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The Housing Sector in Europe – Household Consumption long-term and during the crisis





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A report for Royal Institution of Chartered Surveyors

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This study on the housing sector provides an update of the study on long-term trends in the housing sector and combines it with an analysis of the impact of the financial and economic crisis on consumption and in particular on housing consumption in the 27 EU Member States, Croatia and Norway. In addition, data on consumption per capita and on the relevance of the rental sector, with a split in its segments "market rents" and "reduced rents", is included for better analyzing the structural information.

Housing related expenditure is the biggest component of consumer spending at an aggregated European level. In 2011, the equivalent of €1700 bn was spent on housing in the 27 EU Member States 2011, making up 23.6% of total household consumption expenditure, up from 22.5% in 2008 and starting with 20.3% in 2000. Other important components of consumer spending were transport related expenditures (13.2%) and food and non-alcoholic beverages (12.9%) (Figure 1). There were large variations between countries.

The housing related consumption was the only consumption purpose of household consumption which was not reduced during the economic and financial crisis when comparing 2011 data with 2008 data.

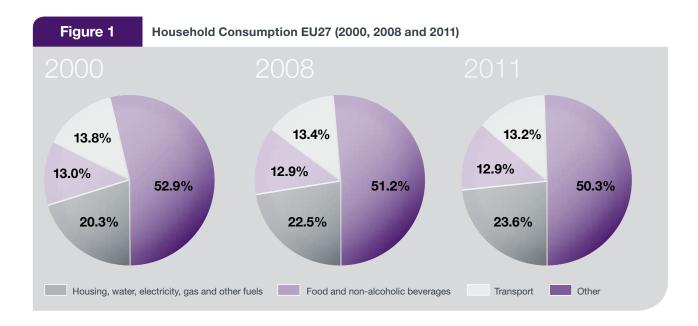
The most important component of housing related consumption is "imputed rentals for housing" which is designed to capture the segment of owner occupied housing (11.8%). This component is followed in importance by water, gas, electricity (6.2%) as well as maintenance and repair of the dwelling (1.3%). At EU level, actual rentals for housing make up 4.3 % in EU27 (2011).

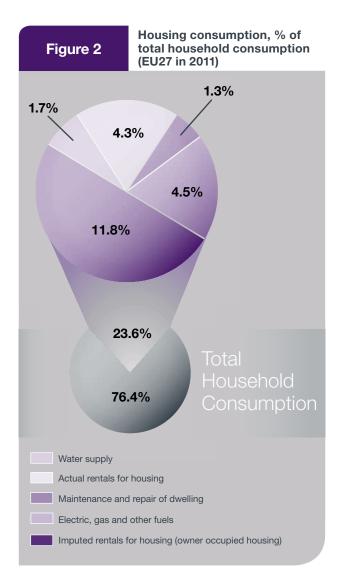
The share of the entire housing sector of overall household consumption varies significantly within the European Union (between 12.0% and 29.1%), thus reflecting varying consumption patterns and the different structures of the housing sector in Europe.

More specifically, at the level of the EU Member States, the relative importance of rentals and owner occupied housing also varies significantly. Rental expenditure at country level accounts for between 0.2% and 8.1 % of consumer spending and owner occupied expenditure varies between 5.6% and 16.4% of household consumption.

Looking at the development of actual rentals over the last decade (2001-2010 and 2011/12), the price increase in rentals differed widely across Europe, with an average annual increase of 2.1% and 1.8% (2011/2012) 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.

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This analysis leads to three conclusions:

- 1) During the last decade the importance of housing in consumption expenditure of households 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 consumption per capita indicated a higher proportion of housing related consumption expenditure and a lower proportion of home owners.
- 2) Housing related consumption was not reduced during the financial and economic crisis in contrast to other components of consumption and to the GDP development.
- 3) The third 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 rather reflect different structures of housing markets in Europe.

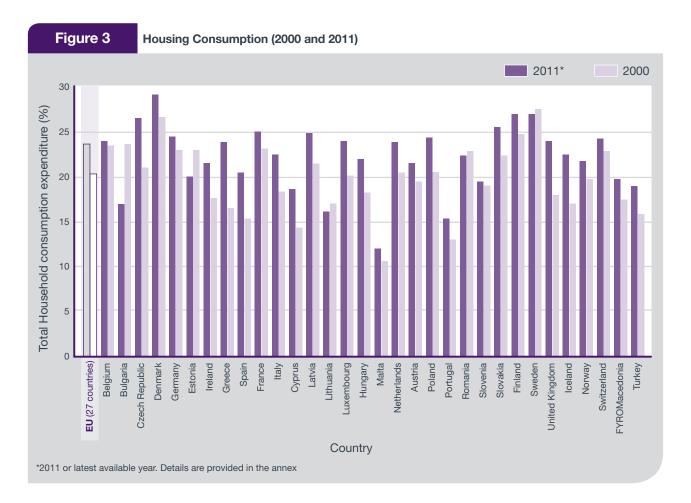
1.1 Introduction

Housing related expenditure is the biggest component of consumer spending at an aggregated European level. In 2011 the equivalent of €1700 bn was spent on housing in 27 EU Member States, making up 23.6% of total household consumption expenditure. Other important components were transport related expenditures (13.2%) and food and non-alcoholic beverages (12.9%).

