

News Release



Date: 18 May 2005
No. : 104/2005
Time of release: 11.00 hrs

Theme:
Economy and Finance

Compiled by:

Consumer Prices Unit
e-mail: rpi.nso@gov.mt
Tel: 25997319

The monthly calendar of NSO News Releases may be consulted on the Office's website at www.nso.gov.mt

Prices

Property Prices Index: March 2005

The National Statistics Office has started compiling a Property Prices Index (PPI). It is based on prices in respect of three property types, namely apartments, maisonettes and terraced houses. In addition to price indices in respect of each property type, an All-Property Prices Index (APPI) is also being compiled and released. Moreover, price inflation rates calculated on an annual and a 12-month moving average basis are being released in respect of each property type.

Each price index has December 2001 as its base. In the period, up to March this year, the All-Property Prices Index reached 143.04. In the first quarter this year, on average, the APPI was 13.48 per cent higher than in the respective period last year.

At 132.49 in March 2005, the Property Prices Index for apartments increased by 32.49 per cent since December 2001. In the first quarter this year, apartment prices were, on average, estimated to have increased by 14.19 per cent when compared to the same period in 2004.

In March this year, the PPI for maisonettes reached 141.00. On average, prices for maisonettes were estimated to have increased by around 18.62 per cent in the first quarter this year when compared to the same period last year.

In the first quarter this year, prices for terraced houses were estimated to have increased by an average of 17.34 per cent when compared to the same quarter last year. In March this year the PPI for terraced houses reached 185.11.

Property Prices Inflation

In March 2005, property prices inflation as calculated through the All-Property Prices Index was estimated at 13.86 per cent.

While in March, the inflation rates for apartments and maisonettes stood at 15.90 and 18.46 per cent respectively, that in respect of terraced houses reached 13.22 per cent ■

National Statistics Office
Library & Information Unit
Lascaris, Valletta CMR 02, Malta
Tel: (+356) 25997219
Fax: (+356) 25997205
e-mail: nso@gov.mt
<http://www.nso.gov.mt>

Table 1. All-Property Prices Index

Month	2002	2003	Annual % Change 2003/2002	2004	Annual % Change 2004/2003	2005	Annual % Change 2005/2004
January	102.50	107.90	5.26	117.67	9.06	138.75	17.91
February	105.30	109.15	3.66	120.81	10.69	133.99	10.90
March	111.98	105.37	-5.90	127.92	21.40	143.04	11.82
April	106.03	113.76	7.29	126.31	11.04		
May	104.72	111.64	6.61	127.20	13.93		
June	103.47	107.48	3.87	131.85	22.67		
July	107.29	114.41	6.64	130.86	14.37		
August	109.48	105.23	-3.89	132.38	25.80		
September	107.70	122.28	13.54	137.36	12.33		
October	105.29	117.23	11.34	129.78	10.70		
November	116.08	115.10	-0.84	125.41	8.95		
December	110.27	115.70	4.93	124.91	7.96		

