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Construction Cost Index for Dwellings

Fourth quarter, 2016

Tirana, on March 3, 2017: In the fourth quarter 2016, Construction Cost Index for Dwellings reached 102.7 versus the first quarter 2011. (First quarter 2011=100).

In the fourth quarter 2016, the annual change of construction cost index is 0.4 %, and the quarterly change is 0.2 %.

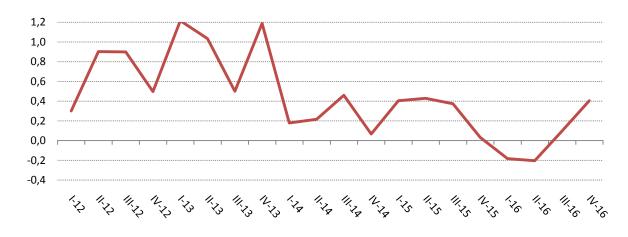


Fig. 1 Annual changes of Construction Cost Index for Dwellings

The annual change of construction cost index is 0.4 %. In the same period of year 2015, this change was 0.03 %. Compare with fourth quarter of 2015, "Material expenditures" group is increased by 2.1 % followed by "Salary expenditures" group with 1.9 % and "Salary expenditures" group with 1.2 %. In comparison with fourth quarter of previews year, index groups of "Transport expenditures" and "Energy expenditures" are decreased respectively by 2.5 % and 0.4 %.

In the fourth quarter 2016, the quarterly change of the CCI for dwellings is 0.2 %. In comparison with third quarter of 2016, the index group of "Transport expenditures" is increased by 0.7 %.

In comparison with previews quarter, the index group of "Material expenditures" is decreased by 0.3 %. Within this group, subgroups "Construction materials" and "Electric and communication materials" are decreased respectively by 0.4 % and 0.1 %.

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Tab. 1 Construction Cost Index for Dwellings

First qu	First quarter 2011=100														_
Code	Groups	Weights	IV-13	14	II-14	III-14	IV-14	I-15	II-15	III-15	IV-15	I-16	II-16	III-16	IV-16
	Total (1+2+3+4+5+6)	100.0	102.2	101.7	102.0	102.1	102.3	102.1	102.4	102.5	102.3	101.9	102.2	102.6	102.7
1	Material expenditures (a+b+c)	55.2	100.7	99.8	100.8	101.3	101.6	99.0	99.7	100.0	99.3	100.2	101.2	101.7	101.4
	a. Construction materials	42.3	100.8	99.9	101.1	101.6	101.8	98.5	99.0	99.3	98.6	100.4	101.4	101.8	101.4
	b. Electric and communication materials	6.7	102.0	99.7	100.1	101.4	101.7	100.8	101.9	102.5	102.3	99.4	100.5	101.6	101.5
	c. Hydro - sanitary materials	6.2	99.2	99.5	99.5	99.6	100.2	100.4	101.6	101.8	101.0	99.9	100.7	101.3	101.4
2	Salary expenditures	24.6	102.4	103.5	103.9	103.8	104.0	104.1	104.4	105.4	105.6	105.7	106.1	106.9	106.9
3	Machinery expenditures	8.3	104.4	102.1	102.9	103.1	103.0	102.8	103.1	103.0	102.9	102.8	103.1	103.2	103.4
4	Transport expenditures	5.3	102.6	102.8	103.1	103.4	103.3	103.1	102.9	102.8	102.5	99.8	99.3	99.2	99.9
5	Energy expenditures	2.1	100.3	100.3	100.3	100.3	100.3	99.4	99.4	99.4	99.4	99.1	99.1	99.1	99.1
6	Other expenditures	4.5	102.1	105.6	104.8	103.6	103.9	107.6	106.7	105.4	106.1	108.3	107.5	107.4	108.0

