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Agjencia e Statistikave të Kosovës - Agencija za Statistike Kosova - Kosovo Agency of Statistics



Construction Cost Index

Q1 2024

Prishtina, 07.06.2024: The Kosovo Agency of Statistics (KAS) has released the Construction Cost Index (CCI) for the first time on 27 March 2014.

The Construction Cost Index initially was released on the quarterly basis by Q1 2013 = 100. But from the first quarter (Q1) 2016, with the recommendations of experts from Sweden's Statistics and the Swedish International Development Cooperation Agency (SIDA), the Construction Cost Index is calculated with the base year 2015 = 100. On this base, time series of CCI in the country have been recalculated.

This publication includes: Table of Construction Cost Index on quarterly basis (Q1 2013 – Q1 2024) with quarterly and annual changes in percentage, CCI table for multi-storey buildings by category (Q1 2013 – Q1 2024) and table with specific weight Q1 2024 with quarterly and annual changes (Q1 2024 / Q4 2023 and Q1 2024 / Q1 2023) by category of cost.

Comments, remarks, suggestions and proposals can be sent to: infoask@rks-gov.net

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List of Symbols and Abbreviations

KAS	-	Kosovo Agency of Statistics
CCI	-	Construction Cost Index
SIDA	-	Swedish International Development Cooperation Agency
:	-	Data not available
-	-	Not applicable
%	-	Percentage
Q1	-	First quarter
Q2	-	Second quarter
Q3	-	Third quarter
Q4	-	Fourth quarter

Construction Cost Index (CPI) for the first quarter 2024

The total Construction Cost Index in Kosovo (CCI) decreased by (-0.3%) in the first quarter (Q-1) - 2024 compared to the fourth quarter (Q-4) 2023. Compared to the same period of the previous year (Q-1) - 2023 The Construction Cost Index increased by (0.7%).

First quarter 2024 – Fourth quarter 2023, -0.3 %

The total Construction Cost Index in Kosovo (CCI) decreased by (-0.3%) in the first quarter (Q-1) 2024 compared to the fourth quarter (Q-4) 2023.

There was a decrease in energy (-4.0%) and machinery (-0.8%). while there was an increase in machinery (4.5%), wages (1.7%), materials (0.5%), and other costs (0.5%).

First quarter 2024 - First quarter 2023, 0.7%

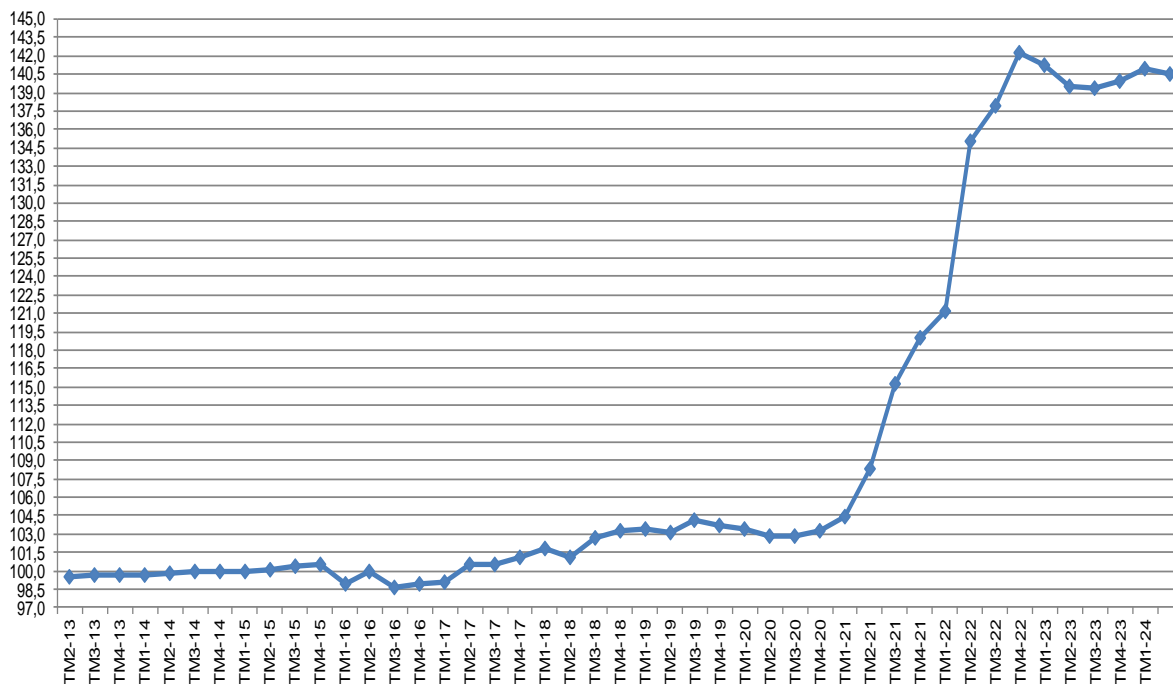
The total Construction Cost Index in Kosovo (CCI) increased by (0.7%) in the first quarter (Q1) 2024 compared to the first quarter (Q1) 2023.