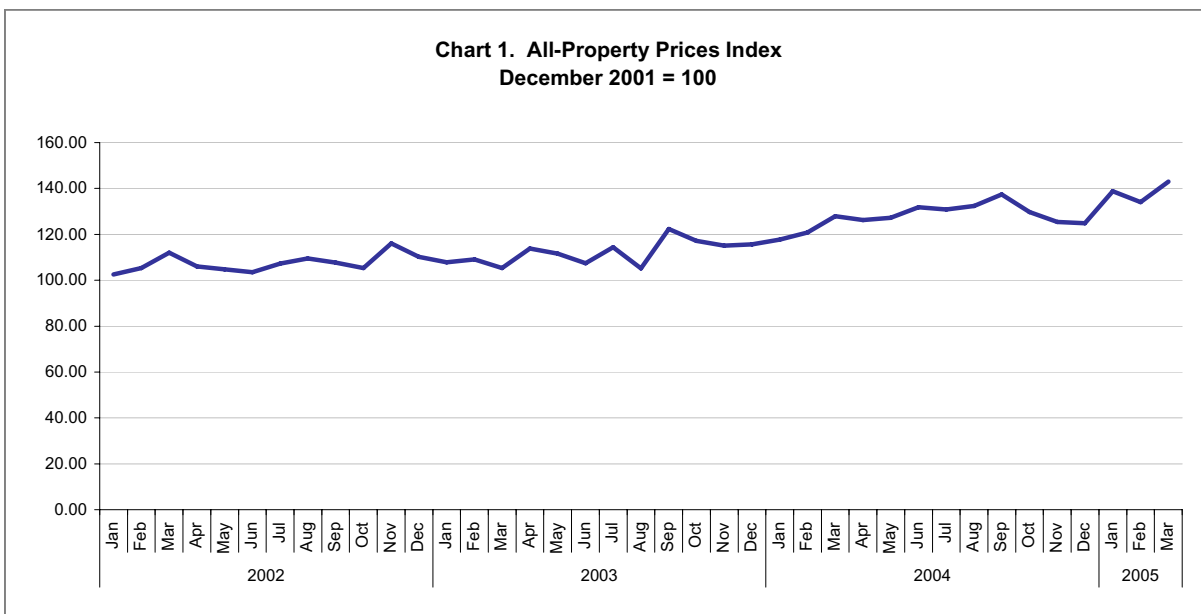


Table 2. Property Prices Index: Apartments

Month	2002	2003	Annual % Change 2003/2002	2004	Annual % Change 2004/2003	2005	Annual % Change 2005/2004
January	92.32	100.50	8.86	116.16	15.59	132.80	14.32
February	93.07	98.80	6.15	115.95	17.36	130.78	12.79
March	103.98	97.74	-6.01	114.73	17.38	132.49	15.48
April	94.97	103.54	9.02	123.14	18.93		
May	94.68	99.17	4.73	117.79	18.78		
June	97.98	100.27	2.34	129.01	28.66		
July	97.60	102.84	5.37	119.67	16.36		
August	107.33	104.18	-2.93	127.26	22.15		
September	96.04	110.66	15.22	125.28	13.21		
October	98.68	109.12	10.57	119.55	9.56		
November	104.33	107.88	3.40	119.16	10.46		
December	100.45	103.30	2.84	115.64	11.95		

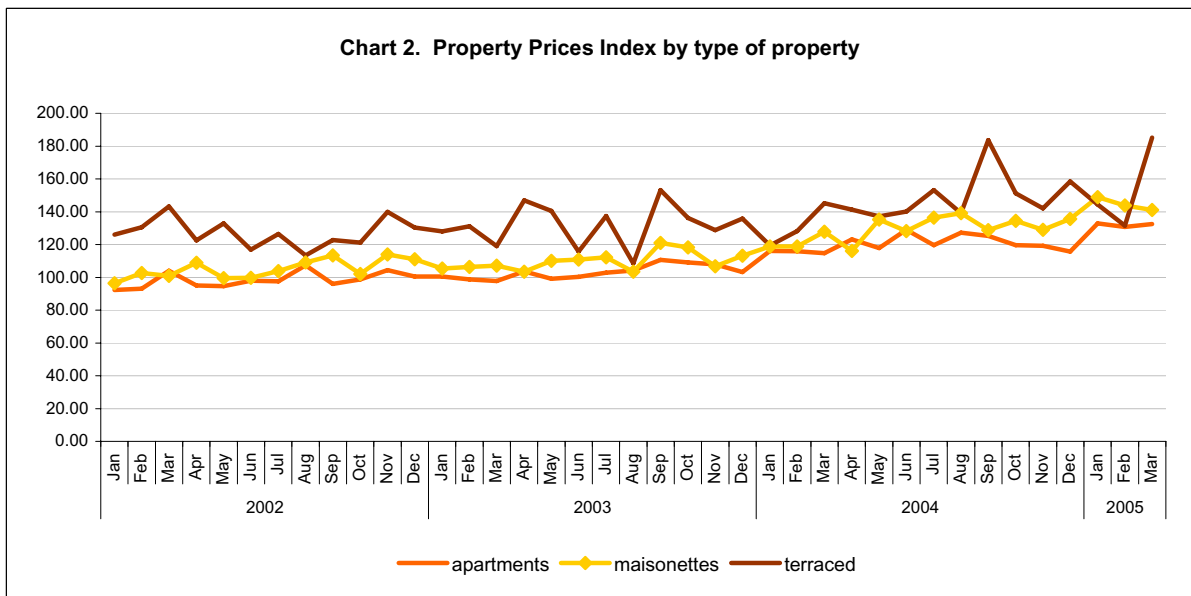
Table 3. Property Prices Index: Maisonettes