Tab. 2 Annual changes of Construction Cost Index for Dwellings

													%
Groups	IV-13/IV-12	I-14/I-13	II-14/II-13	III-14/1II-13	IV-14/IV-13	1-15/1-14	II-15/II-14	III-15/III-14	IV-15/IV-14	I-16/I-15	II-16/II-15	III-16/11-15	IV-16/IV15
Total (1+2+3+4+5+6)	1.2	0.2	0.2	0.5	0.1	0.4	0.4	0.4	0.03	-0.2	-0.2	0.1	0.4
Material expenditures (a+b+c)	0.8	-0.3	0.5	0.1	0.9	-0.8	-1.1	-1.3	-2.3	1.2	1.5	1.7	2.1
a. Construction materials	1.1	0.3	0.7	-0.1	1.0	-1.4	-2.0	-2.2	-3.2	1.9	2.3	2.5	2.9
b. Electric and communication materials	3.4	-1.8	-0.6	1.3	-0.3	1.1	1.8	1.1	0.6	-1.4	-1.4	-0.9	-0.8
c. Hydro - sanitary materials	-3.8	-2.4	0.6	0.5	1.0	0.9	2.1	2.2	0.8	-0.5	-0.9	-0.5	0.5
Salary expenditures	2.6	3.6	2.1	1.1	1.6	0.6	0.6	1.6	1.6	1.6	1.6	1.4	1.2
Machinery expenditures	1.5	-0.8	-2.1	-1.5	-1.3	0.7	0.2	0.0	-0.1	-0.1	-0.1	0.2	0.4
Transport expenditures	0.0	0.4	-0.6	0.5	0.6	0.3	-0.2	-0.6	-0.7	-3.3	-3.5	-3.4	-2.5
Energy expenditures	0.0	0.0	0.0	0.0	0.0	-0.9	-0.8	-0.8	-0.8	-0.4	-0.4	-0.4	-0.4
Other expenditures	0.9	1.9	1.6	1.8	1.8	1.9	1.8	1.7	2.1	0.6	0.7	1.9	1.9
	Total (1+2+3+4+5+6)Material expenditures (a+b+c)a. Construction materialsb. Electric and communication materialsc. Hydro - sanitary materialsSalary expendituresMachinery expendituresTransport expendituresEnergy expenditures	Total (1+2+3+4+5+6)1.2Material expenditures (a+b+c)0.8a. Construction materials1.1b. Electric and communication materials3.4c. Hydro - sanitary materials-3.8Salary expenditures2.6Machinery expenditures1.5Transport expenditures0.0Energy expenditures0.0	Total (1+2+3+4+5+6)1.20.2Material expenditures (a+b+c)0.8-0.3a. Construction materials1.10.3b. Electric and communication materials3.4-1.8c. Hydro - sanitary materials-3.8-2.4Salary expenditures2.63.6Machinery expenditures1.5-0.8Transport expenditures0.00.4Energy expenditures0.00.0	Total (1+2+3+4+5+6) 1.2 0.2 0.2 Material expenditures (a+b+c) 0.8 -0.3 0.5 a. Construction materials 1.1 0.3 0.7 b. Electric and communication materials 3.4 -1.8 -0.6 c. Hydro - sanitary materials -3.8 -2.4 0.6 Salary expenditures -3.6 3.6 2.1 Machinery expenditures 0.0 0.4 -0.6 Energy expenditures 0.0 0.4 -0.6	Total (1+2+3+4+5+6) 1.2 0.2 0.2 0.5 Material expenditures (a+b+c) 0.8 -0.3 0.5 0.1 a. Construction materials 1.1 0.3 0.7 -0.1 b. Electric and communication materials 3.4 -1.8 -0.6 1.3 c. Hydro - sanitary materials -3.8 -2.4 0.6 0.5 Salary expenditures 2.6 3.6 2.1 1.1 Machinery expenditures 1.5 -0.8 -2.1 -1.5 Transport expenditures 0.0 0.4 -0.6 0.5 Energy expenditures 0.0 0.0 0.0 0.0	Total (1+2+3+4+5+6) 1.2 0.2 0.2 0.5 0.1 Material expenditures (a+b+c) 0.8 -0.3 0.5 0.1 0.9 a. Construction materials 1.1 0.3 0.7 -0.1 1.0 b. Electric and communication materials 3.4 -1.8 -0.6 1.3 -0.3 c. Hydro - sanitary materials -3.8 -2.4 0.6 0.5 1.0 Salary expenditures 2.6 3.6 2.1 1.1 1.6 Machinery expenditures 1.5 -0.8 -2.1 1.1 1.6 Transport expenditures 0.0 0.4 -0.6 0.5 0.6 Energy expenditures 0.0 0.0 0.0 0.0 0.0	Total (1+2+3+4+5+6) 1.2 0.2 0.2 0.5 0.1 0.4 Material expenditures (a+b+c) 0.8 -0.3 0.5 0.1 0.9 -0.8 a. Construction materials 1.1 0.3 0.7 -0.1 1.0 -1.4 b. Electric and communication materials 3.4 -1.8 -0.6 1.3 -0.3 1.1 