

## II

(Non-legislative acts)

## REGULATIONS

## COMMISSION IMPLEMENTING REGULATION (EU) 2023/1470

of 17 July 2023

**laying down the methodological and technical specifications in accordance with Regulation (EU) 2016/792 of the European Parliament and of the Council as regards the house price index and the owner-occupied housing price index, and amending Commission Regulation (EU) 2020/1148**

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2016/792 of the European Parliament and of the Council of 11 May 2016 on harmonised indices of consumer prices and the house price index, and repealing Council Regulation (EC) No 2494/95 <sup>(1)</sup>, and in particular Articles 3(9), 3(10), 4(4), 7(6) and 9(4) thereof,

Whereas:

- (1) Regulation (EU) 2016/792 lays down a common framework for the production of the harmonised index of consumer prices (HICP), the harmonised index of consumer prices at constant tax rates (HICP-CT), the owner-occupied housing (OOH) price index and the house price index (HPI).
- (2) Pursuant to Article 3(9) of Regulation (EU) 2016/792, the Commission is to adopt implementing acts specifying the breakdowns of the HPI and the OOH price index.
- (3) Pursuant to Article 3(10) of Regulation (EU) 2016/792, Member States are to update annually sub-index weights for the HPI and the OOH price index. Therefore, it is necessary to specify uniform conditions for the quality of weights of the harmonised indices.
- (4) In accordance with Article 3(2) of Regulation (EU) 2016/792, the HPI and the OOH price index are to be annually chain-linked Laspeyres-type indices. Therefore, pursuant to Article 4(4)(iv) of Regulation (EU) 2016/792, the Commission should further specify methods for the compilation of sub-indices and elementary price indices.
- (5) Price indices related to purchases of dwellings should be representative of all relevant transactions. Therefore, pursuant to Article 4(4)(i) of Regulation (EU) 2016/792, the Commission should further specify rules for the representativity of the data sources used.

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<sup>(1)</sup> OJ L 135, 24.5.2016, p. 11.

- (6) Price indices related to purchases of dwellings should not be affected by quality differences between transacted dwellings. Therefore, pursuant to Article 4(4)(ii) and (iv) of Regulation (EU) 2016/792, the Commission should further specify rules for data collection and index compilation.
- (7) In accordance with Article 2(10) of Regulation (EU) 2016/792, the HPI measures changes in transaction prices of dwellings purchased by households. Therefore, pursuant to Article 4(4)(ii) of Regulation (EU) 2016/792, the Commission should further specify rules on treatment of prices used in the calculation of the HPI.
- (8) The OOH price index aims at improving the relevance and comparability of the HICP. Therefore, for the compilation of the OOH price index, it is necessary to specify a methodological framework that is consistent with a methodological framework for the compilation of the HICP.
- (9) In its report on the suitability of the OOH price index for integration into the HICP coverage <sup>(2)</sup>, the Commission assessed that the OOH price index is currently not suitable for integration into the coverage of the HICP. In accordance with Article 3(7) of Regulation (EU) 2016/792 and in close cooperation with the European Central Bank and the Member States, the Commission should pursue the methodological work required for the integration of the OOH price index into the HICP coverage.
- (10) Since it is not possible to observe all transactions of the target universe of the OOH price index, the Commission, pursuant to Article 4(4)(i) of Regulation (EU) 2016/792, should further specify rules for sampling.
- (11) In accordance with Article 2(9) of Regulation (EU) 2016/792, the OOH price index measures changes in the transaction prices of dwellings new to the household sector and of other products that the households acquire in their role as owner-occupiers. Therefore, pursuant to Article 4(4)(ii) of Regulation (EU) 2016/792, the Commission should further specify rules for the treatment of prices used in the calculation of the OOH price index.
- (12) The OOH price index should provide a measure of pure change in prices that is unaffected by quality change. Therefore, pursuant to Article 4(4)(iii) of Regulation (EU) 2016/792, the Commission should further specify rules for replacements and quality adjustments that should be applied in relation to products other than dwellings.
- (13) In accordance with Article 7(5) of Regulation (EU) 2016/792, the HPI, the OOH price index and their sub-indices that have already been published may be revised. Therefore, pursuant to Article 7(6) of Regulation (EU) 2016/792, the Commission should specify the uniform conditions for the revision of the HPI, the OOH price index and their sub-indices.
- (14) In accordance with Article 9(2) of Regulation (EU) 2016/792, Member States are to provide Eurostat with standard quality reports and inventories. Therefore, pursuant to Article 9(4) of Regulation (EU) 2016/792, the Commission should establish the deadline for providing these reports and inventories.
- (15) Pursuant to Article 7(4) of Regulation (EU) 2016/792, Member States should provide data and metadata to the Commission (Eurostat) in accordance with specified exchange standards and procedures. Therefore, pursuant to Article 7(6) of Regulation (EU) 2016/792, the Commission should specify the data and metadata exchange standards.
- (16) Commission Regulation (EU) 2020/1148 <sup>(3)</sup> should therefore be amended.

