How to quickly adapt to new policy needs?

The experience of the Central Statistics Office, Ireland in developing Housing Price Indicators.

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Overview

- Introduction- Context for ESS
- National perspective on House Prices
- Development of National House Price Index
- Need for change & developing new index
- Challenges and considerations for ESS

Why are we discussing this issue?

- Feel Irish experience is relevant to all ESS Members
- CSO is no longer monopoly provider is some areas
- How has this happened?
- What has our reaction been?
- Will present example of House Prices – our experience can be applied to many other areas

National Perspective

- Increased demand for house price data from policy makers following crash of property bubble
- Dept. of Environment Housing Bulletin – measure of house prices -limited in nature
- Gap filled initially by non-official producers
- Policy makers demanded independent, impartial data
- Official Statistics playing catch-up – OOHPI provided motivation – but still had ground to make up

National House Price Index

- Development of CSO House Price Index began in 2009
- Transaction based measure of prices using mortgage data (85% of all mortgage drawdowns)
- Timely process in accessing data and building sound methodologies
- First monthly publication in May, 2011 with back series to 2005
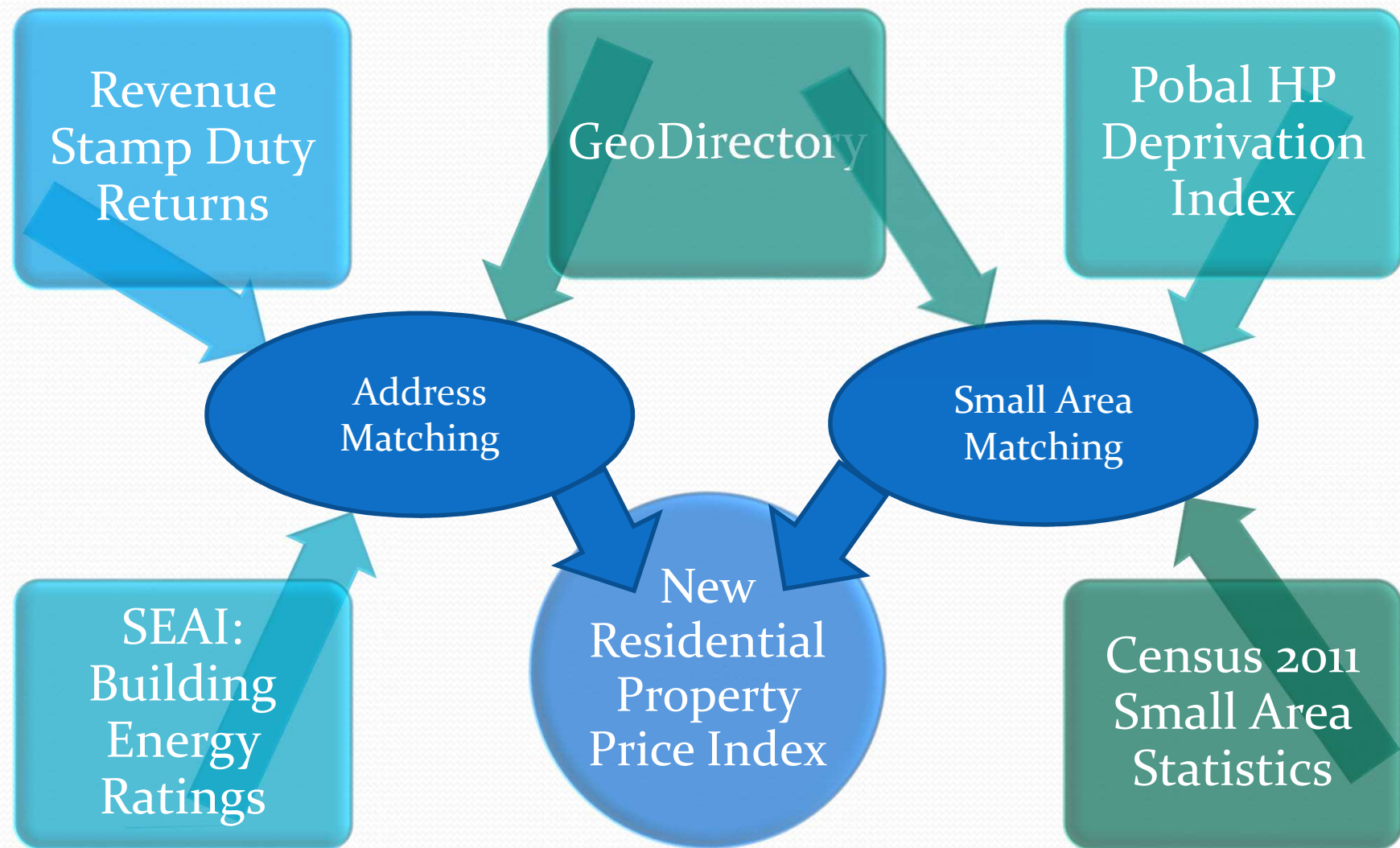- Initially well received but.........

Criticism & Improvement

- One major limitation - mortgage data based
- Cash transactions excluded (20% in period 2005-2009)
- Higher level of criticism than of other HPI Measures

- Change in House Price Purchase behaviour from 2011
- Increase in level of Cash buyers - 50% of market in 2013-2014
- Need to change model – Work began in 2013

New House Price Index

New House Price Index

New RPPI Dataset

New/second-hand dwelling
First time buyer/other
Transaction value (€)
Transaction type
Energy rating
Dwelling type
Floor area
Year of construction
Small area deprivation
Urban/rural/mixed/coastal

New Index – Benefits & Challenges

Benefits

- Full Market Coverage
- Increased level of output variables
- Increased level of analysis variables in model

Challenges

- Development time – Perfection v Timeliness v Usability
- Lack of Common Identifier
- Delay in Filing Return with Tax Authorities
- Managing progressive data & level of transactions

New House Price Index due to launch in early 2016

Strategic challenges for ESS

Some questions for you to consider?

1. Monopoly no longer
- Where do we compete with non-official sources?
- Do we question data from non-official sources from a quality perspective?
- Higher expectations of NSI
- How do we raise this issue without our impartiality being questioned or even perceived as being overly critical of non-official producers?
- Do we need to compete on every front?

Strategic challenges for ESS

2. Anticipating future demands

- Can Official Statistics be first responders?
- How can we improve in anticipating and meeting future policy requirements?
- Where do non-official providers have a role to play?

3. Quality

- How can we maintain a balance between timeliness and quality while meeting users increased expectations?
- There is nothing wrong in being right!!!!
- Perfect v Imperfect data sources

Strategic challenges for ESS

4. Branding

- How do we brand official statistics to promote our products and to compete with non-official sources?

5. Secondary Data Sources

- How can we improve our engagement with providers of secondary data sources, especially when sources are being designed/created ?

- What legal framework is required to remove barriers to accessing secondary data while also addressing concerns on data privacy issues?

- Multiple Products – Are we willing to compile non-official statistics which are imperfect but informative?

Thank you for your attention !

- Any questions?

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