

Tertiary activities rent index

Presentation

Section 63 of the law of 17 May 2011 on the simplification and improvement of the quality of the law (Act 2011-525) established the tertiary activities rent index (TARI). Decree no. 2011-2028 of 29 December 2011 defined how to calculate and publish this index, as well as the activities concerned.

Since the law no. 2014-626 of 18 June 2014, Article L145-34 of the Commercial Code has stipulated that "In the absence of a contractual clause fixing the reference quarter of this index, it is necessary to take into account the variation in the quarterly commercial rents index or in the quarterly tertiary activities rent index, calculated over the nine-year period preceding the latest index published."

The tertiary activities rent index (TARI) consists of a weighted sum of indices representative of the level of consumer prices, of the price of construction of new buildings and of the gross domestic product in value.

Method

The representative index of the level of consumer prices is the consumer price index excluding tobacco and rents for all households in Metropolitan France and the overseas departments published by the National Institute of Statistics and Economic Studies (INSEE).

In the calculation of the tertiary activities rent index, the average of the consumer price index over twelve consecutive months is used, the last month corresponding to the last month of the quarter for which the tertiary activities rent index is calculated. This average (mIPCL) is computed with a reference 100 for the average of the first quarter of 2010.

The representative index of the level of prices of construction of new buildings is the "Cost-of-Construction Index" (ICC) published by INSEE. In the calculation of the tertiary activities rent index, the average of the "Cost-of-Construction Index" over four consecutive quarters is used, the last quarter corresponding to the quarter for which the tertiary activities rent index is calculated. This average (mICC) is computed with a reference 100 for the average of the first quarter of 2010.

The variable representative of the level of gross domestic product in value is measured from the gross domestic product (GDP) in value at current prices, seasonally and working day adjusted published quarterly by INSEE. In the calculation of the tertiary activities rent index, the average over four consecutive quarters of the gross domestic product in value, seasonally and working day adjusted, is used, the last quarter corresponding to the quarter for which the tertiary activities rent index is calculated (MoyPIB). At each calculation, this average (MoyPIB) is compared to the average of the first quarter 2010 in order to construct an index (MPIB) with a reference 100 for the first quarter of 2010.

The calculation of the tertiary activities rent index is based on the values of its three components in the latest publication available at the date of calculation of the index. If one component is changed after the publication of the index of a given quarter, this change will not be taken into account to correct the already published index. The values of the tertiary activity rent index related to the quarters preceding the first publication are also calculated from all the last known values of the different components on the date of the first publication.

The three components used to calculate the tertiary activities rent index are weighted with the following formula:

$$\text{Tertiary activities rent index} = 50\% \text{ mIPCL} + 25\% \text{ mICC} + 25\% \text{ MPIB}$$