Linking housing

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- ICP 2011 approach
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Background
Aspects of housing

- Housing expenditure represents on average 7% of GDP
- More than 2/3 of expenditure relates to owner-occupied housing
- Difficult to compare: large hard-to-measure quality differences
Issues for linking the regions

- Different methodologies in regions, especially Asia and Eurostat/OECD
- Eurostat/OECD rents survey not compatible with ICP rents survey
- Overall low data quality
ICP 2011 Approach
2011 Methods by region

- AFR, LAT, WAS: CPD for rents
- ASI: reference volume approach
- EUO: mix of rents and dwelling stock (quantity and quality)

(CIS not part of global linking process)
2011 Linking approach

- **AFR, LAT and WAS**: linked together, but separately from ASI and EUO, through rents (standard linking approach)
- **ASI and EUO**: linked to each other, and to the other three regions, through quality-adjusted dwellings per capita
- **Quality indicators**: % with electricity, % with inside water, % with private toilet
ICP 2017 Approach
Changes from 2011

- Four housing basic headings instead of two (actual and imputed rents are separated)
- Input data better validated
- New (mixed) approach in ASI – see separate presentation
Linking methods tested

A. Rents (or indirect volume) approach
   (rough matching with EUO, implicit quality adjustment for urbanization level)

B. Volume (or indirect PPP) approach
   (quality adjusted dwellings per capita)

C. Mixed rents and volume:
   1. ASI linked by volume (as in 2011)
   2. ASI linked by rents

All calculated for total housing
TAG Asks
Which method to choose?

- Consistency with 2011 -> method C1
- Improvements possible by
  - including urbanization adjustment
  - using rooms per capita
One or two linking factors?

- Theoretically, linking can be improved if applied separately to the actual rents and imputed rents basic headings, e.g.:
  - Actual rents: use model A or C2
  - Imputed rents: use model B or C1

(Note that AFR, LAT and WAS, so far, apply actual rents PPPs to imputed rents)
Closer integration of EUO and ICP rents

For next rounds: investigate integrating EUO rents items into ICP survey
THANK YOU