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

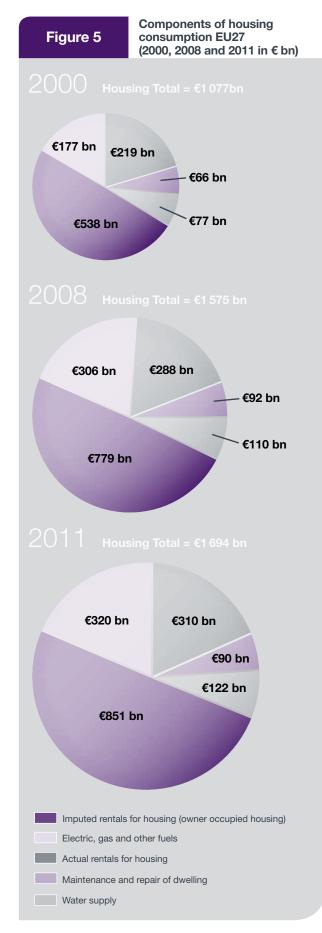
This paper presents and analyzes information on households' consumption of housing services with a particular focus on comparing the size and evolution of rentals and owner occupied housing in Europe. Covering the period of 2000-2011, it uses harmonized datasets according to Eurostat methodologies. All data were provided by official national sources (i.e. National Statistical Institutes), and published by Eurostat; figures reflect latest available data (usually 2011, for the Harmonized Index of Consumer Prices (HICP) 2012). If recent data were not yet available, a reference to other years is indicated.

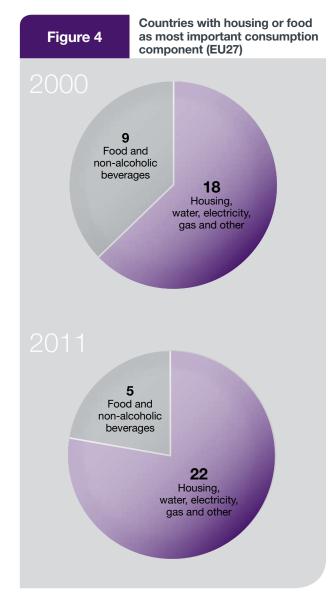
The HICP with the huge number of subcomponents is a valuable data source reflecting developments of actual rentals for housing over time not only on an annual but also on a monthly basis. Data available covers the 27 Member States of the European Union as well as the EFTA countries Switzerland and Norway plus the countries having asked for accession to the EU, i.e. Croatia (EU Member State from 1 July 2013), Turkey and Iceland. For supporting the analysis additional data are provided, indicating the development of consumer prices (all items HICP).



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In 2011, which is the year with the latest available data offering a European picture, housing was the most important component of household consumption in 22 EU Member States. However, in Bulgaria, Romania, 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 nine countries out of the present EU Member States (Annex 1). Among the 12 EU Member States joining the EU 2004 and 2007, Estonia, Cyprus, 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.







1.2 Impact of the crises on housing consumption

The comparison of data covering 2008 and 2011 allows to capture developments during the financial and economic crisis. The share of total housing consumption increased by 1.1% when looking at the aggregated level of the 27 EU Member States. Not only had the share of housing consumption increased. In contrast to the reduced GDP (-0.8%) the volumes of housing related consumption increased slightly in the 27 EU MS (+ 1.4%). This was triggered by increased consumption concerning rentals and owner occupied housing. However, the volume of maintenance was reduced by 3.2%.

As a consequence the housing sector was the most robust element among the household consumption components.¹

1.3 Components of housing consumption

At an aggregated European level (EU27) of housing related expenditure in 2011, owner occupied housing (11.8%) 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 4.3%. 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 (4.5%).

The share of the entire housing sector in the EU27 increased over the last decade from 20.3% in 2000 to 22.5 % in 2008 and finally in 2011 to 23.6% of consumer spending due to a greater importance of imputed rentals (+ 1.6% from 10.2% in 2000); electricity, gas etc. stood at 4.5% (3.3% 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 fairly stable over the last decade.

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

1.4 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 2011 between 12.0% in Malta, 15.3% in Portugal and 16.1% in Lithuania (2009) on one hand and 26.9% in Finland and Sweden and 29.1% in Denmark on the other hand (Annex 1).

Furthermore, Cyprus (18.6%) and Slovenia (19.4%) recorded less than 20%. However, outside the Nordic countries, more than 25% were recorded only in the Czech Republic (26.5%), in Slovakia (25.5%) and in France (25.0%).

This picture leads to the conclusion that Member States with consumption 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 Greece) noted a smaller proportion of housing related expenditure.

1.5 Electricity, gas and other fuels

Energy played an increasingly important role in the consumption of housing related items. The share increased for EU27 from 3.3% in 2000 to 4.4 % in 2008 and 4.5% in 2011. Expenditure for electricity, gas and other fuels are of utmost relevance in Slovakia with 10.9%, in Poland with 9.1% and in the Czech Republic with 8.3%. The biggest increases were reported in Greece from 2.1 % in 2000 to 5.6% in 2011, in Poland from 6.6 % to 9.1 %; Hungary and Slovakia reported respective increases of 2.4% and 2.1% from 2000 to 2011.

