant contribution of owner occupied housing to final private consumption.

Remarkable increases were noted in Latvia from 11.3 % to 14.3 %, in Italy from 10.3 % to 13.2 % and in Luxembourg from 12.8 % to 15.7 %. In addition, increases above average were reported by Ireland from 12.4 % to 14.9 % (2008), the UK from 8.9 % to 11.1 %, in Spain from 9.5 % to 11.6 % and in the Netherlands from 8.5 % to 10.6 %.

Outside the EU, Iceland noted the highest increase from 10.7 % to 16.4 %.

All in all, the increasing relevance of owner occupied housing could be noted both in countries already showing a high proportion of owner occupied housing consumption and in those countries that had been below EU average a decade ago.

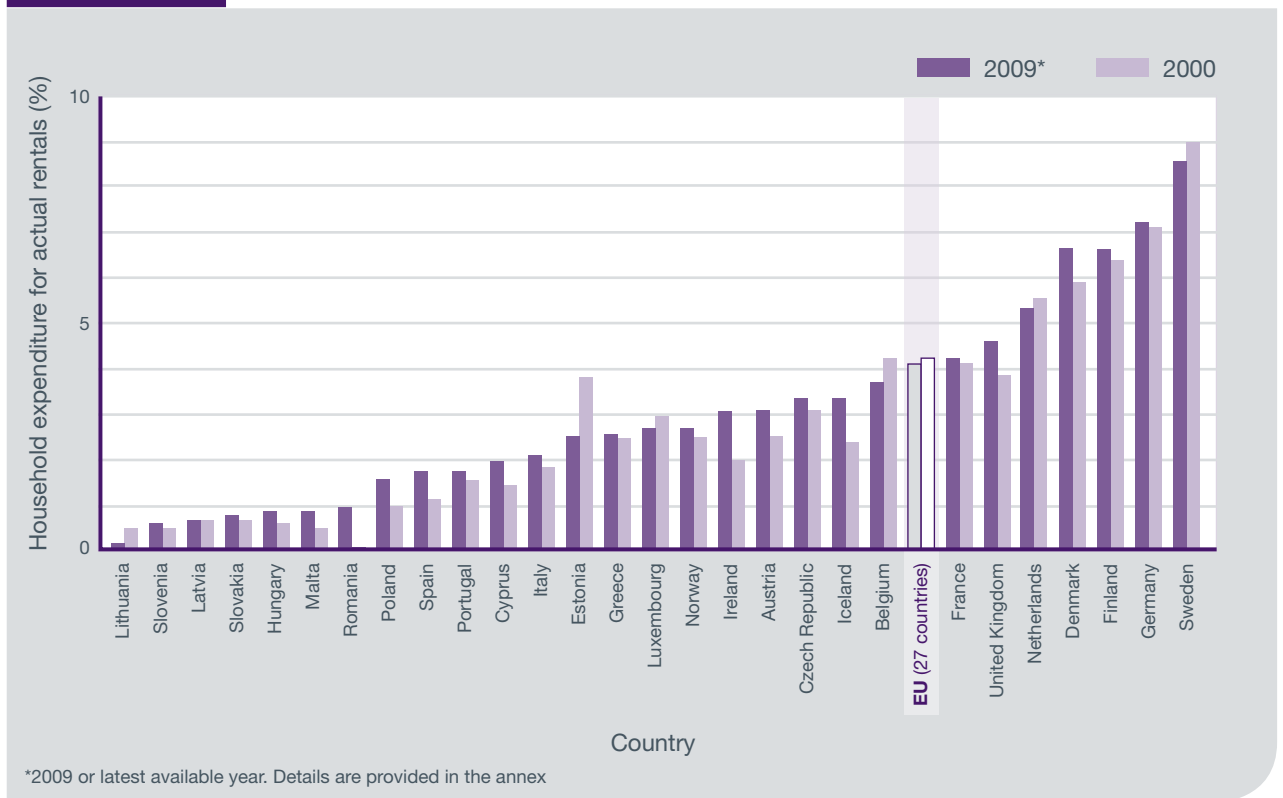


2.2 Actual rentals for housing (size and variations)

According to the analyses of latest data (2009) at the level of EU Member States, the size of household expenditure for actual rentals for housing differs widely in Europe – i.e. between 0.2 % in Lithuania and 7.2 % in Germany (EU 27: 4.2 %.) The latest available figure for Sweden is for 2005 (8.6 %) indicating an even wider range of household expenditure for rentals in Europe. The highest share was recorded in Sweden in the late 90s (1997-1999: nearly 10 %).

The other Nordic countries (Finland and Denmark, each 6.7 %) and also the Netherlands (5.3 %) noted household expenditure for rental housing well above the EU average. These high quotas coincide with a lower proportion of owner occupied housing (OOH) in the housing stock.

Figure 7 Rental consumption (2000 and 2009)



3.0 Actual rentals for housing in Europe (development and yearly increase)

The development of actual rentals for housing during the last decade 2001 - 2010 showed a huge variety of patterns in the EU Member States and other European countries. The average annual increase at aggregated EU27 level was 2.2 % per annum (p.a.) on average in the first part of the decade (2000 - 2005) and 2.1 % p.a. in the following period (2005 - 2010). However, developments at country level differ substantially.

Looking at the last period 2005 - 2010, the most significant increases of actual rentals for housing were noted in the Member States joining the EU in 2007 and 2004 i.e. Romania (19.4 %) followed by the Czech Republic (9.1 %), Lithuania (8.9 %) and Bulgaria (6.6 %). Only in Estonia and Ireland were significant increases outweighed by decreases (Annex 2).

