

Quarterly business survey in real estate development

Presentation of the survey

The INSEE Short-Term Analysis Department conducts a monthly survey among property developers. The real estate development field that is surveyed concerns developers of housing property for sale and of housing for rental purposes. The scope used for this survey consists of around 1,000 businesses.

The sample consists of two strata, each of which corresponds to an activity according to the French classification of activities (NAF Rev. 2 2008): development of housing for sale (41.10A) and development of housing for rental purposes, notably by social housing companies (68.20A). For each stratum, individual responses are aggregated without weighting, unlike other business tendency surveys.

Questions

Most of the questions are qualitative with three choices. They cover all kinds of housing, as well as different funding sectors (free-market sector, regulated loans, subsidised loans for first-time buyers, zero-interest loans, subsidised loans for low-income borrowers).

Do you consider demand for new housing addressed to you this month to be...?

... high (+) ... normal ... low (-)

Compared to the previous quarter, will the number of housing units that you plan to start building in the next quarter be...?

... higher (+) ... the same ... lower (-)

Compared to the previous quarter, will the number of building permits that you intend to apply for in the next quarter be...?

... higher (+) ... the same ... lower (-)

Over the last three months, have land prices tended to...?

... increase (+) ... remain stable ... decrease (-)

During the next three months, do you intend to entrust studies of new programmes to architects or civil engineering offices?

Yes No

Over the last three months, do you consider the personal contributions of persons wishing to buy a new property to have...?

... increased (+) ... remained stable ... decreased (-)

Over the last three months, has sale price per m² of new property of comparable quality tended to...?

... increase (+) ... remain stable ... decrease (-)

Compared to the previous quarter, is the overall average price of housing offered for sale...?

... higher (+) ... as high ... lower (-)

Compared to the previous quarter, do you think that the financing dedicated to the purchase of new housing during the next quarter will be...?

... higher (+) ... the same ... lower (-)

Compared to the previous quarter, is the number of housing units that you are currently offering for sale and which are not yet sold...?

... higher (+) ... the same ... lower (-)

Presentation of results

1. **The individual responses are aggregated by simple averaging** (without weighting) of the different answers.
2. The **results** are presented as balances of opinion, meaning the difference between the percentage of "higher" answers (+) and the percentage of "lower" answers (-). This representation offers improved legibility without significant loss of information. Some questions have two response modes (yes/no). The result for such questions is the percentage of "yes" answers or the percentage of "no" answers, as appropriate.
3. The series should be consistently **interpreted** with caution: changes in scores should always be treated as more significant than absolute score levels. If, however, analysts wish to qualify the level figures, they should always refer to the mean long-term value of a series in order to allow for business owners' habitual response behavior.
4. **Seasonality tests** have been conducted on all the series. Consequently, the published series show no residual seasonality. A series that initially showed no seasonality is presented as a series corrected for seasonal variations with a zero coefficient.

Detailed documentation

- The quarterly business survey in the real-estate development: description and methodology
<http://www.insee.fr/en/methodes/default.asp?page=sources/sou-enq-conj-promotion-immo.htm>