

# Construction Cost Index for Dwellings

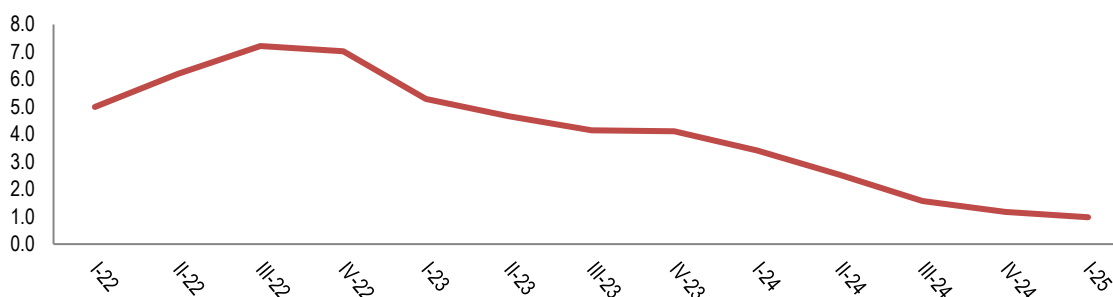
## First quarter, 2025

**Tirana, on 4 June 2025:** Construction Cost Index for Dwellings in the first quarter 2025 arrived 113.1, against fourth quarter 2021 as reference period. The annual rate of Construction Cost Index for Dwellings in first quarter 2025 is 1.0 %, a year before this rate was 3.4 %.

**Yearly rates of main groups:** Compared to the same quarter before, the largest price increase is observed in the group “Salary expenditures” by 5.2 %, followed by groups “Machinery expenditures” by 2.4 %, “Other expenditures” by 2.0 %, “Transport expenditures” by 1.7 %, and “Energy expenditures” by 0.6 %. On the other hand prices of “Material expenditures” decreased by 1.1 %.

Inside the group “Material expenditures”, the index of the subgroup “Electric materials and communication” marked the highest decrease by 2.2 %, followed by “Construction materials” and “Hydro sanitary materials” respectively by 0.8 % each of them.

**Fig. 1 Annual changes of Construction Cost Index for Dwellings**



**Quarterly rates of main groups:** Construction Cost Index for Dwellings increased by 0.4 %, compared with the fourth quarter of 2024. The largest increase is observed in “Salary expenditures” by 1.7 %, followed by groups “Other expenditures” by 1.1 %, “Machinery expenditures” by 0.6 %, and “Transport expenditures” by 0.2 %. On the other hand prices of “Material expenditures” decreased by 0.2 %. The highest decrease is observed in the group “Electric materials and communication” and “Hydro sanitary materials” by 0.4 % each of them, followed by “Construction materials” by 0.1 %.

For more information and to see detailed tables, visit the database on the official INSTAT website:

[Construction Cost Index for Dwellings](#)

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# Methodology

The Construction Cost Index (for dwellings) (CCI) starting in the first quarter of 2024 will be calculated with the new base. Fourth quarter 2021 will serve as the baseline period for index calculation (fourth quarter 2021 = 100).

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 is calculated based on estimated cost for the construction of a multi-storey dwelling taken from construction firms. The new basket contains 71 items of which 66 are construction materials. The prices for construction materials are collected from 237 distributors and retailers of construction materials. The data for salaries, machineries and transport are collected in 97 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

## Coverage Area

The Construction Cost Index includes the activities of section F: 'Construction' (codes 41, 42, 43) and the activities of Wholesale Trade of construction materials: (codes 46.73, 46.74, 47.52) according to the Nomenclature of Economic Activities, Rev.2.

## Index calculation

For the calculation of the index, the Laspeyres type formula has been used, which is calculated according to the formula:

$$I_0^t = \frac{\sum_k P_{t,k} Q_{0,k}}{\sum_k P_{0,k} Q_{0,k}} = \sum_k \frac{P_{0,k} Q_{0,k}}{\sum_k P_{0,k} Q_{0,k}} \times \frac{P_{t,k}}{P_{0,k}}$$

## 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.