Estonia noted the most severe fluctuations. In addition, the other Baltic countries recorded huge increases of actual rentals followed by periods of substantial decreases.

In contrast, Germany noted a very stable development of actual rentals. Between 1998 and 2010, the annual increase fluctuated between 0.9 % and 1.4 %. Furthermore, the increases in Germany were rather low, with an increase of only 1.1 % p.a. between 2001 and 2010.

Other countries with moderate rent increases were Belgium and Sweden. Outside the EU Switzerland recorded a moderate increase with 2.0 % p.a. for the period between 2005 and 2010. Switzerland has the lowest rate for owner occupied housing in Europe (approx. 36 %) followed by Germany (approx. 43 %).

Looking at the changes of the annual index for actual rentals for housing, it has to be noted that until 2008 slight or remarkable increases could be found for nearly all EU Member States, the EFTA countries Iceland, Norway and Switzerland and additionally for those candidate countries providing data following the HICP concept (i.e. Croatia and Turkey).

Decreasing rentals in the annual figures were only reported by Lithuania (2000-2002), Ireland (2003 and 2004) and Bulgaria (2003). For the years 2005 to 2007, none of the EU Member States reported decreasing rentals. However, following the financial crisis starting in 2008, decreasing rentals have been reported in Estonia since 2008, and since 2009 in Lithuania, Latvia, Ireland and Slovenia. Romania recorded a slight decrease in 2010.

Table 1
Actual rentals for housing

	Annual average rate of change	
	2005/2000	2010/2005
Estonia	4.65	-1.58
Ireland	3.52	-0.06
Germany	1.07	1.08
Belgium	2.09	1.76
Sweden	2.42	1.97
Switzerland	n.a.	2.02
European Union 27	2.17	2.12
Netherlands	2.84	2.13
Slovenia	8.54	2.16
Luxembourg	2.41	2.27
Italy	2.50	2.47
Cyprus	3.16	2.52
France	2.50	2.54
Denmark	2.61	2.55
United Kingdom	2.64	2.56
Portugal	2.65	2.60
Malta	1.20	2.61
Norway	3.28	2.69
Austria	3.14	2.81
Finland	2.82	2.93
Slovakia	16.71	3.19
Spain	4.19	3.65
Greece	4.74	3.77
Latvia	4.82	4.05
Poland	5.56	4.50
Hungary	n.a.	6.18
Bulgaria	5.75	6.60
Lithuania	3.18	8.92
Czech Republic	3.87	9.09
Iceland	8.20	10.83
Croatia	n.a.	11.42
Turkey	28.65	12.79
Romania	n.a.	19.36

4.0 Conclusions

This analysis of household consumption patterns leads to two conclusions.