c. Hydro - sanitary materials -3.8 -2.4 0.6 0.5 1.0 0.9 Salary expenditures -3.8 -2.4 0.6 0.5 1.0 0.9 Machinery expenditures 1.5 -0.8 -2.1 1.1 1.6 0.6 Transport expenditures 0.0 0.4 -0.6 0.5 0.6 0.3 Energy expenditures 0.0 0.0 0.0 0.0 0.0 0.0 0.9	Total (1+2+3+4+5+6) 1.2 0.2 0.2 0.5 0.1 0.4 0.4 Material expenditures (a+b+c) 0.8 -0.3 0.5 0.1 0.9 -0.8 -1.1 a. Construction materials 1.1 0.3 0.7 -0.1 1.0 -1.4 -2.0 b. Electric and communication materials 3.4 -1.8 -0.6 1.3 -0.3 1.1 1.8 c. Hydro - sanitary materials -3.8 -2.4 0.6 0.5 1.0 0.9 2.1 Salary expenditures 1.5 -0.8 2.1 1.1 1.6 0.6 0.5 1.0 0.9 2.1 Transport expenditures 1.5 -0.8 -2.1 1.1 1.6 0.6 0.6 Transport expenditures 0.0 0.4 -0.6 0.5 0.6 0.3 -0.2 Energy expenditures 0.0 0.0 0.0 0.0 0.0 -0.9 -0.8	Total (1+2+3+4+5+6) 1.2 0.2 0.2 0.5 0.1 0.4 0.4 0.4 Material expenditures (a+b+c) 0.8 -0.3 0.5 0.1 0.9 -0.8 -1.1 -1.3 a. Construction materials 1.1 0.3 0.7 -0.1 1.0 -1.4 -2.0 -2.2 b. Electric and communication materials 3.4 -1.8 -0.6 1.3 -0.3 1.1 1.8 1.1 c. Hydro - sanitary materials 3.4 -1.8 -0.6 1.3 -0.3 1.1 1.8 1.1 Salary expenditures -3.8 -2.4 0.6 0.5 1.0 0.9 2.1 2.2 Machinery expenditures 1.5 -0.8 -2.1 1.1 1.6 0.6 0.6 1.6 Transport expenditures 0.0 0.4 -0.6 0.5 0.6 0.3 -0.2 -0.6 Energy expenditures 0.0 0.0 0.0 0.0 0.0 -0.8	Total (1+2+3+4+5+6)1.20.20.20.50.10.40.40.40.03Material expenditures (a+b+c)0.8-0.30.50.10.9-0.8-1.1-1.3-2.3a. Construction materials1.10.30.7-0.11.01.4-2.0-2.2-3.2b. Electric and communication materials3.4-1.8-0.61.3-0.31.11.81.10.6c. Hydro - sanitary materials-3.8-2.40.60.51.00.92.12.20.8Salary expenditures2.63.62.11.11.60.60.61.61.6Machinery expenditures1.5-0.8-2.1-1.5-1.30.70.20.0-0.1Transport expenditures0.00.00.00.00.00.00.9-0.8-0.8-0.8-0.8Energy expenditures0.00.00.00.00.00.0-0.9-0.8-0.8-0.8-0.8	Total (1+2+3+4+5+6)1.20.20.20.50.10.40.40.40.03-0.2Material expenditures (a+b+c)0.8-0.30.50.10.9-0.8-1.1-1.3-2.31.2a. Construction materials1.10.30.7-0.11.0-1.4-2.0-2.2-3.21.9b. Electric and communication materials3.4-1.8-0.61.3-0.31.11.81.10.6-1.4c. Hydro - sanitary materials-3.8-2.40.60.51.00.92.12.20.8-0.5Salary expenditures2.63.62.11.11.60.60.61.61.61.6Machinery expenditures1.5-0.8-2.1-1.5-1.30.70.20.0-0.1-0.1Transport expenditures0.00.40.00.00.00.00.9-0.8-0.8-0.8-0.4Energy expenditures0.00.00.00.00.00.00.00.00.00.00.00.0	Total (1+2+3+4+5+6) 1.2 0.2 0.2 0.5 0.1 0.4 0.4 0.4 0.03 -0.2 -0.2 Material expenditures (a+b+c) 0.8 -0.3 0.5 0.1 0.9 -0.8 -1.1 -1.3 -2.3 1.2 1.5 a. Construction materials 1.1 0.3 0.7 -0.1 1.0 -1.4 -2.0 -2.2 -3.2 1.9 2.3 b. Electric and communication materials 3.4 -1.8 -0.6 1.3 -0.3 1.1 1.8 1.1 0.6 -1.4	Total (1+2+3+4+5+6) 1.2 0.2 0.2 0.5 0.1 0.4 0.4 0.4 0.03 -0.2 -0.2 0.1 Material expenditures (a+b+c) 0.8 -0.3 0.5 0.1 0.9 -0.8 -1.1 -1.3 -2.3 1.2 1.5 1.7 a. Construction materials 1.1 0.3 0.7 -0.1 1.0 -1.4 -2.0 -2.2 -3.2 1.9 2.3 2.5 b. Electric and communication materials 3.4 -1.8 -0.6 1.3 -0.3 1.1 1.8 1.1 0.6 -1.4 -1.4 -0.9 c. Hydro - sanitary materials -3.8 -2.4 0.6 0.5 1.0 0.9 2.1 2.2 0.8 -0.5 -0.9 -0.5 Salary expenditures 2.6 3.6 2.1 1.1 1.6 0.6 0.6 1.6 1.6 1.6 1.6 1.6 1.6 1.4 -0.4 Machinery expenditures 0

