Creation of an official Real Estate Price Index in Switzerland

Objectives and challenges

David Fischbach, Corinne Becker Vermeulen
UNECE Group of experts on CPI, Geneva, May 3, 2016

Summary

8. Future work
7. Data, sources and surveys
6. Quality adjustments
5. Planned statistics
4. Users of the statistics
3. Framework conditions
2. The wish to create an official statistics
1. The Swiss real estate market
1. The Swiss real estate market

2.5 mio dwellings

- Owned: 11% GDP, 936 B Mortgages (GDP 642 B)
- Rented: 2’540 B CHF

Mortgage rates, real estate prices and rents
2. Need for information

"I thought we were just buying a horse!"

Private RPPI Producers

Trends in Private Real Estate Price Indices (EWG TP: Single-family houses, transaction prices) Wuest and Partner (W&P), IAZI/CIFI, Fahrländer Partner Raumentwicklung (FPRE)
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2011 Motion Landolt
«Statistical survey of real estate prices»

2012 Feasibility study,
Federal Council Mandate

2015 Project launch, Study
2016 Detailed conceptual phase
2017 Realisation
2018 Introduction

3. Framework conditions
- Workload for respondents
- Budget FSO
- Quality
4. Users and uses

Public sector

- Economic indicator
- Monitoring financial market stability
- Monetary policy and inflation driving
- Decision-making basis
- Basis for research and analysis
- Indexing and plausibilisation of valuations
- Benchmarking
- Use in official statistics

Private sector

5. The Plan

- Focus on housing
- Owner-occupied houses
- Apartments, single family houses
- Quarterly, published in following quarter
- No time series backwards
- Regionalised indices (NUTS 2)
- Geometric Laspeyres-type Index calculation
- Stratification (building type, size, age)
6. Quality adjustment

Hedonic repricing
Structure, Location

7. Data

Surveyor / Model
Broker
Media
Seller
Notary
Buyer
Property insurance
Surveyor / Model
Mortgage institution
Mortgage bond bank

Property gains
Income / wealth
Property transfer
Tax authorities
Estimateur / Module
Land registry
Main register
Journal
Acts
Fees
Cadastre
Regional statistical office

Private databases
Geolocalised databases
FSO RBD
Cantons
Communes
Survey

- **Mantra:** reduce to a minimum the workload for data suppliers and the FSO
- **Look for all possible registry data**
- Data matching with geolocalised databases through the Registry of buildings and dwellings
- **E-Survey,** if possible automatic, thanks to plug-ins in the IT-Systems of data suppliers
8. Actual work (Project)

1) Detailed concept (until Fall 2016)
   - Legal framework
   - Methodology
   - Survey
   - Marketing

2) Realisation (Fall 2016 – Spring 2017)

3) Introduction (Spring 2017 – Fall 2017)

4) Production (from Fall 2017), Publication (from Spring 2018)

Future work (after introduction)

- Customized products
- Data suppliers analysis
- Alternative weights

- Extension to other objects: blocks, multi-family houses, offices, shops, industry
- Use: Holidays-dwellings («20%-Law»)
- Land prices
- Other statistics: Average prices, number and volume of transactions
- Time series (backwards)
Thank you for your attention!