Firstly, during the last decade the importance of housing in consumer spending has increased in Europe. As a consequence of growing income, housing related expenditure evolved into the most relevant item in an increasing number of EU Member States. In addition, there was a tendency of Member States with a higher level of income per capita to show a higher proportion of housing related consumption expenditure.

The second conclusion relates to the components of housing consumption. The increase over time was mainly due to increasing figures for imputed rentals for housing, which reflects the increasing importance of owner occupied housing. In contrast, the share of expenditure devoted to actual rentals remained fairly stable at EU level. The huge discrepancies between Member States are not linked to the level of income, but rather reflect different structures of housing markets.



Annex 1

Final consumption expenditure of households by consumption purpose (percentage of total)

	Food and non-alcoholic beverages		Housing, water, electricity, gas and other fuels		Transport	
	2000	2009	2000	2009	2000	2009
EU(27countries)	13.0	13.1	20.4	22.9	13.8	13.2
Belgium	13.0	13.6	23.4	23.9	12.4	11.6
Bulgaria*	28.5	21.8	23.6	20.0	13.4	18.0
Czech Republic	18.6	15.7	20.7	23.4	10.9	11.3
Denmark	12.3	11.3	26.7	29.0	12.2	11.0
Germany	11.5	11.2	23.2	24.5	13.7	14.3
Estonia	20.3	21.3	22.9	23.6	10.2	12.1
Ireland*	10.9	9.6	17.6	22.5	13.4	12.3
Greece	15.1	16.8	16.5	16.9	10.3	10.5
Spain	14.3	14.0	15.3	19.1	12.4	10.9
France	14.4	14.0	23.4	26.4	15.4	14.6
Italy	15.1	14.7	18.5	22.1	13.7	13.0
Cyprus	15.0	15.4	12.6	14.2	15.2	13.8
Latvia	25.1	18.9	21.4	26.3	9.2	10.6
Lithuania	30.6	26.0	17.0	14.7	14.2	16.0
Luxembourg	9.4	9.3	20.2	23.6	17.4	16.5
Hungary	18.8	17.7	18.6	22.1	14.8	13.7
Malta	16.6	16.8	9.7	13.2	14.3	12.6
Netherlands	11.2	11.7	20.4	23.9	11.5	11.7
Austria	10.6	10.8	19.4	22.4	12.7	12.4
Poland	22.8	20.1	20.5	24.4	9.2	9.2
Portugal*	16.6	16.2	13.0	14.3	16.4	14.4
Romania	35.0	29.1	22.8	23.5	10.9	13.5
Slovenia	16.6	15.0	18.8	19.0	15.7	14.5
Slovakia*	23.6	17.7	22.5	24.4	8.6	7.5
Finland	12.6	12.9	24.7	26.7	12.9	10.2
Sweden	12.1	12.6	27.5	26.9	14.4	12.2
United Kingdom	9.6	9.7	17.7	22.4	15.3	14.4
Iceland	15.1	14.8	17.0	23.9	16.2	13.4
Norway*	14.5	12.6	19.4	18.5	15.1	14.8
Switzerland*	10.6	10.6	22.8	23.5	8.2	8.0
FYROMacedonia	29.4	32.2	17.4	19.9	14.2	8.9
Turkey*	26.5	25.4	15.8	18.9	17.5	18.3

