TASK FORCE 2
HOUSING: PROGRESS REPORT

2ND Meeting of the Technical Advisory Group

May 23, 2018
Washington, DC

International Comparison Program

Direct Quantity Comparisons

1. **Unadjusted Quantities**
- Countries have been requested to supply number of rooms and space in m2 but response was not adequate in 2005 or 2011, so the default has been to use simply number of dwellings. _Improvement in response is a goal._

2. **Quality Indicators**
- The 4 used have been piped water inside, electricity and inside toilet and for the EU-OECD central heating. Equal weighting produces an overall number between 0-1 to modify the unadjusted quantity. This exercise should be continued, _but the weighting should also be reviewed if not for 2017, the future._

Direct Rental Collection and Rental Equivalence

1. **Basis for Direct Rents**

- In the 2011 ICP over a hundred countries provided estimates of rents for a global list of specifications.

- For 2017 countries have been asked to submit meta data to provide a notion of the representativeness of the country surveys for estimation of rent PPPs. The task force should consider _whether adjustments should be made to national surveys that have a limited scope, like only one city, or a target population._

2. **Use of Rental Equivalence**

- Rent Surveys may be of high quality but will not produce good indirect quantity comparisons if expenditures are too high or too low.

Suggestions for more checks on estimates

1. **Consistency Checks**

- A) Many countries supply data permitting both direct and indirect quantity comparisons. When the two are close together it is possible that errors are offsetting but it is more likely the data are consistent. When the two estimates differ, the GO has a problem.

- B) It would be helpful if countries provide rough classifications into durable (pucca) and flimsier construction (kutcha) that could be considered in the quality measurement mantra.

Checks on Housing Expenditures

1. **The Housing Task Force looked into applying user cost to current price estimates of the stock of housing for three reasons.**
    - A) To obtain national housing expenditures as is done in the CIS countries.
    - B) To obtain indirect PPPs by dividing user costs by the quality adjusted volumes of housing, especially where rental markets are thin or distorted
    - C) To compare user cost estimates with current submitted ICP rental expenditures

2. **An empirical effort was made to carry out C) above but rough user cost estimates did not appear to be any better than comparing national ratios of rent expenditures for outliers, a continuing exercise. In addition most housing stock estimates do not include land.**