There was an increase in wages (9.6%), transport (3.2%), other costs (1.8%), materials (0.5%) while, there was a decrease in energy (-3.3%), and machinery (-1.4%).

Tab.1: Construction Cost Index (CCI) Q1 2013 – Q1 2024 (2015 = 100), quarterly and annual changes in percentage

Year-Period		Index (2015=100)	Quarterly changes in %	Annual changes in %
2013	Q1	99,5	:	:
	Q2	99,6	0,1	:
	Q3	99,7	0,1	:
	Q4	99,6	-0,1	:
	Annual average 2013	99,6	:	:
2014	Q1	99,8	0,2	0,3
	Q2	99,9	0,1	0,3
	Q3	99,9	0,0	0,2
	Q4	99,9	0,0	0,3
	Annual average 2014	99,9	:	0,3
2015	Q1	100,1	0,2	0,3
	Q2	100,4	0,3	0,5
	Q3	100,5	0,1	0,6
	Q4	99,0	-1,5	-0,9
	Annual average 2015	100,0	:	0,1
2016	Q1	100,0	1,0	-0,1
	Q2	98,7	-1,3	-1,7
	Q3	98,9	0,2	-1,6
	Q4	99,1	0,2	0,1
	Annual average 2016	99,2	:	-0,8
2017	Q1	100,5	1,4	0,5
	Q2	100,6	0,1	1,9
	Q3	101,1	0,5	2,2
	Q4	101,8	0,7	2,7
	Annual average 2017	101,0	:	1,8
2018	Q1	101,1	-0,7	0,6
	Q2	102,7	1,6	2,1
	Q3	103,2	0,5	2,0
	Q4	103,4	0,2	1,6
	Annual average 2018	102,6	:	1,6
2019	Q1	103,1	-0,3	2,0
	Q2	104,1	1,0	1,4
	Q3	103,7	-0,4	0,5
	Q4	103,3	-0,4	0,0
	Annual average 2019	103,6	:	1,0
2020	Q1	102,9	-0,5	-0,2
	Q2	102,8	-0,1	-1,3
	Q3	103,3	0,5	-0,4
	Q4	104,5	1,1	1,1
	Annual average 2020	103,4	:	-0,2
2021	Q1	108,4	3,7	5,3
	Q2	115,2	6,3	12,1
	Q3	119,0	3,3	15,2
	Q4	121,2	1,8	16,0
	Annual average 2021	115,9	:	12,2
2022	Q1	135,0	11,5	24,6
	Q2	138,0	2,2	19,8
	Q3	142,2	3,0	19,5
	Q4	141,3	-0,6	16,7
	Annual average 2022	139,1	:	20,1
2023	Q1	139,5	-1,3	3,3
	Q2	139,4	-0,1	1,0
	Q3	140,0	0,4	-1,6
	Q4	140,9	0,7	-0,3
	Annual average 2023	140,0	:	0,6
2024	Q1	140,5	-0,3	0,7