*italic**: missing data 2009 replaced by data covering 2008 (Ireland, Slovakia), 2007 (Portugal, Norway), 2006 (Switzerland) or 2005 (Bulgaria, Turkey)

Source of Data: Eurostat

Annex 2

Final consumption expenditure of households by consumption purpose - aggregates at current prices €bn

	Housing (total)	Actual rentals for housing	Imputed rentals for housing	Maintenance and repair of the dwelling	Water supply and miscellaneous services relating to the dwelling	Electricity, gas and other fuels
1995	825	180	393	46	57	149
1996	882	188	420	50	63	162
1997	926	195	447	53	67	164
1998	965	200	473	57	71	163
1999	1 013	209	502	60	77	165
2000	1 083	219	538	66	82	178
2001	1 140	225	566	70	85	195
2002	1 183	23	598	72	86	193
2003	1 219	238	619	70	88	203
2004	1 282	246	653	76	93	214
2005	1 358	255	688	80	97	239
2006	1 436	266	721	83	102	263
2007	1 502	279	761	90	107	264
2008	1 563	282	776	93	111	301
2009	1 544	284	778	87	112	282

Source of Data: Eurostat



Annex 3

Actual rentals for housing (Annual average rate of change)

GEO/TIME	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
EU(27countries)	1.6	2.0	2.4	2.4	2.2	2.3	2.1	2.1	2.3	2.1
Belgium	1.1	2.0	1.9	1.8	2.1	2.0	1.9	2.2	2.5	1.9
Bulgaria	2.5	10.4	11.1	3.8	5.4	6.1	2.8	-0.3	9.1	11.6
Czech Republic	8.5	16.6	14.0	6.5	0.6	0.8	1.7	4.0	6.8	6.2
Denmark	2.8	3.1	2.8	2.1	2.1	2.4	2.8	2.7	2.6	2.7
Germany	1.1	1.1	1.2	1.0	1.1	1.0	0.9	1.1	1.4	1.1
Estonia	-10.2	-31.0	-4.0	26.8	22.5	4.8	5.6	2.9	0.5	9.6
Ireland	-5.3	-14.2	4.8	10.5	5.8	2.0	-2.3	-0.7	5.1	14.4
Greece	2.4	3.6	3.9	4.5	4.4	4.2	5.3	5.2	4.9	4.0
Spain	2.2	3.1	4.2	4.4	4.4	4.3	4.1	4.3	4.2	4.1
France	1.6	2.1	2.3	3.2	3.5	3.6	3.1	2.9	2.6	0.5
Italy	1.9	3.3	2.5	2.2	2.4	2.3	2.9	2.9	2.3	2.1
Cyprus	1.3	2.9	2.6	2.5	3.3	3.8	3.6	2.7	3.7	2.0
Latvia	-13.9	-14.1	24.7	18.6	11.4	12.7	7.0	1.7	0.5	2.7
Lithuania	-19.4	-10.4	36.3	28.5	21.1	15.6	5.7	2.1	-0.7	-5.6
Luxembourg	1.9	2.5	3.0	1.7	2.3	3.0	1.6	1.8	2.7	3.0
Hungary	3.4	6.7	9.0	7.6	4.2	4.4	9.7	7.4	11.7	n.a.
Malta	1.5	4.1	2.8	2.8	1.9	1.7	1.0	0.7	0.7	2.0
Netherlands	2.2	2.4	1.6	2.0	2.4	2.5	3.1	3.1	2.8	2.6
Austria	3.9	4.7	1.3	2.0	2.2	3.4	3.5	4.4	1.7	2.8
Poland	2.8	4.6	6.0	6.0	3.2	3.1	2.8	4.3	5.2	12.7
Portugal	2.1	2.7	3.0	2.7	2.5	2.4	2.6	2.4	3.3	2.6
Romania	-0.1	5.7	26.2	71.8	5.9	9.0	15.9	15.5	24.1	n.a.
Slovenia	-1.4	-0.5	6.9	3.0	3.0	5.6	9.0	10.2	8.8	9.2
Slovakia	1.6	5.3	2.6	4.0	2.4	5.7	25.3	28.9	4.4	21.5
Finland	2.0	4.3	3.8	2.5	2.1	2.8	2.0	2.3	3.2	3.9
Sweden	1.6	3.2	2.5	1.6	0.9	2.4	3.1	2.7	2.2	1.7
United Kingdom	1.4	1.8	3.3	3.2	3.1	3.5	2.2	1.5	2.7	3.3
Iceland	3.2	15.6	17.0	10.6	8.3	6.2	7.9	9.9	8.0	9.0
Norway	2.8	3.5	3.0	1.9	2.3	2.0	2.0	4.1	4.5	3.9
Switzerland	1.1	2.5	2.3	2.3	1.9	n.a.	n.a.	n.a.	n.a.	n.a.
Croatia	4.6	2.9	13.7	10.5	26.9	n.a.	n.a.	n.a.	n.a.	n.a.
Turkey	4.3	8.2	13.7	18.4	20.1	18.8	22.7	26.7	33.3	43.2