The lowest quotas for energy related housing expenditure were reported in the southern European countries Malta (2.9%), Spain (3.1%) and Portugal (3.5%). This could be attributed to a lesser need for heating which is not fully compensated by additional expenditure for cooling. However, Luxembourg noted only 2.9% for the consumption of electricity, gas and fuels. This could partly be said to reflect the low taxation of energy in Luxembourg.

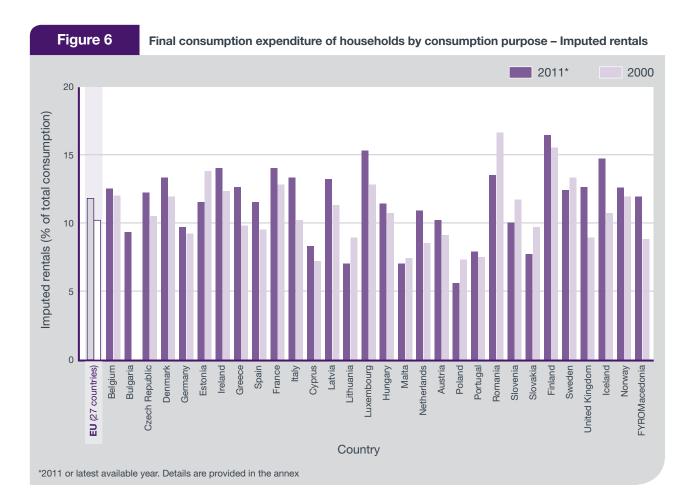
2.1 Owner occupied housing (OOH)

The OOH encompasses slightly more than half of the housing stock in Germany and around two third in the Netherlands, Denmark and in Luxembourg. In Finland around three quarter of the housing stock belongs to this category, whereas in Lithuania and Romania, more than 90% of the housing stock is owner occupied (Annex 7).

The contribution of imputed rentals to final private consumption expenditure in Europe varies between 5.6% in Poland, 7.0% in Lithuania in 2009 and 7.0% in Malta on one side and 15.3% in Luxembourg and 16.4% in Finland on the other (EU27:11.8%). However France and Ireland (14.0%), Romania (13.5% in 2010) and outside the EU Iceland (14.7%) also indicated a significant contribution of owner occupied housing to final private consumption.

Remarkable increases were noted in the UK from 8.9% to 12.6%, in Italy from 10.2% to 13.3% and in Greece from 9.8% to 12.6%. In addition, increases above average were reported by Luxembourg from 12.8% to 15.3%, in the Netherlands from 8.5% to 10.9% and in Spain from 9.5% to 11.5%. Outside the EU, Iceland noted the highest increase from 10.7% to 14.7%.

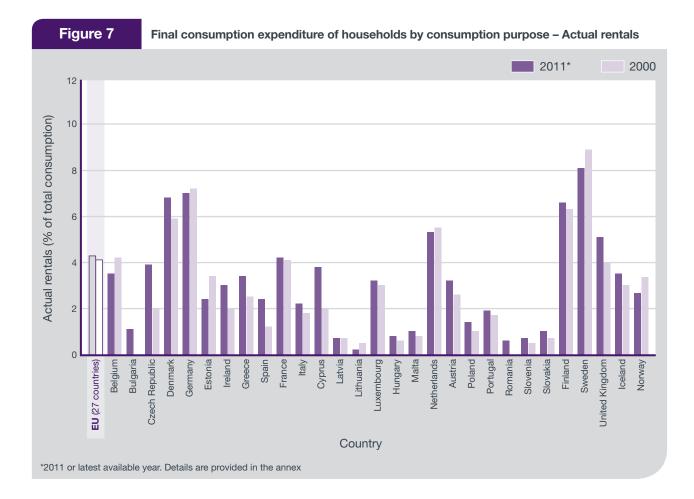
All in all, the increasing relevance of owner occupied housing could be noted both in countries already showing a high proportion of owner occupied housing consumption and in those countries that had been below EU average a decade ago.



2.2 Actual rentals for housing (size and variations)

According to the analyses of latest data (2011) at the level of EU Member States, the size of household expenditure for actual rentals for housing differs widely in Europe – i.e. between 0.7% in Latvia and Slovenia and 8.1% in Sweden (EU 27: 4.3 %.) The latest available figure for Lithuania is for 2009 (0.2%) 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 (6.6%) and Denmark (6.8%) and also Germany (7.0%) 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.





The development of actual rentals for housing during the last decade 2001 – 2010 and recently 2011/2012 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), 2.1% p.a. in the following period (2005 – 2010) and finally 1.8% p.a. during 2011/2012. 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. The population living in the rental accommodation is small in the Baltic countries. In addition, market rents play a minor role for the rental developments.

In contrast, Germany noted a very stable development of actual rentals. Between 1998 and 2012, 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 and 1.2% p.a. 2011/2012. Other countries with moderate rent increases in 2011/2012 were the countries affected by the financial and economic crisis: Greece recorded rent decreases (-0.6 % p.a.), Cyprus 0.5%, Ireland and Spain with 0.8% p.a slight rent increases. Outside the EU Switzerland recorded a moderate increase with 2.0 % p.a. for the period between 2005 and 2010 and 1.0% p.a. in 2011/2012. Switzerland indicated the lowest rate for the population living in owner occupied housing in Europe (44%) followed by Germany (53%), Austria (57%) and France (63%).