Fig 1: Development of CCI, Q1 2013 – Q1 2024 (2015=100) by quarters



Tab. 2: Construction Cost Index for multi-storey buildings by categories (Q1 2013-Q1 2024)

	Period	Materials (a+b+c)	(a).Construction materials	(b).Electrical materials	(c).Hydro-sanitary materials	2 Wages	3 Machinery	4 Transport	5 Energy	6 Other costs	Total (1+2+3+4+5+6)
Vitet	Weight	69,8	60,4	5,1	4,3	16,4	5,9	3,8	1,4	2,7	100,0
2013	Q1	100,4	100,7	96,4	99,8	96,8	95,5	105,3	86,2	100,8	99,5
	Q2	100,6	101,0	96,7	99,5	96,8	95,5	105,3	81,8	99,8	99,6
	Q3	100,8	101,3	95,8	99,5	96,8	95,5	105,3	81,8	99,5	99,7
	Q4	100,5	101,0	95,7	99,4	96,8	95,5	105,3	88,9	100,3	99,6
2014	Q1	100,7	101,4	95,7	97,8	96,8	96,1	105,3	89,0	101,0	99,8
	Q2	100,8	101,3	97,4	97,8	96,8	98,4	105,3	86,4	100,2	99,9
	Q3	100,7	101,2	97,7	97,8	96,8	98,4	105,3	87,2	100,5	99,9
	Q4	100,3	100,6	98,7	97,8	97,0	99,8	105,3	99,4	100,4	99,9
2015	Q1	100,5	100,6	100,4	99,5	97,0	99,8	105,3	99,4	100,6	100,1
	Q2	100,1	100,2	99,2	99,5	101,0	99,8	105,3	100,0	99,8	100,4
	Q3	100,2	100,2	100,9	100,5	101,0	100,1	105,3	100,1	99,6	100,5
	Q4	99,2	99,0	99,5	100,5	101,0	100,2	84,2	100,4	100,0	99,0
2016	Q1	100,4	100,6	97,4	100,5	101,0	102,9	84,2	100,4	100,6	100,0
	Q2	99,3	99,2	98,2	101,4	101,0	103,2	70,2	102,5	99,7	98,7
	Q3	99,5	99,4	98,5	102,1	101,0	103,6	70,2	102,8	99,8	98,9
	Q4	99,6	99,4	100,0	102,6	101,0	104,4	70,2	101,2	101,1	99,1
2017	Q1	101,0	100,9	100,6	102,8	101,0	104,3	81,9	101,4	102,3	100,5
	Q2	101,1	100,9	100,1	103,8	101,0	104,3	81,9	104,7	101,6	100,6
	Q3	102,2	101,8	100,1	109,2	101,0	101,4	81,9	102,3	101,5	101,1
	Q4	103,1	102,8	100,4	109,2	101,0	101,3	81,9	105,2	101,8	101,8
2018	Q1	102,0	101,6	101,0	108,9	101,0	102,0	81,9	100,0	102,3	101,1
	Q2	104,3	104,1	103,3	108,9	101,0	102,0	81,9	103,1	102,3	102,7
	Q3	104,3	104,1	103,0	109,7	101,0	102,0	93,6	104,8	102,9	103,2
	Q4	104,5	104,3	102,6	110,2	101,0	102,0	93,6	105,3	104,0	103,4
2019	Q1	104,0	103,7	102,6	109,2	101,0	102,0	97,6	102,0	104,3	103,1
	Q2	105,0	104,7	103,8	110,2	103,0	102,7	96,4	101,9	104,5	104,1
	Q3	103,9	103,5	103,7	109,2	102,7	103,2	105,7	104,0	104,3	103,7
	Q4	103,8	103,7	101,3	109,2	100,8	103,3	104,6	103,2	104,6	103,3
2020	Q1	103,2	102,9	100,6	110,6	99,6	103,8	108,4	102,7	105,5	102,9
	Q2	103,3	102,8	102,0	113,1	99,6	104,3	104,1	100,9	104,7	102,8
	Q3	104,0	103,3	103,0	115,5	98,8	104,7	106,7	103,5	104,0	103,3
	Q4	106,3	106,0	102,3	115,1	98,2	105,3	97,3	105,1	103,9	104,5
2021	Q1	111,3	110,9	112,8	114,9	99,4	106,6	97,3	108,3	106,1	108,4
	Q2	120,9	120,7	125,5	118,3	100,2	107,3	97,3	106,8	106,8	115,2
	Q3	125,3	125,3	129,7	120,8	101,0	108,3	103,7	121,2	108,5	119,0
	Q4	128,2	128,2	134,3	120,0	101,5	108,3	103,7	122,4	110,8	121,2
2022	Q1	145,1	146,4	143,1	129,6	107,8	115,8	116,5	122,7	114,8	135,0
	Q2	147,5	148,9	144,5	132,3	109,3	120,4	131,8	123,5	120,3	138,0
	Q3	151,1	152,4	146,6	139,1	110,3	122,7	145,6	181,4	122,9	142,2
	Q4	150,7	151,9	144,8	140,6	111,3	127,5	145,6	103,8	124,6	141,3
2023	Q1	148,6	149,5	144,4	141,3	110,9	128,6	135,6	104,4	126,4	139,5
	Q2	147,8	148,3	147,1	141,9	112,8	130,3	136,4	107,6	125,4	139,4
	Q3	148,8	149,4	148,0	142,4	113,7	127,6	133,9	100,0	127,0	140,0
	Q4	148,6	149,3	146,0	142,5	119,5	127,9	133,9	105,1	128,1	140,9
2024	Q1	149,4	149,8	148,7	144,0	121,5	126,8	139,9	100,9	128,8	140,5