Source of Data: HICPEurostat

Annex 4A

Rentals/OOH and other housing components 2000

2000	Actual rentals for housing	Imputed rentals for housing	Maintenance and repair of the dwelling	Water supply and miscellaneous services relating to the dwelling	Electricity, gas and other fuels	W+E*
GEO/COICOP						
EU (27 countries)	4.1	10.1	1.2	1.5	3.4	4.9
Belgium	4.2	12.0	1.0	1.4	4.8	6.2
Bulgaria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Czech Republic	3.1	8.6	0.3	1.5	7.3	8.8
Denmark	5.9	11.9	0.8	2.0	6.0	8.0
Germany	7.1	9.2	0.8	2.6	3.5	6.1
Estonia	3.8	15.2	0.4	1.6	4.3	5.9
Ireland	2.0	12.4	0.3	0.0	3.0	3.0
Greece	2.5	9.8	1.2	1.0	2.1	3.1
Spain	1.2	9.5	1.0	1.4	2.2	3.6
France	4.1	12.8	1.3	1.4	3.5	4.9
Italy	1.8	10.3	1.2	1.7	3.4	5.1
Cyprus	1.3	7.4	0.8	0.7	2.4	3.1
Latvia	0.7	11.3	1.8	1.6	6.0	7.6
Lithuania	0.5	8.9	1.3	1.1	5.1	6.2
Luxembourg	3.0	12.8	1.2	0.8	2.4	3.2
Hungary	0.6	10.9	0.5	1.4	5.2	6.6
Malta	0.5	7.5	0.5	0.4	1.4	1.8
Netherlands	5.5	8.5	1.7	1.3	3.4	4.7
Austria	2.6	9.1	1.5	2.5	3.7	6.2
Poland	1.0	7.3	4.3	1.3	6.6	7.9
Portugal	1.6	7.2	0.4	1.0	2.7	3.7
Romania	0.0	16.6	2.3	0.7	3.1	3.8
Slovenia	0.5	11.7	0.2	1.4	5.2	6.6
Slovakia	0.7	9.7	1.7	1.2	8.9	10.1
Finland	6.3	15.5	0.0	0.4	2.4	2.8
Sweden	9.0	13.5	0.3	0.0	5.0	5.0
United Kingdom	3.9	8.9	1.7	0.8	2.4	3.2
Iceland	2.7	10.7	0.7	0.8	2.2	3.0
Norway	2.5	11.9	0.5	1.2	3.2	4.4
FYROMacedonia	0.0	8.8	0.5	1.0	7.1	8.1