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 in the first part of the last decade 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 (2008 – 2010), in Lithuania, Latvia and Ireland (each 2009 and 2010) and in Slovenia (2009 – 2011). Romania recorded a slight decrease in 2010 and Greece in 2012. All these Member States indicated a population living in rental accommodation below EU average (29%). None of the Member States with a share of the population living in rental accommodation of more than 30% reported decreasing rents in annual data.

Table 1 Actual re

Actual rentals for housing

	Annual average rate of change					
	2011/ 2012	2010/ 2005	2005/ 2000			
Estonia	21.99	-1.58	4.65			
Ireland	0.80	-0.06	3.52			
Germany	1.23	1.08	1.07			
Belgium	1.30	1.76	2.09			
Sweden	2.48	1.97	2.42			
Switzerland	1.00	2.02	n.a.			
EU (27 countries)	1.79	2.12	2.17			
Netherlands	2.03	2.13	2.84			
Slovenia	-1.05	2.16	8.54			
Luxembourg	1.64	2.27	2.41			
Italy	1.95	2.47	2.50			
Cyprus	0.49	2.52	3.16			
France	1.48	2.54	2.50			
Denmark	2.82	2.55	2.61			
United Kingdom	2.95	2.56	2.64			
Portugal	1.48	2.60	2.65			
Malta	1.91	2.61	1.20			
Norway	2.10	2.69	3.28			
Austria	3.91	2.81	3.14			
Finland	3.59	2.93	2.82			
Slovakia	0.71	3.19	16.71			
Spain	0.78	3.65	4.19			
Greece	-0.63	3.77	4.74			
Latvia	7.85	4.05	4.82			
Poland	2.81	4.50	5.56			
Hungary	2.87	6.18	n.a.			
Bulgaria	1.12	6.60	5.75			
Lithuania	6.38	8.92	3.18			
Czech Republic	3.56	9.09	3.87			
Iceland	5.49	10.83	8.20			
Croatia	0.57	11.42	n.a.			
Turkey	4.74	12.79	28.65			
Romania	1.53	19.36	n.a.			



This analysis of household consumption patterns leads to three conclusions.

Firstly, during the last decade the importance of housing in consumption expenditure of households 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 consumption per capita to show a higher proportion of housing related consumption expenditure and a lower proportion of people living in owner occupied housing.

Secondly, housing related consumption was not reduced during the financial and economic crisis in contrast to other components of consumption or to the GDP development.

The third 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.



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

	Food and non-alcoholic beverages		Housing, wate gas and o		Transport		
	2011	2000	2011	2000	2011	2000	
EU (27countries)	12.9	13.0	23.6	20.3	13.2	13.8	
Belgium	13.4	13.0	23.9	23.4	12.4	12.4	
Bulgaria*	18.8	28.5	16.9	23.6	16.8	13.4	
Czech Republic	14.7	18.0	26.5	21.0	9.3	10.2	
Denmark	11.4	12.2	29.1	26.6	12.3	12.2	
Germany	11.5	11.6	24.4	22.9	14.0	13.9	
Estonia	19.8	20.3	20.0	22.9	13.2	10.2	
Ireland	10.4	11.2	21.5	17.6	13.3	13.4	
Greece	16.2	15.1	23.8	16.5	11.8	10.3	
Spain	13.8	14.3	20.4	15.3	11.5	12.4	
France	13.4	13.9	25.0	23.1	14.3	14.6	
Italy	14.2	15.1	22.4	18.3	12.8	14.0	
Cyprus	12.6	12.9	18.6	14.3	11.5	14.5	
Latvia	19.9	25.1	24.8	21.4	13.6	9.2	
Lithuania*	25.4	30.6	16.1	17.0	14.6	14.2	
Luxembourg	8.5	9.4	23.9	20.1	19.1	17.4	
Hungary	17.1	19.1	21.9	18.2	13.0	15.0	
Malta	15.2	16.5	12.0	10.6	13.1	13.8	
Netherlands	11.8	11.2	23.8	20.4	12.5	11.5	
Austria	9.9	10.5	21.5	19.4	13.4	13.4	
Poland	18.9	22.8	24.3	20.5	10.0	9.2	
Portugal	16.8	16.6	15.3	13.0	12.6	16.4	
Romania*	27.5	34.9	22.3	22.8	11.0	10.9	
Slovenia	14.8	16.7	19.4	19.0	15.1	15.7	
Slovakia	17.4	23.4	25.5	22.3	7.3	8.6	
Finland	12.2	12.6	26.9	24.7	11.2	12.9	
Sweden	12.2	12.1	26.9	27.5	13.3	14.4	
United Kingdom	9.1	9.7	23.9	17.9	14.2	15.3	
Iceland	14.6	15.1	22.4	17.0	14.8	16.2	
Norway	13.3	14.7	21.7	19.7	15.0	15.3	
Switzerland*	10.7	10.6	24.2	22.8	7.5	8.2	
FYROMacedonia	34.6	29.4	19.7	17.4	10.1	14.2	
Turkey*	25.4	26.5	18.9	15.8	18.3	17.5	

italic*: missing data 2011 replaced by data covering 2007 (Turkey), 2009 (Lithuania, Switzerland), 2010 (Bulgaria, Romania),