<sup>(2)</sup> Report from the Commission to the European Parliament and the Council on the suitability of the owner-occupied housing (OOH) price index for integration into the harmonised index of consumer prices (HICP) coverage, COM(2018)768.

<sup>(3)</sup> Commission Implementing Regulation (EU) 2020/1148 of 31 July 2020 laying down the methodological and technical specifications in accordance with Regulation (EU) 2016/792 of the European Parliament and of the Council as regards harmonised indices of consumer prices and the house price index (OJ L 252, 4.8.2020, p. 12).

- (17) It is appropriate to set a transitional period to take into account the specific situation of competent authorities in the Member States that need to make the necessary arrangements to ensure compliance with this Regulation.
- (18) The measures provided for in this Regulation are in accordance with the opinion of the European Statistical System Committee established by Article 7 of Regulation (EC) No 223/2009 of the European Parliament and of the Council <sup>(4)</sup>,

HAS ADOPTED THIS REGULATION:

## CHAPTER 1

### GENERAL PROVISIONS

#### *Article 1*

##### **Subject matter**

This Regulation establishes uniform conditions for producing the following indexes:

- (a) the house price index (HPI);
- (b) the owner-occupied housing (OOH) price index.

#### *Article 2*

##### **Definitions**

For the purposes of this Regulation, the following definitions apply:

- (1) 'dwelling' means a self-contained immovable residential unit, either part of a block of flats or built on its own plot of land, which is appropriate for occupation by one household and can provide housing services;
- (2) 'housing cooperative' means a legal entity that grants each of their shareholders the right to occupy a certain dwelling in the cooperative;
- (3) 'transacted dwelling' means a dwelling the legal ownership of which was transferred as a result of a sales transaction including the purchase of shares in a housing cooperative that gives the right to occupy a dwelling in the cooperative;
- (4) 'newly built dwelling' means a transacted dwelling that is newly constructed or is created by converting an existing non-residential building or a non-residential part of an existing residential building;
- (5) 'existing dwelling' means a transacted dwelling that comes from the existing stock of dwellings;
- (6) 'sub-index' means the price index for any of the expenditure categories set out in Articles 3 and 11 of this Regulation;
- (7) 'elementary aggregate' means the smallest aggregate used in a Laspeyres-type index;
- (8) 'market price' means the amount of money that a willing buyer pays to acquire a good, service or asset from a willing seller where the exchanges are made between independent parties based on commercial considerations only;

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<sup>(4)</sup> Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