*W+E = Water supply + Electricity, gas and other fuels

Source of Data: Eurostat

Annex 4B

Rentals/OOH and other housing components – 2009

2009	Actual rentals for housing	Imputed rentals for housing	Maintenance and repair of the dwelling	Water supply and miscellaneous services relating to the dwelling	Electricity, gas and other fuels	W+E*
GEO/COICOP						
EU (27 countries)	4.2	11.6	1.3	1.7	4.2	5.9
Belgium	3.8	13.0	1.1	1.3	4.7	6.0
Bulgaria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Czech Republic	3.4	9.4	0.5	1.7	8.4	10.1
Denmark	6.7	13.6	0.8	2.2	5.8	8.0
Germany	7.2	9.7	0.7	2.2	4.7	6.9
Estonia	2.5	13.6	0.3	3.5	4.8	8.3
Ireland*	3.0	14.9	0.4	0.2	3.8	4.0
Greece	2.7	9.7	1.3	1.1	2.1	3.2
Spain	1.8	11.6	1.1	2.1	2.7	4.8
France	4.2	14.2	1.3	1.6	3.7	5.3
Italy	2.1	13.2	1.1	1.9	3.8	5.7
Cyprus	2.0	7.8	0.9	0.7	2.7	3.4
Latvia	0.7	14.3	3.8	1.3	5.7	7.0
Lithuania	0.2	7.0	1.8	1.1	4.6	5.7
Luxembourg	2.8	15.7	1.4	1.3	2.5	3.8
Hungary	0.9	11.3	0.5	2.1	7.2	9.3
Malta	0.9	7.9	0.4	0.7	2.5	3.2
Netherlands	5.3	10.6	1.5	1.5	5.0	6.5
Austria	3.2	10.4	1.5	2.6	3.9	6.5
Poland	1.6	6.2	6.5	2.0	8.2	10.2
Portugal*	1.8	7.4	0.4	1.4	3.3	4.7
Romania	1.0	14.4	3.2	0.8	4.2	5.0
Slovenia	0.6	10.3	0.3	1.8	5.8	7.6
Slovakia*	0.8	7.5	3.2	2.4	10.5	12.9
Finland	6.7	16.9	0.0	0.5	2.8	3.3
Sweden*	8.6	13.4	0.4	0.0	5.6	5.6
United Kingdom	4.7	11.1	1.7	0.9	3.8	4.7
Iceland	3.4	16.4	0.8	1.1	2.2	3.3
Norway*	2.8	10.8	0.5	1.2	3.3	4.5
FYROMacedonia*	0.0	12.2	1.1	0.8	6.1	6.9

*W+E = Water supply + Electricity, gas and other fuels

*italic**: missing data 2009 replaced by data covering 2008 (Ireland, Slovakia, FYROMacedonia), 2007 (Portugal, Norway) or 2005 (Sweden)

Source of Data: Eurostat

Annex 5

**Final consumption expenditure of households by consumption purpose:
Actual rentals for housing**

GEO/TIME	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
EU (27countries)	4.2	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1
Belgium	3.8	3.7	3.8	3.9	4.0	4.0	4.1	4.1	4.1	4.2
Bulgaria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Czech Republic	3.4	3.0	2.9	3.0	3.3	3.1	3.3	3.1	3.1	3.1
Denmark	6.7	6.2	6.1	6.0	6.0	6.0	6.1	6.0	6.0	5.9
Germany	7.2	7.0	7.0	7.0	7.1	7.2	7.2	7.2	7.0	7.1
Estonia	2.5	2.9	3.0	2.8	2.7	2.9	3.0	3.2	3.6	3.8
Ireland	n.a.	3.0	2.8	2.7	2.6	2.6	2.5	2.3	2.2	2.0
Greece	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.5	2.5
Spain	1.8	1.6	1.5	1.4	1.4	1.3	1.3	1.3	1.2	1.2
France	4.2	4.0	4.1	4.1	4.0	4.0	4.0	3.9	3.9	4.1
Italy	2.1	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.8	1.8
Cyprus	2.0	1.8	1.7	1.7	1.7	1.6	1.3	1.2	1.3	1.3
Latvia	0.7	0.7	0.5	0.5	0.6	0.4	0.3	0.5	0.6	0.7
Lithuania	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Luxembourg	2.8	3.0	3.0	3.1	3.0	2.9	3.1	3.0	3.0	3.0
Hungary	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6
Malta	0.9	0.8	0.8	0.8	0.7	0.7	0.4	0.5	0.5	0.5
Netherlands	5.3	5.0	5.0	5.2	5.3	5.4	5.3	5.2	5.4	5.5
Austria	3.1	2.9	2.9	2.9	2.8	2.7	2.6	2.6	2.5	2.5
Poland	1.6	1.6	1.7	1.8	2.0	2.0	1.9	1.8	1.4	1.0
Portugal	n.a.	n.a.	1.8	1.8	1.8	1.8	1.8	1.7	1.6	1.6
Romania	1.0	0.9	0.8	0.6	0.5	0.5	0.5	0.7	0.0	0.0
Slovenia	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5
Slovakia	n.a.	0.8	0.9	1.0	1.1	1.3	0.9	0.7	0.6	0.7
Finland	6.7	6.3	6.3	6.5	6.7	6.6	6.6	6.5	6.4	6.3
Sweden	n.a.	n.a.	n.a.	n.a.	8.6	8.6	8.7	8.8	8.7	9.0
United Kingdom	4.7	4.4	4.2	4.0	3.8	3.9	3.9	3.9	4.0	3.9
Iceland	3.4	3.6	3.3	3.1	3.4	3.2	3.1	2.8	2.7	2.7
Norway	n.a.	n.a.	2.8	2.9	3.0	3.1	3.1	3.1	3.1	2.5
FYROMacedonia	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source of Data: Eurostat

Annex 6

Harmonised index of consumer prices (Annual average rate of change)

GEO/TIME	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
EU 27	2.1	1.0	3.7	2.4	2.3	2.3	2.3	2.1	2.5	3.2
Belgium	2.3	0.0	4.5	1.8	2.3	2.5	1.9	1.5	1.6	2.4
Bulgaria	3.0	2.5	12.0	7.6	7.4	6.0	6.1	2.3	5.8	7.4
Czech Republic	1.2	0.6	6.3	3.0	2.1	1.6	2.6	-0.1	1.4	4.5
Denmark	2.2	1.1	3.6	1.7	1.9	1.7	0.9	2.0	2.4	2.3
Germany	1.2	0.2	2.8	2.3	1.8	1.9	1.8	1.0	1.4	1.9
Estonia	2.7	0.2	10.6	6.7	4.4	4.1	3.0	1.4	3.6	5.6
Ireland	-1.6	-1.7	3.1	2.9	2.7	2.2	2.3	4.0	4.7	4.0
Greece	4.7	1.3	4.2	3.0	3.3	3.5	3.0	3.4	3.9	3.7
Spain	2.0	-0.2	4.1	2.8	3.6	3.4	3.1	3.1	3.6	2.8
France	1.7	0.1	3.2	1.6	1.9	1.9	2.3	2.2	1.9	1.8
Italy	1.6	0.8	3.5	2.0	2.2	2.2	2.3	2.8	2.6	2.3
Cyprus	2.6	0.2	4.4	2.2	2.2	2.0	1.9	4.0	2.8	2.0
Latvia	-1.2	3.3	15.3	10.1	6.6	6.9	6.2	2.9	2.0	2.5
Lithuania	1.2	4.2	11.1	5.8	3.8	2.7	1.2	-1.1	0.3	1.6
Luxembourg	2.8	0.0	4.1	2.7	3.0	3.8	3.2	2.5	2.1	2.4
Hungary	4.7	4.0	6.0	7.9	4.0	3.5	6.8	4.7	5.2	9.1
Malta	2.0	1.8	4.7	0.7	2.6	2.5	2.7	1.9	2.6	2.5
Netherlands	0.9	1.0	2.2	1.6	1.7	1.5	1.4	2.2	3.9	5.1
Austria	1.7	0.4	3.2	2.2	1.7	2.1	2.0	1.3	1.7	2.3
Poland	2.7	4.0	4.2	2.6	1.3	2.2	3.6	0.7	1.9	5.3
Portugal	1.4	-0.9	2.7	2.4	3.0	2.1	2.5	3.3	3.7	4.4
Romania	6.1	5.6	7.9	4.9	6.6	9.1	11.9	15.3	22.5	34.5
Slovenia	2.1	0.9	5.5	3.8	2.5	2.5	3.7	5.7	7.5	8.6
Slovakia	0.7	0.9	3.9	1.9	4.3	2.8	7.5	8.4	3.5	7.2
Finland	1.7	1.6	3.9	1.6	1.3	0.8	0.1	1.3	2.0	2.7
Sweden	1.9	1.9	3.3	1.7	1.5	0.8	1.0	2.3	1.9	2.7
United Kingdom	3.3	2.2	3.6	2.3	2.3	2.1	1.3	1.4	1.3	1.2
Iceland	7.5	16.3	12.8	3.6	4.6	1.4	2.3	1.4	5.3	6.6
Norway	2.3	2.3	3.4	0.7	2.5	1.5	0.6	2.0	0.8	2.7
Switzerland	0.6	-0.7	2.3	0.8	1.0	n.a.	n.a.	n.a.	n.a.	n.a.
Croatia	1.1	2.2	5.8	2.7	3.3	3.0	2.1	2.4	2.5	4.3
Turkey	8.6	6.3	10.4	8.8	9.3	8.1	10.1	25.3	47.0	56.8
United States	2.4	-0.8	4.4	2.6	3.2	3.7	2.7	2.3	0.9	2.4