Tab. 3: Weights, CCI Q1 2024 (2015=100), quarterly and annual changes by cost categories

Code	Cost categories	Weight	Q1 2023 2015=100	Q 1- 2024 Q4 - 2023	Q1- 2024 Q 1- 2023
1	Materials (a+b+c)	69,8	149,4	0,5	0,5
	a. Construction materials	60,4	149,8	0,3	0,2
	b. Electrical materials	5,1	148,7	1,8	2,9
	c. Hydro-sanitary materials	4,3	144,0	1,0	1,9
2	Wages	16,4	121,5	1,7	9,6
3	Machinery	5,9	126,8	-0,8	-1,4
4	Transport	3,8	139,9	4,5	3,2
5	Energy	1,4	100,9	-4,0	-3,3
6	Other costs	2,7	128,8	0,5	1,8
	Total	100,0	140,5	-0,3	0,7

Methodological explanations

Methodological description of the Construction Cost Index for multi-storey residential buildings

Construction Cost Index measures the price development of production factors of the raw material, wages, machinery, transport, energy and other costs that are used in construction projects. The index measures the change in price for individual factors of production and weighs them according to a set measuring system. The index does not measure productivity changes such as better exploitation of materials or other factors, and neither reflects its profit margins.

Population

Construction Cost Index is limited to newly build multi-storey buildings, which is the most common type of construction project in Kosovo. The index is calculated for the whole of Kosovo.

Cost Categories

Construction Cost Index for multi-storey buildings includes six categories of costs as follows:

- Materials
- Wages
- Machinery
- Transport
- Energy
- Other costs

The model index

From the first quarter of 2016, the model for the Construction Cost Index has changed from the fixed basic index to the type of chain index with Laspeyres's annual link and these data were published on 14.06.2016 on the website of KAS (in Construction Cost Index Q1 2016). The main reason for changing the model index from the fixed-index to the chain-index is that it enables the inclusion of new items or deletes older items that are no longer important. The second reason is the harmonization of the CCI with the other price indicators produced by KAS using the chain index as a model.

The benchmark reference period (base period) has changed from the first quarter of 2013 to the average of 2015 (base year 2015 = 100). From June 2016, and continuously, time series are published on a quarterly basis from January 2013 with the base 2015 = 100.