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	828	179	394	47	59	149
1996	882	188	420	49	62	162
1997	927	196	447	54	66	164
1998	965	203	473	57	70	163
1999	1 010	210	503	60	73	164
2000	1 077	219	538	66	77	177
2001	1 132	224	566	69	80	194
2002	1 179	234	599	72	83	192
2003	1 220	241	620	71	86	202
2004	1 287	252	654	75	91	213
2005	1 365	261	690	79	97	239
2006	1 442	271	722	84	101	264
2007	1 512	286	763	90	107	267
2008	1 575	288	779	92	110	306
2009	1 567	289	787	88	112	292
2010	1 645	301	821	87	118	317
2011	1 694	310	851	90	122	320



Actual rentals for housing (Annual average rate of change %)

GEO/TIME	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	200 [.]
EU (27 countries)	1.9	1.7	1.6	2.0	2.4	2.4	2.2	2.3	2.1	2.1	2.3	2.1
Belgium	1.5	1.1	1.1	2.0	1.9	1.8	2.1	2.0	1.9	2.2	2.5	1.9
Bulgaria	0.9	1.3	2.5	10.4	11.1	3.8	5.4	6.1	2.8	-0.3	9.1	11.6
Czech Republic	4.3	2.7	8.5	16.6	14.0	6.5	0.6	0.8	1.7	4.0	6.8	6.2
Denmark	2.6	3.0	2.8	3.1	2.8	2.1	2.1	2.4	2.8	2.7	2.6	2.7
Germany	1.2	1.3	1.1	1.1	1.2	1.0	1.1	1.0	0.9	1.1	1.4	1.1
Estonia	18.3	21.6	-10.2	-31.0	-4.0	26.8	22.5	4.8	5.6	2.9	0.5	9.6
Ireland	1.6	0.0	-5.3	-14.2	4.8	10.5	5.8	2.0	-2.3	-0.7	5.1	14.
Greece	-2.1	0.8	2.4	3.6	3.9	4.5	4.4	4.2	5.3	5.2	4.9	4.0
Spain	0.5	1.1	2.2	3.1	4.2	4.4	4.4	4.3	4.1	4.3	4.2	4.1
France	1.6	1.3	1.6	2.1	2.3	3.2	3.5	3.6	3.1	2.9	2.6	0.5
Italy	2.2	1.6	1.9	3.3	2.5	2.2	2.4	2.3	2.9	2.9	2.3	2.1
Cyprus	0.4	0.6	1.3	2.9	2.6	2.5	3.3	3.8	3.6	2.7	3.7	2.0
Latvia	9.6	5.6	-13.9	-14.1	24.7	18.6	11.4	12.7	7.0	1.7	0.5	2.7
Lithuania	10.2	2.3	-19.4	-10.4	36.3	28.5	21.1	15.6	5.7	2.1	-0.7	-5.
Luxembourg	1.3	1.9	1.9	2.5	3.0	1.7	2.3	3.0	1.6	1.8	2.7	3.0
Hungary	3.8	1.9	3.4	6.7	9.0	7.6	4.2	4.4	9.7	7.4	11.7	n.a
Malta	1.2	2.6	1.5	4.1	2.8	2.8	1.9	1.7	1.0	0.7	0.7	2.0
Netherlands	2.3	1.7	2.2	2.4	1.6	2.0	2.4	2.5	3.1	3.1	2.8	2.6
Austria	4.4	3.3	3.9	4.7	1.3	2.0	2.2	3.4	3.5	4.4	1.7	2.8
Poland	2.5	3.0	2.8	4.6	6.0	6.0	3.2	3.1	2.8	4.3	5.2	12.
Portugal	2.0	0.9	2.1	2.7	3.0	2.7	2.5	2.4	2.6	2.4	3.3	2.6
Romania	2.4	0.7	-0.1	5.7	26.2	71.8	5.9	9.0	15.9	15.5	24.1	n.a
Slovenia	-1.7	-0.4	-1.4	-0.5	6.9	3.0	3.0	5.6	9.0	10.2	8.8	9.2
Slovakia	0.6	0.8	1.6	5.3	2.6	4.0	2.4	5.7	25.3	28.9	4.4	21.
Finland	3.7	3.4	2.0	4.3	3.8	2.5	2.1	2.8	2.0	2.3	3.2	3.9
Sweden	2.6	2.3	1.6	3.2	2.5	1.6	0.9	2.4	3.1	2.7	2.2	1.7
United Kingdom	3.3	2.5	1.4	1.8	3.3	3.2	3.1	3.5	2.2	1.5	2.7	3.0
Iceland	5.8	4.9	3.2	15.6	17.0	10.6	8.3	6.2	7.9	9.9	8.0	9.0
Norway	1.9	2.3	2.8	3.5	3.0	1.9	2.3	2.0	2.0	4.1	4.5	3.9
Switzerland	0.7	1.3	1.1	2.5	2.3	2.3	1.9	n.a.	n.a.	n.a.	n.a.	n.a
Croatia	-0.1	1.2	4.6	2.9	13.7	10.5	26.9	n.a.	n.a.	n.a.	n.a.	n.a
Turkey	4.9	4.3	4.3	8.2	13.7	18.4	20.1	18.8	22.7	26.7	33.3	43.