Month	2002	2003	Annual % Change 2003/2002	2004	Annual % Change 2004/2003	2005	Annual % Change 2005/2004
January	96.31	105.39	9.42	118.92	12.85	148.85	25.16
February	102.56	106.34	3.68	118.88	11.80	143.84	20.99
March	100.81	107.18	6.31	127.82	19.26	141.00	10.31
April	108.82	103.33	-5.05	116.06	12.32		
May	99.59	110.14	10.59	135.16	22.73		
June	99.69	110.74	11.08	128.20	15.77		
July	103.78	112.22	8.13	136.38	21.53		
August	109.03	103.37	-5.20	139.05	34.52		
September	113.27	121.07	6.88	128.87	6.44		
October	102.11	118.27	15.82	134.43	13.66		
November	113.96	106.77	-6.31	129.06	20.88		
December	110.96	113.11	1.94	135.60	19.89		

Table 4. Property Prices Index: Terraced Houses

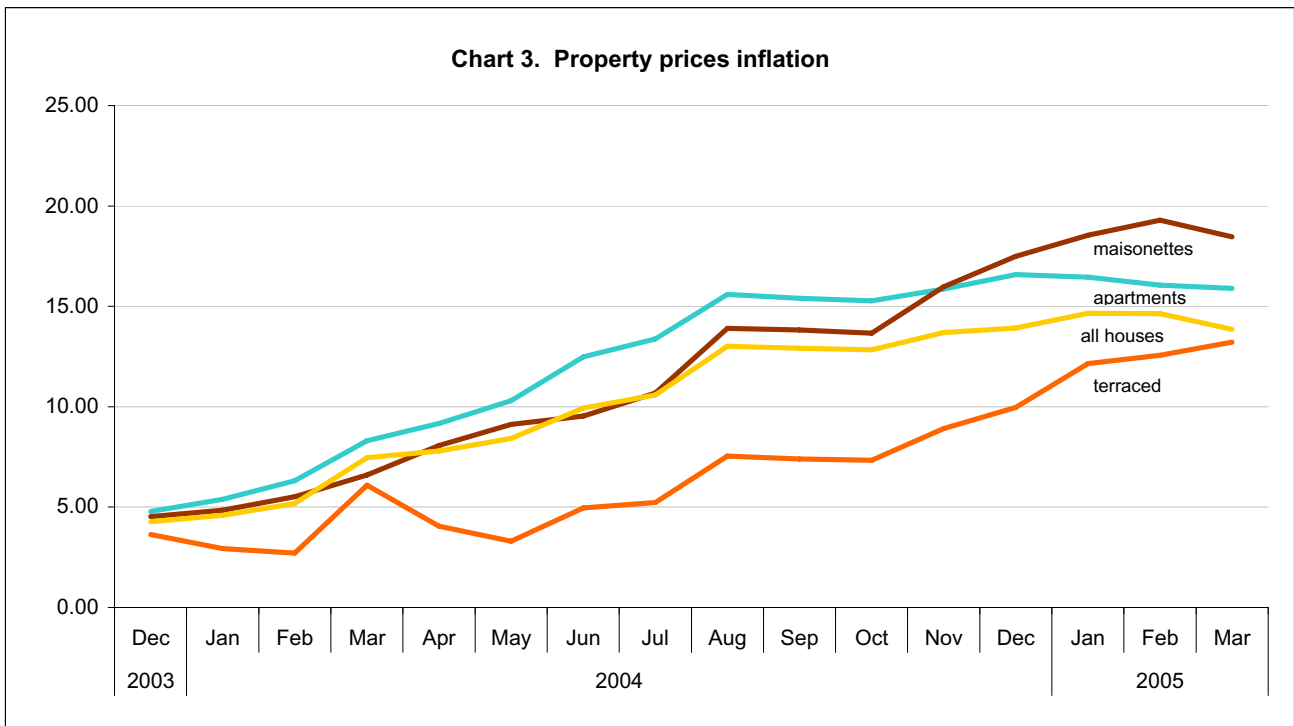
Month	2002	2003	Annual % Change 2003/2002	2004	Annual % Change 2004/2003	2005	Annual % Change 2005/2004
January	125.95	127.92	1.56	119.44	-6.63	144.33	20.84
February	130.52	131.12	0.46	128.25	-2.19	131.58	2.59
March	143.13	119.06	-16.82	145.19	21.95	185.11	27.49
April	122.57	146.85	19.80	141.24	-3.82		
May	132.82	140.49	5.78	137.09	-2.42		
June	116.94	115.79	-0.98	140.02	20.93		
July	126.49	137.45	8.66	153.13	11.41		
August	113.33	108.53	-4.23	139.20	28.25		
September	122.75	153.14	24.76	183.53	19.84		
October	121.17	136.18	12.38	151.18	11.02		
November	139.84	128.87	-7.84	142.06	10.23		
December	130.37	135.87	4.22	158.53	16.67		