- (9) 'target universe of the HPI' means all transacted dwellings purchased at market prices, regardless of which institutional sector they were bought from and of the purchase purpose, and where:
- (a) the purchasing party is a household as defined in Article 2(18) of Regulation (EU) 2016/792;
  - (b) the subject of the transaction is any type of newly built or existing dwelling;
  - (c) the dwelling is located on the economic territory of a Member State as defined in Article 2(19) of Regulation (EU) 2016/792;
  - (d) the transaction is a monetary transaction;
- (10) 'HPI expenditure share' means a percentage of total household expenditure on purchases of dwellings belonging to the target universe of the HPI;
- (11) 'stratum' means a subgroup of elements belonging to the target universe of HPI or OOH price index within an elementary aggregate, for which a price index adjusted for any quality differences is calculated and to which a weight is assigned;
- (12) 'quality difference between transacted dwellings' means a difference between the type, physical characteristics, age or location of transacted dwellings in two periods, where it is relevant from the purchaser's perspective;
- (13) 'type of dwelling' means a category of dwellings having common characteristics. Two main types of dwelling are flats and houses. Depending on country circumstances, further types may be distinguished, such as detached houses, semi-detached houses and terraced houses;
- (14) 'transaction price' means the total price paid by a household for the acquisition of a dwelling, including value added type taxes and excluding subsidies influencing the final prices of dwellings, and covering the price of both the structure and the underlying land where relevant;
- (15) 'value added type tax' means a tax on goods or services collected in stages by enterprises and which is ultimately charged in full to the final purchaser, as defined in paragraph 4.17 of Chapter 4 of Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council <sup>(7)</sup>;
- (16) 'hedonic index' means a price index that uses a hedonic regression as a tool for its compilation. A hedonic regression refers to the statistical analysis of a functional form used to estimate the impact of price-determining characteristics on the price of a dwelling;
- (17) 'stratified median or mean index' means a price index that is constructed on the basis of a measure of central tendency, which is calculated for each stratum of transacted dwellings belonging to the target universe of the HPI among which there are no significant quality differences;
- (18) 'method that replicates the matched model approach' means a method to compile a price index that compares transaction prices from repeated sales of the same dwellings or compares actual transaction prices with appraisals to compute price relatives for the same dwellings;
- (19) 'owner-occupiers' means households that live in a dwelling that they own;
- (20) 'new dwelling' means a dwelling that, when ready to be used, is considered to provide a new housing service and is seen as an addition to the existing stock of dwellings;
- (21) 'prefabricated house' means a house that is manufactured off-site and is ready to assemble;
- (22) 'self-build dwelling' means a dwelling built by a household for its own occupation, either through its own labour or by employing a professional builder or by buying a prefabricated house and where land is acquired separately from the building;

<sup>(7)</sup> Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

- (23) 'major renovations' means improvements that increase a dwelling's underlying standard of providing accommodation services, or substantially lengthen its previously expected service life and therefore increase its value, and go beyond activities required to keep the dwelling functioning and usable;
- (24) 'major repairs and maintenance' means works typically undertaken by the dwelling owner in order to bring the dwelling back to its original state or the state after the last major renovation which helps to extend its life but not to increase its value compared with its original state or its state after the last major renovation;
- (25) 'insurance connected with dwellings' means a non-life insurance, taken out by a dwelling owner, against fire, storm, flood, theft and vandalism typically covering the building structure and immovable parts such as fitted kitchens, fitted wardrobes;
- (26) 'target universe of the OOH price index' means all transactions included in owner-occupiers' housing expenditure, as defined in the Annex;
- (27) 'OOH expenditure share' means a percentage of total household expenditure on transactions belonging to the target universe of the OOH price index;
- (28) 'producer price index for construction' means an index that shows the development of prices paid by the client to the construction company, as defined in Annex IV to Commission Implementing Regulation (EU) 2020/1197 <sup>(6)</sup>;
- (29) 'product-offer' means a product specified by its characteristics, the timing and place of purchase and the terms of supply, and for which a price is observed;
- (30) 'homogeneous product' means a set of product-offers among which there are no significant quality differences and for which an average price is calculated;
- (31) 'individual product' means a product-offer or a homogeneous product;
- (32) 'observed price' means the price of an individual product, used by the Member State for the compilation of certain sub-indices of the OOH price index;
- (33) 'target sample for the OOH price index' means a set of transacted dwellings and individual products that pertain to transactions from the target universe of the OOH price index and for which price data are to be used for OOH price index compilation;
- (34) 'replacement product' means an individual product that replaces another individual product in the target sample for the OOH price index;
- (35) 'estimated price' means a price based on an appropriate estimation procedure;
- (36) 'actual premiums' means the amounts paid for a specific insurance policy to obtain insurance cover over a stated time period;
- (37) 'inducement' means a change, often temporary, in the characteristics of an individual product by increasing the quantity of the product, attaching another individual product free of charge or offering other benefits to the consumer;
- (38) 'quality difference' means a difference between the characteristics, timing, place of purchase or terms of supply of two individual products, where this is relevant from the consumer's perspective;
- (39) 'elementary price index' means an index for an elementary aggregate or an index for a stratum within an elementary aggregate;
- (40) 'transitivity' means the property whereby an index that compares periods (a) and (b) indirectly through period (c) is identical to one that compares periods (a) and (b) directly;