Source of Data: Eurostat

Household final consumption expenditure (Also ‘Consumer spending’)

Expenditure incurred by residents on goods and services that are used for the direct satisfaction of individual needs or wants or the collective needs of members of the community. The household sector consists of individuals or groups of individuals as consumers. It also includes individuals or groups of individuals as producers of goods or non-financial services for exclusively own final use.

Actual rentals

All rentals actually paid by tenants, i.e. the rentals the tenant pays to the landlord regardless of any social benefits the tenant receives from public authorities (including payments which at the tenants’ discretion go directly to the landlord). Rentals normally include payment for the use of land on which the property stands, the dwelling occupied, the fixtures and fittings for heating, plumbing, lighting, etc. and, in case of a dwelling let furnished, the furniture. Rentals also include payment for the use of a garage to provide parking in connection with the dwelling.

Imputed rentals

The implicit rent that home owners pay to themselves to occupy the dwelling while actual rentals are the rent paid by tenants to landlords.

The measurement of the item “owner occupied housing/ OOH” in private consumption of households is not as straight forward as the measurement of expenditure for actual rentals for housing. The concept of “imputed rentals” aims to measure the consumption of owner occupied housing in the National Accounts concept. The basic principle is the construction of a sample based on information on rental housing but reflecting the structure of owner occupied housing in terms of size and quality of the flats and houses. Other methods based on house prices are used by some EU Member States as well.

Legal reference: Commission Regulation (EC) 1722/2005 of 20 October 2005, on the principles for estimating dwelling services for the purpose of Council Regulation (EC, Euratom) No 1287/2003 on the harmonization of gross national income at market prices (published in OJ L 276/5 of 21 October 2005)

Harmonized Index of Consumer Prices (HICP)

Harmonised indices of consumer prices (HICPs) give comparable measures of inflation for the countries and country groups for which they are produced. They are economic indicators that measure the change over time of the prices of consumer goods and services acquired by households. In other words they are a set of consumer price indices (CPIs) calculated according to a harmonised approach and a single set of definitions.

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