

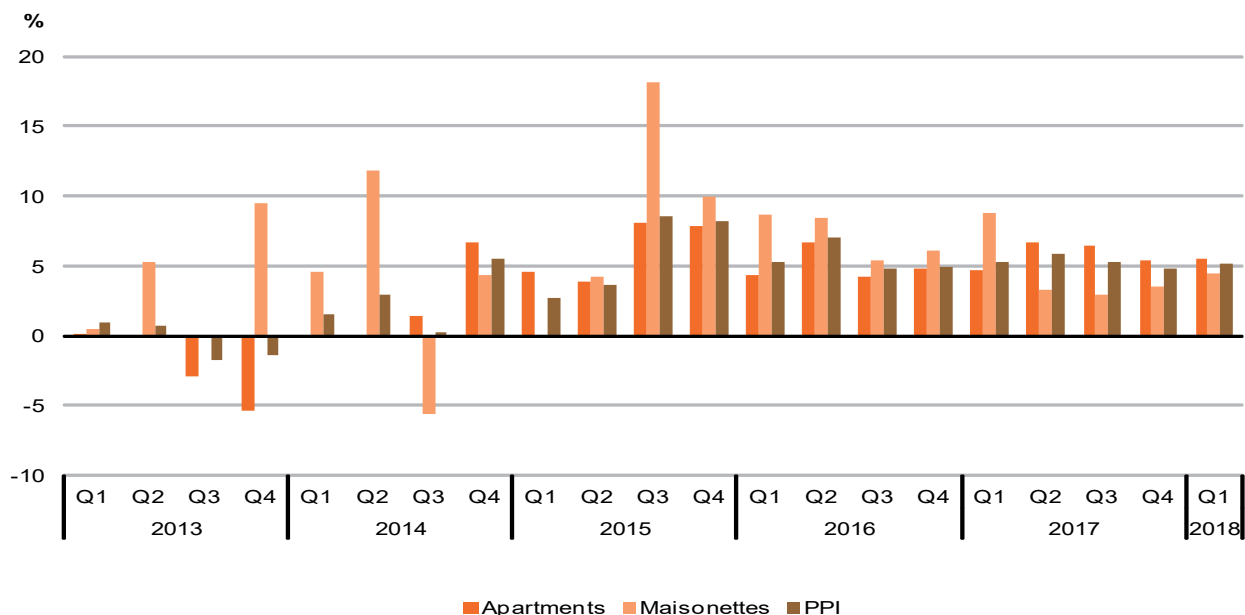
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Property Price Index: Q2/2017-Q1/2018

1. Main Points

- During the first quarter of this year, the Property Price Index (PPI) stood at 111.11, a rise of 5.2 per cent when compared to the corresponding quarter of 2017 (Tables 1 and 2).
- Provisional figures indicate that the main driver of the increase was the Apartments price index, although the Maisonettes price index also went up.
- In the first quarter of 2017, the PPI registered a rise of 5.3 per cent when compared to the same quarter of the preceding year (Table 2).

Chart 1. PPI - Annual price changes (%)



2. Overview

The PPI shows the price changes of residential properties purchased by households. It is compiled on a quarterly rather than on a monthly basis, to ensure that all figures are substantiated by adequate samples.

The PPI covers apartments, maisonettes and terraced houses only. The prices for the properties included in the Index are deemed to be indicative of developments in the property market in general.

Table 1. Property Price Index (PPI) by type and period
(Average 2015=100)

Year	Quarter	Apartments	Maisonettes	Aggregate*	PPI**
2012	1	92.14	85.18	90.21	90.50
	2	92.14	79.77	88.74	89.49
	3	96.47	94.17	95.80	96.03
	4	96.69	85.61	93.64	94.13
2013	1	92.30	85.61	90.42	91.37
	2	92.14	83.93	89.86	90.10
	3	93.67	94.17	93.70	94.33
	4	91.48	93.77	91.99	92.83
2014	1	92.30	89.50	91.69	92.82
	2	92.14	93.85	92.52	92.73
	3	94.97	88.94	93.65	94.58
	4	97.54	97.84	97.61	97.92
2015	1	96.49	89.50	94.83	95.30
	2	95.66	97.76	96.16	96.07
	3	102.67	105.11	103.25	102.72
	4	105.18	107.63	105.76	105.92
2016	1	100.69	97.29	100.37	100.29
	2	102.02	105.97	102.69	102.78
	3	106.95	110.77	107.59	107.62
	4	110.27	114.15	110.91	111.12
2017	1	105.39	105.85	105.43	105.61
	2	108.89	109.49	108.96	108.78
	3	113.79	114.01	113.78	113.34
	4	116.20	118.23	116.58	116.53
2018	1	111.18	110.52	111.02	111.11

Data for the last four quarters is provisional.

