

# When Measurement Becomes Policy: Housing Statistics and Macroeconomic Stabilization

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Policy Panel Discussion

*“Housing Markets, Mortgages, and Regional Differences”*

*“Monetary Policy Trade-offs in a Heterogeneous Currency Area”*

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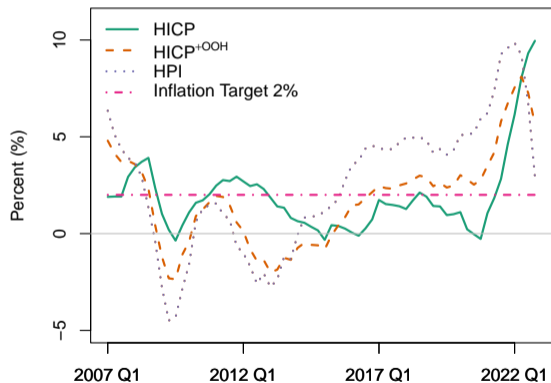
# Why Should We Care About Measurement?

Can official statistics shape the economy they are designed to measure?



When statistics become institutions, **measurement becomes policy.**

## Example I: Excluding OOH from the HICP (Hill, Nghiem, Steurer, and Waltl, 2026)

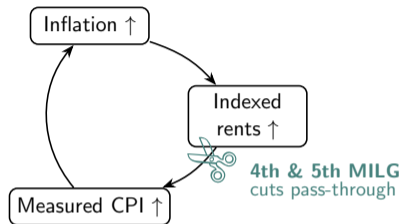
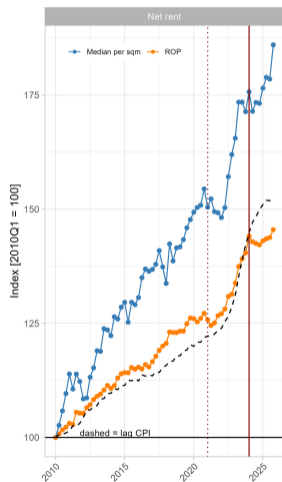


- **Monetary policy target:** HICP inflation.
- **Limitation:** Owner-occupied housing is excluded in Europe (Hill, Steurer, and Waltl, 2025).
- **Implication:** Accounting for OOH would likely have increased measured inflation in the past.

### Potential consequence

Housing booms may enter measured inflation too late, potentially adversely affecting the timing of monetary policy.

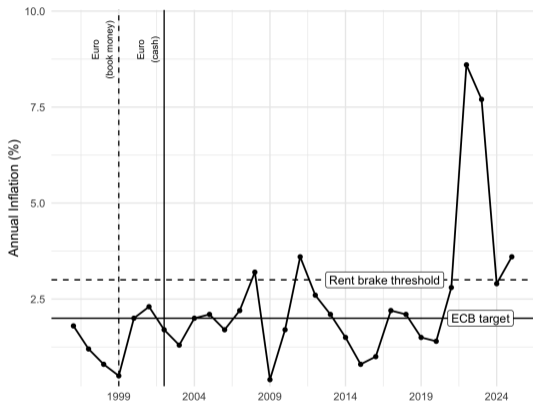
## Example II: Breaking a Rent–Inflation Feedback Loop (Huber and Waltl, 2026)



- Rental contracts are **indexed to CPI**; rents also enter the **CPI basket**.
- The Austrian **4th and 5th MILG<sup>a</sup>** slows down rent increases in times of high inflation
- **Protects tenants** and **reduces inflation persistence** – in times of turmoil.
- A **state-contingent stabilizer**, not permanent rent control; likely much less of the usual negative consequences.

*Historical parallel:* WWI-era emergency rent controls also interrupted exceptional housing-cost dynamics Kholodilin et al. (2021).

## Example II (cont'd): The Rent Brake Is Triggered Only in Exceptional Times



### Why the 3% threshold matters

- Triggered only if inflation exceeds **3%**:  
$$\Delta R_t = \min\{\pi_t, 3\%\} + \frac{1}{2} \max\{0, \pi_t - 3\%\}$$
- Historically, this occurred only during **exceptional inflationary episodes**.
- Hence, the reform is a **state-contingent automatic stabilizer**.

### Key message

The policy is designed to intervene only when the rent-inflation feedback loop becomes macroeconomically relevant.

*Notes:* Annual HICP inflation for Austria. The solid line denotes the ECB target of 2%; the dashed line denotes the 3% rent-brake threshold. *Source:* Eurostat.

## Measurement can become part of economic policy.

- ① What we measure affects what policymakers see.
- ② When statistics enter contracts and legal rules, they can amplify—or dampen—economic dynamics.
- ③ **Housing statistics are therefore part of the macroeconomic policy framework.**

### Take-away

Measurement is not always passive.

Under certain institutional conditions, **measurement itself becomes policy.**

## References I

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