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<sup>(6)</sup> Commission Implementing Regulation (EU) 2020/1197 of 30 July 2020 laying down technical specifications and arrangements pursuant to Regulation (EU) 2019/2152 of the European Parliament and of the Council on European business statistics repealing 10 legal acts in the field of business statistics (OJ L 271, 18.8.2020, p. 1).

- (41) 'time reversibility' means the property whereby the index between two periods (a) and (b) is equal to the inverse of that same index between two periods (b) and (a);
- (42) 'revision' means a change in price indices or weights published by the Commission (Eurostat);
- (43) 'provisional data' means price indices and weights that a Member State is expected to finalise in a subsequent quarter;
- (44) 'implicit service charge' means the output of insurance companies, as defined in paragraph 16.51 of Annex A to Regulation (EU) No 549/2013.

## CHAPTER 2

### HOUSE PRICE INDEX

#### *Article 3*

#### **Breakdown of the house price index**

The HPI shall cover the following expenditure categories:

- (a) H.1. Purchases of dwellings;
- (b) H.1.1. Purchases of newly built dwellings;
- (c) H.1.2. Purchases of existing dwellings.

#### *Article 4*

#### **Weights reflecting the structure of expenditure on purchases of dwellings**

1. Each year, Member States shall compile and transmit to the Commission (Eurostat) one set of weights for the HPI, in accordance with the expenditure categories set out in Article 3.
2. Member States shall derive sub-index and elementary aggregate weights reflecting the structure of housing expenditure, used in the index of year  $t$ , as follows:
  - (a) data sources providing information on household expenditure on transacted dwellings that belong to the target universe of the HPI in year  $t-1$  or year  $t-2$  shall be used to obtain sub-index HPI expenditure shares and divide them among the elementary aggregates of the sub-index;
  - (b) the HPI expenditure shares based on data from the year  $t-2$  shall be reviewed and updated to make them representative of the year  $t-1$ ;
  - (c) the HPI expenditure shares for the elementary aggregates shall be adjusted with an appropriate price change between the year  $t-1$  and the fourth quarter of the year  $t-1$ .
3. Sub-index and elementary aggregate weights shall be kept constant throughout the calendar year.
4. The sum of all sub-index weights shall equal 1 000.
5. The sub-index weight shall be equal to the sum of weights for elementary aggregates distinguished within the given expenditure category.
6. Member States shall use stratum weights that are representative of household expenditure on transacted dwellings belonging to the target universe of the HPI in the comparison period, or in any period that precedes the current year by no more than 2 years.

*Article 5***Weights reflecting the level of expenditure on purchases of dwellings**

Member States shall derive sub-index and total HPI weights reflecting the level of expenditure on purchases of dwellings in the year t-1.

*Article 6***Collection of prices and price-determining characteristics**

1. Member States shall acquire the basic information needed for the definition of the strata or elementary aggregates, or of both, and the compilation of the HPI.
2. Member States shall ensure that data collection covers relevant price-determining characteristics that allow the compilation of a price index that is unaffected by quality differences between transacted dwellings.

*Article 7***Representativity**

1. Member States shall ensure that the data used as a source of information on transacted dwellings is representative of the target universe of each sub-index of the HPI in each reference period.
2. Member States may exclude from the HPI one or more types of dwelling and one or more regions, provided that the total share of excluded dwellings in the value of all purchases of dwellings by households does not exceed five parts per hundred. Expenditure on purchases of dwellings for excluded types of dwelling or regions should be allocated to the most similar type of dwelling or region.

*Article 8***Treatment of prices**

1. The HPI shall be based on transaction prices of dwellings.
2. A transaction price of a dwelling shall be included in the HPI for the quarter in which the legal ownership of the dwelling is transferred from the seller to the buyer.

*Article 9***Index compilation**

1. Member States shall obtain sub-indices using one of the following options:
  - (a) as an aggregation of stratum indices calculated either as hedonic indices or indices based on a method that replicates the matched model approach;
  - (b) as hedonic indices or indices based on a method that replicates the matched model approach;
  - (c) as a stratified median or mean index.
2. Where a Member State uses a hedonic index, it shall ensure that the applied method controls for quality differences between transacted dwellings in the comparison and reference periods.
3. Where a Member State uses a method that replicates the matched model approach, it shall ensure that matched price comparisons are made for the same dwellings in the comparison and reference periods, in such a way which ensures that quality differences between transacted dwellings are controlled for.

4. Where a Member State uses a stratified median or mean index, it shall determine stratification variables on the basis of statistical analysis and ensure that the defined strata are sufficiently homogeneous.

#### *Article 10*

##### **Estimates**

1. Where the available number of transacted dwellings is insufficient to enable the calculation of a reliable price index for a certain stratum, Member States shall estimate the price change for that stratum as the price change for a stratum or a combination of strata characterised by comparable market conditions.

2. Member States shall not carry forward the previous quarter's prices or impute the same price change as in a previous quarter, unless it can be justified as an appropriate estimate.

### CHAPTER 3

#### **OWNER-OCCUPIED HOUSING PRICE INDEX**

#### *Article 11*

##### **Breakdown of the owner-occupied housing price index**

The OOH price index shall cover the following expenditure categories:

- (a) O.1. Owner-occupiers' housing expenditure;
- (b) O.1.1. Acquisitions of dwellings;
- (c) O.1.1.1. New dwellings;
- (d) O.1.1.1.1. Purchases of newly built dwellings;
- (e) O.1.1.1.2. Self-build dwellings and major renovations;
- (f) O.1.1.2. Existing dwellings new to households;
- (g) O.1.1.3. Other services related to the acquisition of dwellings;
- (h) O.1.2. Ownership of dwellings;
- (i) O.1.2.1. Major repairs and maintenance;
- (j) O.1.2.2. Insurance connected with dwellings;
- (k) O.1.2.3. Other services related to ownership of dwellings.

#### *Article 12*

##### **Owner-occupied housing price index compilation**

The OOH price index shall be based on the 'net acquisitions' approach, which measures changes in prices paid by households for the acquisition of dwellings that are new to the household sector and changes in other costs related to the ownership, and transfer of ownership, of dwellings.

#### *Article 13*

##### **Weights reflecting the structure of owner-occupiers' housing expenditure**

1. Each year, Member States shall compile and transmit to the Commission (Eurostat) one set of weights for OOH price indices, in accordance with the expenditure categories referred to in Article 11.

2. Member States shall derive the sub-index and elementary aggregate weights reflecting the structure of owner-occupiers' housing expenditure, as defined in the Annex, used in the index for year  $t$  as follows:
  - (a) national accounts data for year  $t-2$  combined with any available and relevant information from other data sources shall be used to obtain sub-index OOH expenditure shares and divide them among the elementary aggregates of the sub-index;
  - (b) the OOH expenditure shares based on data from the year  $t-2$  shall be reviewed and updated to make them representative of year  $t-1$ ;
  - (c) the OOH expenditure shares for elementary aggregates shall be adjusted with an appropriate price change between the year  $t-1$  and the fourth quarter of the year  $t-1$ .
3. Sub-index and elementary aggregate weights shall be kept constant throughout the calendar year.
4. The sum of all sub-index weights shall equal 1 000.
5. The sub-index weight shall be equal to the sum of weights for elementary aggregates distinguished within the given expenditure category.
6. Member States shall use stratum weights that are representative of owner-occupiers' housing expenditure that belongs to the target universe of the OOH price index in the comparison period, or in any period that precedes the current year by no more than 2 years.