* Includes apartments and maisonettes

**Includes terraced houses

Table 2. Annual price changes by type and period (%)
(Average 2015=100)

Year	Quarter	Apartments	Maisonettes	Aggregate *	PPI **
2013	1	0.2	0.5	0.2	1.0
	2	0.0	5.2	1.3	0.7
	3	-2.9	0.0	-2.2	-1.8
	4	-5.4	9.5	-1.8	-1.4
2014	1	0.0	4.5	1.4	1.6
	2	0.0	11.8	3.0	2.9
	3	1.4	-5.6	-0.1	0.3
	4	6.6	4.3	6.1	5.5
2015	1	4.5	0.0	3.4	2.7
	2	3.8	4.2	3.9	3.6
	3	8.1	18.2	10.3	8.6
	4	7.8	10.0	8.3	8.2
2016	1	4.3	8.7	5.8	5.2
	2	6.7	8.4	6.8	7.0
	3	4.2	5.4	4.2	4.8
	4	4.8	6.1	4.9	4.9
2017	1	4.7	8.8	5.0	5.3
	2	6.7	3.3	6.1	5.8
	3	6.4	2.9	5.8	5.3
	4	5.4	3.6	5.1	4.9
2018	1	5.5	4.4	5.3	5.2

Data for the last four quarters is provisional.

* Includes apartments and maisonettes

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3. Methodological Notes

- 3.1. The PPI is compiled on the basis of the median price for each dwelling type. The PPI aggregates the indices of apartments, maisonettes and terraced houses using a Laspeyres-type formula. The weights used to compile the index are based on the value of transactions for the three property types. Moreover, the PPI is chain-linked every year. This enables the revision of weights on an annual basis, thus ensuring that the index is relevant at all times.
- 3.2. No distinction is made between new and old dwellings. Over 1,000 transactions are considered every quarter.
- 3.3. While price indices are indicative of price trends in the markets for the reference properties and the property market in general, they are limited by the heterogeneity of the property market. 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 does not allow for the use of any quality adjustment methodologies. The use of median prices compensates in part for these characteristics.
- 3.4. As stated in 3.1, terraced houses are reflected in the PPI. However, such price indices are not published due to the low count of transactions recorded every quarter. An additional indicator being compiled is an Aggregate Index based on apartments and maisonettes.
- 3.5. The base year of all the indices is 2015.
- 3.6. The indices referring to the period Q2/2016-Q1/2017 in this release have been updated as a result of newly available information. Source data for the last four quarters is provisional.
- 3.7. **Definitions:**
 - **Apartment:** a self-contained room or suite of rooms with a separate entrance that is accessible from a common passage, landing or stairway. This category includes penthouses.
 - **Maisonette:** a self-contained room or suite of rooms with a separate entrance that is accessible from the street and is either at ground-floor level with overlying habitation, or at first-floor level with underlying habitation. A ground-floor maisonette may be classified either as a ground-floor tenement without its own airspace or as a maisonette. The category includes solitary maisonettes.
 - **Terraced house:** a dwelling with at least two floors, with its own access at street level, with its own airspace and no underlying structures that are not part of the house itself. A terraced house is attached to other structures on both sides. This housing category includes a corner house at the end of a row of terraced houses.
 - **Annual rate:** The annual rate of change compares the index of a particular quarter to the index of the same quarter in the previous year, expressed as a percentage.
- 3.8. The Property Volume Index (PVI) is not being published due to non-availability of source data. This index will be published in due course.
- 3.9. More information may be accessed at: <http://nso.gov.mt/metadata/concepts.aspx>
- 3.10. References to this news release are to be cited appropriately.
- 3.11. A detailed news release calendar is available on https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx