

Construction Cost Index for Dwellings

First quarter, 2021

Tirana, on 7 June 2021: In the first quarter 2021, Construction Cost Index for Dwellings reached 100.9 and the annual change has increased by 0.6 % compared to the first quarter 2020.

Compared with the first quarter of 2020, the largest increase is observed in the group “Other expenditures” by 0.9 %, followed by the groups “Machinery expenditures” by 0.8 %, “Salary expenditures” by 0.5 %, “Transport expenditures” by 0.4 % and “Material expenditures” group by 0.3 %. Inside the group “Material expenditures”, the index of the subgroup “Electrical materials and communication” marked the highest increase by 1.5 %.

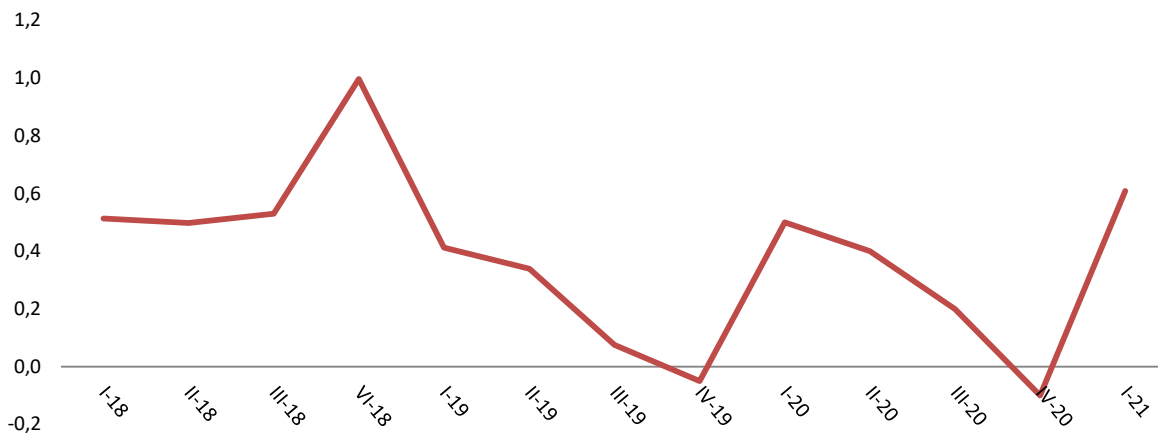


Fig. 1 Annual changes of Construction Cost Index for Dwellings

In the first quarter of 2021, the quarterly change of the CCI for dwellings increased by 0.9 %. Compared with the previous quarter, the largest increase is observed in “Other expenditures” by 2.2 %, followed by the groups “Transport expenditures” by 1.9 %, “Salary expenditures” by 1.8 % and “Material expenditures” by 0.9 %. On the other side “Machinery expenditures” group decreased by 0.8 %.

Tab. 1 Construction Cost Index for Dwellings

Fourth quarter 2020=100

| Code | Groups | Weights | I-18 | II-18 | III-18 | IV-18 | I-19 | II-19 | III-19 | IV-19 | I-20 | II-20 | III-20 | IV-20 | I-21 |
|----------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Total (1+2+3+4+5+6) | 100.0 | 99.4 | 99.5 | 99.6 | 100.2 | 99.8 | 99.8 | 99.7 | 100.1 | 100.3 | 100.2 | 99.9 | 100.0 | 100.9 |
| 1 | Material expenditures (a+b+c) | 47.6 | 101.6 | 101.3 | 101.8 | 101.7 | 101.2 | 101.0 | 100.8 | 100.8 | 100.6 | 99.8 | 99.8 | 100.0 | 100.9 |
| | a. Construction materials | 34.9 | 102.6 | 101.9 | 102.5 | 102.4 | 101.9 | 101.5 | 101.1 | 101.2 | 100.9 | 99.8 | 99.8 | 100.0 | 100.8 |
| | b. Electric and communication materials | 7.8 | 99.0 | 99.4 | 99.3 | 99.5 | 98.7 | 100.4 | 100.9 | 101.0 | 100.1 | 99.9 | 100.0 | 100.0 | 101.6 |
| | c. Hydro - sanitary materials | 4.9 | 97.9 | 99.3 | 99.9 | 99.8 | 99.0 | 98.7 | 98.6 | 98.5 | 99.1 | 99.8 | 99.9 | 100.0 | 100.0 |
| 2 | Salary expenditures | 22.3 | 100.4 | 100.4 | 100.6 | 101.7 | 101.6 | 101.2 | 101.7 | 102.2 | 101.3 | 100.2 | 99.9 | 100.0 | 101.8 |
| 3 | Machinery expenditures | 12.7 | 97.3 | 97.5 | 97.6 | 98.4 | 98.4 | 98.4 | 98.3 | 99.1 | 98.4 | 99.4 | 99.3 | 100.0 | 99.2 |
| 4 | Transport expenditures | 8.4 | 100.4 | 100.6 | 100.7 | 100.4 | 99.4 | 100.0 | 99.1 | 100.7 | 101.5 | 101.7 | 100.8 | 100.0 | 101.9 |
| 5 | Energy expenditures | 3.3 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 6 | Other expenditures | 5.8 | 98.2 | 97.4 | 97.0 | 99.5 | 99.7 | 98.7 | 98.3 | 98.5 | 101.3 | 100.6 | 99.7 | 100.0 | 102.2 |

Tab. 2 Annual changes of Construction Cost Index for Dwellings

%

| Code | Groups | I-18/II-17 | II-18/II-17 | III-18/III-17 | IV-18/IV-17 | I-19/I-18 | II-19/II-18 | III-19/III-18 | IV-19/IV-18 | I-20/I-19 | II-20/II-19 | III-20/III-19 | IV-20/IV-19 | I-21/I-20 |
|----------|---|-------------|-------------|---------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|---------------|-------------|------------|
| | Total (1+2+3+4+5+6) | 0.5 | 0.5 | 0.5 | 1.0 | 0.4 | 0.3 | 0.1 | -0.1 | 0.5 | 0.4 | 0.2 | -0.1 | 0.6 |
| 1 | Material expenditures (a+b+c) | 0.5 | -0.8 | -0.6 | -0.5 | -0.4 | -0.3 | -1.0 | -0.9 | -0.6 | -1.2 | -1.0 | -0.8 | 0.3 |
| | a. Construction materials | 1.0 | -1.1 | -0.7 | -0.9 | -0.7 | -0.4 | -1.3 | -1.2 | -1.0 | -1.6 | -1.3 | -1.1 | 0.0 |
| | b. Electric and communication materials | -1.4 | -0.1 | -1.5 | 0.0 | -0.3 | 1.0 | 1.6 | 1.4 | 1.4 | -0.5 | -0.9 | -1.0 | 1.5 |
| | c. Hydro - sanitary materials | -1.2 | 0.3 | 1.1 | 1.8 | 1.1 | -0.6 | -1.2 | -1.2 | 0.1 | 1.1 | 1.3 | 1.5 | 1.0 |
| 2 | Salary expenditures | 1.7 | 0.6 | 0.9 | 1.1 | 1.3 | 0.8 | 1.2 | 0.5 | -0.3 | -1.0 | -1.9 | -2.1 | 0.5 |
| 3 | Machinery expenditures | -0.2 | -0.3 | -0.2 | 0.6 | 1.0 | 0.9 | 0.7 | 0.8 | 0.0 | 1.0 | 1.0 | 0.8 | 0.8 |
| 4 | Transport expenditures | 2.1 | 2.3 | 2.5 | 1.9 | -1.0 | -0.6 | -1.6 | 0.3 | 2.1 | 1.7 | 1.7 | -0.7 | 0.4 |
| 5 | Energy expenditures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 6 | Other expenditures | 1.9 | 2.2 | 2.1 | 3.3 | 1.6 | 1.4 | 1.4 | -0.9 | 1.6 | 1.9 | 1.4 | 1.6 | 0.9 |

Tab. 3 Quarterly changes of Construction Cost Index for Dwellings

| Code | Groups | I-18/IV-17 | II-18/I-18 | III-18/II-18 | IV-18/III-18 | I-19/IV-18 | II-19/I-19 | III-19/II-19 | IV-19/III-19 | I-20/IV-19 | II-20/I-20 | III-20/II-20 | IV-20/III-20 | I-21/IV-20 |
|------|---|-------------|-------------|--------------|--------------|-------------|-------------|--------------|--------------|-------------|-------------|--------------|--------------|-------------|
| | Total (1+2+3+4+5+6) | 0.2 | 0.1 | 0.1 | 0.6 | -0.3 | -0.0 | -0.1 | 0.4 | 0.2 | -0.1 | -0.3 | 0.1 | 0.9 |
| 1 | Material expenditures (a+b+c) | -0.6 | -0.3 | 0.5 | 0.0 | -0.5 | -0.2 | -0.2 | 0.0 | -0.3 | -0.7 | 0.0 | 0.2 | 0.9 |
| | a. Construction materials | -0.7 | -0.7 | 0.6 | -0.1 | -0.5 | -0.4 | -0.3 | 0.1 | -0.3 | -1.1 | 0.0 | 0.2 | 0.8 |
| | b. Electric and communication materials | -0.5 | 0.3 | 0.0 | 0.2 | -0.8 | 1.6 | 0.5 | 0.1 | -0.8 | -0.2 | 0.1 | 0.0 | 1.6 |
| | c. Hydro - sanitary materials | -0.1 | 1.4 | 0.5 | -0.1 | -0.7 | -0.3 | -0.1 | -0.1 | 0.6 | 0.7 | 0.1 | 0.1 | 0.0 |
| 2 | Salary expenditures | -0.2 | 0.0 | 0.2 | 1.1 | -0.1 | -0.4 | 0.6 | 0.4 | -0.9 | -1.1 | -0.3 | 0.1 | 1.8 |
| 3 | Machinery expenditures | -0.5 | 0.2 | 0.1 | 0.8 | -0.1 | 0.0 | -0.1 | 0.9 | -0.8 | 1.0 | -0.1 | 0.7 | -0.8 |
| 4 | Transport expenditures | 1.9 | 0.2 | 0.1 | -0.3 | -1.0 | 0.6 | -0.9 | 1.6 | 0.8 | 0.2 | -0.9 | -0.8 | 1.9 |
| 5 | Energy expenditures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 6 | Other expenditures | 2.0 | -0.8 | -0.4 | 2.5 | 0.3 | -1.0 | -0.4 | 0.1 | 2.9 | -0.7 | -0.9 | 0.3 | 2.2 |

Methodology

The Construction Cost Index for Dwellings (CCI) measures the price development of the production factors raw materials labour, machinery, transports, energy and other costs that are used in building projects. The CCI is an important economic indicator for the construction sector. The main users of Construction Cost Index is used as a deflator for the calculation of Gross Domestic Product and various volume indexes used by Government Institutions, Central Bank of Albania other Non Governmental Organizations, World Bank, International Monetary Foundation etc. The weight of the material basket are calculated based on estimated cost for the construction of a multi-storey dwelling taken from construction firms. The fourth quarter 2020 is the base period for calculating the index (Fourth quarter 2020=100). The new basket contains 71 items of which 66 are construction materials. The prices for construction materials are collected from 217 distributors and retailers of construction materials. The data for salaries, machineries and transport are collected in 85 biggest construction companies concentrated mostly in Tirana. The selection of companies is based on the volume of construction companies realized over a period of one year. The expenditure classification is based on classification of EUROSTAT for Construction Cost Index. The new CCI have six expenditure groups:

- Material Expenditures
- Salary Expenditures
- Machinery Expenditures
- Transport Expenditures
- Energy Expenditures
- Other expenditures

Revision

Indexes may be revised due to several reasons: additional information, the methodological changes, change of base period, etc.

Measure of index

The annual rate measures the price change between current quarter and the same quarter of the previous year.

The quarterly change measures the price between current quarter and previous quarter.