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HOUSE PRICE INDICES, FIRST QUARTER OF 2023

In the first quarter of 2023, as compared to the fourth quarter of 2022, the prices of dwellings, measured by the house price index, increased by 2.0% on average. As compared to the first quarter of 2022, that is, at the annual level, they increased by 14.0% on average.

The prices of new dwellings increased on average by 0.9% compared to the fourth quarter of 2022 and by 7.7% compared to the first quarter of 2022. The prices of existing dwellings increased on average by 2.2% compared to the fourth quarter of 2022 and by 15.0% compared to the first quarter of 2022.

In the first quarter of 2023, as compared to the fourth quarter of 2022, the prices of dwellings decreased on average by 0.3% for the City of Zagreb, while they increased on average by 3.6% for the Adriatic coast and by 5.5% for the Other. Compared to the first quarter of 2022 (at the annual level), the prices of dwellings increased on average by 14.7% for the City of Zagreb, by 13.2% for the Adriatic coast and by 16.6% for the Other.

Detailed data can be downloaded on the link [Statistics in Line](#) under Prices.

1 HOUSE PRICE INDICES, RATES OF CHANGE

	I – III 2023 ¹⁾ Ø 2015	I – III 2023 X – XII 2022	I – III 2023 I – III 2022
House price index – total	173,56	2,0	14,0
New dwellings	146,93	0,9	7,7
Existing dwellings	178,82	2,2	15,0
City of Zagreb ²⁾	193,34	-0,3	14,7
Adriatic coast ²⁾	166,65	3,6	13,2
Other ²⁾	154,22	5,5	16,6

1) Indices (since the first quarter of 2017, the reference period for indices has been 2015 = 100).

2) The list of towns and municipalities in the Republic of Croatia for the purpose of calculating the house price index can be downloaded on the link [Statistics in Line](#) under Prices.

NOTES ON METHODOLOGY

The house price index

Legal basis and notes on methodology

The legal basis for calculating and transmitting data on the house price index is defined in the 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 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. According to the Commission Regulation (EU) 2020/1148, the coverage of house price index expenditure categories is defined for new and existing dwellings as well as for the category total at the Republic of Croatia level. The Croatian Bureau of Statistics has defined additional three geographic areas in order to meet users' needs – the City of Zagreb (capital city), the Adriatic coast and Other. The calculation of house price index is in accordance with the methodological guidelines of Eurostat's "Handbook on Residential Property Price Indices – RPPI".

Coverage

The house price index measures the change in the transactions of dwellings made by households independently of their previous owners and independently of their final use. Transaction prices include the value of land.

The house price index covers all available data on dwelling transactions (houses and flats/apartments) on the territory of the Republic of Croatia, expressed in euro, that are delivered by the Tax Administration of the Ministry of Finance according to predefined deadlines.

The main data source for calculating the weights is the value of dwelling transactions from the previous year. The weights were recalculated on the basis of changes in the prices of dwellings in the last quarter of the previous year.

Index calculation method

The index calculation starts with pre-defined hedonic regression models, whose variables are defined on the basis of available data on dwelling characteristics. Until the end of 2011, the standard time-dummy hedonic regression has been used in the calculation of indices, while since the first quarter of 2012, they have been calculated by using the rolling window time-dummy hedonic regression due to the availability of extended set of dwelling characteristics data. These indices are then aggregated to higher levels and level total using the Laspeyres-type formula.

Abbreviations

EU	European Union
Eurostat	Statistical Office of the European Union

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