														%
Code	Groups	IV-13	H14	II-14	III-14	IV-14	I-15	II-15	III-15	IV-15	l-16	II-16	III-16	IV-16
	Total (1+2+3+4+5+6)	0.6	-0.5	0.3	0.1	0.2	-0.2	0.3	0.1	-0.1	-0.4	0.3	0.4	0.2
1	Material expenditures (a+b+c)	-0.5	-0.9	1.0	0.5	0.3	-2.5	0.7	0.3	-0.7	0.9	0.9	0.5	-0.3
	a. Construction materials	-0.8	-0.9	1.2	0.5	0.2	-3.2	0.5	0.3	-0.8	1.9	1.0	0.4	-0.4
	b. Electric and communication materials	1.9	-2.3	0.4	1.3	0.3	-0.9	1.0	0.6	-0.1	-2.8	1.1	1.1	-0.1
	c. Hydro - sanitary materials	0.1	0.3	0.1	0.1	0.6	0.2	1.3	0.2	-0.8	-1.0	0.8	0.6	0.2
2	Salary expenditures	-0.2	1.1	0.4	-0.1	0.2	0.1	0.3	0.9	0.2	0.1	0.3	0.8	0.0
3	Machinery expenditures	-0.2	-2.2	0.8	0.1	-0.1	-0.2	0.3	-0.1	-0.1	-0.2	0.3	0.1	0.2
4	Transport expenditures	-0.2	0.2	0.2	0.3	-0.1	-0.1	-0.2	-0.1	-0.3	-2.7	-0.5	0.0	0.7
5	Energy expenditures	0.0	0.0	0.0	0.0	0.0	-0.8	0.0	0.0	0.0	-0.4	0.0	0.0	0.0
6	Other expenditures	0.4	3.4	-0.8	-1.2	0.3	3.5	-0.9	-1.2	0.7	2.1	-0.8	-0.1	0.6

Tab. 3 Quarterly changes of Construction Cost Index for Dwellings

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 are the National Accounts as a deflator, Ministries, Bank of Albania, IMF, World Bank and for analysing the construction sector. The CCI from first quarter 2011 is calculated with a new basket of materials and expenditures. The new weights are calculated based on the projections for multi-dwelling buildings taken by firms. The first quarter 2011 is the base period for calculating the index (First quarter 2011=100). The new basket contains 71 items of which 66 are construction materials. The prices for construction materials collected from 165 distributors and retailers of construction materials. The data for salaries, machineries and transport collected in 65 biggest 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.