

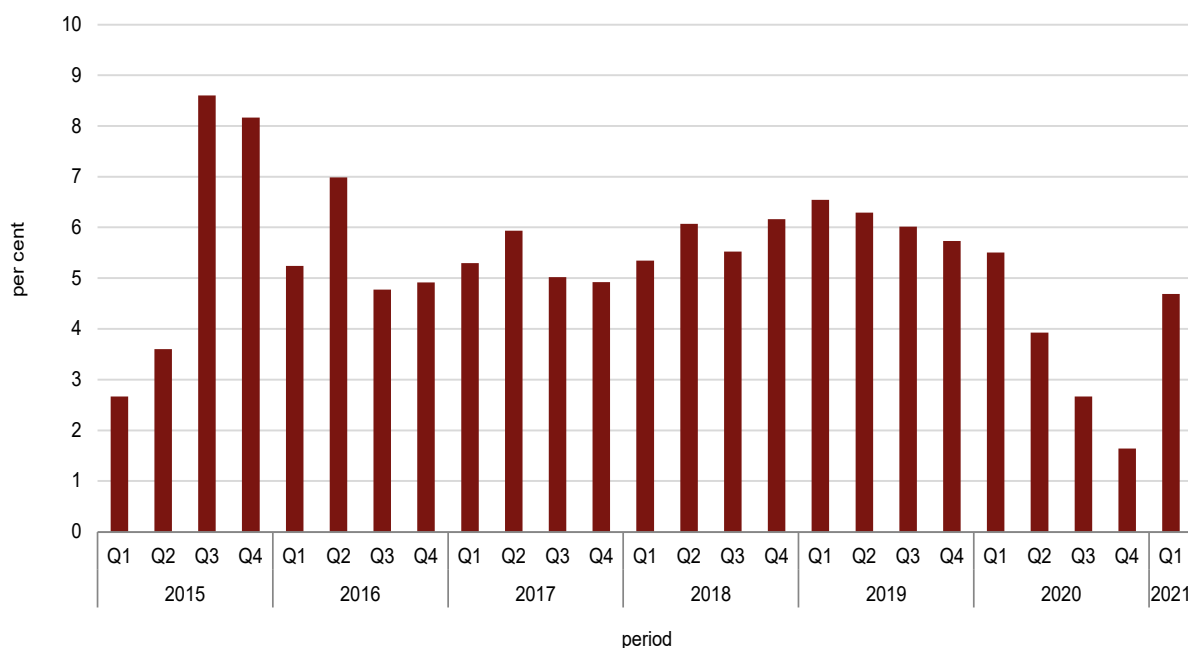
Property Price Index (PPI): Q2/2020-Q1/2021

1. Main points

- During the first quarter of this year, the PPI stood at 130.92, a rise of 4.7 per cent when compared to the corresponding quarter of 2020 (Tables 1 and 2).
- Provisional figures indicate that this was mainly driven by developments in the Apartments price index, which recorded an annual price increase of 6.2 per cent (Table 2).
- In the first quarter of 2020, the PPI registered a rise of 5.5 per cent when compared to the same quarter of the previous year (Table 2).



Chart 1. PPI - Annual price changes (%)



2. Description

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

The PPI covers apartments, maisonettes and terraced houses only. However, price changes in these property types are deemed to be indicative of developments in the property market in general ■

Details on the compilation of the PPI within the context of COVID-19 are available in the methodological notes.

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

Year	Quarter	Apartments	Maisonettes	Aggregate ¹	PPI ²
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	107.55	114.15	108.94	108.88
	3	112.81	114.96	113.22	113.02
	4	116.20	118.23	116.58	116.59
2018	1	110.69	114.15	111.40	111.25
	2	117.05	110.07	115.36	115.49
	3	117.90	122.30	118.82	119.27
	4	123.84	122.30	123.39	123.77
2019	1	118.75	118.23	118.51	118.53
	2	123.50	120.67	122.78	122.76
	3	126.96	125.86	126.60	126.44
	4	130.70	131.36	130.70	130.86
2020	1	124.46	124.90	124.42	125.06
	2	126.54	128.36	126.78	127.57
	3	128.90	129.76	128.94	129.81
	4	132.12	133.66	132.30	133.02
2021	1	132.18	121.82	129.90	130.92

Data for the last four quarters is provisional.

¹ Includes apartments and maisonettes

² Includes terraced houses

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

Year	Quarter	Apartments	Maisonettes	Aggregate ¹	PPI 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	5.4	7.7	6.1	5.9
	3	5.5	3.8	5.2	5.0
	4	5.4	3.6	5.1	4.9
2018	1	5.0	7.8	5.7	5.3
	2	8.8	-3.6	5.9	6.1
	3	4.5	6.4	5.0	5.5
	4	6.6	3.4	5.8	6.2
2019	1	7.3	3.6	6.4	6.5
	2	5.5	9.6	6.4	6.3
	3	7.7	2.9	6.5	6.0
	4	5.5	7.4	5.9	5.7
2020	1	4.8	5.6	5.0	5.5
	2	2.5	6.4	3.3	3.9
	3	1.5	3.1	1.9	2.7
	4	1.1	1.7	1.2	1.6
2021	1	6.2	-2.5	4.4	4.7

Data for the last four quarters is provisional.

¹ Includes apartments and maisonettes

² Includes terraced houses

3. Methodological Notes

- 3.1. The PPI is based on data provided by the tax authority.
- 3.2. This index 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.
- 3.3. 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 such as a yard, garden and pool. Since the characteristics of the properties transacted are likely to vary between periods, a methodology that accounts for such differences could be employed to ensure even greater comparability across periods. However, the data currently available does not allow for the compilation of quality-adjusted indices.
- 3.4. As stated in 3.2, terraced houses are reflected in the PPI. However, a price index for terraced houses is not published due to the low count of transactions recorded. An additional indicator which is compiled is the Aggregate Index, which is based on apartments and maisonettes.
- 3.5. No distinction is made between new and old dwellings.
- 3.6. Around 1,200 transactions are considered every quarter.
- 3.7. The base year of all the indices is 2015.
- 3.8. Source data is provisional and subject to revisions for the last four quarters. The indices referring to the period Q2/2019-Q1/2020 have been updated as a result of newly available information.
- 3.9. **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. This category also 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 category also includes corner 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.
- 3.10. In the past months, as a result of developments related to COVID-19, the NSO has adapted its methodology to preserve continuity and ensure that developments in property prices continue to be measured systematically and reliably. In doing so, NSO has closely followed the guidance note on the House Price Index (HPI) and the Owner-Occupied House Price Index (OOHPI) issued by Eurostat following close collaboration with the member states' National Statistical Institutes, which ensures a harmonised approach across all countries. Further details are available from Eurostat's methodological note, which is available at:
https://ec.europa.eu/eurostat/documents/10186/10693286/HPI_and_OOHPI_guidance.pdf
- 3.11. More information relating to this news release may be accessed at:
Statistical Concepts: <https://metadata.nso.gov.mt/concepts.aspx>
- 3.12. References to this news release are to be cited appropriately.
- 3.13. A detailed news release calendar is available at:
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx