

*17th Ottawa group meeting
Rome, 7 – 10 June 2022*

Title: Bringing the Hedonic-repricing method up to date to adjust for qualitative differences in the residential real estate price index

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Abstract

The Hedonic Repricing method is not always considered an appropriate method for adjusting the quality of real estate transactions to measure only pure price movements, is not explicitly mentioned in all international recommendation manuals and is even sometimes criticised, although it is still used by many countries for the production of the residential property price index (RPPI). What is this method really about and how can it be improved? This paper analyses the quality adjustment method chosen by Switzerland for the quarterly production of the house price index, compares it with other methods and tries to reduce the main weakness of this method.

REFERENCES

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“Handbook on Residential Property Prices Indices” Eurostat 2013

“Residential Property Price Index, Practical Compilation guide” IMF 2019