Annex 4A

Rentals/OOH and other housing components – 2000 (Percentage of total final consumption expenditure)

2000 GEO/COICOP	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
EU (27countries)	4.1	10.2	1.2	1.5	3.3	4.8
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	2.0	10.5	0.3	1.4	6.8	8.2
Denmark	5.9	11.9	0.8	2.0	6.0	8.0
Germany	7.2	9.2	0.8	2.2	3.5	5.7
Estonia	3.4	13.8	0.3	1.5	3.9	5.4
Ireland	2.0	12.3	0.3	0.0	2.9	2.9
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	10.2	1.2	1.7	3.3	5.0
Cyprus	2.0	7.2	2.0	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	1.1	0.8	2.4	3.2
Hungary	0.6	10.7	0.5	1.2	5.1	6.3
Malta	0.8	7.4	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	1.7	7.5	0.3	1.0	2.6	3.6
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	8.8	10.0
Finland	6.3	15.5	0.0	0.4	2.4	2.8
Sweden	8.9	13.3	0.3	0.0	5.0	5.0
United Kingdom	4.0	8.9	1.8	0.8	2.4	3.2
Iceland	2.7	10.7	0.7	0.8	2.2	3.0
Norway	2.7	11.9	0.5	1.2	3.3	4.5
FYROMacedonia	n.a.	8.8	0.5	1.0	7.1	8.1

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

Annex 4B

Rentals/OOH and other housing components – 2011 (Percentage of total final consumption expenditure)

2011	Actual rentals for housing	mputed rentals for housing	Maintenance and repair of the dwelling	Water supply and miscellaneous services relating to the dwelling	Electricity, gas and other fuels	K+E*
GEO/COICOP	Actual re hou	Imputed for ho	Mainte and repa	Water su miscell services to the c	Electric and oth	Ň
EU (27countries)	4.3	11.8	1.3	1.7	4.5	6.2
Belgium	3.5	12.5	1.0	1.4	5.4	6.8
Bulgaria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Czech Republic	3.9	12.2	0.4	1.7	8.3	10.0
Denmark	6.8	13.3	0.9	2.3	5.9	8.2
Germany	7.0	9.7	0.8	2.2	4.8	7.0
Estonia	2.4	11.5	0.2	1.2	4.8	6.0
Ireland	3.0	14.0	0.5	0.3	3.8	4.1
Greece	3.4	12.6	0.9	1.3	5.6	6.9
Spain*	2.4	11.5	1.1	2.1	3.1	5.2
France	4.2	14.0	1.3	1.7	3.9	5.6
Italy	2.2	13.3	1.1	2.0	3.9	5.9
Cyprus	3.8	8.3	2.0	1.1	3.4	4.5
Latvia	0.7	13.2	2.3	1.2	7.4	8.6
Lithuania*	0.2	7.0	2.1	1.3	5.4	6.7
Luxembourg	3.2	15.3	1.4	1.1	2.9	4.0
Hungary	0.8	11.4	0.4	1.9	7.5	9.4
Malta	1.0	7.0	0.3	0.7	2.9	3.6
Netherlands	5.3	10.9	1.4	1.5	4.7	6.2
Austria	3.2	10.2	1.5	2.6	4.0	6.6
Poland	1.4	5.6	5.8	2.3	9.1	11.4
Portugal	1.9	7.9	0.3	1.7	3.5	5.2
Romania*	0.6	13.5	1.2	2.0	5.0	7.0
Slovenia	0.7	10.0	0.3	2.0	6.5	8.5
Slovakia	1.0	7.7	3.1	2.7	10.9	13.6
Finland	6.6	16.4	0.0	0.5	3.3	3.8
Sweden	8.1	12.4	0.5	0.0	6.0	6.0
United Kingdom	5.1	12.6	1.6	0.9	3.6	4.5
Iceland	3.0	14.7	0.8	1.2	2.7	3.9
Norway*	3.4	12.5	0.2	1.3	4.8	6.1
FYROMacedonia	n.a.	11.9	0.7	0.9	6.2	7.1

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

italic*: missing data 2011 replaced by data covering 2010 (Spain, Romania and Norway), and 2009 (Lithuania)