#### Article 14

##### **Weights reflecting the level of owner-occupiers' housing expenditure**

Member States shall derive total OOH weights reflecting the level of owner-occupiers' housing expenditure by determining the sum of all categories of owner-occupiers' housing expenditure in the year  $t-1$ .

#### Article 15

##### **Purchases of newly built dwellings and existing dwellings new to households**

1. Member States shall obtain the OOH sub-indices for purchases of newly built dwellings and existing dwellings new to households in accordance with paragraphs 2 to 12.
2. Member States shall acquire the basic information needed for the definition of the strata or elementary aggregates, or of both, and the compilation of the sub-indices referred to in paragraph 1.
3. Member States shall ensure that data collection covers relevant price-determining characteristics that enable the compilation of a price index that is unaffected by quality differences between transacted dwellings.
4. Member States shall ensure that the data used as a source of information on transacted dwellings is representative of the target universe of each sub-index in each reference period.
5. Member States may exclude from the sub-indices referred to in paragraph 1, one or more types of dwelling and one or more regions, provided that the total share of excluded dwellings in the household expenditure on purchases of dwellings belonging to the target universe of the OOH price index does not exceed five parts per hundred. Expenditure on purchases of dwellings for excluded types of dwelling or regions shall be allocated to the most similar type of dwelling or region.
6. The sub-indices referred to in paragraph 1 shall be based on transaction prices of dwellings. A transaction price of a dwelling shall be included in those sub-indices for the quarter in which the legal ownership of the dwelling is transferred from the seller to the buyer.

7. Member States shall obtain the sub-indices referred to in paragraph 1 using one of the following options:
  - (a) as an aggregation of stratum indices calculated either as hedonic indices or indices based on a method that replicates the matched model approach;
  - (b) as hedonic indices or indices based on a method that replicates the matched model approach;
  - (c) as a stratified median or mean index.
8. Where a Member State uses a hedonic index, it shall ensure that the applied method controls for quality differences between transacted dwellings in the comparison and reference periods.
9. Where a Member State uses a method that replicates the matched model approach, it shall ensure that matched price comparisons are made for the same dwellings in the comparison and reference periods, in such a way which ensures that quality differences between transacted dwellings are controlled for.
10. Where a Member State uses a stratified median or mean index it shall determine stratification variables on the basis of statistical analysis and ensure that the defined strata are sufficiently homogeneous.
11. Where the available number of transacted dwellings is insufficient to enable the calculation of a reliable price index for a certain stratum, Member States shall estimate the price change for that stratum as the price change for a stratum or a combination of strata characterised by comparable market conditions.
12. Member States shall not carry forward the previous quarter's prices or impute the same price change as in a previous quarter, unless it can be justified as an appropriate estimate.

#### *Article 16*

##### **Self-build dwellings and major renovations**

When compiling the OOH sub-index for self-build dwellings and major renovations, Member States shall take into account the specifics of the construction process and in particular the following elements:

- (a) where households undertake the work themselves and purchase only the materials, the price index shall be based on prices of purchased materials;
- (b) where households involve building firms, the price index shall be based on the producer price index for construction adjusted for possible changes in value added type taxes rates applicable to households. Where the producer price index for construction is not available, the index shall be based on a sample of products and suppliers taking into account the types of constructed dwellings and materials and services used;
- (c) where households purchase a prefabricated dwelling, the price index shall reflect changes in prices of prefabricated houses, delivery costs and prices of purchased construction works.

#### *Article 17*

##### **Other services related to the acquisition of dwellings**

1. Where the price of a service is determined as a proportion of the transaction price of the dwelling, the price index for the service shall be based on that proportion multiplied by the price of a representative transaction.
2. The change in the price of a representative transaction shall be estimated by using the HPI or an appropriate sub-index of the HPI.

*Article 18***Application of articles 19 to 25**

1. Articles 19 to 25 shall apply where elementary aggregates of any sub-index of the OOH price index are compiled from observed prices that are collected specifically for that purpose.
2. Articles 19 to 25 of this Regulation shall not apply where the elementary aggregates referred to in paragraph 1 are covered by Article 15 of this Regulation.