Chart 2. Property Prices Index by type of property



**Table 5. Property Prices inflation rates
12-month moving average**

Year	Month	Apartment	Maisonette	Terraced	All Property
2003	Dec	4.79	4.52	3.63	4.28
2004	Jan	5.38	4.84	2.94	4.60
	Feb	6.31	5.51	2.71	5.18
	Mar	8.30	6.60	6.09	7.47
	Apr	9.16	8.06	4.04	7.79
	May	10.30	9.12	3.30	8.41
	Jun	12.48	9.54	4.96	9.94
	Jul	13.38	10.68	5.23	10.59
	Aug	15.59	13.91	7.54	13.02
	Sep	15.41	13.83	7.40	12.91
	Oct	15.27	13.66	7.33	12.84
	Nov	15.86	15.97	8.91	13.69
	Dec	16.59	17.49	9.97	13.92
2005	Jan	16.46	18.55	12.14	14.65
	Feb	16.05	19.30	12.56	14.63
	Mar	15.90	18.46	13.22	13.86



Explanatory Notes

1. The Property Prices Index is compiled on the basis of contracts price data. It is compiled in respect of terraced houses, apartments/flats and maisonettes. The number of price observations for villas, averaging at 6 per month, are deemed to be low and unrepresentative. This, together with the higher heterogeneity of these properties, militates against their meaningful inclusion in this index. Prices move together. Therefore, the price data for the properties being included are also deemed to be indicative of developments in land and construction prices and the property market in general.
2. A **terraced house** is a dwelling that is attached to other structures on both sides.
3. An **apartment/flat** is a dwelling with a separate entrance that is accessible from a common passage, landing or stairway.
4. A **maisonette** is a dwelling forming part of a block or elevated on another structure having its own outside entrance.
5. Prices in respect of new and old houses are taken into consideration, although no distinction whatsoever is made between them. An average of between 450 and 600 price observations per month are used in the index compilation process. The median price in respect of each house type is used in the index compilation process.
6. In addition to an aggregate index, sub-indices are compiled in respect of each house type on a monthly basis using the Laspeyres index formula.
7. The index base period was established in December 2001. Expenditure weights in respect of each house type were compiled using a reference period of 12 months. Mix-adjustment variable sub-weights that reflect the volume of properties being sold by type are used on a monthly basis.
8. While indicative of price trends in the markets for the reference properties, and the property market in general, these indices are limited by the heterogeneity of the properties under reference. It is widely recognised that the price of a property is dependent on its location, type, state of maintenance and finish, age, tenure, the number of bedrooms and bathrooms, size and the availability of other amenities like yards and gardens. The available data do not allow for the use of any quality adjustment methodologies even though the use of median prices compensates in part for this.
9. These indices are not, normally, subject to revision.