Annex 5 Actual rentals for housing (Average annual rate of change %)												
GEO/TIME	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	20
EU (27 countries)	4.3	4.3	4.3	4.1	4.1	4.1	4.1	4.2	4.2	4.1	4.1	4.
Belgium	3.5	3.6	3.7	3.7	3.8	3.9	4.0	4.1	4.1	4.1	4.1	4.
Bulgaria	n.a.	1.1	1.1	1.0	0.9	0.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.
Czech Republic	3.9	4.0	4.1	3.5	3.4	3.2	3.3	3.2	3.2	3.1	2.5	2.
Denmark	6.8	6.7	6.8	6.2	6.1	6.0	6.0	6.0	6.1	6.0	6.0	5.
Germany	7.0	7.1	7.2	7.0	7.0	7.0	7.1	7.2	7.2	7.2	7.1	7.
Estonia	2.4	2.2	2.3	2.7	2.9	2.6	2.5	2.7	2.8	3.0	3.3	З.
Ireland	3.0	3.0	3.0	3.1	2.8	2.7	2.6	2.6	2.5	2.3	2.2	2.
Greece	3.4	3.1	2.9	2.8	2.8	2.8	2.9	2.6	2.6	2.6	2.5	2.
Spain	n.a.	2.4	2.3	2.0	1.8	1.7	1.5	1.6	1.5	1.4	1.3	1.
France	4.2	4.2	4.2	4.0	4.1	4.1	4.0	4.0	4.0	3.9	3.9	4
Italy	2.2	2.2	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.8	1
Cyprus	3.8	3.7	3.4	2.9	2.7	2.5	2.1	2.0	2.0	2.0	2.0	2
Latvia	0.7	0.7	0.7	0.7	0.5	0.5	0.6	0.4	0.3	0.5	0.6	0
Lithuania	n.a.	n.a.	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0
Luxembourg	3.2	3.3	3.2	3.0	3.0	3.0	2.9	2.9	3.1	3.0	3.0	3
Hungary	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0
Malta	1.0	1.0	1.0	0.9	0.8	0.8	0.7	0.7	0.9	0.9	0.8	0
Netherlands	5.3	5.3	5.3	4.9	5.0	5.2	5.3	5.4	5.3	5.2	5.4	5
Austria	3.2	3.2	3.2	3.0	2.9	2.9	2.9	2.7	2.7	2.7	2.6	2
Poland	1.4	1.4	1.6	1.6	1.7	1.8	2.0	2.0	1.9	1.8	1.4	1
Portugal	1.9	2.0	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1
Romania	n.a.	0.6	0.7	0.9	0.8	0.6	0.5	0.5	0.5	0.7	0.0	0
Slovenia	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0
Slovakia	1.0	1.0	0.9	0.8	0.9	1.0	1.1	1.3	0.9	0.7	0.6	0
Finland	6.6	6.7	6.7	6.3	6.3	6.5	6.7	6.6	6.6	6.5	6.4	6
Sweden	8.1	7.8	8.1	8.1	8.0	8.1	8.3	8.4	8.4	8.6	8.6	8
United Kingdom	5.1	5.0	4.9	4.8	4.6	4.3	4.3	4.4	4.2	4.0	3.9	4
Iceland	3.0	3.1	3.4	3.6	3.3	3.1	3.4	3.2	3.1	2.8	2.7	2
Norway	n.a.	3.4	3.4	3.3	3.2	3.3	3.3	3.3	3.3	3.3	3.3	2.
Serbia	1.1	1.2	1.3	1.2	1.4	1.6	1.6	1.7	1.8	1.8	n.a.	n.

Final consumption expenditure of household by consumption purpose: Actual rentals for housing (Average annual rate of change %)

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

GEO/TIME	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	200
EU (27countries)	2.6	3.1	2.1	1.0	3.7	2.4	2.3	2.3	2.3	2.1	2.5	3.2
Belgium	2.6	3.4	2.3	0.0	4.5	1.8	2.3	2.5	1.9	1.5	1.6	2.4
Bulgaria	2.4	3.4	3.0	2.5	12.0	7.6	7.4	6.0	6.1	2.3	5.8	7.4
Czech Republic	3.5	2.1	1.2	0.6	6.3	3.0	2.1	1.6	2.6	-0.1	1.4	4.5
Denmark	2.4	2.7	2.2	1.1	3.6	1.7	1.9	1.7	0.9	2.0	2.4	2.3
Germany	2.1	2.5	1.2	0.2	2.8	2.3	1.8	1.9	1.8	1.0	1.4	1.9
Estonia	4.2	5.1	2.7	0.2	10.6	6.7	4.4	4.1	3.0	1.4	3.6	5.
Ireland	1.9	1.2	-1.6	-1.7	3.1	2.9	2.7	2.2	2.3	4.0	4.7	4.(
Greece	1.0	3.1	4.7	1.3	4.2	3.0	3.3	3.5	3.0	3.4	3.9	3.
Spain	2.4	3.1	2.0	-0.2	4.1	2.8	3.6	3.4	3.1	3.1	3.6	2.
France	2.2	2.3	1.7	0.1	3.2	1.6	1.9	1.9	2.3	2.2	1.9	1.
Italy	3.3	2.9	1.6	0.8	3.5	2.0	2.2	2.2	2.3	2.8	2.6	2.
Cyprus	3.1	3.5	2.6	0.2	4.4	2.2	2.2	2.0	1.9	4.0	2.8	2.
Latvia	2.3	4.2	-1.2	3.3	15.3	10.1	6.6	6.9	6.2	2.9	2.0	2.
Lithuania	3.2	4.1	1.2	4.2	11.1	5.8	3.8	2.7	1.2	-1.1	0.3	1.
Luxembourg	2.9	3.7	2.8	0.0	4.1	2.7	3.0	3.8	3.2	2.5	2.1	2.
Hungary	5.7	3.9	4.7	4.0	6.0	7.9	4.0	3.5	6.8	4.7	5.2	9.
Malta	3.2	2.5	2.0	1.8	4.7	0.7	2.6	2.5	2.7	1.9	2.6	2.
Netherlands	2.8	2.5	0.9	1.0	2.2	1.6	1.7	1.5	1.4	2.2	3.9	5.
Austria	2.6	3.6	1.7	0.4	3.2	2.2	1.7	2.1	2.0	1.3	1.7	2.
Poland	3.7	3.9	2.7	4.0	4.2	2.6	1.3	2.2	3.6	0.7	1.9	5.
Portugal	2.8	3.6	1.4	-0.9	2.7	2.4	3.0	2.1	2.5	3.3	3.7	4.
Romania	3.4	5.8	6.1	5.6	7.9	4.9	6.6	9.1	11.9	15.3	22.5	34
Slovenia	2.8	2.1	2.1	0.9	5.5	3.8	2.5	2.5	3.7	5.7	7.5	8.
Slovakia	3.7	4.1	0.7	0.9	3.9	1.9	4.3	2.8	7.5	8.4	3.5	7.
Finland	3.2	3.3	1.7	1.6	3.9	1.6	1.3	0.8	0.1	1.3	2.0	2.
Sweden	0.9	1.4	1.9	1.9	3.3	1.7	1.5	0.8	1.0	2.3	1.9	2.
United Kingdom	2.8	4.5	3.3	2.2	3.6	2.3	2.3	2.1	1.3	1.4	1.3	1.
Iceland	6.0	4.2	7.5	16.3	12.8	3.6	4.6	1.4	2.3	1.4	5.3	6.
Norway	0.4	1.2	2.3	2.3	3.4	0.7	2.5	1.5	0.6	2.0	0.8	2.
Switzerland	-0.7	0.1	0.6	-0.7	2.3	0.8	1.0	n.a.	n.a.	n.a.	n.a.	n.a
Croatia	3.4	2.2	1.1	2.2	5.8	2.7	3.3	3.0	2.1	2.4	2.5	4.
Turkey	9.0	6.5	8.6	6.3	10.4	8.8	9.3	8.1	10.1	25.3	47.0	56