*Article 19***Sampling and representativity**

1. Member States shall make a target sample for the OOH price index that is representative of the target universe of the OOH price index by defining elementary aggregates and selecting individual products for those elementary aggregates.
2. The number of individual products and elementary aggregates shall depend on the weight of the expenditure category and the variance of price movements of the individual products belonging to it.
3. Member States shall ensure that the target sample for the OOH price index remains representative of the target universe of the OOH price index over time by conducting at least an annual review and update of the target sample for the OOH price index, and selecting replacement products.

*Article 20***Treatment of prices**

1. Member States shall use observed prices to compile the OOH price index. They shall use estimated prices only for the purposes laid down in Articles 22 and 24.
2. Observed prices for the sub-index 'insurance connected with dwellings' shall be actual premiums.
3. Where a product related to the acquisition or the ownership of dwellings has been made available free of charge and a price is subsequently charged, it shall be shown as a price increase in the OOH price index. Conversely, where a price has been charged for an individual service that is subsequently made available free of charge, it shall be shown as a price decrease in the OOH price index.

*Article 21***Discounts and inducements**

1. Member States shall take account of discounts that:
  - (a) can be attributed to an observed individual product; and
  - (b) can be claimed at the time of purchase.
2. Where possible, account shall be taken of discounts that are available only to a restricted group of purchasers.
3. Inducements shall be treated in accordance with Articles 23 and 24.

*Article 22***Estimation of prices**

1. If the price of an individual product in the target sample for the OOH price index cannot be observed within the reference quarter, an estimated price shall be used only for that quarter, after which a replacement product shall be selected. This paragraph shall not apply to individual products that are expected to become available again.
2. A previously observed price shall not be used as an estimated price unless it can be justified as an appropriate estimate.

*Article 23***Replacements**

1. Member States shall select a replacement product that is similar to the disappearing product, while ensuring that the target sample for the OOH price index remains representative.
2. Member States shall not select replacement products on the basis of a similar price.

*Article 24***Quality adjustment**

1. If there is no difference between a replaced product and its replacement in terms of their characteristics, timing, place of purchase or terms of supply, Member States shall compare the observed prices directly. Otherwise, Member States shall make a quality adjustment.
2. Member States shall make a quality adjustment equal to the whole price difference between the replaced product and its replacement only if this can be justified as an appropriate estimate of the quality difference.

*Article 25***Elementary price index**

1. The prices of individual products shall be aggregated to obtain elementary price indices using either of the following options:
  - (a) an index formula that ensures transitivity. The price index of prior periods shall not be revised when using transitive index formulae; or
  - (b) an index formula that ensures time reversibility and compares the prices of individual products in the comparison period with the prices of those products in the reference period. The reference period shall not be changed frequently if such change leads to significant violation of the transitivity principle.
2. An index formula that is consistent with those described in paragraph 1 shall be used to obtain a price index for an elementary aggregate from two or more elementary price indices.

*Article 26***Integrating sub-indices after the index reference period**

Any sub-index that is integrated into the OOH price index after the index reference period shall be linked to the last quarter of a particular year and used as from the first quarter of the following year.

## CHAPTER 4

**REVISIONS***Article 27***Revisions due to mistakes**

1. Member States shall correct mistakes and transmit to the Commission (Eurostat) the revised sub-indices or sub-index weights without unjustified delay.
2. Member States shall provide the Commission (Eurostat) with information on the cause of the mistake at the latest with the transmission of the revised data.

*Article 28***Revisions of provisional data**

1. Without prejudice to Article 27, Member States may revise provisional sub-indices and weights in the quarter following the first transmission.
2. Following a revision referred to in paragraph 1, and still without prejudice to Article 27, Member States may only revise provisional sub-indices and weights in the calendar year following the first transmission, at the time of the data transmission for the first quarter of the following year.

*Article 29***Other revisions**

1. The timing and length of revisions other than those made pursuant to Articles 27 and 28 shall be coordinated with the Commission (Eurostat).
2. Member States shall provide the Commission (Eurostat) with estimates of the revised sub-indices and weights no later than 3 months prior to the planned implementation of the proposed revision.