Laspeyres index is defined as

$$I^t = \frac{\sum_{i=1}^n P_i^t Q_i^0}{\sum_{i=1}^n P_i^0 Q_i^0} = \sum_{i=1}^n \frac{P_i^0 Q_i^0}{\sum_{i=1}^n P_i^0 Q_i^0} \times \frac{P_i^t}{P_i^0}$$

Where P^0 and P^t are the price per unit in the base period (0) and the comparison period (t), respectively, and Q^0 is the amount of the base period. Summation is across the n products. In the first element above, the index is expressed as the ratio between the value of the amounts collected during the period under comparison and, respectively, the price level of the base period. The index can also be expressed, as in the second element, as the average of the prices of products weighted with the values of the base period.

Links of the index are calculated with the current quarter q in year y as the comparison period, and the fourth quarter in year y-1 as price reference period. The weighting period is the first quarter of 2013. Therefore, the connection is defined as:

$$I_{y-1,q4}^{y,q} = \frac{\sum_{s=1}^k V_s}{\sum_{s=1}^k V_s} \times \frac{I_s^{y,q}}{I_s^{y-1,q4}}$$

Where the value of weight V_s is the value of transactions in Q1 2013 represented by the item's cost s. Summation is across the k cost items. Index price of the reference period for the comparison period is calculated in two steps:

$$\frac{I_s^{y,q}}{I_s^{y-1,q4}} = \frac{I_s^{y,q}}{I_s^{y,q-1}} \times \frac{I_s^{y,q-1}}{I_s^{y-1,q4}}$$

Estimation of the chained index

The chained index number is estimated for quarters and indicates the particular level of the price of the quarter compared to the average price level in the year 2015 (2015 = 100).

$$I_{2015}^{y,q} = \frac{100}{\frac{1}{4} \sum_{q=1}^4 I_{2014,q4}^{2015q}} \times \prod_{Y=2015}^{y-1} I_{Y-1,q4}^{Y,q4} \times I_{y-1,q4}^{y,q}$$

Estimation of changes

The quarterly change is estimated as:

$$\left[\left(\frac{CCI_{2015}^{Y,q}}{CCI_{2015}^{Y,q-1}} \right) - 1 \right] * 100 = \text{Change of the percentage in the quarter}$$

The annual change is estimated as:

$$\left[\left(\frac{CCI_{2015}^{Y,q}}{CCI_{2015}^{Y-1,q}} \right) - 1 \right] * 100 = \text{Change of the percentage in the year}$$

$CCI_{2015}^{Y,q}$ = The chained index of construction costs for the current quarter q

$CCI_{2015}^{Y,q-1}$ = The chained index of construction cost for the previous quarter q-1

$CCI_{2015}^{Y-1,q}$ = The chained index of construction cost for the previous year y-1 and the quarter q

Data collection

For construction materials, the prices are collected from suppliers of construction materials. Suppliers deal directly with the contractor. In order to collect price information, questionnaires are sent to companies where KAS specifically indicates for what product the price information is collected. Data suppliers can see what price they delivered to KAS in the last quarter. KAS requires companies to provide their average prices for their products, every three months.

Wage costs are collected from construction companies.

For the cost of machinery, KAS collect prices for small machinery used in the construction sector.

KAS collects prices for transport services of the construction materials from some construction companies.

Calculation of Energy Index category is made from data of the Producer Price Index which is in accordance with the standard classification of activities NACE rev.2 and which is based on "Regulation no. 11/2013 Article 7 ", within KAS.

In the category of other costs, the calculation is done by the performance indices of the harmonized indices of consumer prices within KAS.

Weights

Weights for the Construction Cost Index are based on a questionnaire for construction companies. As mentioned above, the weights are from the first quarter of 2013.

Prices are collected by the staff of KAS regional offices in quarterly periods.

Weights

Weights for the Construction Cost Index are based on a questionnaire for construction companies. As mentioned above, the weights are from the first quarter of 2013.

Using the Construction Cost Index

Construction Cost Index for multi-storey buildings is an important indicator for stakeholders, as well as the construction sector analysis. Can be used as a price deflator in the national accounts for the construction of multi-storey buildings.

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