Housing tenure and consumption per capita

Housing Tenure GEO/TIME	Owner or	cupied %	Market	rent %	Reduce	d rent %	Consumption per capita (Purchasing Power Standards)	
	2006	2011	2006	2011	2006	2011	2011	
EU (27countries)*	68.0	70.7	20.1	18.1	11.9	11.2	14,200	
Belgium	73.7	71.8	18.2	18.9	8.1	9.3	15,400	
Bulgaria	85.4	87.2	3.0	1.7	11.6	11.1	7,200	
Czech Republic	74.1	80.1	4.7	13.0	21.1	6.9	10,100	
Denmark	67.4	67.1	32.6	32.8	0.0	0.1	15,100	
Germany*	53.3	53.4	36.8	39.9	9.9	6.7	16,900	
Estonia	87.8	83.5	3.6	2.5	8.6	14.0	8,400	
Ireland*	78.0	73.4	8.5	11.9	13.4	14.7	15,600	
Greece	n.a.	75.9	n.a.	17.2	n.a.	6.9	14,600	
Spain	n.a.	82.7	n.a.	9.0	n.a.	8.2	14,200	
France	62.5	63.1	19.1	19.1	18.4	17.8	15,100	
Italy	72.9	72.9	12.4	13.3	14.7	13.8	15,300	
Cyprus	n.a.	73.8	n.a.	10.2	n.a.	15.9	15,600	
Latvia	n.a.	82.5	n.a.	7.9	n.a.	9.6	9,000	
Lithuania	91.8	92.3	0.9	1.3	7.3	6.5	10,500	
Luxembourg	n.a.	68.2	n.a.	27.0	n.a.	4.8	20,100	
Hungary	87.6	89.8	3.5	2.9	8.9	7.3	8,500	
Malta	80.6	80.8	2.9	1.8	16.5	17.4	12,900	
Netherlands	65.4	67.1	34.2	32.4	0.4	0.5	14,500	
Austria	n.a.	57.5	n.a.	26.2	n.a.	16.3	17,200	
Poland	n.a.	82.1	n.a.	3.5	n.a.	14.5	9,800	
Portugal	75.5	75.0	9.3	12.2	15.2	12.8	12,600	
Romania	n.a.	96.6	n.a.	1.0	n.a.	2.4	7,500	
Slovenia	84.5	77.5	4.2	5.5	11.3	17.0	12,000	
Slovakia	88.9	90.2	9.5	8.0	1.6	1.7	10,400	
Finland	73.3	74.1	9.7	10.2	17.1	15.7	15,200	
Sweden	68.8	69.7	30.2	30.0	1.1	0.3	14,700	
United Kingdom	71.4	67.9	9.5	13.3	19.1	18.8	16,900	
Iceland	86.2	77.9	6.7	11.0	7.1	11.1	14,000	
Norway	84.8	84.0	9.9	10.5	5.3	5.5	18,400	
Switzerland	n.a.	43.8	n.a.	51.4	n.a.	4.7	21,900	
Croatia	n.a.	92.1	n.a.	1.6	n.a.	6.4	9,000	
Turkey	60.7	n.a.	23.7	n.a.	15.5	n.a.	9,300	

italic*: missing data 2006 or 2011 replaced by data covering 2005 (EU (27 countries) and Germany), and 2010 (Ireland)



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 (HICP) 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 (CPI) calculated according to a harmonised approach and a single set of definitions.

Purchasing Power Standards

Purchasing Power Standards (PPS) are fictive 'currency' units that remove differences in purchasing power, i.e. different price levels between countries. Figures expressed in Purchasing Power Standards are derived from figures expressed in national currency by using Purchasing Power Parities (PPP) as conversion factors. They are fixed in a way that makes the average purchasing power of one euro in the European Union equal to one PPS.



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