## CHAPTER 5

**DATA AND METADATA EXCHANGE STANDARDS AND DEADLINES***Article 30***Data and metadata exchange standards**

1. Member States shall transmit data and metadata to the Commission (Eurostat) in electronic form via the single entry point services in accordance with the statistical data and metadata exchange standards.
2. Confidential data, as defined in Article 3(7) of Regulation (EC) No 223/2009 shall be flagged appropriately when transmitted to the Commission (Eurostat).

*Article 31***Metadata exchange deadlines**

Member States shall annually review and update their HPI and OOH price index metadata for the current year and transmit them to the Commission (Eurostat) by 30 June.

## CHAPTER 6

## FINAL PROVISIONS

*Article 32***Amendments to Regulation (EU) 2020/1148**

Regulation (EU) 2020/1148 is amended as follows:

(1) Article 1 is replaced by the following:

*'Article 1*

This Regulation establishes uniform conditions for producing the harmonised index of consumer prices (HICP) and the harmonised index of consumer prices at constant tax rates (HICP-CT).;

(2) Articles 22 to 25 are deleted;

(3) in Article 27, paragraph 2 is deleted.

*Article 33***Entry into force**

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply to all data transmissions as of 1 January 2024. Already transmitted data shall be revised where necessary and where data sources are available.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 17 July 2023.

*For the Commission*  
*The President*  
Ursula VON DER LEYEN

## ANNEX

**Owner-occupiers' housing expenditure**

The categories of owner-occupiers' housing expenditure covered by the owner-occupied housing ('OOH') price index are set out in Article 11. They are defined below.

- (a) The categories 'purchases of newly built dwellings' (O.1.1.1.1) and 'existing dwellings new to households' (O.1.1.2) include households' expenditure on gross fixed capital formation, as defined in paragraph 3.124 of Annex A to Regulation (EU) No 549/2013, of all transacted dwellings purchased at market prices, where:
- (i) the purchasing party is a household as defined in Article 2(18) of Regulation (EU) 2016/792;
  - (ii) the selling party is not a household;
  - (iii) the subject of the transaction is either a newly built dwelling (for category O.1.1.1.1) or an existing dwelling (for category O.1.1.2) purchased for owner occupancy;
  - (iv) the dwelling is located on the economic territory of the Member State as defined in Article 2(19) of Regulation (EU) 2016/792;
  - (v) the transaction is a monetary transaction.

The value of land associated with the transacted dwellings is excluded, in accordance with the definition of gross fixed capital formation.

- (b) The category 'self-build dwellings and major renovations' (O.1.1.1.2) includes households' expenditure on gross fixed capital formation, as defined in paragraph 3.124 of Annex A to Regulation (EU) No 549/2013, of all goods and services purchased as inputs for:
- (i) new dwellings built by households acting as self-builders;
  - (ii) major renovations of existing owner-occupied dwellings.
- (c) The category 'other services related to the acquisition of dwellings' (O.1.1.3) includes households' expenditure on costs of ownership transfer that are included in gross fixed capital formation in accordance with the second subparagraph of point 3.133 of Annex A to Regulation (EU) No 549/2013, and are related to:
- (i) the process of buying and selling a dwelling for own use, regardless of which institutional sector the dwelling was bought from;
  - (ii) the process of self-building and carrying out major renovations of existing owner-occupied dwellings.
- (d) The category 'major repairs and maintenance' (O.1.2.1) includes households' expenditure on intermediate consumption, as defined in paragraph 3.88 of Annex A to Regulation (EU) No 549/2013, as regards all materials and services for major repairs and maintenance.
- (e) The category 'insurance connected with dwellings' (O.1.2.2) includes households' expenditure on intermediate consumption as regards all implicit service charges for insurance connected with owner-occupied dwellings.
- (f) The category 'Other services related to ownership of dwellings' (O.1.2.3) includes households' expenditure on intermediate consumption as regards any services provided to owners of dwellings not included in any of the categories referred to in points (d) and (e) and purchased by households in connection with owner-occupied dwellings.
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